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HONDURAS: The Global Investor's Oasis: Cyanide Pools in the Desert

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RIGHTS ACTION commentary:

Northern investors (individual and institutional) are making a good profit off the exploitative and damaging mining operations of US and Canadian companies.

To get a proper historical understanding of on-going abusive investment and mining operations, we recommend reading Eduardo Galeano's "Open Veins of Latin America". In fact, we recommend reading this book to get a deep historical understanding of many issues of poverty, exploitation, racism and repression in Latin America.

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HONDURAS: The Global Investor's Oasis: Cyanide Pools in the Desert  
By Sandra Cuffe

"In this globalization design, life is what least matters." - Oscar V. ldez,  
Municipal Human Rights Commissioner of Catacamas, member of the Environmental Movement of Olancho (MAO)

Central America is currently undergoing what many consider to be an aggressive phase of neocolonialist expansion. Militarization in the region and in Latin America as a whole accompanies this movement to appropriate and secure the ownership and exploitation of the land's resources: water, minerals and life itself.

The Central American Free Trade Agreement (CAFTA) with the US, in the final stages of negotiation, will 'harmonize' the region in the same way that NAFTA 'liberalized' Mexico. The people are already living the destructive consequences of the structural adjustment policies advocated by the

IMF, to which severely indebted countries such as Honduras have little bargaining power.

Hand in hand with these initiatives, and accompanying militarization, is the Plan Puebla Panama, an isthmus-wide project that strives to 'develop' the region. The included top-down economic mega-projects, infrastructure construction and interconnection represent the type of 'development' that serves to benefit foreign investment and the local elite, at the expense of the people, who have been organizing and mobilizing against these plans, struggling for an alternative community-based development.

Mining projects often offer a clear example of the type of 'development' promoted by the International Financial Institutions behind these regional plans and agreements. The World Bank, which itself also invests directly in mining companies and is involved in insuring these and other investments, has been supporting the 'modernization' of mining legislation in a number of countries from the Global South, including a few Latin American countries.

#### FOOL'S GOLD – MINING IN HONDURAS

In the aftermath of Hurricane Mitch, the Honduran Congress passed a new General Mining Law in 1999, reportedly written by the National Mining Association, composed of US and Canadian company representatives. The new law grants immeasurable benefits to multinational mining companies at the expense of local communities. In return for a minimal number of jobs, with severe environmental and health risks, and a 1% tax to the municipal mayor's office, local inhabitants may receive evictions from their homes and land, open pools of cyanide in their communities, and a whole slew of detrimental effects on the environment and human health.

Approximately 30% of Honduran territory has been granted in mining concessions, in large part to subsidiaries of multinational mining corporations, principally hailing from Canada and the United States. DEFOMIN, the government body responsible for promoting mining in the country, granting concessions AND monitoring environmental impacts, is rather reluctant to respect the law obliging the institution to make the mining registry available to the public. Although there are currently few operational mines in the country, the case examples are growing, as is the local and national resistance.

#### WESTERN HONDURAS – CYANIDE SPILLS AND 'PROTECTED' AREAS

In January 2003, the contradictory nature of DEFOMIN and the resulting poor compliance with environmental regulation took its toll with a massive cyanide spill at the San Andrés mine, department of Copán, contaminating the Lara River, which feeds into the river providing drinking water for the town of Santa Rosa de Copán. Even though local inhabitants reported witnessing company employees hauling away evidence, they managed to amass some 18,000 dead fish, a testament to the environmental destruction caused to the now lifeless river and to the ecosystems it nourishes.

There were a number of abuses under the previous ownership of the San Andrés mine by Canadian mining company Greenstone: the forced relocation of an entire community, and the usual clear cutting, soil erosion, air, water, soil and noise pollution. The methods used to extract gold (and silver) greatly improve the profit/investment ratio: open pits and massive open-air pools filled with the cyanide solution used to extract the minerals from the rock. Greenstone left the country bankrupt and the 'national' company Minerales de Occidente was bought out by the Atlántida Group, which also owns the Honduran bank of the same name that was begun by the US Standard Fruit Company back in the heyday of the US-controlled banana industry.

