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“A Backwards, Upside-Down Kind of Development”
Global Actors, Mining and Community-Based Resistance
in Honduras and Guatemala

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A Backwards, Upside-Down Kind of Development:

Global Actors, Mining and Community-based Resistance in Honduras and Guatemala

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POPULAR SUMMARY

There is increasing international interest in local resistance to metallic mining activities, particularly in the opposition of indigenous communities in the department of San Marcos, Guatemala, to Glamis Gold Ltd's Marlin project. This interest and concern was stimulated by news of the murder of indigenous demonstrator Raul Castro Bocel by State security forces, when the Guatemalan government sent in the army and police to repress protests in Los Encuentros and ensure the safe passage of a convoy of mining equipment belonging to Glamis Gold.

This report focuses on the current situation in Guatemala and Honduras, as regards metallic mining activities, transnational companies and community-based responses. The current situation, however, cannot be discussed only in terms of mining in Guatemala and Honduras; the current situation is a product of recent legislation and regulatory framework changes, which, in turn, are the product of a 'development' model devised, promoted and carried out by the same global actors profiting from the unjust and exploitative neocolonialist global system.

Diverse global actors are involved in the mining industry around the world. The World Bank Group, via its private sector entities the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), is directly involved in financing and insuring transnational mining corporations, as well as its involvement as a direct shareholder in several mining projects. The World Bank and its sister institution, the International Monetary Fund (IMF), have also been involved in mining legislation and policy reforms – benefiting companies at the expenses of local peoples and communities – in dozens of countries worldwide.

Canadian government entities such as the Canadian International Development Agency (CIDA), the Department of Foreign Affairs and International Trade (DFAIT) and the Export Development Corporation (EDC), have played similar roles in promoting and implementing legislation and policy, financing and insuring mining projects and promoting the industry – using public funds – to support Canadian mining companies. The United States Trade and Development Agency (USTDA) and the Export-Import Bank are engaged in the same activities as their Canadian counterparts. United Nations agencies and private security/military companies promote and protect an industry that disproportionately affects indigenous peoples, as do the regional and bilateral 'Free' Trade Agreements that protect investors and further establish the neoliberal agenda.

Both with long histories of natural resource exploitation dominated by foreign control, persecution and genocide, Guatemala and Honduras have both been the sites of an onslaught of transnational mining company activity. Over one third of Honduras and one tenth of Guatemala are covered by mining concessions and licenses, many of which, in the case of Guatemala, are located in indigenous territory. This upsurge in metallic mining activity is the product of mining legislation reforms in the late 1990s, when global actors saw a 'window of opportunity' to pursue their 'development' agenda with the signing of the Peace Accords in Guatemala and Hurricane Mitch in Honduras. Dozens of Canadian and US companies are operating in the region.

A 'leader' in Central America, Canadian/US company Glamis Gold Ltd is currently involved in an arbitration case against the US under the North American Free Trade Agreement for protective measures taken by previous Californian governmental institutions to protect First Nations sacred sites from the damages of open pit mining. The same company operates the San Martin gold mine in the Siria Valley, Honduras, where devastating impacts include illnesses, water shortage, contamination, failed crops, and many others. Charges were laid against a representative of Glamis subsidiary Entre Mares for a number of environmental and other crimes; however, these cases lie 'dormant' in the Honduran 'justice' system, symptomatic of the global impunity in which transnational mining companies and other global actors operate. Glamis Gold is also the owner of the Marlin project in Guatemala, where indigenous communities' rights and demands have been completely ignored and violated, as the January 11th murder of an indigenous demonstrator has shown.

From San Marcos to the Siria Valley to numerous communities and organizations around the world, community-based resistance is not the product of foreign anti-development agitators or ignorance, as mining companies and international institutions claim. In the face of the imposed 'development' model and regulatory framework that is at complete odds with their interests and local community development initiatives, communities are struggling to defend their lands, territory, water, resources, food sovereignty, environment, health and needs from the invasion of destructive mining activities operating amidst impunity and strong support from global actors. Despite this incredible power imbalance, several communities in Central and Latin America have successfully detained mining activities – at least temporarily.

While it is important to support the struggles, priorities, demands and needs of local communities, it is crucial that international solidarity initiatives address the global ‘development’ model of which mining is but one example. A global justice movement dealing with mining issues in Honduras and Guatemala must confront the unjust and oppressive global system and the global actors profiting from the continued exploitation.

In the interests of encouraging activism on these and related issues, a few ideas on how to get involved and some suggestions on where to look for more information are included.

I. BY WAY OF INTRODUCTION

For those who see history as a competition, Latin America's backwardness and poverty are merely the result of its failure. We lost; others won. But the winners happen to have won thanks to our losing: the history of Latin America's underdevelopment is, as someone has said, an integral part of the history of world capitalism's development. *Our defeat was always implicit in the victory of others; our wealth has always generated our poverty by nourishing the prosperity of others – the empires and their overseers. In the colonial and neocolonial alchemy, gold changes into scrap metal and food into poison.*¹

- Eduardo Galeano, *Open Veins of Latin America*

Galeano's book, subtitled 'five centuries of the pillage of a continent,' was written in 1973, over 30 years ago. If one were to conceive of an updated version, it would essentially suffice to add a note at the end: 1973-present, More of the same. Or, as a friend joked, "and then it got bad."

On January 11, 2005, the Guatemalan government sent in the army to repress demonstrators and protect a convoy carrying mining equipment to Glamis Gold Ltd's Marlin project in the majority indigenous highlands of San Marcos, a project actively supported by the World Bank and Canadian Embassy. Raúl Castro Bocel was killed by State 'security' forces as the convoy proceeded to its destination, despite the resistance of communities and groups around the country and despite the lack of consultation with affected indigenous peoples.

The Marlin project is but one of hundreds of mining concessions granted to transnational mining companies in Guatemala and Honduras. Glamis Gold itself is the owner of the San Martin gold mine in the Siria Valley, Honduras, the site of serious health problems, environmental degradation and company abuses. The same company has also taken the US government to arbitration under the investment protection clauses of NAFTA's infamous Chapter 11, for Californian legislation protecting First Nations sacred sites from open pit mining.

What is going on in Guatemala? In Honduras? Where do all of these mining companies come from? What kind of legislation has facilitated the sudden increase in mining activity? What role do the World Bank, Canadian and US governments, and other global actors play? What kind of 'development' are they advocating? What are the responses of communities, indigenous peoples and organizations on the ground?

In solidarity with communities in resistance in Honduras and Guatemala, and in an effort to contribute to the global justice movement and its focus on ending global impunity and holding Northern actors accountable for their responsibility and complicity, this report attempts to begin to answer these questions. Section II: Setting the Stage looks at the ongoing role of global actors (the World Bank, North American governments, etc) in establishing the framework for mining activities around the world today. Section III: Reconstructing Guatemala and Honduras focuses on the same process and its results in these two Central American countries. Section IV: Focus on Glamis Gold takes a look at the activities of one important transnational mining company in the region. Section V: On the Ground briefly discusses local responses and community-based resistance in Honduras, Guatemala and beyond. Finally, Section VI offers some suggestions for how to get involved (in the global justice movement, not mining!) and where to look for more information.

When looking at mining activity today in Honduras and Guatemala, it is shortsighted to try to understand the situation without placing it in the context of historic and ongoing global inequality, domination, power, militarization and repression. Natural resource exploitation is not a purely environmental issue, isolated from the national and international political, economic and social orders designed to maintain an unjust and exploitative global system.

Fundamentally, the problematic way in which mining activities are being carried out in the world is one part of this much larger system. The 'development' model aggressively pursued by multilateral institutions, Northern governments and other global actors reflects the interests of big business instead of the priorities, needs and visions of communities themselves. It is important to note that responsibility and complicity lies not only with Northern investors and their government and multilateral institutions, but also with the populations of the North, both as consumers (over 80% of gold, for example, is for the jewelry industry) and as residents. The US and Ca-

nadian governments are advocating for and implementing a destructive ‘development’ model with public funds. Similarly, the World Bank and other multilateral institutions are the sum of their parts – member countries.

In Central America, communities have been displaced to make way for pools of cyanide solution, while private and state security forces protect deforested mountains being blasted and crushed to dust to extract ore. Many have spoken of the importance of black gold and now the blue gold (oil; water). Although a valid argument, let’s not forget precious metals themselves. The mining industry, using ‘modern’ technology, the open pit method, and toxic substances to reduce costs and attract investors, continues to wreak havoc around the world, with immeasurable impacts on the environment, health, indigenous peoples and communities.

The situation may not be as evident as that of the colonial mines operating with forced labour amidst conquest and genocide. Multinational mining companies have public relations people working on damage control, with ‘development’ foundations press releases to convince the world that they are in fact bringing progress, development and employment to communities. The World Bank Group, with shares in mining ventures supported by the International Finance Corporation, along with its sister institution the International Monetary Fund (IMF) couch their activities within the ‘Poverty Reduction Strategy’ doublespeak. Enormous sums of money have been invested to convince the world that mining (the exploitation of non-renewable resources) is beneficial for the ‘development’ of local populations and can, in fact, be *sustainable*.

“I’ve never seen a mine that fits *my* definition of sustainable development,” mine and water systems expert Dr. Robert Moran told the lunchtime crowd gathered to hear him speak at the National Mining Forum in Guatemala city – December 1-2, 2004, sponsored by the Guatemalan Ministry of Energy and Mines, the World Bank Group and the Canadian Embassy, among others. In mining, there are winners and there are losers, says Moran, and it is important to ask who wins and who loses – most of the winners do not live near the mine. The ‘**golden rule**’ is applicable to this industry, considers Moran: **“those who have the gold, rule.”**²

Around the world, transnational mining companies, the World Bank Group, the US and Canadian governments and other global actors such as the UN have been engaged in an ongoing public campaign to calm the rising opposition to mining activities. In researching these issues in the case of Honduras and Guatemala, it has become increasingly clear that the World Bank and Canadian government have taken on leading roles in promoting the metallic mining industry. Similarly, while most of the companies active in the region were thought to be from the US and Canada, the parent companies of the vast majority are in fact registered in Canada. However, these companies merge, buy other companies, and enter into joint venture and other agreements faster than it is possible to follow their activities. Thus, while the majority of companies are listed as Canadian, many are in fact US/Canadian fusions, registered in Canada for financial purposes.

On the other side of things, communities, indigenous groups, grassroots organizations, NGOs and sectors of the Catholic Church have been involved in a variety of initiatives, ranging from direct action and community resistance to highly publicized proposals to reform the mining legislation in both Guatemala and Honduras.

As diverse organizations begin to realize the extent to which mining activity affects communities all over both countries, a phase of information gathering and sharing broadens, in order to counter the propaganda distributed by the companies and their institutional counterparts and the numerous strategies used to manipulate communities into acceptance. In an emergency congress of Mayan organizations held November 29-30, 2004 in Guatemala to analyze mining activities in the country in the face of the official forum from which indigenous peoples were almost completely excluded, one participant underscored the importance of information: **“if we don’t manage the information, in some ways, we are blind...”**

The increasing awareness and response to mining in Honduras and Guatemala is due to the increasing entry of foreign companies – mainly from Canada and the US – into the area, carrying out aggressive exploration programs in their vast collection of concessions. This onslaught of mining concessions, which is better known as ‘the new invasion’ by many indigenous organizations, is due in large part to the changes in the legislation regulating the mining sector in both Guatemala and Honduras in the late 1990s. In turn, these legislation changes are part of a much larger ‘development’ model, devised for the exploited (so-called ‘developing’) countries, carried out by and benefiting the same institutions, companies and countries that continue to profit from the neo-colonial system.

¹ Eduardo Galeano. *Open Veins of Latin America*. Monthly Review Press: New York, 1997. p. 2

² Dr. Robert Moran, Presentation to the National Mining Forum, Guatemala City, December 1, 2004.

II. SETTING THE STAGE

As many transnational companies began to expand their exploration activities away from home towards a stronger focus on the mineral/profit potential of the exploited ('developing') countries, these same countries were rewriting their mining legislation, liquidating State mining enterprises, and offering foreign investors tax breaks and other benefits. In recent years, over 70 countries around the world have 'modernized' their mining legislation.¹

Far from a lucky coincidence for the corporations, the changes in mining legislation and policy in different countries around the planet have been part of the neoliberal agenda of the World Bank, International Monetary Fund (IMF), and regional 'development' banks, such as the Inter-American Development Bank (IDB). This framework that places investments and profits above the interests of local communities and peoples is also reflected in the various multilateral and bilateral trade and investment agreements.

In the case of mining, aside from the powerful companies lurking in the shadows, the key players on the global stage have been the World Bank Group – in particular its private sector lending arm, the International Finance Corporation (IFC), along with the Multilateral Investment Guarantee Agency (MIGA) – and the US and Canadian governments, representing the interests of North American companies. Further down the road, these changes have often been implemented with the help of force; national security forces, US military aid, private security companies and mercenaries (private 'military' companies) have all had their role in protecting foreign mining investments.

Around the world, indigenous peoples are disproportionately affected by global mining activities, yet consultations are almost always lacking or manipulated, as are legal protections.

2.1 The World Bank's Private Parts

The World Bank is often confused with the International Bank for Reconstruction and Development (IBRD), which is in fact only one of five entities that make up the World Bank Group. The IBRD and the International Development Agency (IDA) both lend to governments for 'development' projects, in line with the usual perception of the World Bank as a whole. However, the World Bank Group is indeed a bank and is heavily involved in the private sector, through the International Finance Corporation (IFC), which lends directly to private companies and also holds shares in many of these projects, and the Multilateral Investment Guarantee Agency (MIGA), which provides insurance for private sector projects.

A crucial role was played by different World Bank institutions in developing the mining legislation that has facilitated the global expansion of exploration and exploitation by transnational mining companies. While most countries, especially in Latin America, had mining codes that reserved these rights either exclusively or partially for the State, the 'modernized' legislation opens the mining sector to foreign investment and ownership, reduces State profits to pitiful royalties (1%-3% is the norm), lifts restrictions and taxes on the import of equipment and does not require profits to remain in the country of operation.

'Leveling the Playing Field': Pinochet's Chile as Role Model

As do others in the industry, the World Bank looks to the experience of certain countries to extol the benefits of these reforms:

Chile was a pioneer. In the early 1980s, Chile overhauled its mining policies and opened the sector to private investment by leveling the playing field. It removed barriers to entry and exit, established full transferability of mineral rights, and adopted clear and non-discretionary rules that apply equally to public and private, national, and foreign companies.²

The assertion that Chile was a pioneer for its mining policy is troubling at best. In 1973, the democratically elected government of Chile was overthrown by a military coup, supported by the CIA and the US government. Fundamentally, at the root of this and many other 'regime changes' are alternative development models; countries are free to pursue 'development' as long as it does not step too far out of line with the interests of Northern governments and transnational companies. Among the coup's supporters were North American mining companies, angry about Chilean president Allende's plans to nationalize the country's copper mines. 'Chile' under Pinochet was a pioneer in its use of torture, concentration camps, forced disappearances and the brutality of State repression. The country's mining policy and legislation were the result of deals made between foreign mining companies and

a military dictatorship. As several Latin American activists have commented, mining projects and laws are so much easier to approve when they can be taken care of between foreign companies and a dictatorships. Peru, for the mining legislation passed by Fujimori, is also often referred to as a role model.

Equally troubling is the World Bank's assertion that countries saw the benefits of this 'pioneer' legislation and its benefits and thus decided to reform their own mining laws; "[t]he liberalisation and privatisation of mining are often portrayed as in line with free market orthodoxy. Ironically, these processes have required substantial policy intervention and financial subsidies from international agencies including the World Bank."³ By 1991, 71 Structural Adjustment Programs (SAPs) and 43 sectoral adjustment loans – now known as the 'Poverty Reduction Strategy' – had contributed to the privatization of the mineral sector around the world; in recent years, mining legislation has been 'modernized' in over 70 countries.

