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Mining Controversy: *A Mayan Town and a Gold Mine*

By Ezra K. Fieser

MAY 2008

SAN MIGUEL IXTAHUACAN, SAN MARCOS, Guatemala – By the time a few hundred Mayans gathered on the concrete basketball court of the town's community center last month, it was already too late. It was the last day in April, three years after a nearby gold mine had begun production. Residents had already seen two community leaders killed, animals die, and their homes cracked down the middle.

The women, wearing muted blue and green woven skirts, stood around the fringes of the group. The men, holding their white straw cowboy hats in their hands, sat on aqua green plastic lawn chairs. Over a makeshift PA system in Mam, the local language, a man read a list of demands that would be discussed in a consultation with the government:

The company leaves! The company repairs the houses it damaged! It makes right the damage it has done to the water system!

A few miles away, the Marlin mine was in full swing — grinding through volcanic earth and pulling out valuable gold and silver. The mine is one of the country's biggest foreign investments. The community consultation the townspeople were about to vote on could not stop it. And Javier de Leon Lopez knew it.

The night before the group voted, Lopez, who organized an anti-mining group and has led the fight against the mine, talked about how the following months would play out.

“What we're really doing is asking the government if they are with the people



A community meets at the community center to vote on a list of demands related to the Marlin gold mine.

or with the company. We're already sure they're with the company and will reject our demands," he said the night before, between bites of a chicken thigh, rice and beans in a small restaurant in a nearby town.

As he talked, he brushed his stringy, black hair from eyes that sagged behind tinted glasses. He wore a black leather jacket that hung off his wiry frame and was cinched to his wrists with 80s-style elastic cuffs. He looked defeated and tired.

The meeting should have been a triumph. Javier had worked for years to get the community to coalesce, going door-to-door on his Honda XL 250CC motorcycle to rally neighbors, speaking out publicly against the mine and forming a government-recognized organization, the Association for Integral Development of San Miguel Ixtahuacan.

But instead of celebrating, he sat on a concrete ledge just far enough behind the speaker to be out of the spotlight, as if to say "we've already lost."

"The document is more of a denunciation of the whole system of mining and what it means to Guatemala than it is meant to change things here," he said. Mining "is a model that destructs. It's a model that has excluded indigenous people and will continue to exclude them if we let it go on like this."

Outside, San Miguel went about its usual pace. The town is an afterthought. A few buses rolled through on the way to the Mexican border a few miles away or to the old trading cities of Huehuetenango or Quetzaltenango. Scrawny chickens and merle-colored stray dogs roamed the streets. School-aged children chewed cheap candies, walking the streets at hours they should have been in school. The men who hadn't migrated passed the day crowded around corner stores or bars that serve cheap Guatemalan rum and gold-colored Gallo beer.

Mining could have been a savior for this town. It could have brought thousands of jobs to a place where employment is scarce and millions in tax dollars for investment in needed social projects. It could have been Guatemala's successful foray into mining, an industry that, while environmentally controversial, has helped other countries develop their economies.

Could have.

Few of those benefits have been realized. Instead, the Marlin mine has become a reminder of the Guatemalan government's shortcomings. Those in opposition to the mine call their fight a human rights struggle. But the story of the Marlin Mine is as much about the weakness of the Guatemalan government as it is about the people in San Miguel and mining. From gold to nickel, the country is rich in deposits. And with the prices of metals skyrocketing and shareholder protection in place as a result of the

Central American Free Trade Agreement, foreign direct investment is starting to pour in to the relatively undeveloped sector. The Marlin Mine may set a precedent on how those future mining operations will be regulated.

During the last four years, the Marlin mine has milled through 2.7 billion tons of land, producing 412,000 ounces of gold and 4.6 million ounces of silver and creating a huge open pit right in the middle of the municipality of San Miguel. The villages located around it have fought against the operation every step of the way, and lost. Two of their leaders have been murdered, and several others have been jailed. Nearly 100 homes have developed huge cracks as a result of the explosions at the mine. And although contradictory scientific evidence about the environmental damage exists, residents believe the water supply, which was unstable before the mine began operating, is shrinking. Children are developing asthma-like symptoms from the increased dust. Some residents have said their animals have died after drinking from local rivers and streams. And on a more spiritual level, the people of San Miguel, the Mam people, feel one of their gods — the earth — is being destroyed.

