INVESTING IN CONFLICT
PUBLIC MONEY, PRIVATE GAIN:
GOLDCORP IN THE AMERICAS
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COUNTERING THE INDUSTRY SPIN!

The nexus of mining companies, the mainstream media, the Canadian government, International Finance Institutions and bought off NGOs work hard to keep the reality of large-scale, open pit mines out of picture, keep community resistance marginalized, and no matter what, to keep talking about “development.” This report is about bringing hard facts and community perspectives together to help North Americans become more informed about the nature of the mining industry.

INDUSTRY SPIN: MEET THE PLAYERS

Miners are rolling in money. They’re spending whatever it takes to try and change their image, and the Canadian corporate media is eating it up.

Last year, Bill Clinton teamed up with Vancouver mining financer Frank Giustra to create a $300,000,000 fund to promote “sustainable development” in mining affected communities throughout Latin America.

In February, the Clinton Fund, known as the Clinton Giustra Sustainable Growth Initiative, hosted a star-studded fundraiser in Toronto with the Canadian mining establishment, where John Travolta, Elton John, Shakira and Wyclef performed for a doting crowd of mining brass, who paid $300,000 a table for the evening.

In the slightly less glamorous background, Canada’s influential vanguard of right wing, “free-market” research, the Fraser Institute, has started a new Global Centre for Mining Studies. This center will most likely cater to the industry’s need to have “facts” that support weaker environmental standards and lower taxation rates.

Meanwhile, Industry mainstays like the Mining Association of Canada and the Prospectors and Developers Association of Canada continue to lobby for lower taxes and more lax environmental standards in Canada and the world over; the Canadian International Development Agency helps Canadian mining companies across Latin America and globally by financing and assisting mining law “reform” and the “modernization”; and Canadian embassies worldwide provide services, political sway and promotion for Canadian mining companies.

“Ethical investment” funds do their part by investing heavily in companies like Goldcorp, misleading their clients into believing that large-scale mining is environmentally and socially responsible. Similarly, public pension funds like the Canada Pension Plan, as well as various union pension plans across Canada have a combined investment of close to a billion dollars in Goldcorp alone. Meanwhile, NGOs like World Vision use mining company money to carry out projects in affected communities, and groups like the Canadian Foundation for the Americas (FOCAL) work to convince people in resistance that they should dialogue with the mining sector.

Finally, groups like the World Bank, International Monetary Fund and the Inter-American Development Bank fund mining companies, and promote mining as a motor for development.

None of this is new, but with gold prices hovering around $1000 an ounce, the promotion machine is bigger and better oiled than ever before.

COUNTERSPIN: GOING TO THE ROOTS OF COMMUNITY STRUGGLES

The facts on the ground, when they become visible, speak for themselves. Local struggles against mining are struggles against exploitation, which benefit the few at the expense of communities. These struggles are not new, but often come from a long history of resistance against occupation, oppression and outside domination.

Deforestation, erosion, water contamination and water shortages are common issues in mining affected communities. Contrary to industry spin, two hundred jobs over 10 years does not mean entire villages are happy and employed. Increased violence, alcoholism and prostitution can turn peaceful villages into conflict zones: San Miguel Ixtahuacan, the village closest to Goldcorp’s Marlin mine, has implemented a 10pm curfew because of the jacked up tensions in the community since the company arrived.

In the long term, local people are left with long-term contamination and a destroyed environment, while North Americans count their paychecks and stock earnings, without ever paying the consequences for the destruction they are profiting from.

This report comes out of community requests for information about the wider activities of Goldcorp around the world. In the next 25 odd pages, this report seeks to explain these activities, and in a small way, to crack open the well financed, industry spin.

The counterspin is about hard facts, about the realities people face on the ground, about the nature of mining exploitation, about community organizing in favor of life and the environment, and about international solidarity. It is about what each of us can do to change the world.
Who profits from large-scale open pit gold mines, and who pays? The answer to this question, too often, is that huge benefits flow to a small group of North American mining executives and shareholders, while entire communities pay the price of water, land and air contamination, increased water competition, increased militarization and repression, alcohol and drug use, violence and prostitution in their villages.

Community organizing against large-scale mines has helped prevent or delay mine construction. In many countries, community struggles have put the “who benefits/who pays” question on the national agenda. If communities hadn’t organized in favor of life and against destruction, mining companies - particularly in the global South - would operate in almost total impunity, aided by governments with little regulatory enforcement capacities.

Goldcorp’s mines are in the center of many of these community struggles.

• The Quechan tribe on the Fort Yuma reserve in California has been involved in a battle against the (aptly named) “Imperial Project,” a proposed 880 foot deep, mile-wide, open pit, cyanide-leaching gold operation, for more than a decade. The proposed mine is near a sacred area for the Quechan peoples. In response to the struggles of the Quechan tribe, in 2003, the State of California passed legislation requiring that mining companies “back fill open pits near sacred sites and restore them to pre-mining conditions when the mining operations end.”

Backfilling, according to Goldcorp, makes the proposed Imperial mine unprofitable.

Goldcorp, through its fully owned subsidiary Glamis Imperial Corporation, is currently fighting the Californian legislation through North American Free Trade Agreement arbitration, and thus far, the Quechan peoples have managed to prevent the construction of another open-pit, cyanide leaching mine in their territory.

• The Marlin Mine, Goldcorp’s largest Central American operation, has become a national issue in Guatemala because of the company’s and the Guatemalan government’s failure to properly consult with local Indigenous populations before mine construction began.

Community resistance in the municipality of Sipakapa, where 15 per cent of the mine was to be located, led to the organization of a community referendum (consulta), which rejected mining activity: 11 townships voted against the mine, one voted in favour, and one abstained. This action later sparked off more than 17 referenda in concessioned areas in the Guatemalan highlands. So far, the municipality of Sipakapa has not accepted any payments from the company, and continues to resist against “further mine expansion, mineral exploration or exploitation” in their territory.

• At Alumbrera in Argentina, which is one of the largest copper mines in the world, affected communities have organized to press criminal charges against the mine operators (Goldcorp, Xstrata and Northern Orion) for the damage they have done to the natural environment and especially to water resources.

• At the San Martin Mine in Honduras, the Siria Valley Environmental Committee has organized since 2003 against the expansion of the mine, and managed to keep the company from building a pit into the municipality of El Porvenir. They are currently working to demand repa

FACT: 50% of newly-mined gold is taken from Indigenous lands

“A number of delegations from throughout Guatemala traveled to the municipality of Concepción Tutuapa in order to attend the mining plebiscite which took place on February 12th, 2007. Some came to observe, others to support the process, while some took the time to learn the steps so as to organize a similar community consultation back home. Since the June 2005 plebiscite in Sipakapa, San Marcos, dozens of communities throughout Guatemala have reproduced the process in an attempt to save their territories, lifestyle and general wellbeing not only from the mining industry, but other megaprojects involving hydro-electric plants, megaports, ill-planned roadways, or the oil industry.”

PHOTO AND CAPTION: JAMES RODRÍGUEZ, MIMUNDO.ORG
...continued on next page
Water pollution is one of the most common negative effects of mining and can occur in any of the following forms: Acid Mine Drainage (see box p. 4), heavy metal contamination and leaching, processing chemicals pollution, or erosion and sedimentation.4

Unfortunately, water contamination is not the only “water worry” of communities living near mine sites or planned mining areas. There is also the issue of water use: mining companies – especially those running large scale open pit operations – require huge amounts of water in order to separate minerals from the rock.

Increased competition for water between community members can lead to the creation of new divisions in communities affected by mining, and a decrease in available water for domestic use and irrigation. Less water for farming means a reduction in agricultural productivity and results in increased migration away from mining areas.

In 2007, the Latin American Water Tribunal ruled that Minerales Entre Mares, Goldcorp’s Honduran subsidiary, should be censured and held responsible for “the abusive appropriation of water resources by the mining company, which has severely affected the rights of the communities of the Siria Valley” and “grave contamination... in superficial and subterranean waters.”5

Goldcorp’s proposed Peñasquito project, located in a dry area in Mexico’s Zacatecas state, is applying for permits to pump up to 40 billion liters of water per year. According to Goldcorp, “Presently the required hydro-geological studies are being made that will prove to authorities (CNA), that the aquifers in the region have enough available water to provide this amount.”6

It is not known whether there will be any independent studies to verify that the aquifers in the region - which averages 28cm of rainfall per year - will be able to support such a large burden.