While the rewriting of mining legislation and the determination of national mining policy has often been included in broader SAPs, the Oil, Gas, Mining and Chemicals department (OGMC) of the IFC has also been directly involved in the reform of the mining sector, along with its direct support to and involvement in specific private sector projects. Although the World Bank frames its involvement in terms of 'consultation' and 'competency of technical support,' their own account of their involvement in a few Latin American countries – especially when it is noted that they describe this as a mid-level role, in comparison to the very active role taken in several African countries – is quite revealing,:

For example, the mining laws of 1992 in Mexico and Peru and the 1993-1995 amendments to the Argentine law were drafted by commissions of experts and representatives of key institutions from the private sector and government who were appointed by the Minister responsible for the mining sector. The World Bank provided input at the initiation of the process regarding the objectives and central characteristics of the new instrument. The mining law of Bolivia of 1997 and the amendments to the Ecuadorian law of 2000 were also drafted by ministerial appointed commissions of experts representing key institutions from the public and private sectors. The World Bank had a more active role, as it provided an initial diagnostic and then later technical support through specialized legal advisors, participated in key meetings of the commission, and provided comments on the drafts in the different stages of the work.⁴

While this legislation has severely limited national governments and local communities' ability to determine the course of the development of mining policy and projects, it has also handed over essentially all potential profits and benefits to the transnational companies. Along with the rewriting of mining laws, the IFC is also very involved in mining projects throughout the world, through its granting of loans to mining companies and as a direct shareholder in several projects. In 1996, during the intense period of legal reforms, IFC loans specifically to mining projects (excluding cement) came to US\$643 million, while in the same year 22% of the insurance provided by MIGA went to mining projects.

Alliances of environmental, community rights and indigenous organizations have been campaigning against the involvement of the World Bank in the extractive industry for years. The World Bank Group considers that because it is "well-positioned to help countries overcome the policy, institutional, and technical challenges that prevent them from transforming resource endowments into substantial benefits, it should remain involved in the extractive industries."⁵ One might argue that because the World Bank has been in a position to transform policy in favour of private corporations, it makes sense to remain involved in the extractive industries because they profit directly from the interests on loans to mining projects and from their direct involvement as shareholders. Quite simply, the World Bank is a BANK, representing the interests of member countries and big business.

While the World Bank often refers to the rigorous application of its safeguard policies, this has been one of the principle subjects of criticism. "These are guidelines. They are not legally enforceable standards,"⁶ explains Dr. Robert Moran. When the World Bank speaks of its environmental and social safeguard policies based on the 'highlights of best practice,' they are in fact referring to guidelines that are 'self-regulating'; the companies themselves are to regulate their own compliance, as is the World Bank. The 'rigorous' safeguard policies rigorously safeguard the impunity of corporations and global actors.

Yanacocha: the World Bank, Newmont and Red Lagoons in Peru

Yanacocha is one example of World Bank involvement in mining. Facilitated by the mining, private investment and environmental legislation brought into effect in Peru with World Bank 'assistance' under the civilian dictatorship of Fujimori in the early 1990s, the Yanacocha project went ahead, under the ownership of Newmont Mining

(51.35%), Peruvian Buenaventura (43.65%) and the International Finance Corporation (5%). With IFC financing in 1993, 1994 and 1999 (a US\$100 million loan in 1999 alone), Yanacocha “is Latin America’s largest gold mine and one of the world’s lowest cost gold producers.”⁷ Yanacocha, explained Father Marco Arana, a sociologist and priest working with a community development organization in the near-by town of Cajamarca, means ‘black lagoon,’ but in his parish the mine is leaving red lagoons of heavy metal-laced acidic waters.⁸ Local communities and organizations continue to denounce the impacts of repeated incidents of contamination, including a major mercury spill. There has also been significant opposition and resistance to the expansion of the Yanacocha mine, which is discussed in Section V.

Overall, the World Bank has been and remains a central actor in global mining, through its financing of and direct participation in projects and its active role in the legislation reform that has benefited transnational companies. Faced with a legal framework that is completely adverse to their interests, communities are also confronted with the top-down vision of development imposed by mining companies, considers José de Echave of Peru.⁹ The World Bank is responsible for the resulting social conflict, he adds, although the World Bank is certainly not the only global actor involved.

2.2 Friendly Canadians, eh?

Snow, lots of snow, and ice. Bears. Mounties. Maple leaves... Suffice it to say that when most people think of Canada, mining companies and their global interests are unlikely to be the first things to pop into their heads. Canada is stereotyped as a protector and promoter of human rights and environmental protection in the world. Acting aggressively to promote the interests of one’s extractive industry transnational companies is usually associated with Canada’s neighbour to the south.

However, the Canadian government has been actively setting the stage for mining investment around the world, while at the same time supporting many of the Canadian corporations responsible for environmental destruction and human rights violations. In 2002, 56% of the world’s mining companies were Canadian, as was 54.5% of equity financing of global mineral exploration and development. From 1992 to 2001, Canadian mining investment overseas rose drastically from 27.8 billion to over 86 billion Canadian dollars, representing by 2001 some 12% of all Canadian investment abroad.¹⁰ “What essentially distinguishes Canada from [other countries home to major mining companies, such as the US and Australia] is the facility with which the country’s financial institutions have backed mining as an international project...”¹¹

Financial institutions are far from the only Canadian entities backing mining; some of these actions are carried out under the aegis of the Canadian International Development Agency (CIDA), Canada’s so-called government ‘aid.’ In Zimbabwe, for example, CIDA has been instrumental in developing the mining industry since the late 1990s, with funding to the Zimbabwe Ministry of Mines for aeromagnetic surveys, the computerization of the mining licenses, technical training and last but not least, the development of new legislation. Although this support is often phrased in terms of support for environmental protection, according to CIDA representative Elizabeth Smith, “the benefits [of the CIDA project in Zimbabwe] are now being experienced by junior Canadian mining companies.”¹² A Natural Resources Canada report refers to its role as “the Canadian Executing Agency for a CIDA-funded project to provide the Ministry of Mines and Minerals Development of Zambia with environmental management and expertise in the mining sector.”¹³ CIDA also participated in the foundation of the Ministry of Mines in Botswana.

Colombia: Invasion of CIDA and the NGOS

In Latin America, Colombia provides another example of direct CIDA involvement in the promotion of the mining industry, although in the case of Colombia this involvement is in the context of the so-called ‘civil war on terror and drugs,’ more accurately labeled a global conflict to protect foreign investments in the extractive industries and natural resources sectors. Not surprisingly, many of the geographical regions targeted by Plan Colombia, funded and with military ‘aid’ from the US, are the same key regions where US, Canadian and other foreign corporations have important oil, gas and mining projects. In the case of the southern region of the state of Bolivar, coordinated sweeps of paramilitary groups and mercenaries ‘secured’ the area for the entry of gold mining companies, killing, disappearing, torturing and displacing the civilian population. The south of Bolivar is not an isolated case in Colombia: **“In the mining municipalities, on average, between 1995 and 2002, there have been 828 homicides, 142 forced disappearances, 117 injured, 71 people tortured, 355 death threats, and 150 arbitrary detentions, every year.”**¹⁴

At the same time that these horrific and systematic human rights violations were (and are) occurring in mining areas, CIDA was actively involved in the process to change mining legislation to benefit foreign mining investment in Colombia – an involvement detailed in a report written by the State mining agency union SITRAMIN-ERCOL after years of research. Beginning with ‘aid’ in the formulation of the 1996-1998 Mining Code, which was not passed due to organized opposition, CIDA’s involvement in the creation of mining, oil and environmental legislation in Colombia has been by way of their funding to the Canadian Energy Research Institute (CERI), whose private donor list reads like a who’s who of Canadian energy, oil and mining companies. CERI’s responsibilities related to the development of mining legislation in Colombia were to ensure compliance with environmental procedures and regulations and to carry out consultations with indigenous peoples.

In agreement with the Colombian Ministry of Mines, and with funding from CIDA, CERI contracted “Martínez-Córdoba and Associates” for these tasks. However, this same lawyers’ office was contracted by the government to formulate the new mining legislation. It is also the legal representative for half of the mining companies inscribed in the national mining registry. While the compliance with environmental procedures was seriously compromised, Martínez-Córdoba and Associates did not carry out consultations with indigenous communities, required by Law 21 of 1991, a law developed to regulate ILO Convention 169 on Indigenous and Tribal Peoples, ratified by Colombia. Instead, the government instructed its lawyers to copy Chilean and Argentinean mining legislation and in their presentation of the proposed legislation the same lawyers announced that the World Bank had ordered the privatization of the State mining agency, MINERALCO, S.A. After the failed attempt to pass the 1996-1998 Mining Code, the legislation was approved as Law 685 of 2001. Far from guaranteeing the rights of indigenous peoples and protecting the environment, Colombia’s mining law follows the path of other ‘modernized’ legislation, privatizes environmental auditing, and has been driving the continuing violations of indigenous and human rights in the country’s mining regions.¹⁵

DFAIT: Foreign Affairs for Canadian Mining Companies

Along with CIDA, several other Canadian entities have been involved in the support of the mining industry. DFAIT, the Department of Foreign Affairs and International Trade, has been active in arranging and facilitating meetings between representatives of Canadian companies and foreign government officials. Federal and provincial trade delegations and Canadian diplomats also promote Canadian investments in the mining sector. In a speech to the Club Minero (Mining Club) Luncheon in Argentina in 2000, then International Trade Minister Pierre Pettigrew declared that Canada was “keen to continue working in close relationship with the mining authorities of Latin American countries,” demonstrated by official Canadian agencies’ aid to Argentina in the implementation of its “mining development objectives” and by the regional Geomatics office established in the Canadian Embassy in Argentina in 1998 by then Minister of Natural Resources Ralph Goodale.¹⁶

EDC: Public Funding to Insure and Finance Destruction

Another active supporter of Canadian mining companies abroad is the Canada’s export credit agency, the Export Development Corporation (EDC), also funded by the tax-paying population. Along with nuclear reactors and other energy sector projects, mining ventures are often supported by the EDC, which specializes in financing and insuring projects that are most likely to result in environmental and social disasters, since private support for these projects is more difficult to obtain. Not subject to either the Canadian Environmental Assessment Act (CEAA) nor Canada’s Access to Information Act, the EDC is alarmingly untransparent and unaccountable. Through years of investigation, Canadian NGOs have uncovered details of EDC support to several mines around the world that have resulted in enormous environmental and social disasters.¹⁷ Perhaps the most famous is the case of the Cambior’s Omai gold mine in Guyana, South America.

Omai: the EDC, MIGA, and 3.2 billion litres of spilled cyanide-laced waste

In 1992, the EDC issued US\$163 million in political risk insurance to Canadian gold mining corporation Cambior for the Omai gold mine in the Guyanese Amazon. A third of this amount was reinsured by MIGA, of the World Bank Group. On August 19, 1995, an earthen tailings dam collapsed, spilling some 3.2 billion litres of cyanide and heavy metal-laced waste into the Omai river, which empties into the Essequibo river, the country’s main waterway. The spill had devastating impacts on river life, farmers, fisher people and communities along the full length of the river. Despite official reports finding Cambior fully (ir)responsible for the incident, Canadian officials reportedly lobbied the Guyanese government to reopen the mine shortly after the spill. In response to the disaster, protests had erupted all over Guyana, with messages such as ‘Take Your Poison Back Home to Canada.’

From NGOs entrusted with indigenous rights and the environment, to government ‘development’ ‘aid’, to diplomats, to direct financing and insurance, Canada’s involvement in the mining industry worldwide reveals the truth behind their ‘promotion of corporate social responsibility’: like other global actors, Canada actively implements the ‘development’ model that represents and serves the transnational business agenda.

2.3 The Usual Suspects: the US, private security companies...and the UN!

In a similar fashion, the US government plays a significant role in supporting their own transnational mining companies. Private security and military companies also play an increasingly important role in protecting mining properties and interests abroad. The United Nations has had a somewhat ambiguous position that has nevertheless assisted companies.

Public Funding: USTDA and the Export-Import Bank

The export credit agency in the United States – the Export-Import Bank – is similar to the EDC in its financing and insurance of US corporations, including mining companies. The US Trade and Development Agency (USTDA) provides grants to both the public and private sectors for the early planning activities of projects. Of course, funding is dependent on the awarding of the contract to a US company; payment is made from the USTDA directly to the US contractor. Among the grants related to mining in Latin America, the USTDA has funded several feasibility studies for mining projects in Bolivia, Brazil and the Dominican Republic. One project in 2001 provided a grant to bring four government officials from the province of Neuquen, Argentina, along with a representative from the US Embassy in Buenos Aires, to the US to meet with potential US investors in the mining sector.

Mercenaries For Mining

A fairly recent development has been the increase in the use of private security companies, private military companies and mercenaries by mining companies. In some cases, such as Colombia, there are direct links between mercenaries, private security companies, paramilitaries, State armed forces, US military aid, and mining projects. Increasingly, these private security-military companies are employed directly by transnational mining companies, although in many cases they are indistinguishable from mercenaries, their mandates are vague, and their regulation is almost completely lacking from national and international law; “they do not report on their activities except to these same private interests. Nothing requires them to report on their activities to the local population, to host governments or to the governments of the countries from which they originate.”¹⁸ In Ghana, Goldfields Ghana, a South African mining company, sub-contracted ‘John van Nostrand Associates Limited’ (now ‘Planning Alliance’), a private Canadian firm specialized in ‘human resettlement,’ to relocate more than 20,000 people. When some communities in the Tarkwa district refused the relocation terms proposed/imposed by Goldfields Ghana, this resulted in brutal human rights violations, including murder.¹⁹

UN the Good?

In contrast, the United Nations is (or at least was) generally considered to be a keeper of peace in the world, similar to Canada’s reputation. In the 1960s and 1970s, however, the United Nations Development Program (UNDP) was actively exploring for mineral deposits in several ‘developing’ countries. The objective was ostensibly to support efforts to exploit natural resources for national development. At the same time, however, many of these countries were run by notoriously corrupt military dictatorships engaged in the torture, forced disappearances and massacres. After abandoning its Centre on Transnational Corporations, the UN engaged in another initiative related to mining. The World Health Organization (WHO) teamed up with five major international mining companies (Placer Dome, BHP, Pasimco, Rio Tinto, WMC), some of which have been involved in serious human rights violations, to form the ‘World Alliance for Community Health.’ Considered an effort to clean up the negative image of the mining industry, the Alliance aims to “improve community health through the promotion, development and facilitation of projects led by the private sector.”²⁰

The World Alliance for Community Health is not the only initiative of mining companies to convince the world that they are environmentally friendly, socially responsible and, more importantly, that mining is in fact *sustainable*. While at first it may seem ridiculous that the exploitation of non-renewable resources could be termed sustainable, this doublespeak has made its way into the way IFIs and companies speak about mining. The World

Business Council for Sustainable Development, ironically representing many of the most destructive multinational companies in the world, contracted the International Institute for the Environment and Development to conduct “an independent two-year project of research and consultation seeking to understand how the mining and minerals sector can contribute to the global transition to sustainable development.” The ‘Mining, Minerals and Sustainable Development’ (MMSD) Project contributed to the mining industry’s successful lobbying for the inclusion of mining as a ‘sustainable’ activity by the World Summit on Sustainable Development.²¹

2.4 (Free) Trading Away Autonomy, Land, Minerals, Rights, and Development

Another tool of corporations is found in the various bilateral and multilateral trade and investment agreements between the countries of origin of the major transnational corporations and the countries where their interests and investments lie. Mining companies are no exception.

NAFTA – Investment vs. Communities

The North American Free Trade Agreement’s (NAFTA) infamous Article 11, dealing with the protection of investments and the procedures for arbitration in the case of infractions, is being used as a model for most of the Free Trade Agreements currently driven by the US, including the Free Trade Area of the Americas (FTAA). As will be seen in Section IV, Canadian mining company Glamis Gold is using Chapter 11 to sue the United States for legislation in California that establishes special environmental regulations to help protect First Nations sacred sites from open pit mining. NAFTA’s Article 11 and its parallel chapters in other FTAs effectively eliminates the options of local, provincial/state and national governments to legislate or otherwise act in favour of the population when these actions might conceivably affect a company’s investment.

In preparation for (and as a condition of) NAFTA, Mexico changed Article 27 of its Constitution. This chapter had previously offered rights and protection for communal land – *ejidos* – and was applicable to numerous indigenous communities around the country. As communal land was legally considered inalienable, it afforded communities opportunities to determine the uses of their territory. With the changes to Article 27, in line with the ‘free’ market framework promoted by the IFIs, all land can now be bought and sold, placing private ownership over the rights of indigenous peoples and communities to determine their own path for development.