The mine "has violated our human rights, without concern for our territory, without concern for our vision of the world," Javier said. "The mine has caused great damages to the lives and livelihoods ... of the Mayan Mam peoples ... who are the original inhabitants of the lands."

* * *

To understand the situation in San Miguel, you have to go back a few millions years.

That is the best estimate of when gold began to form in the region. The Guatemalan highlands sit in the volcanic Sierra Madre del Sur mountain range. Over the millenniums, it has been a hotbed of volcanic activity. Guatemala sits on three tectonic plates and has 33 volcanoes, three of which are active. The Department of San Marcos, which borders Mexico and includes the municipality of San Miguel, has some of the grandest volcanoes of them all, including Volcano Tajumulco, the tallest peak in Central America at 13,845 feet.

In addition to producing dramatic mountains, the gurgling magma produced gold deposits. Water was pushed up through fractures in the bedrock and moved mineral deposits, which joined with other mineral deposits to form gold. But unlike the thick veins of gold that can be removed by tunneling beneath the earth, such as the deposits of South Africa, the gold in Guatemala is dispersed throughout the rock and soil. Similar deposits are found throughout Latin America and in other parts of the world.

Fast-forward a few million years to the Spanish conquest. Along with many Mayan groups, the people who spoke Mam were forced off more arable lands near the coast and took refuge in the highlands. They cut terrace

farms into the mountainsides where they cultivated beans and maize. The growing season — by Central American standards — is short. For decades, many have migrated to the coastal plantations or to the United States for work. The education system is poor. Life is simple. Gold, if they even knew it was there, was, and still is, of little use.

So, it sat.

Because the gold was spread throughout the soil, it was expensive to extract. Removing such deposits means huge chunks of the earth need to be churned through, sifted through and separated.

Open-pit gold mining is also one of the most environmentally harmful methods of extracting minerals. Due to the way the gold is distributed through ore, cyanide is needed to separate the precious metals from the valueless ones. The process, sometimes called the MacArthur-Forrest process, uses a cyanide wash that is spread over ore that has been dug up and crushed. The cyanide clings to gold

molecules and is filtered away, allowing the gold to be collected. It is a controversial process that has been banned in the state of Montana and several countries. Cyanide does break down rapidly when it is exposed to sunlight.

The process is like trying to find one flake of pepper in a shaker full of salt. In some open-pit mines, gold is only found in one or two parts per million of ore.

For years after the San Miguel deposit was found, it was left untouched. Gold prices did not justify the investment that would have been required. But then in 2001, the price began to rise.

As an investment, gold is an inflation hedge that has performed well lately. A study from Booz & Co., which said that oil is also a favored investment during times of economic uncertainty, found that gold and oil prices have tracked each other closely since 1997. And we all know what's happened with the price of oil in recent years.

From 1998 to about 2001, gold prices were fluctuating from around \$250 to \$350 an ounce on the world market. By 2006, it was above \$650. Along the way, the price hit an important mark: it was high enough to make gold mining in Guatemala a worthwhile investment. As I write this, gold is trading at \$926 an ounce. Last year alone, Gold-Corp, the Marlin mine's owner, earned \$203.7 million from the site, selling the gold for an average of \$707 per ounce. It cost \$144 per ounce to extract, according to the company's 2007 annual report.