### Some Perspective on Water Use

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<tr>
<td><strong>Goldcorp’s Proposed Peñasquito Mine</strong></td>
<td>40,000,000,000 litres per year</td>
<td>6</td>
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<tr>
<td><strong>Goldcorp’s Martin Mine</strong></td>
<td>2,175,984,000 litres per year</td>
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<tr>
<td><strong>Alberta Tar Sands (the world’s largest industrial project)</strong></td>
<td>349,000,000,000 litres per year</td>
<td>8</td>
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<td><strong>Average person in Africa</strong></td>
<td>13,505 litres per year</td>
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<tr>
<td><strong>Average person in North America</strong></td>
<td>153,300 litres per year</td>
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"[Big mining] activities are only possible because they are legitimated and rewarded by a colonialist legal framework, which establishes a ruthless set of benefits and tax breaks for mining companies, which discriminate against the productive, sustainable economic activities really driving our regional economies."3

-Mining Affected Communities network in Argentina, 2005

-Photo: David Modersbach

rations for people who are sick from contaminated water and those who lost their livelihood as ranchers due to water shortages caused by mining activity in the Valley.

The Siria Valley Environmental Committee was formed by members of communities directly affected by Goldcorp’s San Martin project, and has worked extensively in solidarity with affected communities in Guatemala. Meanwhile, they have been the catalyst for nation-wide anti-mining protests in Honduras.

Community struggles against mining projects have also led to political organizing that goes beyond fighting a particular mine in a particular case. These struggles have led both to local political organizing (as in the case of Sipakapa, Guatemala) and to the formation of international solidarity links. Thus, one of the arguably positive by-products of mega-mining in some communities is the development of organised community struggles that highlight broader issues around autonomy and self-determination.
ACID MINE DRAINAGE & HEAVY METAL CONTAMINATION

Wherever you find gold, you also typically find sulfides, such as pyrite (also known as fool’s gold), and heavy metals. Acid Mine Drainage (AMD) is a process that occurs when sulfides in rocks are exposed to air and water, resulting in the production of sulfuric acid. In addition to acid runoff, AMD causes further dissolving of heavy metals such as copper, lead, arsenic, zinc, selenium or mercury into surface or ground water.

According to the US Environmental Protection Agency, AMD “disrupts growth and reproduction of aquatic plants and animals, diminishes valued recreational fish species, degrades outdoor recreation and tourism, contaminates surface and groundwater drinking supplies, and causes acid corrosion of infrastructure like wastewater pipes.”

Mines can cause AMD for thousands of years. For instance, 2000 year old Roman mines in present day Great Britain continue to generate acid mine drainage. Goldcorp’s Equity Silver mine, in Northern British Columbia, Canada is a closed mine that will generate acid mine drainage for between 500 and 150,000 years. Mines can cause AMD for thousands of years. For instance, 2000 year old Roman mines in present day Great Britain continue to generate acid mine drainage. Goldcorp’s Equity Silver mine, in Northern British Columbia, Canada is a closed mine that will generate acid mine drainage for between 500 and 150,000 years.

In the Dominican Republic, Goldcorp and Barrick Gold are planning to make a 2.3 billion dollar investment in an historic mine site called Pueblo Viejo, which is already an outrageous example of the consequences of AMD pollution. In 2007, a journalist from the Associated Press described Pueblo Viejo as follows: “Acid run-off flows down the mountain, pooling in red ditches along abandoned roads while sprawling fields of mineral waste lie under barren rainwater lakes. The narrow Margajita River is now a reddish-brown trickle of acid that has killed the fish and forces the people of tiny Los Cacaos to travel more than 6 miles (10 kilometres) for safe drinking water.”

Goldcorp and Barrick Gold are waiting on the government of the Dominican Republic to fund over $100,000,000 in clean-up costs before construction of the gold, silver, copper and zinc mine can go forward.

“Gold is the paradise of which the bankers sang; mercury is the hell hidden in the fine print.”

Mercury transforms into its most toxic form, non-biodegradable Methyl-mercury when released into the atmosphere through industrial processes.

According to the Zero Mercury Campaign, “The main route of exposure for elemental mercury is by inhalation of the vapors... Neurological and behavioral disorders in humans have been observed following inhalation of elemental mercury vapor. In addition, there are effects on the kidney and thyroid. High exposures have also resulted in death.”

“The three largest point sources for mercury emissions in the United States are the three largest gold mines there.”

– Ban Mercury Working Group

According to the Ban Mercury Working Group, “Though cumulatively coal fired power plants are the predominant source of atmospheric mercury emissions, the three largest point sources for mercury emissions in the United States are the three largest gold mines there.”

In Goldcorp’s recently sold Chilean operation, La Coipa, Mercury occurs naturally in the ore body at a rate of approximately 30 grams per tonne. It generates mercury fumes when it passes through the metallurgical process. In 1995, Mercury and cyanide were discovered in groundwater as a result of seepage from mine waste. The company started up a $10.5 million dollar, 30 year project to control the seepage was instituted. It re-
On average, modern gold mines produce 70 tonnes of waste for every ounce of gold produced. This is largely due to the prevalence of open-pit gold mines, which produce 8 to 10 times as much waste as underground mines. The massive processing of ore is made possible through the use of cyanide to separate gold and silver from rock, allowing a recovery rate that was previously impossible. Glamis Gold, which Goldcorp acquired in November 2006, was known as “a pioneer in the heap leach method of gold extraction.”

By way of example, the average “head grade” at Goldcorp’s Marigold Mine in Nevada is 0.74 grams of gold per tonne of ore (.74 parts per million), and the total rock moved (including “sterile” or “waste” rock) was 8.11 tonnes per single gram of gold recovered. The company has only slightly higher gold grades at San Martin Mine in Honduras, 0.78 grams of gold per tonne of ore, and at Wharf in the US, at 1.02 grams per tonne of ore.

The major waste product of mining is mine tailings, made up of chemically treated ore as well as waste rock. In underground mines, tailings can be disposed of by backfilling, but in most open-pit mines, tailings are stored in piles or in ponds (called tailings impoundment areas). Tailings consistently cause Acid Mine Drainage (see box on p. 4), but there is also the possibility of cyanide spills during transport and tailings dam failures, depositing cyanide, other chemicals and heavy metals into local water systems.

Major cyanide spills and accidents, such as the Omai tailings dam failure in Guyana (1995) and the Kumtor spill in Kyrgyzstan (1998) have raised alarm bells among environmentalists about the safety of the chemical and the risks to their water systems.

Accidents and spills are not the only worry of communities. According to the Mineral Policy Centre, “Mining and regulatory documents often state that cyanide in water rapidly breaks down—in the presence of sunlight—into largely harmless substances, such as carbon dioxide and nitrate or ammonia... Many of these breakdown compounds, while generally less toxic than the original cyanide, are known to be toxic to aquatic organisms... Despite the risks posed by these cyanide-related breakdown compounds, regulatory agencies do not require mine operators to monitor this group of chemicals in mining-related waters.”

In 2006, Goldcorp reported having released 1,010 pounds of airborne mercury pollution from Marigold.

In January 2008, Honduras’ National Department of Forensic Medicine confirmed that of 40 blood samples taken from people who live in the communities nearest to Goldcorp’s San Martin Mine, 28 contained high levels of mercury, lead and arsenic.

In 2006, Goldcorp reported having released 1,010 pounds of airborne mercury pollution from Marigold.

Out of 40 blood samples taken from community members near Goldcorp’s San Martin mine in Honduras, 28 contained high levels of mercury, lead and arsenic.
Mining is a short-lived economic activity. Most mines only last for 10-15 years, and their feasibility depends on the price of the commodity being mined. If the price falls, the mine will often close, leaving a toxic mess behind that will have to be monitored forever.

It is commonly believed that “first world” countries such as Canada have regulations in place that protect the natural environment and ensure that impacted communities are benefited by mining activity. This, however, is a myth dispelled by the hard reality for mining communities across Canada.

In all Canadian jurisdictions, land with significant mineral potential is excluded from other kinds of development, and the “free entry” system of mineral claim staking prevails. Mining is considered the “highest use of the land,” trumping any other use of the land, including farming, natural forests, and wilderness areas.