While these changes have obviously benefited mining companies, they have also been attracted by the reformed Mining Law of 1992 (developed with the ‘assistance’ of the World Bank) and the subsequent Foreign Investment Law. The Mining Law established mining as a ‘public interest’ activity and gives it priority over other land uses, opened up the majority of the sector to foreign ownership and offered significant incentives to attract foreign investors. The Foreign Investment Law and NAFTA’s Chapter 11 enshrined the rights of these investors, at the expense of the local population and national environmental legislation.²²

The investment protection clauses in Free Trade Agreements curbs possibilities for communities, regions and countries to determine what kinds of investments, projects or strategies will best serve the development of the country and the needs of the population. They essentially carve in stone the process of legislation ‘modernization’ and the privatization of natural resources and State assets, imposed by the World Bank. If a country party to such an FTA were to issue a moratorium on open pit mines (Costa Rica has declared one such moratorium), reform mining legislation to reflect demands for rigorous environmental regulations and mechanisms to consult, involve and benefit local communities, or nationalize mines or mineral assets, companies would immediately invoke the FTA investment protection clauses and take the country to arbitration, where the rights of investors would undoubtedly win.

On January 1, 1994, the date NAFTA entered into force, the Zapatista National Liberation Army (EZLN) leapt onto the public stage. Challenging the imposition of ‘development’ and ‘free’ trade in Mexico, the community-based Zapatista movement has worked to implement a different kind of development in Chiapas, based on local control, participatory democracy, indigenous autonomy and rights and community needs and priorities. Responses such as that of the Zapatistas are only logical, considering that the limited options of communities to pursue change through existing legal means are effectively eliminated by the ratification of these accords. Faced with the activities of a mining company on their communal lands, the indigenous population of Aquila, Michoacan, Mexico reflected on the subject: “In his visit to Chiapas, [Mexican President] Fox confirmed that the Zapatista movement ‘was a thing of the past.’ We ask him – if it was a thing of the past, then why do we have the same needs and lackings that have always existed?”²³

Canada and the US, the countries of origin of the majority of transnational mining companies, have established FTAs and bilateral agreements with many of the countries in which these companies operate. In the case of Canada, it has been suggested that one of the driving forces behind the country's negotiation of regional and bilateral FTAs and Foreign Investment Protection Agreements is the powerful mining lobby.

2.5 What Indigenous Rights?

The vision of development and idea of the world expressed in Free Trade Agreements and in general in the neoliberal 'development' model – that the value of everything, including land, minerals, air, water and culture, lies in its measurable monetary value – conflicts profoundly with the cosmovision expressed by many indigenous peoples and communities – that the Earth (land, minerals, air, water, etc) is sacred; land and resources belong to no one and their use is communal.

Indigenous peoples have been disproportionately directly affected by mining activities around the world. Mine-Watch estimates that since 1940 over half of all uranium has been extracted from indigenous territories and that by 2010, half of all copper and gold mined will be on indigenous lands.²⁴ While many activists see the current global trend in mining as a manifestation of “the imbalance of power between ordinary people and their advocates and the relentless expansion of the transnational business agenda,”²⁵ it is important to recognize that the imbalance of power between the latter and *indigenous* peoples is exponentially greater.

In Latin America, foreigners searching for gold and other metals within indigenous territories is not exactly a recent development; over five hundred years later, North American companies pursue the pillage begun by the Spaniards. Although today there are regulations, legislation and norms that refer to the respect of indigenous peoples' rights, their consultation in all that affects them, and, of course, the social responsibility of corporations, the reality is not quite as cheerful:

In Guyana, for example, the reluctance of the government to recognize indigenous peoples' rights in large part results from the pressure from international financial institutions, the mining lobby and senior government financiers to facilitate access to the gold, bauxite and diamonds in the interior. Likewise, in neighboring Venezuela, where indigenous rights are more weakly recognized than almost anywhere in Latin America, mining lobbyists proclaim that their country's “natural vocation” is mining, leading to radical rewriting of national laws to facilitate mining by foreign companies on indigenous territories.²⁶

Looks OK on Paper: ILO Convention 169

While Latin American countries (Mexico, Ecuador, Costa Rica, Colombia, Honduras, Peru, Guatemala, Bolivia and Paraguay) account for over half of the ratifications of the International Labor Organization's (ILO) Convention 169 on Indigenous and Tribal Peoples, the only international convention in force to deal specifically with indigenous rights, in most cases these rights have not left the paper on which they were written. Convention 169 ensures indigenous peoples' control over their lands, resources and development; they are to be consulted for and participate in any projects or programs that directly affect them. In regards to mining, Article 15 (2) stipulates that:

In cases in which the State retains the ownership of mineral or subsurface resources or rights to other resources pertaining to lands, governments shall establish or maintain procedures through which they shall consult these peoples, with a view of ascertaining whether and to what degree their interests would be prejudiced, before undertaking or permitting any programs for the exploration or exploitation of such resources pertaining to their lands.

There are numerous serious obstacles facing the implementation of this and other rights guaranteed in Convention 169. It is the responsibility of ratifying States to develop and apply national legislation in accordance to the Convention; however, some countries simply have not done this. Others, as was described in the case of the formulation of Colombian mining legislation, do not bother to comply with consultations even when the mechanism has been established in national legislation. Many indigenous groups and organizations have criticized the ambiguous language of the Convention, arguing that it does not expressly give veto power to indigenous groups and communities for projects that will directly affect them and/or their lands. Others denounce the frequent manipulation of the 'consultation' process, especially where no procedure has been established to regulate consultations. Frequently, indigenous peoples and communities are 'consulted,' but their input or categorical rejection is not taken into consideration. Sometimes, consultations are carried out with one small group favorable to the project in order to ob-

tain approval from a “representative” organization; there have also been accusations of the creation of ‘shadow’ or ‘parallel’ indigenous organizations specifically for this purpose.

The World Bank and ‘Consultations’

The World Bank’s own policies dealing with the consultation and participation of indigenous peoples in bank-financed projects face most of the same criticisms and failings as the implementation of Convention 169. Ironically, even though numerous consultations were held in order to revise the IBRD’s Operational Directive (OD) 4.20, the draft did “not include many of the most important recommendations made by indigenous peoples in the first round of consultations, including: the right to prior and informed consent, indigenous monitoring of Bank projects, and fair ‘mitigation’ requirements.”²⁷ If the policy draft consultation process itself is any indicator, not much can be expected from the actual World Bank policies regarding consultation with indigenous peoples. Moreover, what kind of protection could be expected from an institution that supports, insures, and makes a profit from mining projects affecting indigenous peoples?

¹ *Undermining the Forests, The need to control transnational mining companies: a Canadian case study*. Forest Peoples’ Programme, Philippine Indigenous Peoples Links, and the World Rainforest Movement. January, 2000. page 18.

² World Bank Group, “Mining Reform and the World Bank: Providing a Policy Framework for Development,” OGMC department, 2003, pages 1-2.

³ *Undermining the Forests*, page 21.

⁴ “Mining Reform and the World Bank,” page 13.

⁵ World Bank Group Operations Evaluation, “Extractive Industries and Sustainable Development,” July 29, 2003.

⁶ Dr. Robert Moran, Presentation to the Alternative Mining Forum, Guatemala City, December 2, 2004.

⁷ World Bank and IFC, “The Minera Yanacocha S.R.L. Project in Peru.”

⁸ P. Marco Arana Zegarra, Presentation to the Alternative Mining Forum, Guatemala City, December 2, 2004. www.grufides.org

⁹ José de Echave, Presentation to the National Mining Forum, Guatemala City, December 1, 2004.

¹⁰ Statistics from a Presentation by Natural Resources Canada to the World Bank Extractive Industries Review by Dr. Dale Hull, March 2003, cited in “Rhetoric vs. Reality: Investing as if Human Rights Mattered,” presentation by Joan Kuyek of Mining Watch Canada to the Think Tank of the Board of Directors of Rights and Democracy, June 11, 2003, Ottawa, www.miningwatch.ca

¹¹ *Undermining the Forests, The need to control transnational mining companies: a Canadian case study*. Forest Peoples’ Programme, Philippine Indigenous Peoples Links, and the World Rainforest Movement. January, 2000. page 20

¹² Cited in Bonnie Campbell, “Canadian Mining Interests and Human Rights in Africa in the Context of Globalization,” Université du Québec à Montréal, 1999. See also Brian Tomlinson, “Canadian Economic Relations with sub-Saharan Africa – Recent Trends,” May 2002, www.ccic.ca.

¹³ Natural Resources Canada, “The Path Forward to Sustainable Development Strategy 2000,” www.nrcan-rncan.gc.ca/sd-dd/pubs/cons2000/sd2kq2se.htm

¹⁴ Francisco Ramirez Cuellar, SITRAMINERCOL. *The Profits of Extermination: How U.S. Corporate Power is Destroying Colombia*. Common Courage Press: Monroe, ME, 2005. (soon to be released)

¹⁵ For an in-depth analysis of mining legislation, projects, and related human rights violations in Colombia, see: Francisco Ramirez Cuellar, SITRAMINERCOL. *The Profits of Extermination: How U.S. Corporate Power is Destroying Colombia*. Common Courage Press: Monroe, ME, 2005. (soon to be released)

¹⁶ “Notes for an Address by the Honourable Pierre Pettigrew Minister for International Trade at the Club Minero Luncheon,” Buenos Aires, Argentina, July 27, 2000, http://webapps.dfaic-maeci.gc.ca/minpub/Publication.asp?publication_id=377975&Language=E

¹⁷ For further information, research and case studies regarding the EDC, see www.probeinternational.org

¹⁸ Memorandum: Towards a Spiral of Violence? “The Dangers of Privatising Risk Management of Investments in Africa,” Mining Activities and the Use of Private Security Companies. Montreal, February 2000.

¹⁹ For details on the ties between human rights violations and Canadian mining interests in Ghana, see Asad Ismi, “Canadian Mining Companies Destroy Environment and Community Resources in Ghana,” July 4, 2003, www.miningwatch.ca

²⁰ *Undermining the Forests, The need to control transnational mining companies: a Canadian case study*. Forest Peoples’ Programme, Philippine Indigenous Peoples Links, and the World Rainforest Movement. January, 2000. page 23

²¹ World Rainforest Movement, Bulletin 71, www.wrm.org.uy

²² Cecilia Costero, “Relaciones actuales México-Canadá en el sector minero,” Revista Mexicana de Estudios Canadienses, Primavera 2004, nueva época, número 1.

²³ “Carta abierta al pueblo de Michoacán y de México,” Asamblea Comunal, Aquila, Michoacan, January 11, 2005.

²⁴ Pratap Chatterjee, “Minería destruyó la tierra, sostienen grupos indígenas,” InterPress Service, May 17, 1996

²⁵ “Rhetoric vs. Reality: Investing as if Human Rights Mattered,” a presentation by Joan Kuyek of MiningWatch Canada to the Think Tank of the Board of Directors of Rights and Democracy, Ottawa, June 11, 2003, www.miningwatch.ca

²⁶ *Undermining the Forests, The need to control transnational mining companies: a Canadian case study*. Forest Peoples’ Programme, Philippine Indigenous Peoples Links, and the World Rainforest Movement. January, 2000. pages 2-3

²⁷ Marcos A. Orellana, “Indigenous Peoples, Mining and International Law,” MMSD, 2002, page 15.

III. RECONSTRUCTING GUATEMALA AND HONDURAS

Honduras and Guatemala have both been subject to ongoing pressure from the World Bank, US and Canadian governments and are parties to the Central American Free Trade Agreement (CAFTA) – awaiting ratification – and a similar Canadian FTA currently being negotiated. They both ‘modernized’ their mining legislation in the late 1990s, ushering in dozens of transnational mining companies, with exploration and exploitation concessions and licenses all over the two countries.

The pretext used for these changes has often been ‘reconstruction.’ In the case of Guatemala, the country’s 36-year armed conflict officially ended with the 1996 Peace Accords. Honduras was devastated by Hurricane Mitch in 1998. Both events offered an opportunity for ‘reconstruction’ and ‘transformation’; both events prompted legislation and policy reforms reflecting the neoliberal framework driven by International Financial Institutions (IFIs), North American governments and multinational corporations.

Guatemala and Honduras are being ‘rebuilt’ to the benefit of foreign investors and to the detriment of local communities. The current trends in global mining apply to the region, although mining is certainly not new to Central America.

3.1 A Very Brief History of Invasion, Persecution and Genocide

Several scholars on the civilizations of the pre-hispanic Mesoamerican region report that much of the gold used came from the rivers in Lenca territory (now located within the borders of Honduras); many indigenous peoples in Central America engaged in small-scale artisanal mining. With the Spanish invasion, genocide accompanied the thirst for riches, as silver and gold mines were established throughout the Americas, sending indigenous slaves to their deaths in horrific working conditions. Where the indigenous population was not enough to refill the job openings left by fatal accidents and the deaths caused by the nature of the labour and health conditions, African slaves were brought in.

After over two centuries of their resources being drained to Spain, and after the division of the short-lived Central American Federation, one of the first things the newly ‘independent’ Central American Republics did to define themselves was to approve a wave of Liberal Reforms. The Reforms swept through Honduras in the 1870s. The first project to be carried out in this context was the “development” of mining. The national Liberal authorities granted themselves enormous mining land grants, hoping to attract foreign investors, along with their capital and technology. The 1880 Constitution (or ‘Prostitution of the Republic,’ as some Hondurans refer to it) embodied these policies: “The State will provide all that promotes the well-being and development of the country, fomenting . . . the import of foreign capital . . . by way of laws protecting this end, concessions of temporary privileges and other stimulating rewards.”

US companies were soon able to take control of the industry from the Hondurans, as well as the few English mining companies that had been operating in the country. Concession holders were exempt from taxes, could import machinery without paying customs duties and brought technical experts from the US to manage the mines. They were allowed to exploit the forest found within the concession and had unrestricted access to water sources.

All of these ‘benefits’ foreshadow those offered in current legislation in the country and around the world; Honduras has been governed by US interests almost since its proclamation of ‘independence.’ During much of the 20th century, mining enclaves owned by the infamous New York and Rosario Mining Company were found scattered over Honduras. Although there were a few significant strikes and actions by miners linked to the wider labour movement in Honduras, the enclaves continued to operate until mining operations began to wane. Throughout the same period, there were a number of occupations and interventions by the US Marines and other military forces in Honduras, in order to protect strategic and company interests.

Guatemala, in contrast, followed the path of most Latin American countries in terms of mining legislation and policy and did not immediately open the mining sector to full foreign ownership. However, in the wake of the military coup – organized and financed by the US, CIA and United Fruit Company due, once again, to the proposal of an alternative development model – that overthrew the democratically elected government of Jacobo Arbenz in 1954, mining legislation (Decree #272, 1955; Mining Code, 1965) and concessions were issued by a series of military dictatorships, engaged in ongoing negotiations with foreign nickel companies. Guatemala’s 1965

Mining Code was allegedly drafted by a representative of the International Nickel Company (INCO), the main player in the country through its subsidiary EXMIBAL (Exploraciones y Explotaciones Mineras Izabal, S.A.). In 1965, EXMIBAL was granted a 365 square kilometer mining concession in the area of El Estor, Izabal; however, growing opposition prevented the company from obtaining an exploitation agreement with the Guatemalan government. At a conference in 1969, demands and policy proposals were put forward and a Commission was formed to organize opposition to the project.¹

In 1970, under the military dictatorship of Arana, the government initiated a campaign of repression against Commission members and the opposition in general. In the months following the state of siege declared in November 1970, two Commission members were assassinated (Julio Carney Herrera, lawyer; Adolfo Mijangos, lawyer) and a third (Alfonso Bauer Paiz, law professor) survived an assassination attempt. A month later, EXMIBAL reached an exploitation agreement with the Guatemalan government. It favoured the company, and most of the benefits set out for the State were manipulated by the company throughout the course of its operations, which ended in 1982 when the price of nickel dropped.

Although ongoing issues of impunity, environmental damages and indigenous rights violations have not been addressed, Vancouver-based Skye Resources has recently obtained a renewal of the concession, in complete violation of Convention 169 and betraying the government's own pledges to consult affected communities.

Hand in Hand: the Extractive Industries and Repression

The history of natural resource exploration and exploitation in the country has characterized by the accompanying pattern of persecution, assassinations and forced exile, considers Guatemalan activist and journalist Victor Ferrigno. In the 1970s, legislation regulating petroleum exploration and exploitation to attract foreign investors was passed; several congressmen who had opposed the code were assassinated. Oil and mining exploration activities were accompanied by military officers, who appropriated immense tracts of land in eastern Guatemala from indigenous communities and campesinos. The military was reportedly present in EXMIBAL company meetings, and the company was allegedly involved in the 1978 massacre in Panzós. In 1977, after a huge march of mine workers from Huehuetenango to the capital, the workers' legal advisor was assassinated. It is almost impossible to prove definitively the exact reason for which these people were assassinated, comments Ferrigno, but the pattern is clear – the extractive industries have always been linked to persecution.²

3.2 A Window of Opportunity

In 1996, after 36 years of armed conflict that left 200,000 people dead and/or disappeared – government forces were found responsible for 93% of the deaths and 80% of the victims were indigenous peoples, according to the UN Commission for Historical Clarification – Peace Accords were signed. Instead of following through with the Accords, seeking justice for the atrocities committed, or dealing with underlying issues of systematic poverty and exclusion, the Guatemalan government has been further implementing neoliberal policies of privatization and market 'liberalization' that aggravate these underlying issues.

