

Rights Action – November 3, 2011

**GOLDCORP INC. IN GUATEMALA
– Harming the Environment and Undermining the local economy, as well**

BELOW:

Report summary: "Searching for Gold in the Highlands of Guatemala: Economic Benefits and Environmental Risks of the Marlin Mine", By Lyuba Zarsky and Leonardo Stanley, Tufts University, September 2011

BACKGROUND:

Since 2004, Rights Action, and a growing number of organizations, have documented and denounced the extensive list of environmental harms, health harms and other serious human rights violations – including deaths and attempted killings – caused directly and indirectly by Goldcorp Inc's cyanide-leaching, open pit/ mountain-top removal mine in indigenous Mayan territories of western Guatemala.

BELOW - A 2010 letter send by Rights Action to the president of Simon Fraser University (SFU), after Goldcorp gave SFU a "gift" of \$10,000,000. The letter summarizes the extensive harms and violations caused by Goldcorp Inc.

Now, Tufts University has published its report documenting how gold mining is also harming the possibility of health economic development for local communities near the mine.

*THIS IS THE UNJUST GLOBAL ECONOMIC ORDER AT WORK.
THIS IS THE "DEVELOPMENT" THAT GOLDCORP Inc & CANADA ARE
BRINGING TO GUATEMALA.*

- Please re-post this
- To get on-off Rights Action's listserv: www.rightsaction.org
- Follow Rights Action on Facebook: www.facebook.com/RightsAction.org

WHAT TO DO: see below

EDUCATIONAL DELEGATIONS TO GUATEMALA & HONDURAS: See below

**SEARCHING FOR GOLD IN THE HIGHLANDS OF GUATEMALA:
ECONOMIC BENEFITS AND ENVIRONMENTAL RISKS OF THE MARLIN MINE**

By Lyuba Zarsky and Leonardo Stanley, September 2011
http://www.ase.tufts.edu/gdae/policy_research/marlinminereport.html

Full report (also available in Spanish):
http://www.ase.tufts.edu/gdae/policy_research/marlinemine.pdf

The Global Development and Environment Institute at Tufts University released a report by economists Lyuba Zarsky and Leonardo Stanley on the economic benefits and environmental risks of the Marlin mine in the Department of San Marcos, Guatemala, which is owned and operated by Goldcorp, a Canadian company. The mine has generated intense controversy

since 2003, stemming from concerns about environmental contamination and violations of the rights of indigenous communities. The Inter American Commission on Human Rights of the Organization of American States recommended in 2010 that Goldcorp suspend mining operations until the Commission could rule on the merits of the petition submitted by the communities. The company claims it is complying with environmental and human rights standards and that the mine offers significant economic benefits, to Guatemala and to local communities.

To assess these claims, GDAE researchers examined the economic benefits of the Marlin mine and assessed short and long-term environmental risks. The authors conclude that, overall, long-term environmental risks significantly outweigh the economic benefits of the mine based on three central findings:

1. The Guatemalan government's share of Marlin's high profits is small. Guatemala receives about 42% of mine revenues, with local communities receiving only about 5% of revenues. This is far below the best practice in global mining operations.

2. The environmental risk the Marlin mine poses to local communities is exceptionally high and likely to increase over the remaining life of the mine and in the post-closure phase. While the mine generates significant economic benefits currently, all benefits will abruptly cease when the minerals have been extracted and the mine is closed down. Environmental risk is high due to inadequate government regulation and is likely to increase in the long-term due to heavy metals contamination in water from acid rock drainage, especially in the context of greater rainfall due to climate change.

3. The Marlin mine is contributing little to long-term sustainable development in Guatemala. Little of the royalty and tax revenue generated from the mine has been invested in public goods such as health, education and infrastructure, which could contribute to economic activities beyond the mine and after the mine has closed.

Zarsky and Stanley make several recommendations for both Goldcorp and the Guatemalan government to increase oversight and regulation of mining and assess the environmental risks to the local population surrounding the mine, with a particular focus on water contamination. They recommend that the Guatemalan government comply with the request to suspend mining operations and that Guatemala's Mining Law should be amended to capture a higher share of mine revenue and give a substantially larger portion to affected communities. They also recommend that mine revenues be invested in building productive capacities for broad-based economic development in Guatemala.