Canada’s elaborate and costly Environmental Assessment regime almost always lets mines proceed with appropriate “mitigation measures,” but these measures are often ineffective or not implemented. Worse, they are rarely monitored or enforced.

For instance, the Metal Mining Effluent Regulations under the Fisheries Act provides licences to pollute even though the Act states that one “shall not put any deleterious substances into water frequented by fish.” This act allows lakes in Canada to be turned into tailings impoundment areas, even though a recent study showed that less than 60 per cent of the fish habitat that was created to make up for the natural habitat lost by tailings actually functions to host fish. In addition, provincial effluent regulations are tailored to allow mines to proceed.

While Canada opens up new mines through lax waste management regulations, the public does not have a right to know about the toxins in tailings and waste rock piles to the National Pollutant Release Inventory (NPRI).

NPRI reporting for 2006 from Goldcorp’s Canadian mines (Red Lake, Porcupine and Musselwhite) is not complete. The partial data shows that Goldcorp released at least 1033 tonnes of carbon monoxide into the air from Red Lake and Musselwhite, and released 13 tonnes of ammonia and 286 kg of arsenic on-site at Red Lake alone.

In the past ten years, while subsidies for mining exploration have increased, environmental inspection budgets have been severely curtailed.

Despite the fact that mines leave expensive messes in their wake, the effective rate of mining taxation federally in Canada is only 6 per cent - the lowest of any sector. In 2001, subsidies to the mining industry were over $600 million annually, not including the cost of remediation for over 10,000 toxic abandoned mines the industry left behind. Mining companies consistently avoid paying income taxes, and lobby against royalty regimes.

The mining industry lobby is well-financed and effective in Canada. It is closely connected to government at all levels and has sought to write mining and environmental laws for over a century.

Indigenous people have had only limited success negotiating “Impact – Benefit Agreements” (IBA) over the last twelve years. Mining companies, with their teams of corporate lawyers and the government and mainstream press on their side, negotiate hard and tough with indigenous and traditional land-holders over benefits from the mine. IBA mines such as Goldcorp’s Musselwhite mine are still operating, and they have provided First Nations communities with some jobs, some training and some cash.

IBA’s have not prevented the destruction of the land, have provided little environmental protection and will be unlikely to contribute to sustainable economies after the mine closes.
Mining affected communities often report increased drug and alcohol use in their communities, housing shortages and more violence against women. To date, the only economic strategy after closure is finding another ore body and increasing the footprint of the mine.

The majority of mines in Canada do not have IBAs. At Red Lake, where Goldcorp got its start, the First Nations have never had an agreement with the company, and have yet to see any economic benefits from the mine.

**IN DEFENCE OF THE EARTH**

In Canada, as in other countries, civil society and indigenous people have been confronting the power of the mining industry and demanding regulatory and policy change - protecting the earth for our grandchildren from the appetite of these corporations.

In February 2008, Chief Robert Lovelace of the Algonquin First Nation was sentenced to prison and a large fine for contempt of court. His crime? Asserting the responsibility of his First Nation to protect their traditional territory from uranium exploration and development. Similar charges have been laid against leaders of Kitchenuhmaykooosib Inninuwug (KI) and Iskut First Nations.

Lovelace and courageous leaders like him are challenging the right of mining companies to stake mining claims on their land, a process which legally establishes the company as a “stakeholder” with rights greater than the people who have lived on the land for millennia.

Indigenous peoples are acting through physical blockades, as well as in the courts. Going to court in Canada is exceedingly expensive, and out of the reach of most First Nations. KI is facing a legal bill of over $700,000.

After centuries of seeing their traditional lands and livelihoods stolen and destroyed, their population diminished by disease and environmental toxins, and their culture almost wiped out by residential schools and genocidal government policies, most Indigenous people in Canada feel they have no other option than to acquiesce when a mining company comes calling. They often believe it is impossible to say “no” to such a powerful force, and direct their attention towards trying to minimize the environmental damage and gain a share of the economic benefits.

The recent wave of First Nations protests against mineral exploration and exploitation has caught the industry by surprise, and has generated new solidarity movements between settler populations and Native groups. Organizing together against mining mega-projects that jeopardize our shared water and air quality has helped stop some mines from going forward, but the long, uphill battle against extractive exploitation continues.
Alumbrera is one of the world’s largest and lowest cost gold, silver and copper operations. It is operated by Minera Alumbrera Limited (MAL), a joint venture between Goldcorp, Xstrata, and Northern Orion.

Located in North-western Argentina, Alumbrera was the country’s first and largest major mining development. The mine is situated in a valley west of the easternmost range of the Andes at an elevation of 2,600 metres above sea level. After processing on site, the copper and gold concentrates are pumped with added water through a 316 km, 175 mm diameter pipeline over the Nevados del Aconcagua mountains to the province of Tucumán, where they are dewatered to obtain an almost dry product. From Cruz del Norte, Tucumán, the minerals are shipped another 830 km by rail to a port on the Paraná River, near Rosario.

The mine also necessitates a 202 km, 220 volt power line from the project’s substation in the province of Tucuman. The power line passes through Tafi del Valle, a protected area in Tucuman. In 2005, it was estimated that just over 314,000 tonnes of ore were mined per day. The final pit size when mining is complete will be approximately 600 hectares, or a two kilometre by three kilometre pit, filling nearly the entire concession licence.

In the company’s 2005 Sustainability Report for Alumbrera, flamingos are pictured in the tailings pond. The mine uses approximately 5000 cubic metres of fresh water per month, and dumps approximately 3000 tonnes of tailings monthly. The mine is located in a very dry area, which averages 150mm of rain annually.

In an interview in September of 2007, a farmer who lives in Santa Maria, near Alumbrera, stated, “For the last five years we’ve seen nothing of the water that we used to use from the Santa Maria river... In the best of times, these lands could grow peppers, tomatoes, corn and alfalfa, but now; look what it’s like. Our family is leaving because we can’t work... we have the tools to work, but not the water.”

A farmer from Santa Maria, near Alumbrera

“IN THE BEST OF TIMES, THESE LANDS COULD GROW PEPPERS, TOMATOES, CORN AND ALFALFA, BUT NOW; LOOK WHAT IT’S LIKE. OUR FAMILY IS LEAVING BECAUSE WE CAN’T WORK... WE HAVE THE TOOLS TO WORK, BUT NOT THE WATER.”

Juana Cabrera, a woman who has worked with affected communities, has taken refuge in a church, planning to stay until the church comes out in favour of the people and against Alumbrera.

There are a host of well documented environmental issues arising from the Alumbrera mine, including spills from the slurry pipeline, a transport accident where 21,000 kg of ammonium nitrate destined for the mine was released, clouds of exploded powder at the mine site, and potential releases of arsenic, cadmium, copper, mercury, selenium and strontium. On September 1, 2007, there were co-ordinated protests in Argentina against open pit mining in general, and Alumbrera in particular, including a march at the government offices in Catamarca province, as well as in Rosario, where Lumber’s port facilities are located. Reasons for the demonstrations was explained by David Modersbach: “for the last 10 years [the mine] has been in production, contaminating, causing desertification, sicknesses, and transforming the social and economic fabric of [Catamarca].”

Juana Cabrera, a woman who has worked with affected communities, has taken refuge in a church, planning to stay until the church comes out in favour of the people and against Alumbrera.

The slurry pipeline is of great concern to Argentines, especially as it gets older. According to a local newspaper, among the towns along the slurry pipeline, “Ampujaco (Belén); Villa Vil (Andagalá); Cumbres de Santa Ana (Aconcagua) in Catamarca and Alpachiri and Villa Lola in Tucumán have already been contaminated in succession.” Goldcorp has identified the slurry pipeline as one of its most significant environmental risks.