In 1996, the government, by way of the Ministry of Energy and Mines, invited various transnational mining companies to carry out mineral exploration in the country. In 1997, a new Mining Law (Decree Number 48-97) was passed, conforming to the norms of reformed legislation around the world driven by the World Bank.

At the annual meeting of the World Economic Forum in 1999, Eduardo Stein Barillas, then Minister of Foreign Affairs of Guatemala, remarked that “[all] **destruction carries with it an opportunity for foreign investment,**”³ referring to Hurricane Mitch. Honduras was the country worst hit by the Hurricane, leaving thousands dead, thousands homeless and destroying infrastructure all over the country. Many of the country's waterways were contaminated by the resulting opening of old mining sites, leaking mercury and heavy metals directly into the rivers and ground.

Instead of addressing the underlying inequality and structural poverty that caused this natural phenomenon to become a social, economic and environmental disaster of catastrophic dimensions, Honduras was quick to realize that the situation was “**a window of opportunity to build for the future,**”⁴ and quickly put in place building blocks for the kind of future that the economic elite, World Bank and foreign investors had in mind. In a few months following Mitch, a series of laws and reforms were rammed through Congress: permitting private sector

involvement in airport, road and energy projects; reforms in the banking sector to facilitate the mobilization of foreign resources; and a Constitutional reform allowing private investment in tourist development along the coast and on the islands in both the Caribbean and Pacific.

These initiatives were aided by the fact that the country was still reeling from the destruction and by the successful efforts of the government to rally social organizations and opposition groups to the calls for humanitarian aid and reconstruction. Several organizations have admitted that in the emergency period that followed Mitch, they engaged in the necessary humanitarian efforts to address the critical situation, and were thus sufficiently distracted from an analysis of the 'reconstruction' being implemented at the legislative and policy levels. The government of Carlos Flores Facussé, which had previously been heavily criticized and protested on all sides and was also allegedly directly involved in the resurgence of paramilitary and death squad activity engaged in political repression, was saved by the worst natural event that the isthmus had ever seen.

In this context, the General Mining Law was passed one evening by the National Congress, with little discussion, only a few weeks after Mitch hit Honduras. Numerous reports indicate that the legislation reform was part of a World Bank Structural Adjustment Program, and that the institution was heavily involved in assisting with the law's formulation. In keeping with the World Bank's methods, the private sector was involved in the process; a member of the National Association of Metallic Miners of Honduras has stated that transnational mining company lawyers drafted the law.

3.3 Highlights of the New Legislation

The new mining legislation in both Guatemala and Honduras is similar to, and likely based on, World Bank-guided laws throughout the continent. Furthermore, Canada allegedly played a role in the legislation changes; organizations in Guatemala report that within the context of the creation of the Alliance for Sustainable Development at the Summit of the Americas in Miami in 1994, a bilateral cooperation agreement was reached between Canada and the Central American Commission for Environment and Development (CCAD). Of the six themes identified by the Alliance, it seems that Canada financed a project dealing with private/public cooperation and dialogue regarding environmental regulations. Organizations indicate that this 'cooperation' also dealt with the new mining legislation in Guatemala.⁵

Although the State remains the owner of all subsurface rights, the new mining laws establish a system of concessions and licenses that essentially give away all potential profits and benefits from these rights, in exchange for a pitiful 1% royalty. In Honduras, the royalty is to be paid to the municipality in which the mine is operating. In Guatemala, the 1% is to be split between the municipality and the federal government. The majority of the other taxes to be paid by the mining companies to the State have either been reduced or are subject to the 'tax holidays' granted by both governments.

In terms of the benefits and rights of concession or license holders, several articles of the mining legislation of both countries have been repeatedly denounced by local activists. Article 23 of the Honduran General Mining Law gives the following benefits to concession holders: free use of unproductive government lands within and outside of the concession; use of private lands needed for the operation, including expropriation where necessary; use of water sources within and outside of the concession, for both the operations and company employees.

Mining concessions and licenses are irrevocable except in very limited cases, although these have never been invoked by the government even when ample evidence exists of serious violations. Both the Guatemalan and Honduran laws have dangerous clauses that give companies default approval and permission when authorities to not respond to Environmental Impact Studies and mitigation studies within the stipulated timeframe. Both include forced expropriation and involuntary resettlement and neither contemplates consultations with affected indigenous peoples and communities, although in both cases the legislation was passed after the ratification of ILO Convention 169.

3.4 The New Invasion - Guatemala

In Guatemala, the Ministry of Energy and Mines released some statistics in November 2004, confirming the results of a study by the El Estor-based indigenous rights organization Defensoría Q'eqchi' – part of the El Estor

Association for the Promotion of Integral Development (AEPDI) – in February 2004. Of the 147 exploration licenses and 264 exploitation licenses, 97 of the former and 38 of the latter are for metallic mining, spread out in 16 departments and 106 municipalities.

The Defensoría Q'eqchi' underlines the recentness of this onslaught: 95% of these concessions were granted between 2000 and the present; the only current concessions granted before the new law were the EXMIBAL concessions in Izabal and old concessions for lead mining in Huehuetenango. It is important to note that the majority of the population of 9 of the 16 departments affected is indigenous. Communities, indigenous or not, have not been consulted nor even informed that the lands they live on and from have been concessioned to mining companies, the majority of which are foreign.

While the Ministry of Energy and Mines has identified – in November 2004, in the report prepared for the first National Mining Forum the following month – a number of transnational mining companies operating in the country. However, because these companies merge, acquire or create new subsidiaries and establish joint ventures and other agreements on such a regular basis, the information is in a constant state of flux. The government report also informed of new applications for metallic mining licenses – 63 for exploration and 6 for exploitation.

Among the transnational mining companies active in Guatemala, almost always under the name of subsidiaries, are:

- **Glamis Gold Ltd** (Entre Mares de Guatemala; Montana Exploradora de Guatemala), Canadian/US, owner of the fiercely contested Marlin project in San Marcos, the Cerro Blanco project, and several other licenses and joint venture agreements around the country. [See Section IV: Focus on Glamis Gold for further details]
- **International Nickel Company, INCO** (EXMIBAL), Canadian, owner of several concessions in Izabal, recently negotiated the sale of its controversial project with Skye Resources.
- **Radius Gold Inc** (Exploraciones Mineras de Guatemala), Canadian, focuses on exploration and then sells to or establishes joint venture agreements, of which Radius has a number with Glamis Gold.
- **Jaguar Nickel Inc** (Minera Mayamerica, Chesbar Resources), Canadian, owns a number of large nickel mining concessions in Izabal.
- **Skye Resources Inc**, Canadian, recently entered into an agreement with INCO to acquire the company's nickel concession in Izabal.
- **Icon Industries Ltd**, Canadian, recently signed a binding letter of intent to acquire Corponiquel's Rio Negro nickel project.
- **Goldex Resources Corporation** (Compañía Minera El Condor, Compañía Internacional Minera), Canadian, has 2 exploration licenses for gold projects near the border with Copan, Honduras.
- **Firestone Ventures Inc**, Canadian, has signed a letter of intent with **Redhawk Resources Inc** to acquire a zinc property in Huehuetenango.
- **Silver Crest Mines Inc**, Canadian, currently exploring a property in southeastern Guatemala, part of the company's 'Silver Triangle' involving nearby concessions in Honduras and El Salvador
- **Aurora Gold Corporation, El Oro Resources** (Mayan Minerals) and **Gifford Co** (Minerías del Quetzal) are listed on the Ministry of Energy and Mines list as Canadian companies; however, some of the information regarding the parent company and its country of origin of other corporations was inaccurately reported in the list, so it is quite possible that these are not the names of the parent companies either.

As the Defensoría Q'eqchi' pointed out in their February 2004 report: **“The granting of hundred of concessions by the Ministry of Energy and Mines constitutes a serious violation of the rights of thousands of Guatemalans, indigenous or not, who were never consulted nor informed that the subsurface rights of their lands had been concessioned to a mining company. It is important to emphasize that the majority of the population of 9 of the 16 departments affected is indigenous, and that various small groups (Ch'uj, Sipakapense, Ch'orti, among others) will be in danger of ethnocide if the mining projects are carried out.”**⁶ Communities and organizations around the country are becoming aware of these mining concessions and are actively organizing for community and indigenous rights and locally controlled development.

Amidst denouncements, alternative forums and actions, the Guatemalan government committed – during the official National Mining Forum, sponsored by the Canadian Embassy and World Bank, among others – to consult communities before any further mining concessions would be granted. Less than 2 weeks later, Skye Resources announced that new exploration licenses had been granted to EXMIBAL for its Niquecagua project in Izabal.⁷ The same nickel project that was the source of indigenous rights violations and State repression under the ownership of INCO is now the subject of an agreement with Skye to acquire INCO's 70% interest in EXMIBAL.

Less than a month after the granting of new licenses, Guatemala sent in the army to accompany a convoy, detained by inhabitants of Sololá, of mining equipment destined for Glamis Gold's Marlin gold mine project in San Marcos. The ensuing conflict resulted in the murder of an indigenous demonstrator, as will be discussed in the following section: Focus on Glamis Gold.

3.5 Continuing Occupation - Honduras

In Honduras, numerous mining concessions and licenses were granted in the mid-to-late 1990s, before the ratification of new mining legislation. This was due to the 'improved' foreign investment climate established in Central America under pressure from the World Bank and International Monetary Fund (IMF). However, many of these companies waited for the new legislation to facilitate their exploration and exploitation activities; the new laws also attracted a landslide of new concessions and licenses to dozens of transnational mining companies attracted by the potential profits.

A few years ago, the government of Honduras had already granted over 30% of the country's territory in concessions to mining companies, mainly from Canada and the US. Many of these, as well as more recent concessions, were approved after the General Mining Law came into effect. As in Guatemala, although to a lesser degree due to the difference in the proportion of the indigenous populations, some of these concessions affect indigenous peoples and lands. As in Guatemala, there have been no consultations, even though the mining legislation itself was passed after the ratification of ILO Convention 169. Government employees at DEFOMIN, the equivalent of a Ministry of Mines, insist that there are discussion sessions with government and company representatives to present the project to communities as part of the Environmental and Social Impact Study; however, these are clearly one-sided presentations to present a decision that has already been taken.

In contrast to Guatemala, a number of gold and silver mines have been established in Honduras in recent years. In terms of metallic mining, only one mine operated the country before the general Mining Law and by 2001 this had increased to four mines in operation. The most notorious of these is Glamis Gold's San Martin gold mine in the Siria Valley, department of Francisco Morazan, discussed in the next section.

San Andrés: Forced Evictions and Spilled Cyanide

Another earlier project – the San Andrés silver mine in the department of Copán – has also been the subject of denouncements and protest. Originally owned by Toronto-based Greenstone, numerous abuses and human rights violations were committed in the forced expropriation and involuntary resettlement of a community in the municipality of La Unión. After intense pressure by the company, the last three families agreed to move when Greenstone Director Gerard Phillips bulldozed a water tank with a local resident atop it, breaking both of his legs.⁸

After Greenstone left the country bankrupt, the mine was acquired by the Atlantida Group, owner of the bank of the same name that was started by the Standard Fruit Company back in the heyday of the US-controlled banana industry. In January 2003, the San Andrés mine was the site of a massive cyanide spill, contaminating the Lara river, which provides drinking water for numerous communities and feeds into the river that provides the drinking water for the city of Santa Rosa de Copán, the departmental capital. Although local inhabitants reported witnessing the removal of evidence by the company, they managed to amass some 18,000 dead fish, a testament to the damage caused to the ecosystem and quite possibly human health.

El Mochito: Different Owners, Same Contamination

Under various owners – New York and Rosario Mining Company, AMPAC, Geomaque Explorations, and now Breakwater Resources Ltd – the El Mochito zinc mine in the department of Santa Barbara has operated for decades. In the 1960s, students doing fieldwork in the area the nearby Yojoa lake found evidence of uranium contamination in the lake and fish. In 2001, based on a report by the Center for the Study and Control of Contaminants (CESCCO) that found the mine guilty of releasing lead, copper and cyanide-laced waste into a stream feeding into the lake and thus contaminating the water, fish and human inhabitants in the area, the Special Prosecutor's Office on the Environment initiated legal proceedings against the company.⁹

'Revolving Door' or Blatant Impunity?

The General Direction for the Promotion of Mining (DEFOMIN) is in charge of attracting investors, granting concessions AND ensuring compliance with environmental regulations and settling disputes. DEFOMIN and the Honduran government in general have unfalteringly come down on the side of the corporations, aided by the fact that six years later, regulation for the General Mining Law has yet to be written. Legislation such as the General Mining Law is accompanied by detailed regulation to guide its implementation, usually published – and required – within 90 days of the ratification of the law itself. The regulation, were it to exist, would presumably address procedures for important elements such as the forced eviction of communities and measures to address the violation of environmental and other regulations.

A recent investigation by independent newspaper (El Libertador) journalist Karen Soto revealed direct violations of the General Mining Law, related to the direct involvement of government representatives (both at the municipal level and in the National Congress) and their close relatives as associates of mining companies.¹⁰ The systematic impunity demonstrated by these examples is evident in the General Mining Law itself: Article 48 (Title VI, Chapter II) explicitly prohibits several authorities (including municipal government and Congress) and their close kin (definitely includes brothers!) from acquiring or benefiting directly or indirectly from mineral rights. In the case that a violation exists, the same Article (48) states that the acquired property or rights will be subject to Chapter VII of the same (VI) Title – a Title which only has six (VI) chapters!!!

The same investigation also revealed that in the Secretariat of Industry and Commerce only one mining company appeared in the registry, while only three appeared in the Chamber of Commerce and Industry of Tegucigalpa.¹¹ It is in this context of a complete lack of transparency, government-company overlap and complicity and impunity that the following transnational mining companies operate in Honduras:

- **Glamis Gold Ltd** (Entre Mares de Honduras), Canadian, owner of the San Martin gold mine and numerous concessions around the country. (See Section IV: Focus on Glamis Gold)
- **Silver Crest Mines Inc** (Compañía Minera Maverick), Canadian, owner of four concessions, all of which have been subject to fierce (and in 2 cases, successful, at least for the time being) local opposition.
- **Defiance Mining Corporation** (Geomaque, Centroamerica de Representaciones), Canadian, owner of the Vueltas del Río gold mine in Santa Barbara, as well as numerous concessions; from April to June 2004 alone, Defiance applied for 35 mining concessions, covering 36,600 hectares (366 square kilometers; 141 square miles). *Defiance has recently been bought out by Canadian co. Rio Narcea and is reportedly in the process of selling its Honduran properties and projects due to the Rio Narcea's focus on Spain and Portugal.*
- **Breakwater Resources Ltd** (AMPAC, Corporación Minera Nueva Esperanza), Canadian, is the owner of the El Mochito zinc mine, as well as dozens of concessions throughout Honduras.
- **Maya Gold Ltd**, with numerous concessions, was acquired by Centram Explorations, against which a 'Cease Trade Order' was issued by the British Columbia Securities Commission in 2003 for failure to file certain documents. The Honduran subsidiary Maya Gold, however, was actively applying for concessions in 2004, although the current parent company is unknown.
- **Merendon Mining Corporation** (Oro y Metales Preciosos), Canadian, is the owner of dozens of mining concessions in the department of Olancho, as well as Central America's only gold refinery (located in Tegucigalpa) and several other companies, including the Merendon Hospitality Group, which plans on building luxury hotels in the country.
- **Five Star Mining**, US, owner of several concessions.
- **Inglesrud Corporation** (Minera Virginia), US, owner of concessions in Yoro and Olancho, where it is currently focusing on the 'Los Hornos' project
- **Doublestar Resources Ltd** (Standard Mining Corporation, Aurora Exploración), Canadian, owner of numerous concessions, including the upcoming 'Zopilote' project in Santa Barbara, co-owned with Defiance Mining Corporation. *Doublestar is currently negotiating the sale of its Honduran properties and projects, although it is not known with whom.*
- **Globex Mining Enterprises Ltd** (Minerías Centroamericanas), Québécois/Canadian, owner of the promising 'El Transito' gold project and other concessions in Honduras, although Globex refers to itself as a 'here at home' North American company.
- **Gold-Ore Resources Ltd** (Bienes Mercantiles), Canadian, together with Aur Resources is applying for a number of concessions to add to its collection.