BACKGROUND:

PUBLIC LETTER #1 - TO SIMON FRASER UNIVERSITY CONCERNING GOLDCORP INC'S \$10,000,000 "GIFT"

October 4, 2010

Simon Fraser University
President Andrew Petter
8888 University Drive
Burnaby, BC, Canada, V5A-1S6

petter@sfu.ca, 250.721.8183, 778.782.4641, 778.782.4860

[Mavis MacMillen](#)

Director, President's Office

mamacmil@sfu.ca, 778.782.4641

Dear Andrew Petter,

We write you concerning Goldcorp Inc's "gift" of \$10,000,000 to the Simon Fraser University Goldcorp Centre for the Arts.

If you properly study Goldcorp's mining record in Guatemala and Honduras, as well as in other countries across Latin America, we believe you will conclude that much of Goldcorp's extraordinarily high profits come from unjust enrichment.

In Honduras and Guatemala, where we have worked for many years in support of and alongside Goldcorp-affected communities – poor indigenous and campesino communities -, Goldcorp has directly and indirectly caused environmental and health harms and other human rights violations. They have done so with impunity.

We believe Simon Fraser University should return the \$10,000,000 "gift" to Goldcorp. Say no to unjust enrichment.

HARMS & VIOLATIONS

Rights Action and other groups in North and Central America have documented environmental and health harms and other human rights violations at Goldcorp's open-pit, cyanide-leaching gold and silver mines in Honduras and Guatemala. Here, a summary:

- Initial and prior violation of indigenous and human rights, through lack of free, prior and informed consultation with and consent from affected campesino and indigenous communities. This initial and prior problem is made possible by a fundamental lack of democracy and by a manipulated and corrupted administration of justice in both countries. This is widely documented and known.
- Illegal and/or forced evictions of families and communities; manipulated and sometimes pressured purchases of property from impoverished local communities. These problems include: not informing local communities about the mining prospects; undervaluing the land ("preying on the poverty" of the local population); forcing and pressuring people to sell their land; paying different prices to community members, creating division and tension.
- Sowing division in families and communities, as Goldcorp offers low-skill employment to poor, local men (and some women), again preying on the poverty and generalized lack of employment, in this way putting family members against one another. These divisions are occurring in Guatemala and Honduras that have not recovered from the trauma and legacy of the State-sponsored terrorism and repression of the 1970s through to the early 1990s.
- Moreover, Goldcorp is now, apparently, trying to re-open its mine in Honduras, soon after the elected government of President Zelaya was overthrown in a violent military coup, June 28, 2009. Today, Honduras is under the control of an illegitimate government backed by the military and police – repression is systemic and widespread.
- De-forestation, through the clear-cutting of the land.

- Initial air contamination due to the de-forestation and to dust created by the use of explosives and heavy machinery to break up the mountain and rock.
- Contaminating of surface and underground water sources due to de-forestation, use of explosives and heavy machinery to destroy and remove entire hills and small mountains.
- Further contamination of surface and underground water sources, due to cyanide use (in the processing plant, to separate the ore from earth and rock) and the release of naturally occurring heavy metals (mercury, arsenic, lead) in dangerous amounts due to the explosives and destruction of mountains.
- Further contamination of water sources, through release and leak of waste products from the processing plant and tailings pond.
- Depletion of surface and underground water sources due to use of huge quantities of water in the gold and silver processing plant. This water depletion (and contamination) occurs in regions of the two countries where the “subsistence economy” campesinos and indigenous communities barely survive the “dry” season most years.
- Cracking of peoples' homes, due to use of explosives.
- Health harms to local populations (babies to the elderly), including: hair loss, skin rashes and diseases, possible blood contamination due to heavy metals, other more serious health problems (organ failure and complications) due to possible blood contaminants; eye irritations; respiratory complications.
- Repression against villagers who are carry out community education and organization work to protest the harms and violations occurring in their communities.
- “Criminalization of work in defense of human rights and the environment” and the laying of criminal charges against and jailing of local community members who protest the harms and violations.

IMPUNITY - LACK OF REMEDY & RECOURSE

The people's suffering – these harms and violations – have no remedy or recourse in any legal system. The lack of remedy and recourse is not only inside Guatemala and Honduras, but also at the international level, and inside Canada.

Mr. Petter, as past dean of the University of Victoria faculty of law, we think you will appreciate just how problematic and complicated this broad impunity renders this entire situation.

IACHR ORDER

Having said that, the Inter-American Commission of Human Rights (IACHR) – based on its investigations of the above summarized harms and violations – ordered the government of Guatemala to suspend Goldcorp's mine in Guatemala. Neither the government nor Goldcorp have abided by this order.