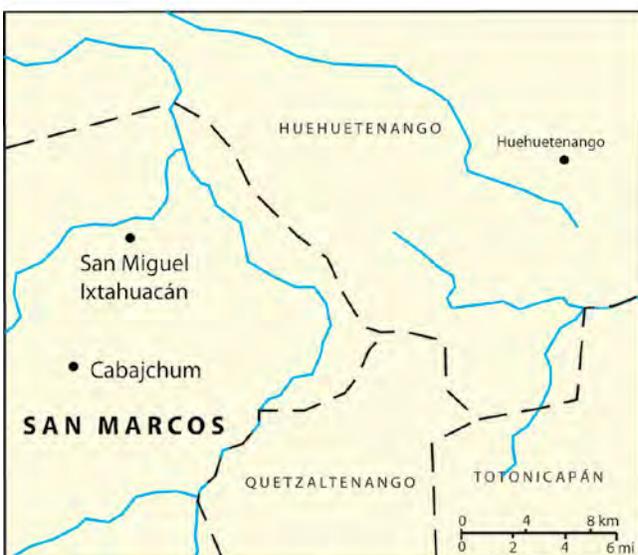
Discovered in 1998, the Marlin deposit came to be owned by Glamis Corp., which, in 2004, was given a \$45 million loan by the International Finance Corp., one of five financing arms for the World Bank Group.

It was a significant loan. Not only did it allow the mine to move forward with what would become the largest foreign direct investment in Guatemala since the end of the civil war in 1996. It was also the first loan to a mining project the World Bank had doled out since undertaking an extensive review of its policies towards mining and extractives. In 2000, the bank, at the behest of environmental and human rights organizations, undertook the evaluation, known as the Extractive Industries Review. In 2004, the evaluation concluded with recommendations that the World Bank should more closely track how local governments oversee projects, how effective projects are in reducing poverty, and ensure that local stakeholders are more broadly included.

After granting the loan to the Marlin project, Rashad Kaldany, the bank's director for oil, gas, mining and chemicals told Reuters "the Marlin project will support the government of Guatemala's efforts to invigorate investment in the mining sector."

* * *

The drive to San Miguel revealed nothing about the



battle being fought there.

It's a tiny, remote municipality (county) of 19 towns and 39,000 people that sits in a small valley in of the Sierra Madre mountain range about 200 kilometers north of Guatemala City.

All day, the cramped 15-seat Toyota microbus' engine whined as we crawled up steep mountains, passing acres of shabby evergreens on narrow dirt roads.

It was the typical drabness of poor Guatemala. At midday, men rested out front of little adobe houses that clung to the side of the dirt road. Empty plastic snack bags hopped through the villages in swirling winds. But it was peaceful. Sleepy Mayan villages barely stirred as we passed. A few women balanced baskets of tortillas on their heads. Children turned a glance from seats in their two-room concrete schools.

It was the same for miles, and then a big brown spot appeared across a small valley to the right. The mine. It sunk so deeply into the landscape that it didn't stand out much. It is not the grandiose, smack-you-in-the-face ugliness you might expect from a 500 acre mine. Somehow, it's worse. Like an old wound, it blended into the scenery. From the distance of a few kilometers, the dozens of trucks that crawled up the dirt roads cut across the mine's mouth were silent and seemed harmless.

Over the next days, I saw the mine from dozens of different angles, but that view — the one from across a valley a few kilometers away — said the most about the mine and the controversy around it. From there, the mine does not end neatly at its edges, it creeps — just as it has into the communities around it, into people's homes and into government offices in Guatemala City. I compared photos taken from the spot going back months, and saw the mine expands constantly, as does the controversy it has caused and the questions it has raised about the future of mining in Guatemala.

The mine broke no laws when it moved into the area. It received all the necessary permits and licenses from the government. It produced an environmental impact study. It paid landowners for their lots.

By the time the World Bank sent a team to the area in 2004, it said it found little opposition to

the mine, only calls for assurances that indigenous rights would be protected. "Our indication at the time was that the community was not against mining, that it wanted it to take place if it provides jobs and economic development. At the same time [the community] wanted its indigenous rights to be preserved," said Hannfried Von Hindenburg, a specialist in the IFC's Oil, Gas, Mining and Extractives department.