- **First Point Minerals Corporation** (First Point Honduras), Canadian, owner of two major projects in Honduras and has an exploration agreement with mining giant BHP Billiton for Honduras, El Salvador and Nicaragua. In 2004, First Point applied for 5 concessions in the gold-rich municipality of Guayape, Olancho, where the local population and community-based environmental committees are prepared to defend their territory at all costs.
- **Mena Resources Inc**, Canadian, owner of the ‘Minas de Oro’ concession in Comayagua, which has encountered local opposition under several previous owners.
- **RNC Gold Inc**, Canadian, seems to be the reincarnation of Greenstone, as its main assets are mines in Nicaragua previously owned by Greenstone, and RNC now has the option to acquire a 25% interest in the San Andrés mine in Copán, Honduras, also previously owned by Greenstone.
- **Brett Resources Inc**, Canadian, owner of one concession and a Letter of Intent with Tierra Colorada gives Brett the option to acquire several more.
- **Intrepid Minerals Corporation** (Minera Geox, Fenix, Gracias a Dios Minerals), Canadian, was previously the owner of several concessions around the country, including several enormous properties in the majority indigenous Mosquitia. Current status unknown.
- **Fisher-Watt Gold**, US, previously the owner of several concessions and projects. Current status unknown.

Because this kind of information is not transparent nor accessible in Honduras, the parent companies of several more concession holders are unclear, although the countries of origin of some of the ‘owners’ (subsidiaries) appear on a list of recent applications released by DEFOMIN in August 2004: **Tajo Minerales** (US); **Maya Mining Company** (US); **EXPLOMINH** (Canada); **Tierra Colorada** (Canada); **Minera de Cordilleras** (US); **Recursos Santana** (Canada); **Eurocantera** (Italy); **Cerro del Sur** (Canada); **Comercial M y T Imp. y Exp.** (Italy). Only a handful of concession applications were submitted by Honduran companies and individuals, and it is very likely that at least some of these are engaging in the common practice of ‘name-lending’ in order to further hide the identity of the real investors.

Opposition to mines and concessions has been growing over the past few years. Faced with the annual March for Life – organized by environmental and community rights organizations from Olancho and around the country to denounce illegal logging, mining and a host of other grave activities destroying the environment and community life – and with the official presentation of the Civic Alliance to Reform the Mining Law’s proposal to the National Congress, current president Ricardo Maduro announced that no new mining concessions would be granted until communities were consulted. In a public televised address, he promised to reform the General Mining Law (although the next day he clarified that this would in no way affect the mines currently operating in the country).

The presidential decree temporarily halting the concessions was not passed until weeks after the promises made by Maduro. In the meantime, 52 new concession applications appeared in the pages of national newspapers, courtesy of DEFOMIN. Among the metallic mining concessions, Geomaque (subsidiary of Defiance Mining Corporation) definitely won top prize; the company applied for more than 20,000 hectares (200 square kilometers; 77 square miles) in mining concessions in the departments of Olancho, Santa Bárbara, Francisco Morazan and Cortés.

¹ All information on this case study is from Andy Astritis, “Canadian Mining Companies Violating Indigenous Rights in Guatemala: The Case of INCO in El Estor,” Rights Action, October 2003. Contact info@rightsaction.org for the complete report or further details on the history of INCO in Guatemala, repression, indigenous rights violations and the current situation.

² Interview with Victor Ferrigno, Guatemala City, December 2, 2004.

³ “Central America after Hurricane Mitch,” World Economic Forum Annual Meeting, January 30, 1999, www.weforum.org

⁴ L. Enrique García, quoted in “Central America after Hurricane Mitch,” World Economic Forum Annual Meeting, January 30, 1999, www.weforum.org

⁵ Electronic communication between Dr. Yuri Melini, Director of the Environmental and Social Legal Center (CALAS) and Ginette Martin, political advisor at the Canadian Embassy in Guatemala, November, 2004.

⁶ Defensoría Q’eqchi’, “Análisis de concesiones mineras – Tierras y culturas indígenas amenazadas,” Guatemala, February 2004.

⁷ News Release, “New Exploration Licenses Issued in Guatemala,” Skye Resources Inc, Vancouver, December 14, 2004.

⁸ Center for Economic and Social Rights. *The Price of Gold: Gold Mining & Human Rights Violations in Honduras*. 2001. page 13.

⁹ Leticia de Oyuela. *Esplendor y miseria de la minería en Honduras*. Editorial Guaymuras: Tegucigalpa, 2003. pages 195-196

¹⁰ Karen Soto, “Autoridades entregan el territorio nacional en pedazos a las mineras,” *El Libertador*, Tegucigalpa, December-January 2005, page 25.

¹¹ Karen Soto, “Autoridades entregan el territorio nacional en pedazos a las mineras,” *El Libertador*, Tegucigalpa, December-January 2005, page 25.

IV. FOCUS ON GLAMIS GOLD

While there are hundreds of metallic mining concessions owned by dozens of transnational mining corporations in Honduras and Guatemala, as well as several operational mines, the current upsurge in mining activities facilitated by the changes in national legislation and the involvement of global actors is being led by Glamis Gold Ltd.

Incorporated in 1972 under the laws of British Columbia, Canada, Glamis Gold Ltd is a publicly held Canadian Corporation. Its wholly owned subsidiary, Glamis Gold Inc, was established in the same year in Reno, Nevada, where the company's head office is located. Glamis Gold bought out several other companies in order to acquire certain projects: Mar-West Resources Ltd, owner of the San Martin project in Honduras (1998); Rayrock Resources Inc, 2/3 owner of the Marigold mine in Nevada (1999); and Francisco Gold Corporation, owner of the El Suazal project in Chihuahua, Mexico, and the Marlin project in San Marcos, Guatemala (2002).

Glamis also owns the Rand mine in California, several concessions and 'projects' in Honduras and Guatemala, and according to its own reports has also been actively exploring in El Salvador and Panama. The company's 'Imperial Project' in the Imperial Valley in southern California is worth taking a closer look at for its parallels with the situation in Central America, where the same "free" trade framework is being set up, giving investors protection and impunity while divesting indigenous peoples and local populations of their rights to determine and control the use and development of their territories and communities.

4.1 Undermining First Nations Sacred Sites

Glamis' Imperial Project includes some 187 mining claims and 277 mill sites on over 1,500 acres (6.07 square km) of federal public lands in Imperial County, California. Acquired over the past 20 years, this project is owned by Glamis Imperial Corporation, another wholly owned subsidiary of Glamis Gold. The project is located within the 'California Desert Conservation Area' as designated by the Bureau of Land Management. This designation does not, however, prohibit mining within the Conservation Area. In 1994, through an affiliated company, Glamis filed its plan of operations with authorities in order to obtain approval to begin the exploitation phase.

The Imperial Project, however, lies within an area of sacred sites, and the Quechan Nation and organizations denounced the planned destruction of the region. In the late 1990s, the federal Advisory Council on Historic Preservation and the Department of Interior considered that the Imperial Project should not be permitted. In 2001, then-Secretary of Interior Bruce Babbitt issued the official decision to formally deny approval to the Imperial Project, supporting members of the Quechan Nation who declared that the mine would impair their ability to travel, both physically and spiritually, along a sacred pathway in the Californian Desert. Later that same year, the new Secretary of Interior overturned the decision to deny approval of the project.

Gray Davis, then Governor of California, took up the issue in 2002. In December, the California State Mining and Geology Board, an entity within the state's Secretary of Resources, issued a temporary emergency regulation requiring the backfilling of all open pits and grading in order to restore the area to its approximate original topography. On April 7, 2003, Davis signed Senate Bill 22, which essentially made the emergency regulations permanent when the mine site is located on or within one mile of any Native American sacred site. Although not explicitly banning mines in the area, the measure is effectively 'cost-prohibitive' to companies, unwilling to cut deeper into their profit margin. In a press release issued the same day, Davis remarked that "Open pit, cyanide gold mining cuts deep into the earth. This causes permanent scars on significant cultural and religious sites. This measure sends a message that California's sacred sites are more precious than gold."¹

Of course, Governor Davis got it wrong. In the neoliberal "free" trade model of development, gold (and, more importantly, the sacred right of companies to mine it) is more precious than First Nations' sacred sites, the interests of the population, or anything the government of California might have to say about the issue. On December 9, 2003, Glamis Gold Ltd filed a Notice of Arbitration against the government of the United States – for the actions of the Department of Interior and the State of California – under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) and of the North American Free Trade Agreement (NAFTA).

It is revealing to note the titles of the articles from NAFTA's infamous Chapter 11 invoked by Glamis Gold to support their rights to destroy Quechan sacred sites: Minimum Standard of Treatment (Article 1105) and Expropriation and Compensation (Article 1110)!!!

Naturally, these Articles are to protect investments, not peoples. Under NAFTA, "sacred site" is a foreign concept. Regarding compensation for the expropriation of investments, Paragraph 2 of Article 1110 stipulates that "[v]aluation criteria shall include going concern value, asset value, including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value."

The Glamis Gold Ltd vs. United States Government Arbitration case has yet to conclude.

4.2 The Siria Valley – Development or Zone of Human Sacrifice?

"If the mine is development, it is a backwards, upside down kind of development," remarked a member of the Siria Valley Regional Environmental Committee, in reference to Glamis Gold's San Martin gold mine in the department of Francisco Morazan, Honduras.²

Acquired in 1998 when Glamis bought Mar-West Resources Ltd, the San Martin project was developed by the wholly owned subsidiary Entre Mares in the wake of the General Mining Law, although mining company representatives had been in the area since 1995. Community members and local organizations were not involved in any kind of consultation process for the mining concession, the Environmental Impact Study or the approval of the project.³

Community members also report that the company entered the area with promises of the heavens themselves: cyanide is completely harmless, and the mine will bring employment, development, investment, 5-star hotels, etc. The Regional Committee was organized by town and community members in the area who investigated the company's claims and informed themselves and the population about the risks of health problems, environmental damages, etc. Despite protests, participation in open municipal hall meetings and other activities, the project received the blessing of the local authorities, who assured the population with echoes of company promises of development.⁴

The San Martin mine began production in 2000, despite widespread opposition to the project, which is located in the municipality of San Ignacio, Francisco Morazan. San Ignacio, together with the neighbouring municipalities of El Porvenir and Cedros, forms part of the Siria Valley. While strong in the municipalities of San Ignacio and Cedros, opposition to the mine was most powerful in El Porvenir, in large part because the mine itself is up against (and above) the boundary with the latter. Consequently, impacts have been more acute in communities in El Porvenir, especially in El Pedernal, the closest community to the mine along with Palo Ralo, which was evicted and relocated.

Medical brigades led by Doctor Juan Almendares Bonilla, a distinguished scholar and activist in the areas of holistic medicine, ecology and human rights, have studied the health problems in the community of El Pedernal from 2001 to 2003. The environmental organization Madre Tierra (Mother Earth), founded by Almendares, presented a report on their findings in October 2003. The findings, based on surveys and medical examinations, reveal an alarming increase in skin disease from 2001 to 2003. The prevalence of neurological, respiratory and ophthalmological (of the eyes) illnesses is also disturbing: in 2003, 80% of the population of El Pedernal suffered from skin diseases; respiratory illnesses, 28%; neurological, 59%; ophthalmological, 45%; and gastro-intestinal, 4%.⁵

Madre Tierra examined these health problems within the overall state of the quality of living in the Siria Valley, including the perceived decrease in the quantity and quality of water, increased poverty, deforestation, and other environmental destruction. The increased mental health problems – most notably insomnia, stress and anxiety – are undergoing further investigation. Although Madre Tierra believes it is possible that the population's mental health is related to dermatological illnesses, as well as environmental destruction and the fear of developing further illnesses, they also stress the importance of conducting a study of the presence of heavy metals in the region. The findings on the multiple kinds of illnesses now apparently endemic to the community of El Pedernal could very possibly be linked to contamination, considers the organization.⁶

When asked if an open pit cyanide-leaching mine might represent a health risk for nearby communities, a doctor employed by Entre Mares stated that “it does not constitute any risk whatsoever,” attributing the hair loss and other skin diseases to a lack of hygiene and constant contact with animals.⁷ Although the company supposedly employs a medical brigade to attend to communities in the region, the inhabitants of El Pederal have not found relief for their ailments. The community health clinic’s medication is limited to vitamins, acetaminophen and various topical creams.⁸

In March, 2004, the Pastoral Social Caritas Arquidiocesana, an organization linked to the Catholic Church that has been active in denouncing mining activities and accompanying affected communities, released a technical study on the water quality in the area of exploitation at the San Martin mine. With the permission of Entre Mares, and in the presence of representatives from the company, Caritas, DEFOMIN, the General Direction of Environmental Evaluation and Control (DECA) and the Center for the Study and Control of Contaminants (CESCCO), a series of water and sediment samples were taken from different points in close proximity to the mine, in order to determine whether there might be some form of contamination related to the company’s activities. Samples were examined for the presence of arsenic, mercury, cyanide and hexavalent chromium.

In 4 of the 7 water samples, the laboratory analysis revealed arsenic levels higher than the maximum permissible levels; results of up to 0.054 milligrams per Liter were obtained, while the maximum level for drinking water and domestic use is 0.01mg/L. In three of six sediment samples, high mercury levels were found; however, these results were determined to be inconclusive, without even considering that national legislation in Honduras does not establish maximum concentrations of many potentially dangerous heavy metals and other substances. Due to the fact that these technical studies are cost-prohibitive, Caritas has only been able to conduct this one limited preliminary investigation into possible contamination caused by the San Martin mine. Their recommendations, however, include calls for further investigation into the causes of arsenic contamination and its impacts on health in the region, studies to determine the presence of heavy metals in community water sources, and, above all, legislation reforms to establish an effective monitoring process with the participation of affected communities.⁹

As is frequently the case, along with concerns about possible health risks, opponents of the mine had asked where the company would obtain the enormous quantity of water necessary for the operation of an open pit cyanide-leaching mine. In an interview, Entre Mares boss Eduardo Villacorta commented on the issue of excessive water use: “I can assure you that the accusations made by anti-mining – or, more appropriately, anti-development – groups are not substantiated at all [...] We have an authorization for the consumption of 220 gallons [832.8 liters] per minute, authorized by the respective authorities.”¹⁰ What is in question, however, is not whether or not there is formal ‘authorization,’ but the effects of the magnitude of the company’s water consumption in the region.

Regional Environmental Committee and community members note that along with illegal deforestation by logging companies in the Valley, the deforestation by Entre Mares and the mining activities have severely affected the availability and quality of water. They have noted a significant decrease in the levels of rivers and streams in the area, and those leaving the mine site are thick with earth. Alongside several of these streams are troughs installed and periodically filled with water by the company, because livestock will not drink from the muddy waters. During one period of heavy rains, the pools filled with cyanide solution reportedly overflowed. Water for domestic use, much of which was drawn from wells, is a scarcity, due to the deep wells used by the company, which uses both surface and underground water sources.¹¹

The water scarcity, combined with levels of precipitation reportedly affected by the deforestation, has spelled disaster for the majority of the communities in the region, whose main subsistence and income-generating activities have traditionally been agriculture and livestock. Many campesinos report that the past two years have seen a marked decrease in their harvests. Once part of the country’s “grain house,” the Siria valley has lost its food security and now many families have to buy the majority of their basic staples (corn, beans, etc). **“We have been turned into consumers. We have been denied the right to subsist,”** laments Committee president Martin Erazo. Others comment on the upsurge in migration to the United States, noting that in almost every household of the communities most affected by the mine, at least one family member is working in the US in order to sustain their communities. Only the families of the few dozen mine workers have benefited from the project, although this has also had negative repercussions on the rest of the population, as in many other mining activity case studies: community divisions, insecurity, increased drug and alcohol consumption and prostitution.¹²

Committee members comment that in the past 4 years of struggle against the San Martin mine, the biggest obstacle has been the government authorities, who collaborate with and justify this and other powerful companies in the

country.¹³ The Special Prosecutor's Office on the Environment has a limited mandate that does not allow it to investigate any administrative process (such as the granting of the environmental license, for which there is no review), while the entity for ensuring compliance with environmental regulations is DEFOMIN, the same government body responsible for promoting mining in the country and granting concessions. The Special Prosecutor's Office on the Environment did, however, conduct an investigation into abuses and environmental crimes committed by Entre Mares in the initial stages of the project, which resulted in criminal charges and even an arrest warrant, for unauthorized (illegal) deforestation, the altering of the course of streams and public roads, and a number of other abuses.