DOCUMENTATION

In April 2010, CTV's W5 program aired “Lost Paradise”, taking a close look at Goldcorp's mining operation in Guatemala, and HudBay Mineral's nickel mining operation in Guatemala. It is recommended viewing: <http://watch.ctv.ca/news/w5/paradise-lost/#clip290436>.

In 2010, a new documentary film about Goldcorp's mine in Guatemala was released: “The Business Of Gold In Guatemala”. It is recommended viewing and available on request.

In 2009, a documentary film was released about Goldcorp's mine in Honduras: “All That Glitters Is Not Gold”. It is recommended viewing and available on request.

At www.rightsaction.org you will find articles, urgent actions and reports about Goldcorp's mines in Guatemala and Honduras, going back over 7 years. At <http://www.rightsaction.org/Reports/research.pdf>, you will find "Investing In Conflict", a 2008 comprehensive report on Goldcorp's mining operations across the Americas.

GOLDWASHING - ROB FROM THE POOR TO GIVE TO THE RICH

If you accept the "gift" to Goldcorp, you will not be alone. In 2007, the University of British Columbia received \$5,000,000 from Goldcorp for the Earth and Ocean Sciences department - <http://www.eos.ubc.ca/home/alumni/2007.pdf>. In 2007, Ian Telfer – former Chairman of Goldcorp – donated \$25,000,000 to the University of Ottawa that then opened the Telfer School of Management.

The giving of these "gifts" is, we think, a form of goldwashing a legacy of environmental and health harms and other human rights violations (including deaths) at Goldcorp operated mine sites in Guatemala and Honduras, and across the Americas. As these harms and violations are occurring, extraordinary profits are flowing to company directors, shareholders and investors, pension and equity funds, ... and to universities.

We respectfully ask

- that SFU put this "gift" in a non-interest bearing account;
- that SFU form an independent investigatory team to fully, publicly and transparently investigate the harms and violations summarized above;
- that SFU then publish its findings and publicly explain why it is accepting or returning the "gift" to Goldcorp.

We look forward to hearing from you as soon as possible.

Grahame Russell (and Annie Bird)
Co-directors
info@rightsaction.org, www.rightsaction.org

PUBLIC LETTER #2 - TO SIMON FRASER UNIVERSITY Concerning Goldcorp Inc's \$10,000,000 "Gift"

October 18, 2010

Simon Fraser University
President Andrew Petter
8888 University Drive
Burnaby, BC, Canada, V5A-1S6
petter@sfu.ca, 250.721.8183, 778.782.4641, 778.782.4860

Dear Sir,

We write this second letter to you, as following up to our Public Letter #1 (dated October 4, 2010 – included above) concerning Goldcorp Inc's \$10,000,000 "Gift" to Simon Fraser University. You did not respond to our letter, but we know you responded to other letters of concern. We respond here to some points you made in an October 8, 2010 letter.

In that letter, you wrote:

“While I appreciate learning of your concerns about Goldcorp’s business practices, you should be aware that there has been a long tradition of private philanthropy at Simon Fraser University. The University takes the view that it would be counterproductive to allow such concerns, which Goldcorp has publicly committed to addressing through a transparent and collaborative process, to prevent that donor from investing in its local community, benefiting students and others.”

This issue is not, of course, philanthropy, but rather the source of the funds being donated.

Given the serious nature and long list of harms and violations that have been caused directly or indirectly by Goldcorp at its mine sites in Guatemala and Honduras (as summarized in our October 4 letter, below), we find it surprising that you see it as “counterproductive” to address these concerns, given that Goldcorp, you allege, has “committed to address through a transparent and collaborative process.”

What “transparent and collaborative process” is this?

We assure you that the gold mining harmed communities of Honduras and Guatemala are not involved in any “transparent and collaborative process” with Goldcorp to address the harms and violations they have suffered.

In your letter, you wrote:

“The donation from Goldcorp comes with no academic or programmatic strings attached. ... it will create a \$5 million endowment to support outreach programs for the Downtown Eastside, one of Canada’s most disadvantaged neighborhoods.”

While it is laudable to work with and support “disadvantaged communities,” we remind you that Goldcorp has made enormous profits in part from causing serious environmental and health harms and other human rights violations in other parts of the world, further ‘disadvantaging’ the already disadvantaged people, communities and environment where Goldcorp operates some of its mines.