Residents agreed that they did not protest the mine at first. Some say they were told the company was going to set up an orchid-growing business that would employ hundreds of locals. Others said they did not understand the scope or implications of the project that would follow. One San Miguel resident told me "a few thousand dollars is a lot. But I would have never sold if I knew what was going to happen." The communities have made the argument that community consultation — which was required for the mine to receive the IFC loan — was inadequate or, in some cases, nonexistent.

In a 2005 letter to the communities, the IFC's independent ombudsman confirmed as much, saying "the Guatemalan society, in general was not adequately informed about the way in which the mining company would operate or about the possible implications that said activity would entail, both for the areas exploited and the rest of the areas involved."

The mine could have been more upfront about its plans when it first began buying property, especially considering it was working in an area where education levels are low and poverty is high. In San Marcos, the department in which the mine operates, more than 60 percent of residents live in extreme poverty.

The greater issue is that the Guatemalan government,



The Marlin Mine from a few kilometers away.



Children sleep in a house around the mine.

which should have been monitoring the process, was absent. Community leaders chalk that lack of involvement up to corruption, saying the Ministry of Energy and Mining, which is responsible for handing out concession rights and overseeing the process, received bribes. The government denied the allegations. The company, which has received negative attention for its practices at the mine, refused to talk with me for this report. No evidence has surfaced to support the community's claims.

The government's absence at the beginning of the process was the start of a dangerous pattern. Consider the following:

*On Jan. 11, 2005, the government used force to break up a group of Kaqchikel Mayans that had blocked the road for 40 days near Los Encuentros, Solola, a highway-side town between Guatemala City and San Marcos. The blockade was meant to disrupt passage of a cylinder that was en route, by truck, to the mine, which had not yet opened. According to reports from the time in the country's largest daily newspaper, *La Prensa Libre*, about 100 army soldiers and 1,000 police officers accompanied the cylinder on its passage through the town. Protesters confronted the police, throwing sticks and Molotov cocktails. The police fired tear gas to break up the crowd. Raul Castro Bocel, a 37-year-old owner of a tire-repair business located about 300 meters away from the confrontation, went with his 15-year-old son to see what was happening. Bocel was shot and killed. According to the reports, the police fired AK-47s into the crowd. The police denied shooting. Bocel's son told the newspaper that he and his father were returning to their house when he heard a shot. Bocel, shot in the back, died about three hours later in his home.

*Two months later on March 13, Alvaro Benigno Sanchez, 23, an outspoken critic of the mine in his village of Pie de la Cuesta, was leaving a choral concert in San Miguel. News accounts, quoting eyewitnesses, said Sanchez, who was with a group of friends, encountered two guards, Ludwin Waldemar Calderon and Guillermo Lanuza, from Grupo Golan, an Israeli company that provided security

for the mine, in front of a bar at around midnight. It is not clear what happened next, but a fight broke out in the street between the men and the guards. Calderon, according to the accounts, pulled a handgun and shot five or six times. Beningo was hit in several places and died later at the hospital in nearby Huehuetenango. No arrests were made in the case, according to police.

*In June of 2005, after the two killings, a community consultation was organized under Covenant 169 of the International Labor Organization's Rights of Indigenous and Tribal Peoples in Independent Countries. Ninety-five percent of the people of Sipacapa, a community that neighbors San Miguel, voted against the mine, meaning the mine would have been forced to negotiate with the people on terms of expansion. After an appeal by the mining company, the vote, despite the fact it was taken under international law, was ruled unconstitutional in Guatemala. Sipacapa had the advantage of being second in line. The mine opened in San Miguel and had planned to come to Sipacapa, located about 45 minutes away by car, next. But because of the controversy in San Miguel, Sipacapans coalesced around an anti-mining theme. They refused to sell land to the mine. The message — "Sipacapa is not for sale" — is on display on the roof of a church building. Last year, the mayor ran solely on an anti-mining platform and won. Today, the town continues to work to keep the mine out of its territory.

