

**BELOW: Articles from "The Independent" and the BBC (British Broadcasting Corporation) on harms and violations associated with the unregulated global gold mining industry.**

As harms and violations continue widespread around the world, with no political or legal mechanisms to hold the companies and investors accountable, the Canadian government has set up a series of "National Roundtables on the Canadian Extractive Sector in Developing Countries" to debate the possibility of binding legislation! Meanwhile, the BBC, at the bottom of its article below, asks readers: "Should a set of standards be drawn up and adhered to?"

How can it be that in Canada and the UK – countries claiming to be democratic and based on the rule of law -, politicians and the media can even ask the question: "Should a set of standards be drawn up and adhered to?"

It is up to the peoples of the unfairly rich and powerful 'G8' countries to demand an end of the impunity with which our companies and investors act – and reap huge profits – around the globe!

**If you want on/ off this elist:** [info@rightsaction.org](mailto:info@rightsaction.org). **WHAT TO DO?** Go to bottom.

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**THE WORLD'S RICHES AND THE POOR: DARK SIDE OF THE GOLD RUSH**

[The Independent, by Andrew Buncombe, 11 May 2006]

\* A David-and-Goliath-style battle between Honduran villagers and an international conglomerate shows how the hunt for precious metal can threaten some of the world's most vulnerable people and their environment. (Andrew Buncombe reports from Palo Ralo) \*

Despite his advancing years, Luis Arteaga remembers with a gleaming clarity the day he discovered gold in the hills above his village. He says he was led there by mysterious, hidden voices - spirit voices, he believes, of the indigenous Indians who also dug for the precious metal in the same hills long before the Spanish arrived.

Mr Arteaga and his friends made their discovery and staked their claim more than 25 years ago. But today, at the age of 95, rather than enjoying the wealth he found he lives in a small, ragged house on a parched patch of land beside a vast gold mine operated by an international corporation. He says that he has been robbed of his fortune and the mine has destroyed the village in which he spent almost all his life. He is currently suing the Honduran government and rues the day he struck gold.

"We were happy, super happy. We thought we were going to uncover riches and wealth," he said, sitting outside his house in the newly created village of Palo Ralo, his eyes sunk deep in tobacco-brown skin. "But if I knew what I know now I would have never have accepted [what has happened]." Mr Arteaga is just one of many outspoken critics of the sprawling San Martin goldmine, operated by Glamis Gold, a mining company with headquarters in Nevada.

Some locals say the company's behaviour is so exploitative they have likened it to a new form of "colonialism" while the Honduran public prosecutor has filed an action accusing the multinational of deforestation, pollution of streams and illegally altering the course of water-ways and roads.

Cardinal Oscar Andres Rodriguez, who was last year tipped as a possible successor to Pope John Paul II, has organised opposition to the company. Meanwhile, internationally the company's activities have been seized on by campaigners who say the growing dispute in Honduras underlines the need for wide-ranging changes in the way mining leases are awarded and the need to ensure full consultation with local people.

The controversy also highlights how - with the world's most accessible gold reserves having already been taken - mining companies are now using highly destructive and toxic methods in the developing world to feed our enduring demand for this precious metal. Such methods, which produce up to 30 tons of toxic waste for each ounce of gold produced, have been banned elsewhere.

"Gold is a symbol of wealth and power but for many people in developing countries gold mining has done little to reduce poverty," concludes a report due to be published this week by the Catholic charity Cafod. "Mining can generate revenue and create jobs. It can also cause lasting damage to communities and to the

environment. Gold mining has also been closely linked to conflict - whether as a result of fighting over the control of precious natural resources or divisions within communities affected by mining."

Honduras is the western hemisphere's second poorest country and in rural areas such as the Siria Valley, two hours north of the capital, Tegucigalpa, people can work in the sun-scorched fields for as little as \$2 (£1.07) a day. In 1998, when Glamis's wholly owned Honduran subsidiary, Entre Mares, was awarded a lease to operate a 118,000-hectare site at the end of the valley, there was talk of jobs and benefits for the local community. Some people in the area say they are pleased for the 200 or so jobs the mine provides, which typically pay \$3 to \$4.50 a day.

Those with jobs at the mine certainly say they are glad of the work. Rafael Arteaga, 29, also from Palo Ralo, has worked at the site since the mine opened and says he has suffered no hardship or health problems. He believes some of the mine's critics are jealous that they do not work there. "Economically we are better off," he said.

But others say the mine has done more harm than good. Local environmental activists say the mine has created huge problems, has taken up precious water resources and caused cyanide pollution in local streams as a result of its heap leaching techniques, in which diluted cyanide is sprayed over huge piles of quarried rock to separate the microscopic flecks of gold. They believe such pollution may be the cause of skin problems and hair loss suffered by local people.

That's an allegation that Joe Danni, the vice-president of Corporate Relations at Glamis disputes. "There was a significant shortage of water locally already. It's famine or feast in Honduras, mud and water or dust."

