

# TOXIC GOLD:

## Community Resistance to Resource Extraction in Guatemala

*"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 neo-colonial alchemy, gold turns into scrap metal and food into poison." -Eduardo Galeano*

"No to Mining, Yes to Life!" This is the latest shout heard throughout rural Guatemala, in response to the almost 400 mining concessions that have been granted to transnational gold, silver, nickel, and zinc mining companies over the last several years.

Upon the signing of the Peace Accords in 1996, the Guatemalan government passed a series of neoliberal economic reforms under the pretext of jumpstarting the national economy after decades of war. These reforms — including the national mining law, the foreign investment law, and the ratification of the Free Trade Agreement (CAFTA) with the U.S.- have all but eliminated the possibility for locally-driven economic development solutions in favor of "trickle-down" foreign investment. As a result, a slew of mega-"development" projects have penetrated the country, exacerbating unequal land distribution, harming the environment and agriculture, and undermining local democracy and basic human rights. One of these projects is the Marlin Mine, a massive gold and silver open-pit mine located in the department of San Marcos.

The Marlin Mine is a project of Canadian and U.S. mining giant Goldcorp, which became the 3<sup>rd</sup> largest mining company in the world after merging with U.S.-owned Glamis Gold last year. Goldcorp began constructing the mine in 2004 with a \$45 million dollar loan from the World Bank.



*Community referendum taking place in San Marcos: "Raise your hand if you oppose metal mining in our town!" (photo: James Rodriguez)*

### **Goldcorp at Home: Imperial Valley Mine in California**

In 2001 Glamis Gold (now Goldcorp) launched operations on a mining concession near Fort Yuma, California despite resistance from the Quechan people. The mining exploitation would destroy 55 archaeological sites and a sacred area for the Quechan people. Moreover, cyanide leaching and other contamination would endanger inhabitants' health and general well-being. Responding to the struggles of the Quechan tribe, in 2003 the Californian government required the company to backfill holes near sacred sites, restoring the area to pre-mine conditions, which essentially made the proposed mine unprofitable. In response, Glamis Gold/Goldcorp sued the U.S. government for \$50 million under NAFTA chapter 11 for "indirect expropriation" of their profits. CAFTA law provides the same legal protection to transnational corporations operating in Central America and directly undermines the rights of indigenous peoples to protect their territories from harmful profit-maximizing practices.

Who loses and who gains in the global exploitation of natural resources? In the case of San Marcos, the answer is clear. Ian Telfer, Chairman of Goldcorp Inc., made a salary of \$23 million in 2006. Goldcorp CEO Kevin MacArthur made over \$6.5 million in one day through selling off company stocks. The price of gold currently hovers close to \$1,000 an ounce.

*continued on reverse*

In the department of San Marcos and the municipalities directly surrounding the Marlin Mine — Sipakapa and San Miguel Ixtahuacán — 86.7% of the population live in poverty and over 61% in extreme poverty. An estimated 16 thousand *campesinos* (small-scale farmers) are without land. Most people dedicate themselves to small-scale agriculture and rely heavily on natural water sources in the semi-arid region. The Marlin Mine is an open-pit mine that requires large amounts of water for cyanide filtering. In a single *hour*, the mine guzzles no less than 250,000 liters of water — the same amount an average family in the region consumes in 22 *years*. In San Miguel Ixtahuacán, residents report that since the mine began operating, wells have dried up and that fruit trees are dying due to dehydration. The remaining water sources are at risk of severe cyanide contamination, with high levels of heavy metals already detected in the rivers. Residents have reported an increase in livestock deaths and in the incidence of miscarriages, as well as hair loss and skin disorders. People's homes have cracked due to explosions from the mine. And what are the promises of development in return? Goldcorp pays only a 1% royalty to Guatemala, split between the municipal and national governments, meaning the company takes 99% of the profits with them out of the country.

The people of Sipakapa have voiced their opposition to the pillage of their natural resources and the disregard for their autonomy. From the beginning, organized opposition mobilized against the construction — and was swiftly countered by militarized crackdowns. One youth activist died in January 2005 when 1,500 police and 300 soldiers confronted protesters blocking the entry of a company truck on the road to the mine. In San Miguel Ixtahuacán, lawsuits were brought against seven community leaders for protesting coercive land appropriation strategies of the company in an attempt to silence organized resistance. However, Goldcorp continued to insist that it had full support from local communities in San Marcos.

### **A History of Death by Mining**

Mining by foreign companies was prohibited in Guatemala during the years of the revolutionary government. It wasn't until 1954, after a CIA-organized coup overthrew democratically elected president Jacobo Arbenz and implemented a military dictatorship that the tide turned for foreign mining companies. Conflicts over land rights between mining companies and communities played a role in fueling the violence and repression during Guatemala's 36-year internal conflict, a war that left over 200,000 people dead or disappeared. Mining companies were consistently complicit in the kidnapping and disappearing of local leaders.

That claim was exposed as a lie on June 18, 2005, when the people of Sipakapa, San Marcos held the first popular referendum over a mega-project in Guatemalan history. Fully 98% of the population voted "NO" to mining in the region. This "*consulta*," was held with permission of the municipal authorities and abided by the provisions of the International Labor Organization's Convention 169, ratified by Guatemala in 1996, that grants indigenous peoples the right to consultation regarding any development project affecting their lands. However, the Guatemalan Constitutional Court, acting in the interests of the mining company, declared the referendum valid, but unbinding. The legitimate declaration of the communities has been ignored to this day.

---

*The U.S.-based Network in Solidarity with the People of Guatemala (NISGUA) supports the people of San Marcos by working to ensure that their political, socio-economic, and cultural rights are respected. Visit our website at [www.nisgua.org](http://www.nisgua.org) to sign up for our e-lists, participate in urgent actions, become an accompanier, or make a secure donation. Join NISGUA in our efforts to push Goldcorp and the Guatemalan government to respect the voice of the people, and to tackle international policies that facilitate the destruction of the environment and communities' livelihood. Together we say, "No to mining, yes to life!"*