After a calcium and sulphate laden seepage plume was de-
ected in natural ground water within the concession, the company built pump back wells to try and avoid escape of the contamination into the wider water systems.45

On February 14, 2007, local newspapers reported that blockades had been set up by residents in the province of Santiago del Estero, who were demanding an end to the pollution in the Hondo River, which flows into the Hondo reservoir, which people rely on for drinking water.46 In March of 2007, a study by the National Secretary of Mining was released, finding that the Sali River was no longer suitable for domestic consumption due to high levels of manganese and iron, and that damaging effects from Alumbrera are permanent and only partially reversible. 47

On September 17, 2004, an earthquake measuring 6.5 on the Richter Scale caused the slurry pipeline to burst, filling approximately 2 km of the Villa Vil river with mineral concentrate.48 Locals reported that the flow of mineral concentrate in places reached 12m in height.

In mid-August, 2007, there was a spill from the slurry pipeline in Santa Ana, which is currently being investigated by Argentine authorities.49

There are legal proceedings against MAL underway in Argentina, a contamination case, which was first brought forward in 1999, which accuses MAL president Julian Patrick Rooney under law 24.051, providing for punishment of people who “contaminate the soil, atmosphere or environment in general.”50 Another court case, relating to the spill following the earthquake, was brought forward in 2005. As of September 4, 2007, both cases are pending.

Reclamation of the mine and tailings sites is the responsibility of MAL; however, by Argentine law, no bond is required, nor has one been posted.51

BY THE NUMBERS

• Alumbrera is the biggest energy user in Argentina, using approximately the same amount as the entire province of Catamarca.52 During an energy shortage in the summer of 2007, small businesses were required to reduce their electricity consumption by 50 per cent, while Bajo de la Alumbrera only reduced its consumption by approximately 11 per cent. 53

• There were 1165 people working at Alumbrera in 2005, 39 per cent of which are from the province of Catamarca, where the open pit and processing facilities are located.54 MAL claims that the employment multiplier is 9.7, creating 8.7 indirect jobs for every direct employment offered.55 That figure is more than double the findings of the World Bank’s Extractive Industry Review released in 2004, which indicated that four indirect jobs were created for each instance of direct employment globally.56

• When the Argentine government cancelled a 5-10 per cent exemption on export taxes for mining companies in January 2008, a host of multinational corporations, including Alumbrera majority owner Xstrata Copper, began legal action against the government.57 Goldcorp announced that they support the legal action, and that they would cease all exploration activity in Argentina.

Goldcorp Vice President, Investor Relations Jeff Wilhoit told MineWeb “that - while Goldcorp respects the rule of law in Argentina and has a great relationship with government officials in the country - ‘We hope that diplomacy prevails’ and that it ‘gets us where we want.’”58

In the high mountains of Aconquija, residents of this town demonstrated against Alumbrera for the pipeline ruptures and the construction of a retaining facility for toxic wastes. August 2007

photo: David Modersbach

There are a host of well-documented environmental issues arising from the Alumbrera mine, including:

• Spills from the slurry pipeline
• A transport accident that released 21,000 kg of ammonium nitrate destined for the mine
• Clouds of powder travelling with the wind from material that has been exploded at the mine site
• Potential releases of arsenic, cadmium, copper, mercury, selenium and strontium
GUATEMALA

Marlin Mine

This silver-gold mine was discovered by Francisco Gold and developed by Glafis Gold, through its fully-owned subsidiary Montana Exploradora de Guatemala. There have been serious and prolonged protests by Mayan villagers in the greater municipality of San Miguel Ixtahuacán (which comprises 19 villages) and Sipakapa (which comprises 13 villages) in Guatemala’s western highlands department of San Marcos.

Over the last two years, villages in San Miguel Ixtahuacán have been transformed into an open pit mine, which will eventually encompass five square kilometres. Eighty-five per cent of the total expanse of the planned mine is in San Miguel Ixtahuacán, and 15 per cent is in Sipakapa.

The municipality of San Miguel Ixtahuacán has a population of 39,000, most of who are Mam Maya peasant farmers who depend on subsistence agriculture to live. The people are objecting to any further expansion of the mine, and say they are getting little benefit from it. Before production at the mine began, there were numerous protests and vocal opponents: two people were killed and a number injured.

Two years ago, when residents of Sipakapa heard about the mine, they organized a referendum (Consulta) using the International Labour Organization’s Convention 169, which affirms the right of indigenous communities to be consulted in good faith before industrial activity take place on their lands. The people of Sipakapa voted overwhelmingly against the mine.

Montana Exploradora de Guatemala filed an unconstitutionality suit as well as an appeal against the Consulta in 2005. The people of San Miguel Ixtahuacán blockaded the access roads to the mine in early 2007, protesting that they had been unfairly compensated for their lands. Seven participants in the blockade were accused by the company of assaulting an employee. Five were released after one year of legal battles, and two were found guilty and are paying a daily fine.

On May 8th, 2007, the Guatemalan Constitutional Court ruled that the Consulta was unconstitutional. Analysts in Guatemala have speculated that the decision by the Magistrates of the Constitutional Court could have been influenced by political, economic and commercial interests.

The community of Sipakapa has recently submitted a challenge to the Constitutional Court ruling to the Inter American Commission on Human Rights. In early 2007, the company offered the municipality a “gift” of over $150,000 CDN. It was refused.

People in San Miguel Ixtahuacán, where the largest part of the mine is located, have reported that their houses have started to crack due to explosions at the mine site. The communities are also worried about contamination from the mine and there are reports of the accumulation of heavy metals.

“All the damages which the experts warned us before the arrival of the mining project have come true: the deforestation, extreme dust, the contamination of water sources, dry wells, the competition for water usage, and the accumulation of dangerous waste products from the mine.”

– Association for the Integral Development of San Miguel (ADISMI) commenting on the effect of Goldcorp’s Marlin Gold Mine in Guatemala. In addition to the environmental side effects, the explosions carried out to destroy entire hillsides in the Marlin Project have caused significant crevices and fissures in over 59 homes, particularly in the villages of Ajel and San José Nueva Esperanza.
The San Martin mine is an open pit gold mine developed and operated by Goldcorp’s (originally Glamis Gold’s) wholly owned subsidiary Entre Mares. According to Andrew Buncombe, writing in London’s Independent, “Some locals say the company’s behaviour is so exploitative they have likened it to a new form of “colonialism” while the Honduran public prosecutor has filed an action accusing Entre Mares of deforestation, pollution of streams and illegally altering the course of water-ways and roads.”

Honduras is the second poorest country in the western hemisphere. According to Sandra Cuffe, a researcher with Rights Action based in Honduras, “Despite protests, participation in open municipal hall meetings and other activities, the project received the blessing of the local authorities, who assured the population with echoes of company promises of development.”

Since the project began in 2000, the open pit heap-leach San Martin mine has created huge problems. In a drought-prone area, the mine is taking up precious water resources. Water sources have been found to contain higher than allowable levels of copper and iron, and people living near the mine have been found to have high levels of arsenic, mercury and lead in their blood.

On June 25, 2007, the government of Honduras imposed a fine of one million Lempiras (approximately $55,000) for “serious administrative breaches” relating to cyanide-laced discharge, lack of soil contamination prevention, and high levels of arsenic in local river systems. The Secretary of Natural Resources and the Environment (SERNA), who issued the fine, noted that Entre Mares “carried out polluting and damaging activities.”

The company has denied that there has been contamination, and blames illnesses in the area on bad diet and a lack of hygiene.

A protest over the controversial mining law in Honduras on July 26, 2006 saw hundreds of religious leaders, agricultural workers, environmentalists, and students take part in protests that closed four sections of the Pan-American Highway. The first major demonstrations against mining in Honduras came from the Valle de Siria, where the San Martin mine is located.

The company has submitted a draft of their closure plan, which has been received with scepticism by local community members who are worried that the company will leave the area without paying reparations or carrying out remediation the natural environment.

Metals in the river resulting from acid mine drainage.

Until July 1, 2006, the company was not required to pay taxes other than royalties because it had negotiated to be legally recognized as a maquila (free trade zone), a deal which Monsignor Alvaro Ramazzini, the Bishop of San Marcos, called “clearly illegal.” The tax payments to be made after July 2006 are earmarked for “improvements to services and infrastructure in areas near the Marlin Mine” and “increased capacity building within government ministries with mining responsibilities.” As of December, 2006, the company had paid $670,000 in royalties to San Miguel Ixtahuacán.

Goldcorp claims to be the largest taxpayer in Guatemala.