Campaigners have questioned whether the mine should be operating in a drought-prone area but Mr Danni argues that Glamis has improved the year-round supply of potable water to residents by drilling wells.

Renaldo Osugeuro Urufia is a former mayor of the nearby village of Pederal and a member of the Environmental Committee of the Siria Valley, a small grass-roots organisation of farmers and other locals. As mayor he was invited to visit a Glamis mine in California. He said he returned and told the villagers to reject the proposal for the operation in the valley. As it was, he says, they were never actually consulted. "I never agreed to it and we never agreed to the idea. We knew the consequences that would follow... There is much less water for the people and their animals, illnesses and diseases... We have never seen these before." Of the jobs and taxes the company pays, he added: "It seems ridiculous to us... not much in relation to what they take."

Glamis denies cyanide pollution and disputes campaigners' findings from local studies. Mr Danni said health problems such as skin problems and hair loss were the product of "bad diet".

Six years ago the committee took their complaints to the public prosecutor, Aldo Santos, accusing Glamis of a range of environmental crimes. Mr Santos and his team undertook a 10-month investigation into the accusations. "For us, the worst thing was that all the crimes being alleged by the committee were true," he said. Mr Santos filed suit against the company and sought arrest warrants for three officials. He says his evidence was extremely strong and yet the courts rejected the suit and refused to issue the warrants. He said the company launched a "propaganda" campaign in the media and turned to its powerful friends within the government. One former minister in particular was an outspoken defender of Glamis and Entre Mares, he added. "The influence they have been able to exercise on various government officials," he said.

Mr Santos says that since he filed the action there have been various attempts to remove him from his job. Meanwhile he has refiled his lawsuit against the company and launched fresh inquiries into alleged water pollution and illness - ordering blood samples from local residents. Asked what inspired him to continue his work, he dramatically turned in his seat, grabbed a fistful of the blue and white Honduran flag behind him and said: "My love for Honduras. I'm the lawyer for those people who don't have a lawyer."

The elderly Mr Arteaga and his son have recruited their own lawyer for a separate claim. Leonel de Jesus Avila said that according to a 1968 Honduran law, his client was owed 5 per cent of all profits from the San Martin mine as it was he and his three friends who had originally discovered the gold and staked claim.

He said that in 1998, in the aftermath of the devastating Hurricane Mitch and with the help of a new mining code designed to attract foreign investment, Entre Mares was awarded the lease to San Martin and Mr Arteaga's claims were ignored. To add to the insult, the villagers claim they were coerced into agreeing to move from their homes and relocate to is now the new village of Palo Ralo. The company insists the move was done on the basis of "willing buyer, willing seller".

Despite the resources ranged against them, Mr Avila has fought ferociously for his client and for his claim of millions of dollars. Remarkably it seems he may even have won. The lawyer was able to show legal documents that appeared to show not only his clients' legal stake for discovery of the gold but also rulings from two lower courts upholding his claim to 5 per cent of Entre Mares profits. He said the case was now with the Honduran Supreme Court. "The court has ruled in our favour twice," he said.

The mine at San Martin is not Glamis's only controversial operation in Central America. It recently began operations at San Marcos in Guatemala, despite heated opposition from local Mayan Indians and demonstrations that resulted in the death of one protester.

This week, while shareholders met in Toronto, the company revealed that first-quarter profits had soared by 668 per cent, largely as a result of higher prices for metals and a full quarter of commercial production at the new mine in Guatemala. The Guatemala operation was established with the help of a controversial \$45m loan from the World Bank despite the fact that the mine is only expected to create 160 long-term jobs.

The Canada-based group Rights Action, which works to support Guatemalan and Honduran activists, said the problem was not Glamis itself, but rather a development model that allowed international companies to exploit resources with few obvious benefits to the population. "I don't think there are any discernable benefits but I think there are discernable harms and violations of human rights when these mines operate in these sorts of places," said Grahame Russell, a spokesman.

On its website the company says: "Glamis is proud of the positive impact it has had in Honduras and particularly in the area surrounding the mine. The Company provided seed money to establish a local charitable foundation, built a medical clinic and provided a doctor and a dentist, built a new school, and built a small village to house a few local inhabitants displaced by the mine. Local workers provide over 96 per cent of the work force, and the impact on their standard of living has been extremely positive."

Yet even within the Honduran government - which is struggling to achieve economic growth without destroying its environment - there are those who question the benefits of the Glamis operation. Marya Mejia, the minister for Natural Resources, said in an interview that the 1998 mining code did not lead to an equitable relationship between the company and the country and that the code should be tightened.

Indeed, she said open-cast mines such as that operated by Glamis should not be permitted. "Technically and socially, Honduras is not prepared for open-cast mining," she said.