In 2000, the Special Prosecutor's Office on the Environment presented a series of criminal accusations against Entre Mares, for various environmental crimes: water usurpation, aggravated damages, forest crimes, and disobedience to authority (*usurpación de agua, daños agravados, delito forestal, desobediencia a la autoridad*). During the proceedings, the Office solicited an arrest warrant against Entre Mares representative Simon Ridgway, a Canadian citizen, a petition accepted by the judge, who ordered the arrest warrant. Supposedly because "the investigation has not been exhausted," the warrant was never carried out.¹⁴ Meanwhile, Entre Mares named a new representative and Simon Ridgway moved on to focus on Guatemala and Nicaragua as president of Radius Gold, which concentrates on exploration of gold opportunities and establishing joint ventures with companies such as Glamis Gold.

Community leaders from the Siria Valley consider that the legal case, as often happens in Honduras where the 'justice' system only enforces the complete impunity of powerful economic interests, is 'dormant,' although 'comatose' might be a more appropriate description. Money is almost always opposed to justice, consider members of the Regional Environmental Committee. Despite overwhelming evidence of company abuses, environmental damage and related health problems, the government continues to justify and legitimize the company. For several local activists, the San Martin mine is just another example that the Honduran government is 'anti-national,' responding to the interests of foreign investment and the North American governments.¹⁵

Although the more serious death threats and incidents of intimidation against Committee members are seemingly related to their struggle against illegal logging in the municipality of Cedros, Entre Mares has also played its role in the 'security' of the region, considered 'insecurity' by the majority of its inhabitants. From its initial stages of development, police forces in the area have cooperated with the company and actively aided in protecting the mine site and its employees. Company vehicles have transported police in the municipality of San Ignacio, while the patrol truck in El Porvenir was reportedly donated by the mining company.¹⁶

Glamis Gold also employs its own private security force to protect their investment. When the company installed itself in the area, its private security force was led by a former member of the infamous Military Intelligence Battalion 3-16, responsible for the surveillance, torture, disappearance and assassination of dozens of social justice and human rights activists in the 1980s after the CIA assisted in its formation and training. After his alleged responsibility in a murder (of the brother of a recognized human rights defender), the company made some personnel changes in its security force.¹⁷

Glamis was also allegedly linked to the murder of Teodoro Martinez, an indigenous Tolupan community leader from the neighbouring Montaña de la Flor. There were plans to channel water from the indigenous area, where communities are already involved in conflicts to defend their territory from loggers and others who covet its rich forests and natural resources, to the San Martin mine site. After strong community opposition, Glamis changed its mind. However, in 2003 Teodoro Martinez, active and outspoken opponent of the company's plan, was murdered and decapitated. His head was never found.

In the face of the overwhelming evidence of abuses and negative impacts of all kinds, members of the Siria Valley Regional Environmental Committee consider that the region should be recognized for what it is – a zone of human sacrifice, in reference to the "National Sacrifice Area" that resulted from Newmont's testing of cyanide to extract gold in Nevada.¹⁸ On the subject of the Siria Valley, Doctor Juan Almdares states that **"it hurts the soul and makes one want to break down in tears upon witnessing the indifference of the government to the abuses, illnesses and disaster being caused by the mining company. We have to speak out; the country is being destroyed..."**¹⁹

Glamis Gold, meanwhile, "is proud of the positive impact it has had in Honduras and particularly in the area surrounding the mine."²⁰ However, in the wake of the approval of an IFC loan to the company's Marlin project in

Guatemala, Glamis Senior VP of Administration, Chuck Jeannes, admitted that “the company’s experience in Honduras taught Glamis that – while a company can have the support of federal and state officials and politicians – it is critically important that local residents be educated about mining in order to obtain the social license to operate a mine.”²¹

By now quite well ‘educated about mining,’ community members are concerned that the company is currently attempting to expand the San Martin project into parts of the 141 square kilometers (54.4 square miles) concessioned to the company in the Siria Valley. Although most are confident that the company will not enter the municipality of El Porvenir, where almost the entire population is strongly opposed to the mine and willing to defend their communities, it seems as though Entre Mares is considering expanding into the neighbouring municipality of Cedros.

In early January, 2005, Committee member and Cedros inhabitant José Coello, an outspoken opponent of mining and illegal logging in open municipal meetings and community Church services, was shot and killed by unknown assailants while on his way from Tegucigalpa to Choluteca. He was not robbed nor was he known to be involved in any personal conflicts.

Glamis Gold, by way of Entre Mares, is also active in many other parts of the country, with concessions in several departments. The company has thus far been successfully detained by the population of the municipality of Güinope, department of El Paraíso, where exploration activities – reportedly sometimes carried out at night, hidden from the inhabitants – was accompanied by the kinds of things that usually occur when these companies enter a region: foreigners give candy to children and in-kind donations to local schools, strangers offer to buy up land for multiple times the going value, etc.²² The residents of Güinope, Cedros and many other communities affected by concessions in both Honduras and Guatemala are on constant alert, learning from the experiences of the Siria Valley and developing strategies to prevent their communities from becoming the next zone of human sacrifice.

4.3 Brightening Guatemala’s Future?²³

Discovered in 1998, the Marlin project was acquired by Glamis Gold through its merger with the Francisco Gold Corporation in 2002. Construction is well underway, with production scheduled to begin in 2006, according to the company, which owns and operates Marlin through its wholly owned subsidiary Montana Exploradora de Guatemala.

Many local communities and organizations are opposed to the project. Although it was approved after the ratification of ILO Convention 169, the indigenous Maya Mam and Sipakapense communities of the directly affected municipalities of San Miguel Ixtahuacán and Sipakapa were not consulted. Glamis assures that it has made a commitment “to respect the cultural values (language, living conditions, traditions) of the communities where it will operate” and adds that in late 2002 groups were “trained to understand what a mine was and how it operated,” and shared that information with communities.²⁴

According to the indigenous population in the area and various organizations, **“we have been noticing with much concern that strangers have come to explore our lands. Later they began to buy some properties, using, among other methods, trickery, coercion and promises of development for the communities. Until recently we were not aware of their motives, but this year [2003] we have confirmed that a foreign mining company has already installed itself in the region and is about to initiate the extraction of gold and silver...”**²⁵ Although Glamis insists that it has learned the importance of educating the local population about mining and is “putting more effort in community development activities at the earliest stage of the project,”²⁶ their actions are completely at odds with the indigenous communities’ vision of community development.

When community leaders have taken their concerns to departmental authorities, the response has often been ‘if you don’t want the mine, then there will be no funds for development,’ an attitude which has also been reiterated by national authorities: ‘if San Marcos does not want development [the mine] then let them continue to live in poverty.’ Community leader Juan Tema from the municipality of Sipakapa reports similar responses from local authorities when inhabitants have reported abuses committed by mine construction workers. When communities have denounced several incidents of sexual harassment, and even the rape of two young girls, they have met with hostile comments and inaction on the part of police and municipal authorities.²⁷ Javier de León of the local in-

indigenous community development organization Ajchmol reports that gunshots are heard almost every night, in a region where this was very uncommon before the entrance of the company.²⁸

Despite the lack of consultation with the affected indigenous communities and the denial of their rights to determine the path of their own development, and amidst the serious and ongoing human rights violations and abuses, Glamis paints itself as a friendly company in favour of community development. With IFC funds and the collaboration of the Citizens Development Corps (CDC) and other organizations, the company created the Sierra Madre Foundation in order to work in the areas of education, health, reforestation, training, microenterprise, productivity, agriculture and institutional strengthening [along with slick propaganda]. ‘Community development’ designed and controlled by a mining company whose main interest lies in the profits to be made from the millions of ounces of gold and silver they hope to extract over a decade or so? Healthy community development is not designed by a transnational company, nor is it dependent on the acceptance of a project that threatens to damage the environment, health, the Mayan cosmovision and thus the communities themselves; it is a process constructed and controlled by the population.

The Sierra Madre Foundation is part of Glamis Gold’s efforts to obtain a “social license” for the Marlin project, although the main part of this strategy was the 45 million dollar loan that the International Finance Corporation approved in mid-2004. While both Glamis and the IFC focus on the benefits of this partnership for the company’s community development programs in the area, the IFI’s involvement “also guarantees a measure of security for the mining company as it cautions foreign governments to think twice before interfering with a World Bank project.” The IFC’s Oil, Gas, Mining and Chemicals Director Rasha Kaldany explained that “the Marlin project will support the government of Guatemala’s efforts to invigorate investment in the mining sector.”²⁹

In part because what is at stake is not only the Marlin project but the whole new wave of foreign mining investment in the country, the Guatemalan government, along with the World Bank and the Canadian government, is determined to see the project through, despite increasing opposition to mining all over the country and despite the lack of consultation concerning this and other projects. On December 3, 2004, inhabitants of the municipality of Sololá gathered in Los Encuentros, along the Interamerican highway from Guatemala City through the mainly indigenous highlands, to protest the transport of mining equipment destined for the Marlin project, when transport workers began dismantling a pedestrian overpass in order to permit the passage of the convoy. When the transport contractor and authorities insisted that they had the appropriate permits, the population responded by burning a truck carrying gas and equipment destined for Marlin.

The convoy sat detained on the side of the highway for over a month, while central government authorities unsuccessfully tried to convince the population – supported by indigenous municipal authorities from Sololá as well as a number of organizations and communities from around the country – to permit the passage of the convoy to the mine site in San Marcos. On January 9, 2005, the government announced that if ‘reason’ did not prevail, they would be ‘forced’ to send in the army. On January 11, during the massive army and police intervention in Los Encuentros, Guatemalan president Oscar Berger insisted “**we have to protect the investors.**”³⁰

Some 700 heavily armed and equipped national police agents and soldiers were sent to guard the convoy as it started to continue its journey to San Marcos, while inhabitants from communities around Sololá continued to attempt to detain its transport. The conflict lasted all day, as State security forces ‘protected the investors,’ using over a thousand tear gas canisters and firing AK-47s against the demonstrators.³¹ Raúl Castro Bocel, an indigenous inhabitant of Sololá, was killed and several others were wounded.

The violent attack against actions of legitimate resistance by indigenous communities and others in Guatemala reveal the hypocrisy of the commitments to dialogue and consultation made by the government and other organizers of the First National Mining Forum in early December, 2004, unless sending in the army to attack demonstrators can somehow be considered part of the process in search of ‘consensus’. The incident was followed by a generalized outcry from organizations in Guatemala, as well as a strong response from several organizations across Canada. An indigenous community-based development association in San Marcos that has been at the forefront of the struggle against the Marlin project, the Mayan Association for Integral Development AJCHMOL denounced the repressive actions taken by the government, “**forgetting that the Guatemalan State is organized to protect the life of all inhabitants and not a cylinder belonging to a private company.**”³²

Glamis Gold, while “saddened that this criminal activity [incited by “anti-development activists”] may have resulted in injury and loss of life,” “remains 100 percent unhedged”; “No further delay or impact is expected at the

Marlin project, which remains on schedule...³³ Of course, the death of Raul Castro is confirmed. Furthermore, he did not 'lose' his life as though he misplaced it somewhere along the highway; he was shot and killed by Guatemalan security forces sent in to protect Glamis Gold property. In response to electronic messages of concern and outrage about the incident, without even bothering to comment on the death or use of force, Canadian Ambassador in Guatemala James Lambert wrote:

In the case of the machinery held up in Los Encuentros, I understand that there have been repeated attempts to explain to the individuals concerned the use of the machinery and the fact that it is destined to an area where exploitation permits have been granted according to national and international regulations. This said, we will continue to provide information and promote dialogue as a means of helping Guatemalans make informed decision about their development options.³⁴

The Guatemalan and Canadian governments, along with the World Bank, continue to justify their active support of the so-called 'development' imposed on communities by foreign mining companies. Glamis Gold, also the owner of the 'Cerro Blanco' project in southeastern Guatemala as well as a number of joint venture projects recently signed with Radius Gold, is just one of several companies in Guatemala. However, the outcome of the Marlin project – the country's first significant mining investment in more than 20 years – will surely play a key role in determining the outcome of the metallic mining sector in general.

Around the country, activities and alliances continue to grow among indigenous communities, grassroots organizations, NGOs and sectors of the Catholic Church, with a contrasting vision of community development that grows from the needs, vision, participation and control by the communities themselves. Unless the government and the global actors involved begin to respect the rights and demands of the population, the January 11 incident in Los Encuentros might only be the beginning.

¹ All of the above information on the Imperial Project is summarized from Glamis Gold Ltd's Notice of Arbitration, filed December 9, 2003, which includes the Office of the Governor's press release as Annex A, see <http://www.state.gov/s/l/c10986.htm> Friends of the Earth-United States and Oxfam-America have also written a report on the case, see www.oxfamamerica.org/pdfs/glamis_en.pdf

² Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

³ Center for Economic and Social Rights. *The Price of Gold: Gold Mining & Human Rights Violations in Honduras*. 2001.

⁴ Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

⁵ The Madre Tierra report is included in the October 2003 issue of www.revistazo.com

⁶ Ibid.

⁷ October 2003 issue, www.revistazo.com

⁸ Karen Soto, "Honduras, ¿paraiso o infierno?," *El Libertador*, June 30, 2004.

⁹ Information is summarized from Pastoral Social Caritas Arquidiocesana, Resumen Ejecutivo del Estudio Técnico: "Calidad de agua en el área de explotación mineral del proyecto San Martín, ubicado en el municipio de San Ignacio, departamento de Francisco Morazan." Tegucigalpa, March, 2004.

¹⁰ October 2003 issue, www.revistazo.com

¹¹ Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

¹² Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

¹³ Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

¹⁴ October 2003 issue, www.revistazo.com

¹⁵ Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

¹⁶ Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

¹⁷ Discussions with members of COFADEH's legal team, January 13 and 14, 2004.

¹⁸ Meetings with Siria Valley Regional Environmental Committee and community members, El Porvenir, July 9, August 4, 15, and September 11, 2004.

¹⁹ October 2003 issue, www.revistazo.com

²⁰ Glamis Gold website, under Properties; San Martín: www.glamisgold.com

²¹ Dorothy Kosich, "Glamis Partnerships Brighten Guatemala's Future," July 9, 2004, www.mineweb.com

²² Rechazan minera en Güinope, *El Heraldo*, July 6, 2004, page 6.

²³ Heading is a response to a July 7, 2004 article by Dorothy Kosich, "Glamis Partnerships Brighten Guatemala's Future," published on www.mineweb.com

²⁴ 'Futuro con responsabilidad,' publication of Montana Exploradora de Guatemala, S.A.; Dorothy Kosich, "Glamis Partnerships Brighten Guatemala's Future," July 9, 2004, www.mineweb.com

²⁵ Comunicado de los pueblos mayas Sipakapense y Mam, San Miguel Ixtahuacán, San Marcos, November 17, 2003.

²⁶ Dorothy Kosich, "Glamis Partnerships Brighten Guatemala's Future," July 7, 2004, www.mineweb.com

²⁷ Presentation by Juan Tema, Mayan Congress, November 29, 2004; Tensión alrededor de las mineras, Lorena Seijo, Prensa Libre, December 27, 2004.

²⁸ Discussion with Javier de León, San Marcos, December 5, 2004.

²⁹ Dorothy Kosich, "Glamis Partnerships Brighten Guatemala's Future," July 7, 2004, www.mineweb.com

³⁰ "One Dead in Guatemala Clash," CNN, January 11, 2005, www.cnn.com/2005/WORLD/americas/01/11/guatemala.violence.ap/

³¹ "Se enfrentan policías y vecinos por paso de equipo minero," Prensa Libre, January 12, 2005.

³² "Comunicado ante los hechos ocurridos el 11 de enero de 2005," Asociación de Desarrollo Integral Maya AJCHMOL ('ADIMA'), January 13, 2005.

³³ "Glamis Gold Comments on Transport Incident," Company Statement, Reno, Nevada, January 13, 2005.

³⁴ Letter from Canadian Ambassador James Lambert, January 12, 2005, distributed on the Rights Action e-list.

V. On the Ground: Community-based Resistance

In Honduras, Guatemala, and around the world, communities are struggling against transnational mining companies and the ‘development’ agenda of global actors in order to protect and nurture their lands, territory, water, resources, health, ways of life, rights, and a community development based on the needs, initiatives and visions of the communities themselves.

Mining companies, governments and International Financial Institutions are involved in an ongoing campaign to convince the world that mining is sustainable and brings development. Opposition is frequently attributed to foreign perceptions and instigation, ‘anti-development’ activists, ignorance, etc.