“In the Siria Valley, Honduras, the negative impacts of the San Martin mine are extensive. The destruction of the environment, implicit in open-pit mining methods, continues to affect our ecosystems... The contamination of several water sources have been confirmed due to the high content of cyanide and heavy metals... There are communities that have drunk water with high concentrations of arsenic, mercury and lead for years... Independent medical brigades have been documenting the ongoing rise in dermatological, respiratory, ophthalmologic, gastro-intestinal and other diseases.”

– Carlos Amador, secretary general of the Regional Environmental Committee of the Siria Valley

PHOTO: MIMUNDO.ORG
GOLDCORP IN THE AMERICAS

UNITED STATES

Wharf Open-pit Gold Mine (100% Goldcorp)
Toxins released from the Wharf operation into water systems include nitrate compounds, sodium compounds, and cyanide compounds, and between 2001-2002, the mine released 2,240 tonnes of lead into the air.\(^4\)

Marigold (66.7% Goldcorp, 33.3% Barrick Gold)
Goldcorp's lowest grade gold mine, at 0.74 grams of gold per tonne. A report that was released in February of 2007 showed that mercury levels in the parking lot at the Marigold mine were at 3139 nanograms per cubic metre, almost 10 times the federal limits for toxic exposure.

Imperial Project (100% Goldcorp)
The Quechan tribe on the Fort Yuma reserve in California have been involved in a battle with Goldcorp/Glamis Gold over the proposed 880 foot deep, mile wide open pit cyanide leaching gold operation for more than a decade. The Quechan claim that the mine is too close to an area near Indian Pass, which they hold sacred.

CANADA

Equity Silver (100% Goldcorp)
It is estimated that the closed Equity Silver mine, near Houston, British Columbia, will generate acid mine drainage for between 500 and 150,000 years.\(^2\)

Musselwhite (100% Goldcorp)
The construction of the mine has led to the destruction of numerous fish and wildlife bearing water bodies. There is an Impact Benefit Agreement between the joint venture companies and local First Nations.

Porcupine Joint Venture (100% Goldcorp)
Mining began at these properties as early as 1910 and the legacies from earlier mining activities include waste rock, tailings material, gravel pits, subsidence zones and public hazards, including giant sinkholes. Prior to mining activity, the area consisted of undisturbed Northern Ontario boreal forest.

Red Lake (100% Goldcorp)
Canada’s largest gold mine, in 2000 Goldcorp broke the USWA union inside the mine after the longest miners’ strike in Canadian history, which lasted for four years. Environmental breaches at Red Lake include illegally discharging of 110,000 cubic metres of tailings effluent to Bruce Channel.

MEXICO

El Sauzal (100% Goldcorp)
One of the largest gold mines in Mexico, El Sauzal garnered national attention in the country when it was discovered in 2005 that the open pit mine had destroyed nine archaeological sites.\(^86\)

Los Filos/Bermejal (100% Goldcorp)
In early 2007, communal landowners (Ejidos) blocked roads leading to the Los Filos/Bermejal mines for 83 days, claiming that they were not adequately compensated by the mining company and that some workers had been fired during the dispute.\(^87\)

Nukay (100% Goldcorp)
Goldcorp admits to having overtopped the tailings cells, improperly discharged of process solutions containing a high copper concentration, improperly disposed of hazardous materials, and having permit deficiencies and irregularities.\(^88\)

Peñasquito (100% Goldcorp)
Peñasquito will be by far the largest operated by Goldcorp, with plans to peak at mining 500,000 tonnes of ore per day.\(^91\) The surface rights at Peñasquito are held by three communal land holders (ejidos) and one private individual. Goldcorp is negotiating with Ejido members (communal land holders) individually.
Goldcorp owns at least 15 subsidiary companies in the following tax havens: Cayman Islands, Antigua, Bermuda, Barbados, and the British Virgin Islands.

GUATEMALA

Cerro Blanco (100% Goldcorp)
Locals have very little information about the planned gold mine. The original Environmental Assessment did not include an on-site mill, which appeared in later plans.90

Marlin Mine (100% Goldcorp)
Since the beginning of operations in 2005, there have been ongoing protests by Mayan villagers in area of the mine charging that the mine and the mining concessions are illegal because local people were not consulted. Evidence of acid mine drainage has been made public.

HONDURAS

San Martín Mine (100% Goldcorp)
In a drought-prone area, the mine is taking up vast amounts of water resources. Water sources have been found to contain higher than allowable levels of copper and iron, and people living near the mine have been found to have high levels of arsenic and lead in their blood.

BRAZIL

Amapari mine (24% Goldcorp, 76% Peak Gold)
Initially, surface rights for the 4,000 hectares of mineral concessions for the Amapari project were held for the purposes of being included in the National Agrarian Reform Program. Wheaton River acquired the properties from AngloGold after AngloGold had filed applications with various branches of the government, who produced a report on August 22, 2003 recommending that the land be excluded from this program.

CHILE

La Coipa Gold and Silver Mine (Goldcorp divested February 2008)
Mercury occurs naturally in La Coipa’s ore body at a rate of approximately 30 grams per tonne, and passes through the metallurgical process generating mercury fumes. Mercury-related illnesses have been reported and there have been numerous union complaints due to mercury poisoning.85

DOMINICAN REPUBLIC

Pueblo Viejo (40% Goldcorp, 60% Barrick Gold Corp.)
In 2001, there were 100 families living in extreme poverty in an area called Los Cacaos within the security perimeter of the mine site and lacking access to safe drinking water.

ARGENTINA

Alumbrera (37.5% Goldcorp, 50% Xstrata Copper, 12.5% Northern Orion Resources, Inc.)
Argentina's largest mine features a 316 km slurry pipeline from the mine site to the nearest port. The pipeline has burst and spilled mineral concentrate in various areas on multiple occasions. The mine uses 60,000 m³ of water per year, in an area that receives only 150mm of rainfall per year.
Los Filos/Bermejal is a heap leach gold and silver operation in the state of Guerrero. Construction at Los Filos/Bermejal was completed in 2006, and the mine was meant to go into production in early 2007.

In early 2007, communal landowners (Ejidos) blocked roads leading to the Los Filos/Bermejal mines for 83 days. State police had forcibly removed the protestors and detained several on January 25 and forcibly removed them again on February 1, 2007. The blockade was renewed on March 6 and lasted until April 4. On March 14, Amnesty International called for international support due to concerns for the safety of the blockaders.

The villagers had been protesting off and on since January 8, 2007, saying they were not being adequately compensated by the mining company and that some workers had been fired during the dispute.

On March 24, Goldcorp offered the community of Nuevo Carrizalillo an annual rent of 8000 pesos (about US$726) for each of 970 hectares of communally held land the company was planning to mine for gold. The community was holding out for more than US$1230 per hectare in addition to a paved road, computer centre, basketball court, childcare centre, and scholarships for children.

On April 2, 2007, Goldcorp’s Mexican subsidiary Luismin was able to come to an agreement with the people who had set up a roadblock at the mine sites. The April 2nd agreement sees Luismin paying 13,500 (US$1226) pesos per hectare to community members, totalling US$1.19 million. This is an annual payment. The company has agreed to invest at least US$1.8 million in social works and projects in 2007. This amount is a one time payment.

Construction work at the mine restarted on April 3, with more than 1,400 construction labourers. Communities of Xochipala and Mezcala have demanded that the company pay them equally to what it is paying Carrizalillo. On April 15 the company lawyer announced that Xochipala would receive 13,500 pesos per hectares for the 450 Hectares of ejidal land used by the companies.

According to a study commissioned by Mexico’s National Forestry Commission “damages caused by Goldcorp’s Luismin to small landowners in Xochipala includes the felling of more than 1,038 trees, 12 kilometres of fencing destroyed, and damage to 72,000 square metres.” Total damage was assessed at 3,225,000 pesos (approximately $295,000 USD). Luismin has already given two million pesos to the National Forestry Commission to show its willingness to repay the landholders.

A recent article in the newspaper La Jornada ran with the headline “Mining in Guerrero continues in the colonial style,” the author accusing the company of dividing and confusing communities about money and land issues.

During the construction phase there were 869 people working at the mine site, 43 of whom were Goldcorp employees and the other 826 of whom worked for one of 19 subcontractors active on the site. Of that work force, 31.79 per cent were foreigners.