Cafod says the controversies in Honduras and Guatemala underline the need for people to think before they buy jewellery. They have listed 12 "Golden Rules" for gold producers to adhere to. They hope people will ask retainers for jewellery made from gold produced according to these rules, which include protecting human rights, consultation with local people and environmental protections. A number of high-profile retailers including Tiffany's and Cartier have already adopted the rules. "Jewellery retailers have an important role to play in keeping up the pressure for changes to how gold is mined," says Unearth Justice, Cafod's report.

Meanwhile, at his home in Palo Ralo, Mr Arteaga sits in the afternoon sunshine mourning the loss of his old village and the peaceful life he and his wife, Lucinda, used to enjoy. He remembers the trees and plants and plentiful water. But he also allows himself to hold out a little hope for the future. Any money he gets from the legal action would be used to help his family. He said: "If God wants, [maybe] we will get something for the last days of our lives."

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## **GOLD MINING 'HITS' POOR COUNTRIES**

[BBC News, [http://news.bbc.co.uk/go/pr/fr/-/2/hi/in\\_depth/4760707.stm](http://news.bbc.co.uk/go/pr/fr/-/2/hi/in_depth/4760707.stm)]

Gold mining carries social and environmental costs for many developing countries, a British aid agency has warned in a new campaign. Cafod says most gold mining takes place in developing states, where it pollutes water, displaces poor communities and damages traditional livelihoods.

The warning comes amid rising costs of gold, most of which goes for jewellery. Cafod wants mining companies and jewellery retailers to sign a set of standards so gold is mined responsibly. But some aid agencies such as Oxfam support the sale of gold reserves to finance debt relief.

## GOLD MINING IS ONE OF THE WORLD'S DIRTIEST INDUSTRIES

A report last year by the World Gold Council found that the industry brought "substantial improvement" in social and financial infrastructure. Most mining companies tried to take on local workers and source supplies locally, while royalty and tax revenues from the business contributed to government coffers, the WGC said.

## 'DIRTY' INDUSTRY

Buyers should be made more aware of the impact of a taste for gold, Cafod - a Roman Catholic charity - said in a report published on Wednesday. "Gold mining is one of the world's dirtiest industries," the report said.

## COST OF GOLD

\* Three-quarters of gold comes from developing countries

\* For every gold ring made, there are 18 tons of waste

\* Between 1995 and 2015, roughly half the world's gold will have come from indigenous people's lands, much of it without their consent

"Gold is a symbol of wealth and power," but "for many developing countries, the discovery ... has led to little but poverty and hardship," it said. Mining can generate revenue and create jobs, but it can also "cause lasting damage to communities and to the environment", Cafod argued.

Gold mining has also been closely linked to conflict, the charity noted - "whether as a result of fighting over the control of precious natural resources or divisions within communities affected by mining".

## TOXIC PROCESS

About three-quarters of the world's known gold has already been mined, and Cafod argues there will be costs for those living above the remaining quarter. After moving the people, open-cast gold mining involves pouring cyanide solutions onto large areas of countryside. It draws gold out of the rocks but also brings out toxic substances including arsenic.

The process uses huge quantities of water and can contaminate the water table for other users. In poor countries like Honduras and Central America or Congo in Central Africa, Cafod says local people who live on the land have been moved out and poisoned by polluted water from the mines.

BBC: Is gold mining a 'dirty' industry? Should a set of standards be drawn up and adhered to? Do any of these issues affect you? Send us your views and experiences using the form below ...

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## **WHAT TO DO:**

- The #1 line of work in favour of global justice and equality, including community-controlled development, protection of the environment, justice and human rights in countries where we work (Guatemala, Honduras, El Salvador, Haiti, Chiapas (Mexico), is to fund and directly support local organizations so that they can continue to lead their own struggles. Please make tax-charitable donations to Rights Action in Canada and the U.S.;
- Get involved in education and activism work in your home community concerning the global mining industry, whose policies and actions are controlled by the "G8" governments, including Canada and the U.S.;
- Consider establishing long-term "partnerships" between your community / organization with grassroots organizations / communities in these countries that are affected by North American mining companies;
- Consider coming to these counties on an educational-activist delegation;

Rights Action is a development, enviro- and human rights organization, with its main office in Guatemala. We channel your tax-deductible donations to over 50 community development, environment and human rights organizations in Guatemala, Chiapas, Honduras, El Salvador, Haiti. We carry out education & activist work in the USA and Canada about global human rights, environment and development issues.

**TAX-DEDUCTIBLE DONATIONS** - make check payable to "Rights Action" and mail to:

\* United States: Box 50887, Washington DC, 20091-0887.

\* Canada: 509 St. Clair Ave W, box73527, Toronto ON, M6C-1C0.

On-line donations: USA and Canada: [www.rightsaction.org](http://www.rightsaction.org).

Wire funds to Rights Action: contact [info@rightsaction.org](mailto:info@rightsaction.org), 416-654-2074.

