

Rights Action
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U.S. Government & Canadian Mining Company Plot Nickel Mine Takeover in Guatemala

By Grahame Russell, Rights Action, April 10, 2023, info@rightsaction.org
<https://mailchi.mp/rightsaction/us-government-canadian-mining-company-plot-nickel-mine-takeover-in-guatemala>

The Maya Q'eqchi' people appear condemned to suffer ever more human rights violations and evictions, environmental harms and corruption caused by yet another global mining company operating an illegitimate mine on stolen lands

According to Newsweek Magazine, “the U.S. government is supporting a Canadian company to acquire a controversial nickel mine in Guatemala. It comes amid increasingly intense competition with China over strategic resources such as nickel, which is key to technologies including electric cars.”

It appears that CAN, the Montreal-based Central America Nickel corporation, is taking advantage of U.S. sanctions imposed arbitrarily against a Swiss-based company, to re-take Canadian control over the Fenix nickel mine on the traditional lands of the Q'eqchi' people in eastern Guatemala.



Fenix mine, first built in 1970s by INCO (International Nickel Company) in partnership with U.S.-backed military regimes in power in Guatemala

U.S. & Canadian economic imperialism

It is hard to come up with a more blatant example of U.S. and Canadian economic imperialism.

According to a memo obtained by Newsweek, “with the support of the U.S. government, the Guatemalan assets of the Switzerland-based Solway Investment Group—which were put under U.S. sanctions amid allegations of Russian influence peddling and ecological devastation—are in line for acquisition by [Montreal-based Central America Nickel] for a "substantial discount.””

U.S. Role in Notorious Nickel Mine Deal Revealed

By David Brennan, April 6, 2023

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<https://www.newsweek.com/newsweek-exclusive-us-bid-help-secure-sanctioned-1bn-nickel-mine-guatemala-fenix-1792282>

The U.S. government's "International Development Finance Corporation (DFC) has already agreed to provide political risk insurance for a nickel project in Guatemala, plus \$300 million in financing for additional processing facilities."

"The nickel sulphate produced there is intended for sale to American battery and [electric vehicles] manufacturers such as General Motors."

"The plan ... is to transfer the CAN's nickel assets in Guatemala to a U.S.-incorporated firm called America Rare Earth Sources Inc. (ARES), which will be wholly-owned by CAN. CAN will acquire 100 percent of ARES, which will in turn acquire 100 percent of two Guatemala companies, Rio Nickel Inc. and Nichromet Guatemala Inc."

Anti-Chinese propaganda & fervour

"Nickel is one of many areas in which Beijing and Moscow are drawing closer. [Bloomberg](#) reported that Russia's largest mining firm is now selling its nickel to China in yuan."

"Canada is among the countries working to shut Beijing out of its strategic industries. Last year, the government forced three Chinese companies to divest their investments in Canadian lithium mines, with Industry Minister François-Philippe Champagne saying that Ottawa would "act decisively when investments threaten our national security and our critical minerals supply chains.""

Not "theirs", "ours"

According to Canadian government policy, what is on or under Q'eqchi' lands are vital to "our national security and critical minerals supply chains."

Violent tyranny of Supply Chains

It appears that the Q'eqchi' people are condemned to ever more mining-caused violence and harms, as Canada and the U.S. work to secure control over supply chains of "green energy" minerals for North American investors and consumers.

Seven decades of mining hell

After the U.S.-backed military coup ousted Guatemala's last democratic government in 1954, the Canadian government established diplomatic relations for the first time with Guatemala - with the post-coup, military-backed regime!

Soon after, the Canadian government helped finance and support the entry of the International Nickel Company (INCO) into Guatemala. The post-coup, military-backed government of Guatemala granted INCO control by over hundreds of square kilometers of Q'eqchi' lands on the north shore of Lake Izabal.

Thus began seven decades of mining hell for the Q'eqchi' people and the environment.

From 1964-2011, the Fenix mine was controlled by three Canadian companies, and then, from 2011-2023, by Swiss company Solway Investment Group.

As determined by a 2019 Guatemalan Constitutional Court ruling, the mine has been operating illegally with neither proper environmental impact assessments nor free and informed prior consent from the Q'eqchi' people.

In "TESTIMONIO-Canadian Mining in the Aftermath of Genocides in Guatemala", Catherine Nolin and I document community defense, mining resistance struggles across Guatemala, including in the Q'eqchi' region.

Each of these struggles is characterized in varying degrees by systemic human rights violations and killings, environmental and health harms, corruption and impunity, leading to the conclusion that:

"In Guatemala, it is not possible to operate a large-scale mine without participating in and benefiting from human rights violations and repression, corruption, and impunity. Put another way, violating human rights, using repression, and acting with corruption and impunity are how businesses operate in Guatemala, particularly large-scale businesses."

Of the four mining resistance struggles documented, the Q'eqchi' people have suffered the longest and the most.

“The underlying problem in all of these cases is that the Canadian government and our companies are choosing to do business in the racist, exploitative, repressive conditions of Guatemala wherein corruption, impunity, and a fundamental lack of democracy are the norm. The Canadian government and mining companies are contributing to and benefiting from racism, exploitation, repression, corruption, impunity, and the lack of democracy.”

Today, Guatemala is ruled by the same military-backed political and economic elites brought back to power after the U.S.-backed coup in 1954. It is next to impossible to see how the Montreal-based Central America Nickel (CAN) corporation would operate the Fenix Nickel Mine in any other way.

Canadian debt to the Q’eqchi’ people

In most conceivable ways, it is up to Canadians and Americans – individuals, human rights organizations, politicians and media outlets - to expose how f***ed up this is: from the imposing of arbitrary sanctions on a Swiss company so that a U.S. government-approved Canadian company could take over the Fenix mine, to the human rights violations and violence, dispossession and environmental harm, corruption and impunity that the Q’eqchi’ have suffered all along, and will assuredly continue to suffer.

TESTIMONIO-Canadian Mining in the Aftermath of Genocides in Guatemala

Edited by Catherine Nolin (UNBC) and Grahame Russell (Rights Action)

<https://btlbooks.com/book/testimonio>

<https://www.testimoniothebook.org>

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