Goldcorp acknowledges that “under Mexican Federal Labour Law, Luismin has to distribute a 10 per cent annual profit sharing to its employees based on taxable income” however the company goes on to state that “historically, profit sharing has been minimized through the use of effective tax planning.”
NUKAY

This is a smaller mine that was acquired by Goldcorp through the purchase of Wheaton River in 2005. It consists of two open pit mines, an underground mine, and a mill. Total gold production during 2005 was 16,269 ounces. Nukay is in Guerrero state, very close to the Los Filos mine.

In 2005, Compañía Minera Nukay was fined $8,500 for non-compliance with environmental regulations. The company admits to having overtopped the tailings cells, improperly discharged of process solutions containing a high copper concentration, improperly disposed of hazardous materials, and having permit deficiencies and irregularities. The Nukay mine has since been classified as a “clean industry” according to the Federal Environmental Protection Agency.

Local residents in Mezcala stopped drinking the water from the springs known as La Cañada six years ago, and say that the Mezcala River is polluted. They have also reported dry coughs and stomach problems, especially in children, which they say is caused by particles in the air coming from the mine. There exist rumours and fears in the community that headwaters of the rivers they drink from, like the Mezcala, are polluted by cyanide and arsenic.

Goldcorp, which signed onto the Cyanide Management Code in July of 2007, has announced that Nukay will not be certified under the code.

In 2005, there were 239 employees at Nukay, comprising 138 contractors, 83 union members and 18 administrators. Federally legislated profit sharing exists at this project, however Goldcorp has been able to minimize profit sharing here as well.

In early January, 2008, workers at the Nukay mine threatened to strike if the company did not agree to a pay raise. By January 25th, workers called off their strike, after having negotiated a pay raise of over 10 per cent including benefits. Nukay is one of the only (partially) unionized mines operated by Goldcorp.

SPECIAL SITES

Taking the Spirit from the Land

Open pit mining leaves the door open for discovering archaeological sites once road-building and digging begin. As such, companies should be required to submit a report about archeological items on their prospective mine site. But, since mines are essentially self-regulated, it is difficult to know if the companies report all archeological sites that they find.

In the Case of Goldcorp’s El Sauzal mine in Chihuahua, Mexico, it was discovered in 2005 that the open pit had destroyed nine archaeological sites. The destruction of these sites, from the Tubares culture, caused a national scandal in Mexico.

In some cultures, all land is seen as something sacred and life giving. Sacred sites, or specific areas on lands which hold a special spiritual value (cemetery, gathering place, temple), are often threatened by mining operations.

Goldcorp, through its subsidiary Glamis Imperial Corporation, is currently in NAFTA arbitration against the US government, who the company charges is making their proposed Imperial project unprofitable by asking the company to backfill the open pits.

The backfilling requirement was instituted by the governor of California after a decade long struggle by the Quechan tribe on the Fort Yuma reserve in California, who claim that the mine is too close to an area near Indian Pass, which they hold sacred, known as the “spirit trail.”

Goldcorp’s Marlin mine in Guatemala is expanding towards a sacred site called Tuwiaj, which lies within the exploration license.
**Marigold Mine**

Marigold is situated in Humboldt County, Nevada, on Western Shoshone territory. The property has been producing since 1988, and covers 28.9 square miles. The Marigold operation comprises 11 open pits, eight waste rock stockpiles, three leach pads with 16 cells, two carbon-in-leach processing facilities, and a carbon processing and refining facility. Goldcorp reports that 30-40 million tonnes of waste rock and 10-15 million tonnes of oxide ore are mined per year. The mine is very low grade, containing about 0.74 grams of gold per tonne of ore, which is 0.74 parts per million.

The Marigold mine is permitted as a “Zero Discharge Facility” by the state of Nevada, which requires the containment of all process fluids. Local environmental groups and landholders have criticized the “Pollute first and clean up later” approach taken by the State of Nevada in the permitting process for Marigold.

High levels of arsenic have been reported in dried up wells near the tailings impoundment areas at the Marigold mine. In addition, substantial contaminant plumes under tailings impoundments and waste rock dumps were reported in 2004. According to Tom Myers of Great Basin Mine Watch, “the plumes are moving toward the Humboldt River and drinking water supplies.”

On November 15, 2006, Great Basin Mine Watch and Earthworks reported that Glamis had been caught seriously under-reporting mercury pollution from the Marigold mine. The under-reporting was discovered when Glamis, threatened with a lawsuit by a number of environmental groups, decided to revise its emissions reporting to be in conformity with the federal Emergency Planning and Right to Know Act (the US Toxics Release Inventory).

The releases were eight thousand percent higher for 2003 and six thousand percent higher in 2002 than previously reported. Mercury is a powerful neurotoxin, particularly for children.

A report that was released in February of 2007 showed that mercury levels in the parking lot at the Marigold mine were at 3139 nanograms per cubic metre, almost 10 times the federal limits for toxic exposure (mercury occurs naturally in the environment at a level of 5 nanograms per cubic metre).

Regarding the land rights issues, the Western Shoshone have taken their concerns about mining on their land to the UN Committee on Elimination of Racial discrimination and Inter American Commission on Human Rights. The UN ruled against the U.S. and urged them to cease further activities – but it’s business as usual out on the land and Marigold now has an expansion proposal that would remove a traditional camping, hunting, fishing and gathering area along a trout stream.

**Wharf Gold Mine**

Wharf is a heap-leach operation in the Bald Mountain mining district of South Dakota. The immediate area around the mine has been systematically explored for more than 25 years. The mine has been developed as a series of open pits, most of which are now mined out.

**Mercury Levels in the Parking Lot at the Marigold Mine Were at 3139 Nanograms per Cubic Metre, Almost 10 Times the Federal Limits for Toxic Exposure**

On July 21, 2000, 8,000 gallons (30,283 litres) of process solution containing cyanide overflowed from the operation, covering an area 5 feet wide by 400 feet long (1.5 m by 122 m).

In August of the following year, Goldcorp paid a US $31,382 settlement for violations of Wharf’s mine permit and surface water discharge permit relating to discharging water containing a higher level of selenium than permissible.

Goldcorp has also received a Notice of Violation related to nitrates in the groundwater systems.

Scorecard, a US pollution information website, discloses the following information about the Wharf mine: “From 1998 to 2002, releases of suspected cardiovascular and blood toxicants to water have increased 366 per cent.” Toxins released into water systems include nitrate compounds, sodium compounds, and cyanide compounds. Scorecard notes that, “From 2001 to 2002, releases of recognized carcinogens to air have increased 82 per cent,” including 2,240 tonnes of lead.

Current operations are carried out in the Trojan pit, which is being developed in four phases and which will supply ore until the exhaustion of reserves early in 2007. The Foley pit, which lies adjacent to the Trojan pit, was mined out in 2002 and is currently being backfilled.

As of March 31, 2003, the Wharf mine was non-unionized and had 117 hourly and 22 salaried employees.
THE IMPERIAL PROJECT

The Imperial project is a proposed open pit gold mining operation in the Imperial Valley of California. It consists of 187 mining claims and 277 mill sites on approximately 650 hectares of federal public lands. According to environmental groups, the proposed mine would be adjacent to a desert wilderness area, including 88 acres of woodland, and the operation would consume 389 million gallons of water annually from the desert groundwater aquifer. Glamis acquired the project in 1987.

The Quechan tribe on the Fort Yuma reserve in California have been involved in a battle with Goldcorp/Glamis Gold over the proposed 880 foot deep, mile wide open pit cyanide leaching gold operation for more than a decade. The Quechan claim that the mine is too close to an area near Indian Pass, which they hold sacred, known as the “spirit trail.”

Mike Jackson, leader of the Quechan tribe, is quoted in a New York Times article about the mining company: “[Glamis] came and offered money, trucks and other things,” he said. “I told them I’m not going to take one penny, and to get out of my office.”

According to the National Trust, who listed the area on its 11th Annual Most Endangered Places List in 2002, “At a sacred place near the lower Colorado River in Imperial County, California, Native Americans from the Quechan Tribe have come for thousands of years on spiritual pilgrimages. Among the artefacts they have left are pottery shards, petroglyphs and ancient rock sculptures that lie untouched in the sand.” The National Trust currently lists the area as “endangered.”