Meanwhile, local resistance and alliances against mining companies and projects are growing. Despite all inequalities and obstacles, there have been important victories in recent years in Latin America. Alliances addressing indigenous rights and legislation reforms are working on these issues at the national level.

However, the mining companies are not from Honduras or Guatemala. The mining legislation does not come from Honduras or Guatemala. The actors most involved in the implementation of the neoliberal ‘development’ model that favours transnational business interests at the expense of local communities and peoples are not from Honduras or Guatemala.

While supporting local communities and organizations, respecting their vision, needs and priorities, international solidarity efforts need to be based within the framework of a global justice movement that confronts the ‘development’ agenda of the global actors promoting, implementing and benefiting from an unjust and exploitative global system.

5.1 Foreign Anti-Development Agitators?

Mining companies, governments and IFIs have all adopted similar strategies to belittle and/or discredit opposition to mining activities. Regarding the vocal opposition of directly affected communities in both Guatemala and Honduras, Glamis Gold representatives referred to the opposition as a minority of “anti-development” activists. A DEFOMIN representative casually referred to environmentalists (opposing mining) as “recycled communists.” Before opposition to Glamis Gold’s Marlin project in Guatemala became a strong national movement, Glamis VP Chuck Jeannes felt that their excellent community education process has prevented space “for people to come in and create anti-mining hysteria.”¹

The assertion that opposition to mining activities is brought in from outside, especially by foreign organizations, is often repeated by the industry’s supporters. The World Bank comments on what they term ‘Perceptions of Mining and the North-South Divide’ (!), claiming that globalization “has increased the concern of civil society in the developed world about the activities of the minerals industry in the developing world.”:

The view prevailing in some developed countries...of mining as an activity that pollutes and degrades the environment and the people, to be tolerated only under extremely restrictive conditions...is largely a result of lingering perceptions of the old, pre-reform type of mining, from which industry leaders have begun to distance themselves.

Such perception must be contrasted with the view of mining held by many in the developing world: that is, mining is an essential industry and an immediate and important way to help the poor gain some of the benefits of modern society.²

On the other hand, anyone in the so-called ‘developing’ world who speaks out against mining must either be because they fell victim to foreign anti-development agitators, because they are too ignorant to realize how mining will benefit their communities, or because they are protecting some mysterious dark interests. Iván Guerrero, head of the Geology and Mines department at DEFOMIN in Honduras, suggests the latter:

Anyone who doesn’t know about the subject is giving their opinion. So you see campesinos talking about chemistry. You see primary school teachers talking about the mining process. So I ask these people:

When did they get the information?

Or, where did they find out about mining activities?

Do they know? Or don’t they?

Or are they speaking to protect their particular interests?
Or, what interests are they protecting?³

These kinds of accusations imply an admission that no open, unbiased information or consultation processes were carried out in affected communities. Communities threatened and directly affected by mining concessions and projects in Honduras, Guatemala, Latin America and around the world are speaking out. Their opposition to mining activities is not because they oppose development; it is because local initiatives, resources and community-based development are threatened by the imposition of destructive projects such as mines, that within the current legal framework and neoliberal agenda stand to benefit transnational mining companies at the expense of local communities and resources – all in the name of ‘development.’

5.2 Legitimate Community-Based Resistance

On January 11, 2005, as the Guatemalan army and police were sent in to repress demonstrations in Los Encuentros and protect the transport of mining equipment destined for Glamis Gold’s Marlin project in the mainly indigenous highlands of San Marcos, the indigenous community of Aquila in the municipality of Aquila, Michoacan, Mexico met to discuss the activities of a different mining company on their communal land, asking some important questions: “Is it a coincidence that where there are natural riches there are conflicts, where authorities pretend not to see and instead of being on the side of the majority, side with the interests of the minorities? [...] **To whom can we the citizens turn when the authorities that are supposed to protect our rights are the ones that violate them?**”⁴

In Guatemala, the local Mayan community development association Ajchmol lamented the actions of the government, once again resorting to “repression, discrimination and violence against the Mayan population, forgetting that the State is organized to protect the lives of all inhabitants and not a cylinder belonging to a private company.” In an editorial published January 14, 2005 in the *Prensa Libre*, Magalí Rey Rosa of the MadreSelva Collective asked “What does the Guatemalan population have to do for the government to understand that they do not want metallic mining in their territories?” Daniel Vogt, of the Association for Integral Development based in El Estor (AEPDI) warns that as long as the government maintains its position, closed to dialogue and willing to repress indigenous opposition by force, the incident of January 11 may not be the last.

Initiatives to protect communities and indigenous territories from ‘the new invasion’ of transnational mining companies in both Honduras and Guatemala include direct community resistance, regional and national alliances, international solidarity campaigns. There are also civil society alliances in both countries with concrete proposals to reform the mining legislation. Some organizations are focusing on demands for consultations: based on ILO Convention 169 especially in Guatemala where the majority of the population is indigenous, but also in Honduras, where non-indigenous communities refer to the obligatory community consultations involved in environmental and social impact study process. However, faced with a regulatory framework that is contrary to their interests, with the lack of will to implement laws and international conventions that favour communities and indigenous peoples, and with systematic impunity (local, national and global), many communities have turned to direct action to protect their communities, lands and local development initiatives from mining companies.

Working on the Involuntary Resettlement of Silver Crest Mines!

In Honduras, all four silver mining projects owned by Silver Crest Mines, by way of its subsidiary Maverick, have been the targets of community-based resistance and two have been successfully detained – at least for now. When the population of El Progreso and surrounding communities learned of the concession in Arena Blanca, only 10km south of the city, they began organizing, informing and denouncing, to the point that the company has not since returned. Similarly, residents of communities in La Labor began organizing, concerned about the active exploration activities in the area, including the Güisayote biological reserve established to protect the area’s many water sources. A government commission found the denouncements of the communities to be true: the Silver Crest concession is partially within the boundaries of protected area’s buffer zone, where mining activities are clearly prohibited by Decree 87-87 (‘the Cloudforest Law’).

Despite the findings, the government did not promise to cancel the concession until it was faced with a massive highway blockade by communities in La Labor, closing the main route to country’s main border crossing with Guatemala. After 3 days, President Maduro promised to cancel the concession. The demonstration ended, giving

the government 3 months to fulfill its promise. It is unknown, however, whether DEFOMIN ever followed through with the orders of the President and the federal Public Prosecutors' Office and officially canceled the concession; in July, 2004, Silver Crest denounced the intended 'expropriation' and vowed to initiate legal action.

In the community of El Rosario, Comayagua, covered by another Silver Crest concession, the overwhelming majority of the population is organized and opposed to the mining project, including the mayor and the entire municipal government. They have denounced the activities of a dozen local people working for the company (the coordinator reportedly receives a significant salary from the company for his efforts), whose main role is to disturb, confront and challenge all opposition to mining. This 'clash' group disrupts events and meetings, travels out to communities in order to distribute company propaganda the day after the local environmental network has held discussions, and has damaged the vehicles of visitors invited to a local forum on mining.⁵

Companies vs. Communities: Conflicting Visions of Development

The employment by companies of local inhabitants for the purposes of disrupting community unity and opposition is widespread. Another tactic increasingly employed by transnational mining companies is the collaboration with 'NGOs' for the 'community development' projects accompanying the actual mining projects. As is the situation in Guatemala with Glamis Gold's Marlin project, the company's Sierra Madre Foundation and the collaboration of organizations that use their NGO status as a disguise for their support of company activities, mining companies in Honduras are also teaming up with organizations of questionable intentions at best in order to promote the benefits they will bring to the affected region. The supposed 'benefits' are limited, short-term, do not compare with the long-term negative impacts of metallic mining and, most importantly, are a CONDITION imposed by mining companies interested in profits. Nevertheless, these kinds of company/NGO partnerships for 'development' are increasingly being used and socialized by companies in an attempt to clean up their image.

Despite these obstacles, tactics and abuses, many communities have nevertheless struggled to defend their communities and resources. Communities in an area affected by a future metallic mining project in the department of Valle held a demonstration – machetes in hand – against the company's plans, vowing to put their lives on the line in order to protect their communities. Several concessions and mining projects in central and eastern Honduras have met with similar resistance, due to the legal framework that is completely opposed to community rights and the threat of the negative impacts mining would have on water availability (for domestic use, crops, livestock, etc), the environment, human health...essentially on these communities' way of life and their possibilities for a community development based on the needs and priorities of the communities themselves. The promise of these communities – BY ANY MEANS NECESSARY – is not an idle threat; thus, the entrance of mining companies has been halted in certain communities and regions, at least for the time being.

These actions can be seen as a response to the question of the Communal Assembly in Aquila: To whom can we as citizens turn when the authorities that are supposed to protect our rights are the ones who violate them?

Argentina: Esquel vs. Meridian Gold

In South America, communities have recently won important struggles against a few major mining projects. In the department of Chubut, Argentina, residents of Esquel, along with an organization representing the local indigenous Mapuche population, denounced and protested a gold-silver mine project owned by Meridian Gold Inc. Like Glamis Gold, Meridian is a Canadian company headquartered in Reno, Nevada. The local movement against the mine, which calls itself the Self-Convoked Neighbours of Esquel, has been active since residents learned of the project and began investigating the issue. Aside from the continuous meetings, denunciations and protests, and despite active government support for the project, over 80% of the local population voted against the mine in a non-binding plebiscite in March, 2003. The company's share value plummeted immediately, and the project has since been abandoned; however, in late 2004, the state mining authorities and the Canadian Embassy were reportedly involved in efforts to initiate other mining projects in the region.⁶

Peru: Tambogrande vs. Manhattan Minerals

In the department of Piura, Peru, the residents of Tambogrande obtained a similar victory after years of struggle against Canadian mining company Manhattan, which had received an 89,000 hectare (890 square kilometers; 343.63 square miles) concession from the government of Fujimori in 1999. Located in the fertile San Lorenzo valley, communities organized together against the project, forming a common front. The response was repressive;

Godofredo García, a local environmental leader and technical advisor for the Front, was assassinated. Nevertheless, opposition was not deterred; in a voluntary municipal consultation, 98.05% of the population voted against the project. Although 74% of Tambogrande participated, and although the entire process was monitored by a team of international observers, those in favour of the project dismissed it as an illegal action. In late 2003, Peru denied permission to Manhattan Minerals; however in December 2004, the company was negotiating the sale of the concessions to another company. The local population warns Solar Energy and any other interested companies that no mine will be permitted in the region.⁷

Yanacocha: Cajamarca vs. Newmont, World Bank

Also in Peru, in the department of Cajamarca, the World Bank supported Yanacocha mine has been the target of protests and denouncements for years. US mining giant Newmont had been granted a permit by the Peruvian government to expand the mine, into lands that include the mountain Cerro Quilish, an indigenous sacred site. After weeks of demonstrations and roadblocks by thousands of local inhabitants, the government decided to cancel the permit, a decision that was accepted by company.⁸

5.3 Proposing Legislation Reforms

Aside from the direct action taken by communities, alliances of civil society groups and other organizations have formed to focus on mining legislation reform in both Honduras and Guatemala.

In Honduras, the Civic Alliance to Reform the General Mining Law is made up of a number of NGOs and even government entities – Caritas, ASONOG (Association of Non-Governmental Organizations), the Special Prosecutor's Office on the Environment, COFADEH (Committee of Relatives of the Detained-Disappeared in Honduras), CIPRODEH (Center for the Investigation and Promotion of Human Rights in Honduras), AMHON (Association of Municipalities of Honduras), CONADEH (National Human Rights Commission), among others. The reform proposal was officially presented to National Congress President Porfirio Lobo Sosa by Cardenal Oscar Rodríguez on behalf of the Civic Alliance, in July 2004.

The main aspects of the law affected by the reform proposal are: increased municipal royalties; the elimination of forced expropriation and involuntary resettlement; augmented environmental regulations, restrictions and controls; and the participation and consultation of communities, civil society and local governments in the various stages of possible mining projects. Some see the proposal as a great improvement on the current legislation, seeking to protect and benefit affected communities. Others see the reforms as an inexplicit but effective way to prohibit open pit mining in the country.

Other organizations and communities, however, express their support for the work done by the Civic Alliance but withdrew from the process. Madre Tierra withdrew from the Civic Alliance, claiming that the reforms do not go far enough; the General Mining Law should be declared unconstitutional, along with all of the concessions granted under the harmful legislation. Members of the Siria Valley Regional Environmental Committee have also expressed reservations about the proposed reforms, which would not affect the mines currently operational in the country.

There is a similar proposal to reform Guatemala's mining legislation, with similar decisions being made by organizations – whether to actively support improvements to the law that might be acceptable to Congress, or whether to oppose the reform project in favour of a complete overhaul or ban on the way mining is 'developed' in Central America. Needless to say, neither proposed reform project has been accepted. Nor would its acceptance guarantee that reformed legislation would be respected.

Philippines: the Constitution, Indigenous Rights vs. Mining Companies

In the Philippines, indigenous groups and other organizations have been fighting for years against the Mining Act and Foreign Technical Assistance Agreement, both passed in 1995. The debate was driven by the denunciations and legal proceedings initiated by the La Bugal-B'laan Tribal Association in 1997. In January 2004, the Supreme Court declared both the Mining Act and the application of the FTAA to favour almost total ownership by foreign mining companies unconstitutional; the Constitution of the Philippines reserves natural resource exploitation for the State, while the FTAA permits joint ventures when the State otherwise lacks the necessary technology and

capital. On the ground, this exception has been extended to permit almost entirely foreign-owned mining activities (on indigenous lands) even though the Constitution limits foreign involvement to 40% - 60%, control and supervision must remain with the State. The original Supreme Court decision of January 2004 was seen as an important victory by indigenous communities, tribal associations and NGOs.

Later in 2004, however, the Supreme Court dismissed the petition of the La Bugal-B'laan Tribal Association, claiming that a binding contract could not be invalidated, even though the specific mining project denounced is 95% owned by the Western Mining Corporation of Australia. The Supreme Court, presumably bowing to international pressure, then reversed its January 2004 decision:

The Court believes that it is not unconstitutional to allow wide degree of discretion to the Chief Executive, given the nature and complexity of such agreements, the humongous amounts of capital and financing required for large-scale mining operations, the complicated technology needed, and the intricacies of international trade, coupled with the State's need to maintain flexibility in its dealing, in order to preserve and enhance our country's competitiveness in world markets.⁹

With respect to the La Bugal-B'laan petition, the Court, with its new look on the constitutionality of FTAA's, based on the 'wide degree of discretion' permitted to the president, had declared that:

The Constitution is the supreme law of the land. It is the repository of all the aspirations and hopes of all the people. We fully sympathize with the plight of Petitioner La Bugal B'laan and other tribal groups, and commend their efforts to uplift their communities. However, we cannot justify the invalidation of an otherwise constitutional statute along with its implementing rules, or the nullification of an otherwise legal and binding FTAA contract.¹⁰

So much for justice, when the only right granted to indigenous peoples is 'sympathy' for the destruction of their ancestral lands and ways of life.

The example from the Philippines can be seen as a sign of things to come for Honduras and Guatemala. Under the investment protection clauses of the Free Trade Agreements with the United States – pending ratification – and Canada – in negotiation – any reforms to the mining legislation, policy or other initiatives damaging the interests of transnational companies that might manage to be passed would then be considered grounds for companies to sue the government, as is the case of Glamis Gold Ltd vs. United States.

5.4 Global Justice?

Based on completely different visions of development, the conflict between indigenous peoples, communities and organizations on the one hand and metallic mining interests on the other will not likely end anytime soon.

The January 11, 2005 incident in Los Encuentros, Guatemala was not an isolated act of repression. The governor of Solola has presented criminal charges against 7 indigenous leaders from Sololá, related to the demonstration. To support his claims that these elected community leaders were in fact coordinating armed movements in the region, the governor submitted their pictures along with his statements. The photos are in fact from the demonstration, but they were taken during peaceful discussions with police officers to ensure the safety of participants, days before the government sent in the army and police in order to 'protect the investors' at all costs.

The intent of these charges against well-respected indigenous leaders elected by their communities in assembly is considered to be the undermining of demands by indigenous and other organizations for justice in the case of Raul Castro Bocel, murdered by State security forces. The government has not taken any measures – investigation, compensation, proceedings – to identify the State agent responsible, to clarify who gave what orders, nor to seek justice.

Likewise, community and indigenous leaders from the municipalities of San Miguel Ixtahuacan and Sipacapa, in the department of San Marcos, are the targets of ongoing persecution for their outspoken opposition to Glamis Gold Ltd's Marlin project. Several active community leaders continue to receive death threats. Their activities are subject to surveillance and disruption by company employees. Denouncements have not been attended by local government or security authorities.