*In 2007, a group of people from San Miguel met with mining company officials to present several demands. They returned the following day looking for answers to the demands. Instead, they were kicked off the property. According to testimony from the trial that followed, a fight broke out with the mine's security forces, which fired shots into the air and threw rocks at the group. In response, about 600 residents blocked the roads around the mine. The following day the national police and a few hundred Guatemalan Army soldiers arrived. The blockade continued for 10 more days. The situation was tense, but the company agreed to negotiate the terms with the local Catholic diocese, which has been critical of the mine. But before the negotiations could begin, the company backed out and filed charges against 22 residents who had orchestrated the blockade. Seven of the 22 were arrested. The trial saw international assistance pour in for the accused, including legal help from the Rigoberta Menchu Foundation, set up by Menchu with the money she had won when she was awarded the Nobel Prize for Peace for her role in the Guatemalan Peace Accords that ended the 36-year civil war. Charges were dropped for five of the seven. The other two are still serving house arrest and paying a daily fine.

The incidents are some of the more violent and outrageous examples of the Guatemalan government's weaknesses. But the government's decision to side with mining interests goes back more than a decade.

In 1997, the government determined the country's

mining law did “not permit adequate development of mining” and that it could not be modified to meet the demands of modern mining. So, it re-wrote the law. It was less than a year after peace accords were signed that ended the country’s brutal 36-year civil war and many of the nation’s antiquated laws were being re-written. Not much attention was paid to the law that oversaw mining, an industry that did not exist in the country at the time.

The law reduced the percentage of profits that would remain in country. Previously, the companies were required to send 7.5 percent of gross sales of gold and silver mined at the site to the government. The level was out of line with what is charged in other countries and likely too high to attract mining companies. The new law required only 1 percent of gross sales to stay in country. Developed countries and those with more progressive mining laws keep between 3 and 5 percent of profits.

However, unlike other countries, which reap the rewards of mining investment by way of taxes, Guatemala’s law built in loopholes. According to a 2005 statement from the mine’s owner, then Glamis Corp., the loopholes



In Sipacapa, a neighboring community, Mario Tema, the mayor’s brother, explained how resistance became political power.

allowed it to avoid paying income tax until the year 2008, a savings of about \$5 million a year.

An effort to close the loopholes was rebuked in congress in 2006. Congressman Alfredo de Leon accused colleagues of receiving bribes from the mining company, according to an article in daily newspaper *Siglo Veintiuno*. Despite the controversy that was created when the tax loopholes came to light, the government has not moved to adjust the structure of its royalty or tax laws, even though more mining companies are interested in exploration.

The law was so biased toward the mining industry that on June 17 the Constitutional Court said 7 of its provisions violated the country’s constitution. As I write, there is still question about how the ruling will affect the Marlin mine. What is clear is that the Ministry of Mining will have to adapt some of its regulations, not the least of which is the provision that, until now, has allowed mines

to release their waste into local water sources.

While critics of the mine often focus on the tax breaks the company has taken advantage of, they rarely point out the millions that has been invested in community projects.

In 2005, the company said it planned to spend millions on community development, part of which was funneled through the Sierra Madre Foundation, an organization it set up to carry out community work. That same year, the company said it planned to spend \$4 million more by 2015 on everything from bridge building to hiring teachers to paving roads. The investments are apparent while driving through the area. Rough dirt roads too narrow to fit two cars suddenly turn into smooth asphalt. New schools sparkle in comparison to the dilapidated buildings around them. Above one of the clinics it paid to build, the company has placed a large sign that tallies the amount it has spent each month and in total in Guatemala, nearly \$4.5 million on community development. It also has paid an estimated \$20 million in other types of taxes, including property tax and IVA, an acronym for value added tax. The mine has also created hundreds of long-term jobs. The exact number is somewhat elusive, seemingly fluctuating between 300 to 400 or 1,000.

Residents of the area say that the investments, while considerable, are not being utilized. In fact, they are being rejected. Take, for example, a local school that uses a fairly unique curriculum — teaching Spanish and Mam side-by-side. The school had received funding from the mine. But, teachers said, the company stopped the funding after the school began using the fight against the mine as an example of civil disobedience.