In April of 2003, the State of California adopted new regulations that would protect Indian Pass. Special Bill 22 requires metal mining companies to back fill open pits near sacred sites and restore them to pre-mining conditions when the mining operations end. In July of 2003, claiming that this had made the Imperial mine economically unfeasible, Glamis gave notice that it would pursue arbitration under the North American Free Trade Agreement’s (NAFTA’s) Chapter 11.

Glamis claimed that in adopting the new regulations, the United States has “denied Glamis Imperial the minimum standard of treatment under international law... and has expropriated Glamis Imperial’s valuable mining property interests without providing prompt and effective compensation.”

In the most recent rejoinder by the United States of America to Glamis, dated February 22, 2007, the US states “Glamis’s claims were dependent upon a distorted view of the facts and non-existent legal principles.”

The Quechan tribe is concerned that if a decision is made in favour of Glamis Gold, “then it is possible that Glamis could both receive a monetary award and then also have the benefit of its allegedly valueless claims, meaning it could then presumably use or sell them, once again placing the Tribe’s sacred lands at risk.”

The final arbitral hearings took place on September 18-19, 2007.
DOMINICAN REPUBLIC - PUEBLO VIEJO

The first documented reference to Spanish mine workings in the Pueblo Viejo area dates to 1505. Based on the abundance and size of the town site ruins, it is believed that the mining activity was quite sizeable. Spanish mining activity continued until 1525. When a reduction in the native work force due to oppressive working conditions and disease, and much larger gold discoveries in other parts of the New World, led to a cessation of mining.

In 1950, the military government of General Rafael Trujillo directed that the workings be evaluated for possible exploration effort. In the 1960s, a US marine was granted a 75-year concession for 752 acres. Gradually, from 1973 the Dominican government, through the Central Bank, began to take control of the company, and by 1979 the majority state-owned Rosario Dominicana, S.A. was the sole owner. The mine was operated from 1975 until it was closed in 1999 by Rosario Dominicana.

According to a 2005 report by consultants:

Metal mining is held in low regard in the Dominican Republic because of the negative experiences at Pueblo Viejo, which included displacement of families; a history of social tension and conflict between the mine and various elements of the community; and a legacy of unemployment, poverty, pollution, and insufficient benefit reaching the community to offset the negative impacts.136

In the 1970s, 500 families were displaced to make way for the project.

POLLUTION HAS BEEN A VERY SERIOUS PROBLEM AT PUEBLO VIEJO. IN 1979, THE TAILINGS DAM OVERFLOWED DURING A HURRICANE AND A NUMBER OF FAMILIES WERE DISPLACED. AS WELL, THERE HAVE BEEN SERIOUS PROBLEMS WITH ACID MINE DRAINAGE, WHICH HAS DISPLACED MANY MORE FAMILIES SURROUNDING THE MINE SITE, AND CONTINUES TO CAUSE PROBLEMS TODAY.

Pollution has been a very serious problem at Pueblo Viejo. In 1979, the tailings dam overflowed during a hurricane and a number of families were displaced. In addition, there have been serious problems with acid mine drainage, which has displaced many more families surrounding the mine site, and continues to cause problems today.137 A recent Associated Press article notes that:

“Acid run-off flows down the mountain, pooling in red ditches along abandoned roads while sprawling fields of mineral waste lie under barren rainwater lakes. The narrow Margajita River is now a reddish-brown trickle of acid that has killed the fish and forces the people of tiny Los Cacaos to travel more than 6 miles (10 kilometres...continued on next page
for safe drinking water.”

In 2001, there were 100 families living in extreme poverty in an area called Los Cacaos within the security perimeter of the mine site and lacking access to safe drinking water; a consultant report notes that these families were “waiting to be relocated.” A Toronto based firm called RePlan has the contract to relocate the community on behalf of Goldcorp and Barrick Gold.

Placer Dome bid successfully to take control of the mine site in July 2001. Barrick took over Placer Dome in spring of 2006, and Goldcorp bought a 40 per cent stake in Pueblo Viejo and various other former Placer Dome properties from Barrick for $1.4 billion shortly after.

There are two pits that will be exploited and the expected mine life for the reopened Pueblo Viejo is 20 years. Ore will be pressure treated and then treated with cyanide. The mine will produce gold, silver, copper and zinc.

As part of the special lease agreement with the Dominican government, the government is responsible for finding permanent and reliable water sources for the mine, for relocating families, for mitigation of all historical environmental problems, and for acquiring all land rights necessary for the mine and tailings areas.

It is estimated that 1,000 people will lose property or be displaced by the mine, and cleanup of historic contamination alone is expected to cost the Dominican government and the mining companies US$100,000,000.

**THE PEÑASQUITO MINE HAS SOUGHT PERMITS ALLOWING THEM TO USE 40,000,000 CUBIC METRES (EQUIVALENT TO 40 BILLION LITRES) OF WATER A YEAR, OR 109,589,041 LITRES PER DAY.**

Peñasquito is Goldcorp’s bread and butter project in development. It is in the state of Zacatecas, in an area where there has been no previous mining activity. The Peñasquito mine will be by far the largest operated by Goldcorp, with plans to peak at mining 500,000 tonnes of ore per day. It will include both an operation for sulphide ores producing lead and zinc and a heap leach operation for oxide ores producing silver and gold. At this point the extent of the mineral reserves are not yet known.

As of 2007, a new road was being constructed by the Mexican state to service the mine, and the remaining 2.5 kilometres of roadway over a mountain pass were stopped for “lack of government funds.”

The surface rights at Peñasquito are held by three communal land holders (ejidos) and one private individual. Goldcorp is negotiating with Ejido members (communal land holders) individually, which is cause for concern given how similar negotiations have seriously divided communities in other mining areas.

A town will be relocated to build the Peñasquito mine.

The Peñasquito mine has sought permits allowing them to use 40,000,000 cubic metres (equivalent to 40 billion litres) of water a year, or 109,589,041 litres per day. A permit to use half that amount of water has already been granted by Mexican authorities.
Goldcorp has had a history of union busting. In June of 1996, 187 members of Steelworkers (USWA) Local 950 walked off the job at the Red Lake mine, one of the world’s richest gold mines and lowest cost producer. A millwright who had worked at the mine for 22 years was quoted in 1999 as saying “We’ve had a union contract at the mine since the mid-1960s… but [then CEO Rob] McEwen decided he wanted to rewrite our contract, saying he thought our standard of living was too high.”


According to The Militant, a union newspaper,

Miners rejected McEwen’s new contract offer, which proposed a 40-hour workweek but did not specify over which days or weeks the 40 hours would be worked. The company demanded an end to shift premium payments as well. Miners at Goldcorp are paid Can$3 (US$2) less an hour than the industry average, said [Millwright Dwight Globush]. The company also wanted to weaken layoff and recall rights, as well as institute “security measures” that would include strip searches of miners.

The strike lasted until 2000, the longest mining strike in Canadian history. Scab labour was employed and exploration and construction was carried out during the strike. The effects of the strike on the surrounding communities were severe: “The dispute has split families, it’s had the police dealing with bomb threats, and created a lot of bad blood.”

On April 20, 2000, Goldcorp and the USWA agreed to a settlement that “gives the miners a severance package of four weeks pay for every year worked and a $1500 signing bonus, USWA Local 950 will be decertified and the mine will not be unionized when it reopens.” According to Macleans Magazine, “It was the first, and only, time the Steelworkers walked away from a unionized shop.”

On November 22, shortly after the settlement, an employee was killed while in the crusher facility at Red Lake. The Ministry of Labour laid charges under the Occupational Health and Safety Act (Ontario). Goldcorp paid two fines totalling $281,250 to the Ministry of Labour in a settlement related to the industrial death of the worker.

A significant portion of the labour at the Red Lake mine is subcontracted out by Goldcorp to Dynatec Corporation. According to the Dynatec, “revenues from contract mining services provided to Goldcorp represented approximately 27 per cent of [our] total 2005 revenues.” Goldcorp offers incentive-based payments to Dynatec to meet specific levels of tonnage production.

On April 29, 2005, Dynatec was fined $45,000 for a violation of the Occupational Health and Safety Act at the Red Lake mine. The Ministry of Community and Social Services said that the fine was a result of Dynatec’s refusal to provide information to Ministry of Labour inspectors who “were sent to investigate a critical injury incident involving a Dynatec Corporation miner.”