Communities and organizations in both Guatemala and Honduras have well-articulated positions, objectives and needs. Many have asked for support – both financial and otherwise (human rights accompaniment, information, specific equipment and technical training, legal support, etc). They have both urgent and ongoing needs to support their struggles and initiatives. Carlos Amador, of the Siria Valley Regional Environmental Committee, stresses the importance of listening to, understanding, and responding to the priorities of local communities and organizations. No one knows better than they what their vision, goals, priorities and needs are.

These issues, however, cannot be isolated as specifically ‘mining,’ ‘Guatemalan,’ or ‘Honduran’ issues, devoid of their global context. Solidarity is not a matter of charity to help alleviate the problems of far-away exploited peoples; solidarity is a common struggle with a common cause – a global justice movement to confront an unjust exploitative global system at the root of these issues, and to confront directly and hold accountable the global actors who devised, impose and continue to profit from this global system and its ‘development’ model.

Grassroots organizations have repeatedly addressed this concept to North Americans:

We’re doing our part. But fundamental changes will not come from here alone. The majority of these companies are from the US and Canada. They are supported by the World Bank and other international institutions, made up of your governments. The most important way you can support us is by letting people in North America know what is going on, supporting us by working for change from up north, at home.

¹ Quoted in Dorothy Kosich, “Glamis Partnerships Brighten Guatemala’s Future,” Reno, July 7, 2004, www.mineweb.com

² World Bank Oil, Gas, Mining and Chemicals Department, “Mining Reform and the World Bank: Providing a Policy Framework for Development,” 2003.

³ Interview with Iván Guerrero, Engineer, Head of the Geology and Mines department, DEFOMIN, Tegucigalpa, August 15, 2003.

⁴ “Carta abierta al pueblo de Michoacán y de México,” Asamblea Comunal, Aquila, Michoacan, January 11, 2005.

⁵ Meeting with members of REDAMUCOP, the Environmental Network of Municipalities of Comayagua and La Paz: Comayagua, February 26, 2005.

⁶ For details on the Esquel case, see <http://www.earthworksaction.org/ewa/Esquel.cfm> or <http://www.esquelonline.com/%7Eenoalamina/> (Spanish)

⁷ For more information about Tambogrande, see http://www.nodirtygold.org/tambogrande_peru.cfm or, in Spanish and some English, the Tambogrande Defense Front’s own page: <http://www.geocities.com/frentetambogrande/english/index.html>

⁸ For more information about the Yanacocha mine and the struggle to protect Cerro Quilish, see www.grufides.org (Spanish) or www.earthworksaction.org

⁹ Cited in Aya Fabros, “Mine Matters: The Supreme Court and the Mining Decision Reversal,” Democracy Watch Department, Insitute for Popular Democracy, February 4, 2005, <http://manila.indymedia.org>

¹⁰ Cited in Aya Fabros, “Mine Matters: The Supreme Court and the Mining Decision Reversal,” Democracy Watch Department, Insitute for Popular Democracy, February 4, 2005, <http://manila.indymedia.org>

VI. A Few Ideas on How to Get Involved

To national and international non-governmental organizations, national and foreign unions, the international community, intellectuals, artists, students, and all of humanity, that they join us in denouncing these acts, calling for justice and reparations, and that they keep a permanent watch to ensure that this type of criminal behavior is immediately halted in our country, our continent, and our planet.

- Francisco Ramírez Cuellar, president of SINTRAMINERCOL
(from *The Profits of Extermination*)

There are countless ways to get involved in the struggle against the ‘development’ model being implemented by and profiting mining companies, the World Bank Group, foreign governments and other global actors in Guatemala, Honduras, and around the world.

As several community associations in Central America have pointed out, the legislation, policies and practices being imposed on the ground are the results of the pressures by Northern actors to benefit themselves, Northern investors and companies, as well as the Northern (consumer) population. Local grassroots organizations are calling for support that reflects and respects the vision, priorities and needs of those directly affected in the exploited countries of the Global South, within a context of our own struggle for global justice.

Rights Action in North and Central America

Rights Action works to raise and send funds directly for a number of community-based organizations (CBOs) and non-governmental organizations (NGOs) struggling for healthy locally-controlled community development and justice in the face of repression and global impunity in Chiapas, Guatemala, Honduras and Haiti, along with Nicaragua, Peru and Costa Rica. Among community-based organizations and initiatives we support are a number of groups dealing with the mining projects, licenses and concessions threatening indigenous rights and community development in both Guatemala and Honduras. While supporting local communities, organizations and initiatives, we focus on and confront the historic and ongoing roots of global inequalities and impunity, and the role of Northern actors in the continued exploitation of peoples worldwide in the name of ‘development’.

Rights Action also organizes a number of educational and alliance-building initiatives: North American delegations and seminars to meet directly with our local partner groups in Central America; and speaking tours to bring activists to share their experiences and vision with North American audiences. Volunteers and human rights accompaniers are coordinated on an ongoing basis. We also research and write on related topics and distribute urgent actions via the Rights Action email and snail mail lists. To be added to the email list, to find out about upcoming delegations (or to organize a special delegation for your own group), or for info on becoming a human rights accompanier in Guatemala or Honduras, contact Rights Action: 416-654-2074, info@rightsaction.org

Getting Involved from your Home Community...

There are numerous ways to get involved in your home community or town. Sending messages or calls of concern in response to urgent actions, for example, is an easy yet crucial way for individuals to make a difference. Contacting existing community groups (whether a local anarchist collective, faith-based social justice committee, student group, etc...) is useful to find out what issues people are working on, what their vision is, and how links and alliances might be created or strengthened. Faced with a situation comparable in many ways to communities in Central America, First Nations peoples and organizations have also been involved in struggling against mining projects and their negative impacts at home in ‘North America.’

In terms of mining-related activism, info resources and contacts for a few organizations working on the issue are included in the following section. Local solidarity groups and action committees focusing on Central or Latin America are another good starting point, as are organizations that focus on the role of governmental and multilateral institutions. It is recommended that you get in touch with others working on these issues. There is a wide variety of work being done – general and company-specific campaigns, awareness-raising and actions dealing with the role of global actors, research, urgent actions, alliance building, fundraising, etc.

A joint initiative of Earthworks Action (formerly the Mineral Policy Center) and Oxfam-America, the NO DIRTY GOLD campaign (www.nodirtygold.org) focuses on the negative impacts and human rights abuses of the gold mining industry around the world. Specific campaign material has been developed for high school, college and university students to organize awareness-raising and boycott activities against graduation class gold rings, as well as for targeting the consumer population around Valentine's Day and other occasions when gold jewelry is advertised as 'the perfect gift.'

As well as raising awareness about the metallic mining industry, its impacts and opposition, it is crucial to address the direct involvement of global actors – the World Bank, the Canadian and US governments, etc. Depending on their analysis and politics, different organizations have taken different approaches – lobbying for the revision of World Bank policies on indigenous peoples; urging the International Finance Corporation to withdraw from the extractive industries; engaging in grassroots movements to derail Free Trade Agreement negotiations and the World Bank itself; contacting government representatives to denounce public funding being used to promote, finance and insure mining activities; speaking out to raise public awareness about their and their governments' complicity; working to support local communities in legal actions against mining companies in their country of origin and in international venues; urgent actions, direct actions, protests...

Further research into the role of global actors, the implications of Free Trade and bilateral investment agreements, and specific companies is useful for local communities as well as international activities for global justice.

Targeting Glamis Gold

As a product of the increasing awareness and interest in the shared struggle against mining activities and global actors in Central America, there is a growing campaign targeting Glamis Gold Ltd for its activities in both Honduras and Guatemala, as well as the World Bank Group and Canadian government for their support of the Marlin project in Guatemala. For urgent appeals, letters, messages of outrage, etc, contact:

GLAMIS GOLD LTD

5190 Neil Road, Suite 310

Reno, Nevada 89502

Tel. (775) 827-4600

Fax (775) 827-6992

www.glamisgold.com

info@glamis.com

Kevin McArthur, President and CEO, kevinm@glamis.com

Steve L. Baumann, VP Central America

cc: Rashad Kaldany, Director, Oil, Gas Mining and Chemicals Department, IFC/World Bank,

rkaldany@worldbank.org , rkaldany@ifc.org

J. Michael Swetye, Principal Investment Officer, OGMC, IFC, jswetye@ifc.org

Kent Lupberger, Senior Manager, Mining Investments, IFC, klupberger@ifc.org

James Lambert, Canadian Ambassador to Guatemala, gtmla@international.gc.ca

Ginette Martin, Advisor, Cdn Embassy in Guatemala, ginette.Martin@international.gc.ca

Connecting with and Supporting Local Activists in Central America

There are numerous community-based, indigenous and other organizations struggling against mining activities in Honduras and Guatemala for which Rights Action is currently seeking support. A few examples, with some of the concrete priorities expressed by the organizations themselves:

Honduras:

Siria Valley Regional Environmental Committee, community-based organization based in the region affected by Glamis Gold Ltd's San Martin gold mine in the department of Francisco Morazan, organized in three municipalities against mining and logging activities. Needs: \$ for general support, \$ to attend and participate in the Central American Water Tribunal for their case against Glamis Gold, equipment and training to

monitor local water supplies, legal support for the ‘dormant’ cases initiated against Glamis Gold, volunteers, \$ to support a full-time promoter.

Environmental Movement of Olancho, a grassroots community-based movement organized in several geographic sectors in Olancho (and progressive sectors of the Catholic Church), in the face of ongoing persecution and repression (manipulated legal cases, assassinations, threats, etc) in a department covered with mining concessions and illegal logging activities. Needs: legal support, human rights companions/volunteers, research and information, \$ for general support, workshops and material about mining.

Environmental Network of the Municipalities of Comayagua and La Paz, a community-based network recently formed to join forces between the many communities in the departments of Comayagua and La Paz (the latter with a significant indigenous Lenca population) affected and threatened by transnational mining companies’ concessions and projects. Needs: \$ to establish a basic regional office and for general support, information and research, links to other organizations.

Guatemala:

Mayan Association for Integral Development Aj’chmol, an indigenous rights organization working in indigenous communities in several municipalities in the highlands of San Marcos, accompanying community associations and working on issues of community development, participation, indigenous rights and justice, etc. Needs: \$ to support their work and accompaniment of local communities fighting the Marlin project; legal support and orientation for national and international legal action against Glamis Gold and the Guatemalan government for indigenous rights violations; information and links with indigenous organizations struggling against mining; \$ to support a delegation to the Siria Valley in Honduras.

Rural Workers’ Movement, a community-based movement linked to the Catholic Church in San Marcos, working on rural labour and land issues, as well as accompanying local communities against the Marlin project. Needs: human rights companions/volunteers; \$ for general support for their work on the issue; legal support; \$ to support a delegation to the Siria Valley in Honduras.

Indigenous Municipality of Sololá, other indigenous organizations, have been engaged a department-wide struggle against metallic mining. (URGENT!) Needs: legal support and accompaniment to defend the accused indigenous community leaders; legal support and accompaniment to seek justice and compensation for the murder of Raul Castro Bocel by State security forces.

To support or get in touch directly with local community-based organizations involved in the struggle against mining in Guatemala and Honduras, contact Rights Action: info@rightsaction.org, 416-654-2074, www.rightsaction.org. Donations (notify Rights Action if these are specifically for community-based organizations and initiatives in favour of community-controlled development, against destructive and harmful mining activities!) can be made online, or by mailing a cheque to:

In Canada:

Rights Action
509 St. Clair Ave W, box 73527
Toronto, Ontario M6C 1C0

In the US:

Rights Action
1830 Connecticut Ave NW
Washington, DC 20009

VII. For More Information...

Below are a number of websites – company, industry, activist, etc – that are useful resources for information, research, business news, campaigns, urgent actions, etc. While recognizing that the internet is far from universally accessible, the fact is that there is a wealth of information online that is not available in print.

One strongly recommended book is *The Profits of Extermination: How U.S. Corporate Power is Destroying Colombia*, a report dealing with many of the global issues discussed here, the involvement of both U.S. and Canadian government agencies and companies, as well as a few specific projects and accompanying brutal and ongoing human rights violations related to mining in Colombia. The product of years of research by SITRAMINER-COL, the Colombian Mining Workers' Union, the book has recently been translated into English by Aviva Chomsky and will soon be released by Common Courage Press: 1-800-497-3202, 121 Red Barn Road, Monroe, ME, 04951. And, of course, Rights Action recommends reading *Open Veins of Latin America*, by Eduardo Galeano.

Company Websites

(the following is an incomplete list of the companies mentioned in this report):

Breakwater Resources Ltd, www.breakwater.ca; Brett Resources Inc, www.brettresources.com; Defiance Mining Corporation (previously Geomaque Explorations) www.defianceminincorp.com; Doublestar Resources Ltd, www.doublestar.net; Firestone Ventures Inc, www.firestoneventures.com; First Point Minerals Corporation, www.firstpointminerals.com; Geostar Metals Inc, www.geostarmetals.com; Glamis Gold Ltd, www.glamisgold.com; Globex Mining Enterprises Inc, www.globexmining.com; Gold-Ore Resources Ltd, www.goldoresources.com; Inglesrud Corporation, www.inglesrud.com; International Nickel Company (INCO), www.inco.com; Intrepid Minerals Corporation, www.intrepidminerals.com; Jaguar Nickel Inc, www.jaguarnickel.com; Mena Resources Inc, www.menaresources.com; Merendon Mining Corporation, www.merendon.com; Newmont Mining Corporation, www.newmont.com; Radius Gold Inc, www.radiusgold.com; RNC Gold Inc, www.rncgold.com; Silver Crest Mines Inc, www.silvercrestmines.com; Skye Resources Inc, www.skyeresources.com

Industry Info Resources

www.worldbank.org/ogmc/policy_projects.htm

World Bank mining policy, legislation reform endeavours, projects info (most by way of the International Finance Corporation, IFC)

www.sedar.com

System for Electronic Document Analysis and Retrieval. Search for Canadian public company info and documents (annual reports, etc) by name/doc type/field, etc.

www.sec.gov/edgar.shtml

Search for US public company info and documents

www.mininglife.com

Industry website, includes info (company, news, etc) by country.

www.northernminer.com

Another industry website.

www.mining-journal.com

Vancouver-based online industry journal

There are numerous other mining industry websites; however, most are by subscription.

Activist Websites

www.nodirtygold.org

The No Dirty Gold campaign, a joint initiative of Earth Works Action and Oxfam-America

www.moles.org

Project Underground (info, resources, links, zine, etc). Closed, but still a valuable resource.

www.globalminingcampaign.org

News on mining's impacts from communities worldwide, case studies, info, etc

www.minesandcommunities.org

Mines and Communities, with info from around the world

www.miningwatch.ca

MiningWatch Canada, with loads of useful information, urgent actions, documents

www.probeinternational.org

Probe International, monitors Canadian mining activities, government involvement

www.earthworksaction.org

(formerly the Mineral Policy Center) Monitors US mining companies' and activities

www.globalaware.ca/roquesgallery.html

Global Aware Canada, focuses on Cdn companies involved in human rights abuses

www.miningwatch.org/emcbc/index.htm

Environmental Mining Council of BC

<http://wman.miningwatch.org>

Western Mining Activist Network (US, Canada)

www.mpi.org.au

Mining Policy Institute (Australia), info, action alerts, etc

www.jatam.org/english/index.html

Network of NGOs and community-based org.s working on HR, indigenous rights impacted by mining policy and activities, especially Indonesia

www.ienearth.org/mining_campaign.html

Indigenous Mining Campaign Project, focusing on indigenous communities and territories in North America affected by mining

www.wrm.org.uy

World Rainforest Movement, focus on forests and indigenous peoples, mining section has a special bulletin, links to plenty of information, books in PDF format

www.revistazo.com

(Spanish) Independent Honduran online journal, focusing on Glamis Gold Ltd's San Martin mine in the October 2003 issue

As with mining industry sites, there are countless useful websites maintained by diverse organizations around the world.

Rights Action: info@rightsaction.org, 416-654-2074, www.rightsaction.org

In the US: 1830 Connecticut Ave NW, Washington, DC, 20009

In Canada: 509 St. Clair Av W, box 73527, Toronto, Ontario, M6C 1C0

And, last but not least, my email: caminando27@yahoo.es

Sandra Cuffe is an activist working with Rights Action in Honduras, accompanying community-based organizations and working on human rights and global justice issues.