It goes beyond education funding. For some families, the idea of working at the mine is akin to treason. Community members have said that the mine is importing labor from Salvador to fill the jobs that are not being taken by locals. While Salvadorans are present in the town, it is not clear how many are living there and whether the mine recruited them.

“The mine is splitting the community apart,” Javier told me. “Some people say they need to work at the mine, or go to their health clinics. It causes problems for families, for the whole community. It’s a difficult situation.”

According to a map from the Ministry of Energy and Mining, some 30 percent of the country’s entire land mass is eligible for a mining concession from the government. In comparison to other countries attempting to encourage mining, the percentage is relatively modest. Some Latin American countries have made a larger portion of land eligible for concessions. At one point, Ecuador’s government estimated more than 65 percent of the total country could be explored. And only a small percentage of concessions for exploration turn into full-blown mining production. In Guatemala, the concern is not with the per-

centage, but with where concessions are located, nearly all of the land eligible for mining falls in areas inhabited by the extremely poor, those living on less than \$1 a day. They are areas like San Miguel, where education levels are low, desperation is high and the population has little understanding of what a mine might mean to the area.

GoldCorp, according to its annual statements, is already looking to invest elsewhere. Its Cerro Blanco project in southwestern Guatemala is estimated to contain nearly 2 million ounces of gold and 8.4 million ounces of silver. Buoyed by worldwide demand, the price of metals is not expected to drop in the near future. Copper and nickel, partially due to the appetite for construction in China, are expected to remain in demand. And Guatemala has made itself a prime target for exploration by writing a favorable mining law and signing the Central America Free Trade Agreement with the United States.

Nowhere in CAFTA is mining discussed. However, by signing the free trade pact, Guatemala has ensured investors' rights will be upheld. "CAFTA binds countries to how they have to respect rights of investors, both international and national," said Vince McIlhenny, a Latin American specialist with the Banking Information Center, which monitors investments made by the World Bank. BIC was active in evaluating the Marlin Mine until GoldCorp repaid the World Bank loan in 2005. "Free trade agreements attract investment even if it is not in an industry where there is a duty reduction. It embodies investor-state relations."

Chapter 20 of the agreement spells out the methods available in case of disagreement. It ensures that disputes between companies and countries can be taken to international bodies. As a result, companies feel more comfortable investing in those countries.

To promote mining, the Guatemalan government has solicited international assistance. It pushed for the \$45 million loan to develop the Marlin mine. It also received a \$500,000 grant from the U.S. Trade and Development Agency to map the entire country using satellites, a tool that can be used to assist mining companies locate deposits.

As the World Bank spokesman put it, there are bound to be winners and losers associated with the onset of major investment in a relatively new industry. Unfortunately, poor Guatemalans are likely to end up on the losing side.

"Guatemala was and is a challenging country in

many ways because of the history of civil war and colonialism," Von Hindenburg told me. "Certainly not everyone always wins when a big change comes. It's painful for many people."

* * *

And so we arrive back at the community meeting on the basketball court in San Miguel Ixtahuacan on the last day of April. Back at Javier's disappointment.

A thunderstorm brewed outside, adding to the cacophony of the meeting. The singsong rhythms of Mam echoed off the concrete floor. The corrugated roof rattled in the wind. And the cracked wooden bleachers creaked as men stood to applaud. Residents crowded the entrance to the community center. Children played in the quiet streets.

San Miguel, the most populated area in the municipality with just over 12,000 inhabitants, is a town in flux.

When Javier was growing up in the nearby village of Cabajchun, things were different in San Miguel. "We didn't have the type of problems we now do. There wasn't any crime. The men didn't drink during the days," he said.

The second time I returned to San Miguel, I stayed in a dirty \$8-a-night hotel downtown. I slept in my jeans and a long-sleeve shirt. The crackle of gunfire woke me twice. Later, I'd be told that it was a nightly occurrence. "They're not

shooting at each other. They just go and shoot their guns off in the air after they've gotten too drunk," the women who ran the hotel told me. San Miguel "is just different now. We have all these people moving here to work at the mine and the town is getting worse."