Another controversy in occidental Honduras surrounds a 400-hectare

mining concession in the department of Ocotepeque, granted in early 2003 to the Compañía Minera MAVERICK, subsidiary of the Vancouver-based Canadian mining company Silver Crest Mines, Inc. Local inhabitants opposed to the project argued that the concession was partially located inside the buffer zone of the El Guisayote biological reserve. The reserve was declared a protected area in 1987 by the 87-87 Decree, known as the cloudforest law for creating protected areas of all cloudforests located at an altitude higher than 1800m above sea level. Mining is one of the explicitly prohibited activities inside both the protected areas and their respective buffer zones, which together contain the headwaters of most of the rivers in the country.

Opposition has been gaining ground and some national coverage. Despite DEFOMIN's GPS instruments and detailed maps (in which all protected areas are highlighted as out-of-bounds), doubts were raised about the exact boundaries of both the reserve and the concession, until even a government environmental agency released a report confirming that at least 30 hectares of Maverick's concession are found within the reserve. Inhabitants of La Labor continue to struggle for the rights of their communities and for the protection the El Guisayote reserve from exploitation. The Special Attorney's Office of the Environment has been investigating the Director of DEFOMIN, Sandra Marlene Pinto, over the institution's granting of the illegal concession.

"ALL THIS TALK ABOUT CYANIDE IS A BIG MYTH"

Although different cases are being uncovered and discussed, no recent mining project has received more attention within Honduras than the San Martin mine in the department of Francisco Morazan. The project is owned by Entre Mares, a 'Honduran' company wholly owned by Glamis Gold, a joint US-Canadian company with headquarters in Reno, Nevada. The company has

concessions and operational mines in Guatemala, Mexico and the US, where the company is using NAFTA's famous chapter 11 to sue the country for legislation reform in California that, by adopting some prevention and mediation measures to protect the environment and sacred sites within indigenous territory, hinders the company's plans to install open pit mines in the Imperial Valley.

In Honduras, the communities surrounding the San Martin mine have not benefited from any such protection. Entre Mares Manager Eduardo Villacorta would argue they don't need any protection, since "all this talk about cyanide is a big myth." Community members, however, have been suffering from numerous grave illnesses: unidentified skin illnesses, hair loss, acute respiratory illnesses, as well as a number of mental health problems. The evidence gathered by medical brigades led by Honduran Doctor Juan Almendares and other independent medical and scientific professionals has been accepted by almost all except for those directly benefiting from mining.

Mario Chinchilla, Special Attorney of the Environment, explains that the health problems occasioned by the mine are only one of a number of violations committed by the company. These abuses include contamination, air pollution, illegal logging of thousands of trees and altering the course of several rivers. Other abuses, unfortunately, are illegal; the recently written and passed General Mining Law stipulates that mining concession owners have UNLIMITED ACCESS to any water source, both inside and outside of the concession, resulting in the loss of much of the local population's water supply.

For a number of the abuses, the Special Attorney's Office formally charged Entre Mares with water usurpation, aggravated damages, forestry crimes and disobeying a public authority. They demanded the arrest of Entre Mares representative Simon Priday, a Canadian citizen, a demand that was

accepted  
by the court. The arrest warrant, however, was never carried out  
because  
'investigations were continuing.'

The 'justice' system in Honduras tends not to work against the  
powerful,  
thus protecting the investor's oasis.

Really, what is happening in [the Valley of] Siria is terrible. 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 ...  
- Doctor Juan Almeyda (Revistazo, October 2003)

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This report was prepared by Sandra Cuffe who works with Rights Action  
in  
Honduras. For more information about mining in Honduras and how to  
support  
community-based organizations working for a truly sustainable  
development  
for their communities, contact Rights Action: [info@rightsaction.org](mailto:info@rightsaction.org)/  
<<mailto:info@rightsaction.org>> 416-654-2074/ [www.rightsaction.org](http://www.rightsaction.org)  
<<http://www.rightsaction.org>>.

Web-based information resources include:

- [www.moles.org](http://www.moles.org) - Project Underground, an organization raising  
awareness  
about the adverse effects of mining, oil and gas ventures; case  
studies,  
urgent actions, info, links, etc.
- [www.miningwatch.ca](http://www.miningwatch.ca) - Mining Watch Canada, an NGO that monitors  
mining  
ventures both in Canada and abroad.
- [www.revistazo.com](http://www.revistazo.com) - an independent Spanish monthly e-journal,  
focusing on  
the San Martin mine in the Oct. 2003 issue.

CONTACT Rights Action:

- to come to Honduras on a fact-finding educational delegation
- to be a human rights accompanier in Honduras

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