In your letter, you wrote:

“If organizations refused funding from every donor whose practices attracted criticism, their capacity to fundraise would be seriously impaired.”

As a not-for-profit organization, we recognize the challenges of fund-raising. However, for the sake of the integrity of the work we engage in, we must pay attention to the source of funds. In the case of Goldcorp, we are not casually criticizing a few of their practices. Please read again the list of harms and violations that we and other organizations have documented and reported on. Goldcorp has caused and benefitted from significant suffering and harms. This is unjust enrichment.

In your letter, you wrote:

“Goldcorp has a long history of funding education, arts, and health initiatives in Canada, including leading arts organizations and universities such as UBC and the University of Toronto.

We believe that philanthropic commitments of this kind should be welcomed and applauded."

Again, it is not a question of criticizing philanthropy; we are asking you to seriously investigate whether some of their enormous profits come from harmful their operations that have contributed directly and indirectly to great suffering and loss, including death.

In your letter, you wrote:

"We also note that the company has asked stakeholders to participate in and contribute to their efforts to improve how they do business by engaging openly with them."

As a former dean of a faculty of law, we find this response surprising. In any healthy legal system, we do not ask people or corporations that have allegedly committed harms and/or violations, to 'engage openly' with the very victims of their actions. At a bare minimum, we demand independent verification and then enforceable sanctions if the allegations prove to be true.

Goldcorp operates with impunity in Guatemala and with effective immunity from prosecution in both Guatemala and Canada. There are virtually no laws that can be used in either country to hold them to account for their policies and actions that have caused harms and/or violations.

It is only the Inter-American Commission of Human Rights (the quasi legal system of the Organization of American States) that has been effectively engaged to investigate and report on Goldcorp caused harms and violations in Guatemala.

Indeed, the IACHR has ordered the government of Guatemala to suspend Goldcorp's mining license in Guatemala, given the serious nature of the harms and violations. As stated in our 1st letter, neither the government of Guatemala nor Goldcorp have yet acted upon this suspension order.

Thus, we urge:

- That SFU put this "gift" in a non-interest bearing account
- That SFU form an independent investigatory team to fully, publicly and transparently investigate the harms and violations summarized in letter #1
- And that SFU publish its findings and publicly explain why it is accepting or returning the "gift" to Goldcorp.

We look forward to hearing from you as soon as possible.

Grahame Russell (and Annie Bird)
Co-directors
info@rightsaction.org, www.rightsaction.org

FUNDS NEEDED:

To fund the mining-harmed Mayan communities and their on-going and courageous efforts to achieve justice and reparations for the forced evictions, destruction of home and property, killings and gang-rapes, make tax-deductible check payable to "Rights Action" and mail to:

UNITED STATES: Box 50887, Washington DC, 20091-0887
CANADA: 552 - 351 Queen St. E, Toronto ON, M5A-1T8

CREDIT-CARD DONATIONS: <http://rightsaction.org/contributions.htm> (Credit card donations can be done anonymously)

FOR DONATION OF STOCK: contact info@rightsaction.org. (Stock donations can be done anonymously – have your stockbroker contact info@rightsaction.org)

3 SOLIDARITY DELEGATIONS TO GUATEMALA AND/OR HONDURAS

1- HONDURAS, JANUARY 6-15, 2012
"ACCOMPANIMENT AND FOOD SOVEREIGNTY DELEGATION"

Sponsored by Alliance for Global Justice, Join AfGJ Coordinator Chuck Kaufman, Karen Spring (long-time Honduras human rights accompanier with Rights Action) and Tanya Kerssen (food policy analyst from Food First). For an application, send an email to AFGJ@AFGJ.org

2- HONDURAS & GUATEMALA, JANUARY 1-14, 2012
"MINING, BIOFUELS & MILITARIZATION: US MILITARY AID & CANADIAN-AMERICAN ECONOMIC INTERESTS"

Sponsored by Rights Action, join Annie Bird (Rights Action co-director). For complete information: annie@rightsaction.org, 202-680-3002.

3- GUATEMALA, MARCH 10-17, 2012
"DAMS, MINING & AFRICAN PALM PRODUCTION * versus * COMMUNITY DEVELOPMENT, ENVIRONMENTAL JUSTICE & HUMAN RIGHTS"

Sponsored by Rights Action, join Grahame Russell (Rights Action co-director). For complete information: info@rightsaction.org, 860-352-2448

FOR MORE INFORMATION

Grahame Russell
860-352-2448
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