There's no dedicated police force to speak of and crime statistics do not exist so quantifying the increase in crime is nearly impossible. Residents say petty crime and prostitution has followed the influx of Salvadorian men who came to work the mine. But some others told me San Miguel has always had its problems. Unemployment has long been high. Alcoholism was always rampant. And migration has been steady for years. However, the mine hasn't lived up to promises that it would make things better.

"I understand those people who were in favor of the mine," Javier told me. "It promised jobs and to make the economy better here. I think people are finally seeing that



Javier de Leon Lopez on his Honda motorcycle

nothing has changed. And that it's getting worse here."

We sat around a table in a local comedor (eatery) that served up basic lunches of chicken or beef with rice, beans and fresh tortillas. It used to cost 15 quetzales (about \$2). Now it's 30. The rising price of a lunch in San Miguel is likely caused by the rising cost of food worldwide. Residents, however, associate the rising cost of a basic lunch with the existence of the mine. In their minds, that open pit has become the cause of all social ills.

In the village where Javier was raised, just five kilometers away from San Miguel, life was even simpler. Chickens outnumbered residents five-to-one, he said. Nearly everyone survived off harvests from bean and maize subsistence farms. The earth was treated as a type of god.

"That's what they don't understand about what they [the mine] are doing here to us," he said. "We are Mam people. Before we take anything from the earth, we offer it a gift. We respect it. If we cut the maize harvest, we first offer it thanks. If we cut a tree, we give it an offering to thank it."

For someone to take from the earth selfishly, Javier says, is tantamount to murder. They view an open pit mine as sacrilege. "There is no way to do this, to mine, that's compatible with our way of life," Javier said. "It's not just the earth they are ruining, it's the whole environment."

Shortly after the meeting, we followed Javier up a steep hill to a few homes located less than a kilometer from the mine's entrance. Cristiana Emitaria Hernandez Perez's orange-sorbet-colored home was built seven years ago. She and her husband spent nearly everything they had to build a one-bedroom concrete home in which they could raise their two children. Now, fist-sized cracks run through the walls and she wakes up at night in fear the house could crumble onto her sleeping children. They are too poor to move.

Javier has counted 96 other homes with similar problems. Each began developing cracks two to two-and-a-half years ago when dynamite explosions at the mines rattled their homes. According to Javier, the mine company said the dynamite explosions had nothing to do with the cracked houses. It implied loud music played at the local church caused the cracks. Of course, the residents do not have the means to prove the explosions caused the cracks.

The houses are one of several problems the community is experiencing. Fifteen animals have died after drinking from



(above) Cristiana Emitaria Hernandez Perez in her home standing near a crack in the wall she said developed after the mine began explosions. (below) A neighbor to the mine stands in his house, which he says was cracked as a result of explosions at the mine.



local water sources that they claim are contaminated. Eight wells have dried up because, they say, the mine is draining the water supply. The mine uses approximately 2.2 billion liters of water annually — the equivalent use of about 157,000 residents.

They also contend that periodic releases from the tailings pond — where the cyanide water is collected to break down in the sunlight — has poisoned the waterways, although they have no scientific proof to support the claim. The Catholic Church has arranged for independent tests of the water samples, but the results are not yet available. Meanwhile, the mine has organized citizens to do their own sample collection. The samples come back showing no increases in heavy metals or toxicity.

The Guatemalan government says it does not have the capacity to do its own monitoring. For some, it's another sign of the failure of the Guatemalan government to prepare itself for an industry that is sure to come.

"We are inviting this multinational industry to our backyard and we have no infrastructure in place to handle it," said a leading environmentalist who requested I not use her name because of fear for her safety. She spoke from the top floor of a downtown Guatemala City hotel room, far from San Miguel, a place she has visited often. "Other mines are going to come. The Marlin mine is important because it is our test. And we are failing." □

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