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As of March, 2008. Source: Stockwatch.com
Meet the Executives...

After the Glamis acquisition in late 2006, Ian Telfer remained as Chairman of the new Board, and Kevin McArthur, President and CEO of Glamis, became President and CEO of Goldcorp.

The corporate ownership map for the company shows a number of offshore holding companies and tax shelters. Chairman Ian Telfer is widely considered a ‘financial genius’. In 2006, “Ian Telfer, the chairman of [UrAsia Energy Ltd. and Goldcorp], did particularly well, exercising stock options and pocketing compensation from both companies worth a combined $23 million.” This represents 1321 times Canadians’ median market single income for that year.

Telfer was the highest paid executive in British Columbia in 2006, and fellow Goldcorp executives Eduardo Luna and Peter Barnes were each compensated over one million dollars in 2006.

In a single day in 2007, CEO Kevin MacArthur cashed out options for company shares valued at $6,533,540. Goldcorp’s new ten-member board has six people from Goldcorp (Ian Telfer, Douglas Holtby, John Bell, Lawrence Bell, Beverley Briscoe and Peter Dey) and four from Glamis (C. Kevin McArthur, P. Randy Reifel, A. Dan Rovig and Kenneth F. Williamson).

Goldcorp profits in 2007 were over $460,000,000.

RobIn HooD In ReveRse take from the poor to give to the rich

Goldcorp and its executives have made huge donations to Canadian Universities over the last two years, raising their public profile and gaining entryway into public education institutions.

In May of 2007, Ian Telfer, Goldcorp’s chairman, gave $25,000,000 to the University of Ottawa School of Management, which was promptly (and retroactively) named the Telfer School of Management. According to an Ottawa U student organization called Our Campus:

“Telfer’s name was given to the University’s School of Management without consulting the University community. GoldCorp fancies itself as being a cost effective gold-mining company. Why? GoldCorp uses extremely polluting extracting processes that release crap like arsenic into the environment.”

Student groups have formed to resist the commercialization of the University more generally, and to raise awareness about how Telfer made his money.

Goldcorp also donated $5,000,000 to the School of Earth and Ocean Sciences at the University of British Columbia in early 2007.

Telfer School of Management at the University of Ottawa. This business school was renamed to honor a $25,000,000 donation from Goldcorp’s chairman, Ian Telfer. The student group, Our Campus, protested the arrangement.
“Investing in Conflict” provides substantial information about the actions, abuses and impunity of one mining company – Goldcorp Inc. Holding this company accountable is very hard, given the lack of political will and the strength of the mining lobby in North America and given the impunity with which Goldcorp – and many mining companies - operate. It is up to North Americans to push the issue by putting pressure on the shareholders, investors and governments that are so benefiting from Goldcorp’s toxic operations.

In countries throughout the Americas, there are well-documented human rights violations and environmental harms caused by Goldcorp’s mining operations. Many people are suffering greatly as a direct consequence of the huge profits Goldcorp is making for its executives and its investors, which include the Canada Pension Plan, the Ontario Municipal Employees Retirement Plan (OMERS), the British Columbia Investment Management Corporation, and the Ontario Teachers Pension Plan.

Much more critical attention, political action and activism are needed in Canada and the US to deal with the violations and harms caused by Goldcorp. This company ought to be held legally accountable for its actions, and then obliged to pay compensation and reparations for the human rights violations and environmental harms it is causing.

This is not a case of a “bad apple” – Goldcorp is not a bad company operating in sea of good mining companies. Goldcorp is a typical senior mining company, “playing by the rules.”

“Investing in Conflict” is about the unjust global economic order and how global companies, usually based in North America and Europe, operate across the planet, calling their business enterprises “development” while violating human rights, causing environmental harms and undermining local economies. This is not a new issue: famed Uruguayan author Eduardo Galeano’s “Open Veins of Latin America” cracks open the centuries of plunder that have led to “development” in the North, and “underdevelopment” in the South.

“Investing in Conflict” continues this inquiry in a contemporary context, exposing the impunity with which global economic actors (from private companies like Goldcorp Inc., to aid agencies like the Canadian International Development Agency and USAID, to the World Bank and IMF) operate to further their own business and investment interests, always in the name of “development.”

In many communities of Latin America, the “development projects” touted by multinational corporations are synonymous with exploitation, environmental destruction, human rights violations and impunity.

Repression by state armies, private “security” companies, police and even vigilante groups is regularly employed to weaken and crush community groups and grassroots movements that are well organized and effectively oppose the environmental harms and human rights violations caused by the extractive industry.

Meanwhile, the policies of northern governments, mainly those of the G8 nations (US, Britain, France, Italy, Canada, Germany, Japan and Russia) help keep in place an unjust global economic model in the name of “development.”

“Another world is possible” is a rallying cry of community based organizations struggling across Latin America for justice and democracy, equality and environmental health. This other world will only be possible when people of the rich and powerful nations hold Canadian, US and European companies, institutions, investors and governments accountable for the policies and actions that violate human rights and destroy the environment.
EDUCATE!

A crucial part of any ‘what to do’ is critical education about the issues. Learn more about Canadian and US mining companies, and related government and investment policies; ask questions about standard Canadian and US government practice, which promotes business interests at the expense of peoples’ right to self-determination and control over their own territories.

EDUCATIONAL DELEGATIONS 2008

In July (7-12) Rights Action is planning educational delegations to Guatemala and Honduras to learn more about community-based resistance to the harms of Canadian/US mining companies, including Goldcorp Inc. If interested: info@rightsaction.org.

To make TAX-DEDUCTIBLE DONATIONS for Indigenous and community-based organizations that are working for justice and to end impunity, and to implement their own development, human rights and environment projects, make check payable to "Rights Action" and mail to: UNITED STATES: PO Box 50887, Washington DC, 20091-0887; CANADA: 422 Parliament St, Box 82552, Toronto ON, M5A 4N8. Credit card donations: www.rightsaction.org.

Based in Guatemala, Rights Action (with tax-deductible legal status in Canada and USA) funds and works with community-based development, environment and human rights organizations in Guatemala, Honduras, El Salvador and southern Mexico (Oaxaca, Chiapas). Rights Action also educates about and is involved in activism related to the global exploitation model, environmental and human rights struggles. JOIN: Rights Action’s listserv and newsletter lists: info@rightsaction.org.

books
films
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miningwatch.ca • minesandcommunities.com • dominionpaper.ca • briarpatchmagazine.com • mimundo.org • upsidedownworld.org • protestbarrick.net

“The Shock Doctrine” by Naomi Klein • “Open Veins of Latin America” by Eduardo Galeano • “Extraction!” edited by Frédéric Dubois and David Widgington

“The New El Dorado” • “Out of Sight, Out of Mined” • “Our Land, Our Life” • “Sipakapa No Se Vende” • “The Curse of Copper” • “Our Land, Our Life” • “Extraction!”

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FUNDRAISE!

Strengthen the struggle by getting funds directly to community-based organizations that are creating their own responses and alternatives to the injustices of the global economic, political and military order.

Fund-raising for grassroots organizations is a crucial part of making another world possible.

ORGANIZE & ACTIVATE!

Join and/or create your own community organizations, and bring together people who want to get involved in struggles for global equality, justice and environmental wellbeing.

Engage in / organize critical and creative education forums in your communities: host a documentary screening; use local radio and newspapers to get your message out; plan and participate in creative and dynamic activism (like street theater, poster, puppeteering, to name a few) that shame governments, companies, investors and other economic institutions for their contribution to environmental harm and human rights violations.

TAKE DIRECT ACTION! Protest the Goldcorp AGM, in Toronto on May 20, 2008.

For more info, write info@rightsaction.org.

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MIL GRACIAS A: Grahame Russell, Annie Bird, Jamie Kneen, Joan Kuyek, Catherine Coumans, Susan Murdock, Vinicio Lopez, Sander Otten, Luis Manuel Claps, James Rodriguez, Roberto Marani, Andrea Pinochet, Tick, Liam O’Donoghue, David Mordersbach, Beth Geglia, Tim Simons, Elizabeth Sy, David Jay, Frédéric et Widge de Cumulus, y a todas las personas que se dedican a luchar por un mundo mejor.

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