

October 7, 2003

SUMMARY REPORT

CANADIAN MINING COMPANIES VIOLATING INDIGENOUS RIGHTS IN GUATEMALA: THE CASE OF INCO IN EL ESTOR

by Andy Astritis, for Rights Action.

Exmibal [Subsidiary of INCO] spoke of the marvels of the work it was going to undertake and offered jobs, homes, electricity, health services and others. What do we have now of what they promised? Nothing. We were cheated. They took the riches from the land and now we are poorer than before because our crops are affected by the contaminated soil. The area where we were relocated is full of rocks and you cannot plant anything there. — Abelardo Chun

SUMMARY

Canadian mining companies have long benefited from the corruption, repression and extensive periods of military rule in the Republic of Guatemala. From their earliest involvement in the mid-1950s, the International Nickel Company (INCO) and its subsidiary EXMIBAL have become notorious in Guatemala for manipulating the country's political instability to their benefit, and effectively condoning the government violence and killings that were subsequently unleashed to silence their opponents.

EXMIBAL's mining operations in the El Estor area, from 1977 to 1983, left a legacy of violence, land encroachment, and environmental damage that continues to be felt today.

Now, after a 20-year absence, Canadian mining companies are attempting a return to El Estor. INCO has forged a joint partnership with Geostar Metals Inc. (Geostar), another Canadian mining company, and together they seek to reactivate the EXMIBAL facilities. They are joined by Chesbar Resources Inc. (Chesbar), a Canadian mining company recently granted an adjacent land concession near El Estor.

The planned return of mining operations to the El Estor area raises serious concerns for the Mayan-Q'eqchi' indigenous communities that live within the mining concession. Having been abused in the past, these communities today demand a full accounting for the abuses of the past as well as proper consultations and negotiations before the reactivation of the mining project, as per Guatemala's obligations under international law, notably International Labour Organization Convention 169 (ILO 169).

To date, however, the government of Guatemala, the government of Canada, and the mining companies with interests in El Estor continue to ignore their moral, legal and financial obligations towards these indigenous communities. Moreover, community groups opposed to the renewal of mining in the El Estor area are once again finding themselves the targets of threats, violence, and even killings.

As in the past, INCO and Chesbar and the governments of

Guatemala and Canada continue to turn a blind eye to the human rights violations taking place, knowing that these abuses suppress opposition to mining in El Estor, and thus ultimately benefit their interests.

RECOMMENDATIONS

Rights Action recommends:

- * The Canadian government and politicians act immediately to ensure that Canadian mining corporations do not benefit from the violations of internationally recognized human rights in their operations abroad.
- * Canadian citizens become aware of the actions of Canadian Mining Companies abroad, and demand that they conform with their obligations under Canadian and international law.
- * Canadian media investigate and report on the role of Canadian Mining Corporations in both past and present human rights violations in Guatemala.

With respect to the role of Canadian mining companies in El Estor, Rights Action recommends:

- * That INCO, Geostar, and Chesbar publicly denounce the use of violence as a political tool by their former employees and supporters, and investigate allegations of past and present violations of human rights in El Estor.
- * That INCO, Geostar and Chesbar:
 - suspend plans to renew or pursue mining activity;
 - take an active role in ensuring the Guatemalan government comply with its obligations under ILO 169 and consult with the affected indigenous communities.
- * That INCO, with international, national and local participation, commission a full environmental and human rights impact statement to present to the government of Guatemala and the indigenous groups in the area prior to seeking their approval for the reactivation of the El Estor mine.
- * That INCO renounce the agreements made with past military dictators, and begin new negotiations under the requirements of ILO 169.

Rights Action recommends:

- * That the Guatemalan government fulfill its obligations under ILO 169 to properly consult with the local indigenous groups on issues that affect their interests.
- * That the Guatemalan government annul the land concessions granted to EXMIBAL and Chesbar until after it has properly consulted with local indigenous groups, as per its obligations under ILO 169.
- * That the Guatemalan government investigate the threats, violence and killings that are being used to silence opposition to the renewal of mining activities in El Estor.

TO SUPPORT THE Q'ÍEQCHIÍ INDIGENOUS COMMUNITIES OF EL ESTOR

Contact the following individuals and demand that Canadian Mining Companies in Guatemala halt further development until proper

investigations are concluded into the human rights violations of the past and present, and that indigenous communities are fully consulted and negotiated with, as per ILO 169:

* David Marshall, Trade AttachÉ at the Canadian Embassy in Guatemala at: gtmla-td@dfait-maeci.gc.ca

* Scott Hand, Chairman and CEO Inco Ltd. 145 King Street West, suite 1500, Toronto, Ontario, M5H 4B7 Canada

* Michael Reimann, President, Geostar Metals Inc. 1255 West Pender Street, Vancouver, British Columbia, V6E 2V1 Canada

* John Yates, President, Jaguar Nickel Inc. 910-55 University Avenue, Toronto, Ontario, M5J 2H7 Canada

CONTACT RIGHTS ACTION:

* to invite a speaker to give public presentations on this and other related issues;

* to come to Guatemala on fact-finding delegations to learn more about these issues;

TO MAKE TAX-CHARITABLE DONATIONS:

for the community development work of Asociacion Estorena Para El Desarrollo Integral (AEPDI), make check payable to "Rights Action" [writing El Estor ñ AEPDI on the memo line and in a note] and mail to: UNITED STATES: Rights Action, 1830 Connecticut Av, NW, Washington DC, 20009. CANADA: Rights Action, 509 St. Clair Av. W, box73527, Toronto ON, M6C-1C0.

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Updates from the "World Unites Against Inco" events and further background information are available at: www.IncoWatch.ca, www.jatam.org/english/case/inco.

GLOBAL WORK CONCERNING INCO: Contact Jennifer Foulds, Communications Director, Environmental Defence Canada, 416-323-9521 ext. 232, jennifer@edcanada.org and Elizabeth Chiu, Communications Officer, Environmental Defence Canada, 416-323-9521 ext. 222, elizabeth@edcanada.org.