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Mining Anger in Honduras

by LADB Staff

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[The following article by Paul Jeffrey is reprinted with the permission of Noticias Aliadas in Lima, Peru. It appeared in the June 3, 2003, edition of Latinamerica Press.]

Not so long ago, the water in the Playa and Grande Rivers tumbled down year-round from Pacaya Mountain, quenching the thirst of thousands of families who live in the Siria Valley in central Honduras. Then came the gold mine, and today the rivers run dry for much of the year. In the wake of Hurricane Mitch, which ravaged Honduras in 1998, Congress approved several measures to jump-start the country's shattered economy. The resulting Mining Law, written by mining company lawyers and administered by a state agency charged with promoting mining, has awarded subsoil rights for 35% of the country's territory to foreign companies.

Four companies have begun operations, and 10 others are carrying out feasibility studies. The resulting economic spike has been dramatic. While mining generated only US\$11 million in export earnings in 1995, it produced more than US\$93 million last year. Zinc and lead mines continue to produce considerable amounts, but the main increase has come in gold mining. Mining now trails only remittances, coffee, and bananas as a source of hard currency for Honduras. But for those who live closest to the mines, the bonanza has proved to be no bargain.

"Since the mining company started working here, our water sources have dried up," said Carlos Amador, a school teacher and environmentalist in the Siria Valley. Corn fields have withered, and many local residents have had to survive on water trucked in by Entre Mares, a subsidiary of the Canadian giant Glamis Gold. Entre Mares has used massive amounts of water to mix with cyanide and leach the gold out of huge piles of crushed rock extracted from an open pit mine it began digging in 1999.

Faced with protests from local residents and legal action by the government, it finally signed an agreement in January to not use ground water any longer, but activists are skeptical it will comply. In the northwestern part of the country, where gold has been mined since the Spanish first dug into the ground in the 16th century, another Canadian company, Greenstone Resources, operated a mine near San Andres until it went bankrupt in 1999, leaving scores of unpaid workers. The mine was taken over by a new company, owned largely by Banco Atlantida, a national banking group. Its relations with local residents haven't been any better.

"The mining company's trucks speed by here, throwing up huge clouds of dust. We complained, and it did no good. So we built speed bumps, but the company came along and ordered them removed. When we refused, the police came and told us we had to do what the mining company ordered," said a woman who asked not to be named. She lives in San Andres, a village that was relocated in 1997 when Greenstone dug up the old town site. Resistance to the mines has grown.

The mayor of Santa Rosa de Copan, a large city downriver, is demanding independent studies of the San Andres mine's environmental impact. He's worried that cyanide-laced mine runoff will contaminate the city's water system. Yet the company has resisted independent studies of its environmental practices. When the Asociacion de Organismos No Governamentales (ASONOG) brought in a US mining expert in 2001, he was prevented from taking water and soil samples inside the mine's boundaries. When ASONOG publicly complained, the mine counterattacked, pressuring ASONOG's international funders in a futile attempt to call off the watchdog group. The mine also hired Kroll, a US-based "global risk consulting company," to investigate exploitable weaknesses in ASONOG and other mine opponents, including members of the Honduran Congress.

In the Siria Valley, residents have staged several marches and late last year tore down a fence protecting the mine premises, provoking a violent police response. Activists say Entre Mares pays local police to harass critics of the mine. The mine has also had problems with the environmental public prosecutor, which has filed several legal procedures against Entre Mares, mostly ignored by the infamously timid and corrupt local judges.

The public prosecutor also has charges pending against Xiomara Gomez, the former minister of the environment who, in the waning days of President Carlos Flores (1998-2002), handed out so many mining permits, without requiring the necessary environmental impact studies, that the local press called her actions "the great environmental permit giveaway." President Ricardo Maduro has been more interested than his predecessor in demanding mining company compliance with the minimal regulations that exist. The new Environment Minister Patricia Panting early this year fined the San Andres mine US\$58,000, the maximum amount permitted, after it admitted spilling several barrels of cyanide into the Lara River. Yet Maduro, in contrast to his Costa Rican counterpart, Abel Pacheco, who last year banned all open-pit mining (see NotiCen, 1997-09-04), remains committed to mining as a vital element of the Honduran economy.

Activists question who benefits, however. Mining companies pay only 1% of their profits to the municipality where they operate and a small fraction of that to the central government. Why then the push to open so many new mines? Critics say that key members of the country's ruling elite, including close advisors and relatives of both Flores and Maduro, are benefiting personally, many because of their relationship to Banco Atlantida. Those who live next to the mines are angry about the government's cozy relation to the miners. "We've complained that we're being attacked by sickness and that everyday the water crisis in the Siria Valley worsens, but our complaints aren't heard by the government. I ask myself, why?" said Amador. "Don't we have the right, as Hondurans, to have our government protect us?"

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