

GUATEMALA: NORTH AMERICAN MINING COMPANIES BRING "DEVELOPMENT" TO POOR OF CENTRAL AMERICA

BELOW: A Globe and Mail newspaper Update (April 4, 2007): GOLDCORP's Telfer payday worth \$23-million in 2006

RIGHTS ACTION COMMENTARY:

Goldcorp mining company paid its former Chairman, Ian Telfer, \$23,000,000 in 2006. Goldcorp has open-pit, cyanide leaching gold mines in Guatemala and Honduras that Rights Action grassroots partner groups are opposing due to a long list of development and environmental harms and human rights violations associated with the mines.

DOCUMENTED HARMS AND VIOLATIONS INCLUDE: water depletion and contamination; deforestation; forced evictions; repression (including killings) against community leaders protesting the "development" harms and violations; undervaluing of property; illegally acquiring of properties; destruction of local economies and development; increased 'illegal' migration to the USA;

THIS IS "DEVELOPMENT": This is the "development" model the global resource extraction and investment industries claim is good for the impoverished majorities of Guatemala and Honduras. This is the "development" model the World Bank, "aid" agencies (like US-AID and Canada's CIDA) and North American governments promote and defend.

Recently, RA critically commented on the fact that the Canadian Roundtable's Advisory Group is NOT recommending binding civil and criminal legislation to hold resource-extraction wrong-doers accountable.

Even were there binding legislation in place, resource extraction companies would still pay their top executives millions of dollars, saying this is good for "development".

The "development" debate is a farce. Many global investors and resource extraction company officials are laughing all the way to the bank, profiting from systemic inequality, corruption, exploitation, repression and environmental harm.

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GOLDCORP's Telfer payday worth \$23-million in 2006 (Globe and Mail newspaper Update, April 4, 2007)

Anyone who owned a piece of Goldcorp Inc. or UrAsia Energy Ltd. had a heck of a good year in 2006, thanks to rising commodity prices and the companies'

keen corporate strategy. But Ian Telfer, the chairman of both mining firms, did particularly well, exercising stock options and pocketing compensation from both companies worth a combined \$23-million.

Mr. Telfer, exercised 575,000 Goldcorp stock options in 2006 for a gain of \$14.9-million dollars, according to the Vancouver company's annual information circular filed with securities regulators. Until he stepped

down in November, Mr. Telfer also served as Goldcorp's president and chief executive officer and was awarded \$2-million in salary and bonus payments.

As well, the 60-year-old was given \$2.2-million worth of Goldcorp stock options last year, the filing said. As of the end of December, Mr. Telfer still owned exercisable Goldcorp options worth \$23.6-million and options that had not yet vested worth \$9-million.

A long-time fixture on the Vancouver mining scene, Mr. Telfer took over the top job at Goldcorp, Canada's second largest gold company, in May of 2005, after it merged with Wheaton River Minerals, a company Mr. Telfer started with mining financier Frank Giustra in 2001. Known for his deal-making abilities, Mr. Telfer pulled off the biggest of his career when he merged Goldcorp with Glamis Gold Ltd., creating the world's third biggest bullion producer with a market value in excess of \$20-billion.

But the all-stock bid drew criticism from a number of shareholders who called it overly dilutive. Goldcorp's largest individual shareholder, founder and former chairman Rob McEwen lambasted the deal calling it "a very, very expensive way for Ian to retire." Mr. McEwen launched an unsuccessful court challenge to the takeover, seeking a shareholder vote on the deal. After an appeal was dismissed in November, the Goldcorp-Glamis merger closed within a week. In February of this year, Goldcorp sold two mines to a company created by Mr. Giustra that is now called Peak Gold Ltd., for \$300-million (U.S.).

In addition to his compensation from Goldcorp, Mr. Telfer is set for another potential payday if shareholders approve UrAsia Energy Ltd.'s \$3.7-billion merger with fellow uranium miner SXR Uranium One Inc. Mr. Telfer, along with the company's other directors, each stand to pocket more than \$4-million worth of stock if the deal is approved. The directors were awarded 1.1-million UrAsia stock options last year.

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WHAT TO DO:

SPEAKING TOURS, WESTERN USA & CANADA (APRIL-MAY, 2007):

Rights Action is organizing 2 educational tours: "Greed of North American mining companies versus the development, enviro- and human rights needs of Central American peoples". Interested in hosting education events in your community? Western CANADA: Dawn Paley, 604-715-4180, dawnpaley@gmail.com / Western USA: Sandra Cuffe, caminando27@yahoo.es.

EDUCATIONAL DELEGATION TO GUATEMALA (& HONDURAS ?) (JULY 22-28, 2007):

Interested in joining a trip to learn about unjust and harmful mining operations, and about community defense of development, human rights and the environment? Grahame Russell, info@rightsaction.org, 860-352-2152

See a 9-minute documentary on forced evictions against Mayan-Q'eqchi' communities carried out for and by Skye Resources mining company, January 7-8, 2007: <http://www.rightsaction.org/video/elestor/>

Rights Action is a tax-charitable organization that funds and works with community-based development, environment and human rights organizations globally, with a particular focus in southern Mexico, Guatemala, Honduras, El Salvador and Haiti, and educates about global development, environmental and human rights issues. [info@rightsaction.org / www.rightsaction.org]

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