

The Marmato Gold Dispute

A return to the colonial period?

First Report



"No one can take us from this village, because we are born here and we wish to die here," is the slogan the people of Marmato, Caldas have coined to confront the threat of the onrushing mega-mining which advances on them like a curse, and which, if it happens, will signify the disappearance of the village and of the mountain which supports it.

It is a motto which by force of repetition has become a sentence. For two reasons: because they feel they are the natural owners of the mountain and its riches, and because mining is the work that they inherited from their ancestors, and which they have

undertaken as their life-long work. And they are not inclined to sacrifice either of these.

The Marmatoans don't hide their concern, but they are not afraid. They have united as a single fist to defend themselves, but it pains them that their struggle has set them in opposition to the Federal Government, which now intends to pass like a steam roller over their interests and feelings. It offends them to be ignored, not taken into account, to have their lands turned over to a foreign multinational company.

The Weight of History

Marmato is a population which has its roots deep in history: it is the fourth oldest municipality in the country. The indigenous Catarma and Quimbaya groups, its first inhabitants, have always exploited gold in a rudimentary manner, thus becoming great goldsmith artisans, and at the same time drawing the attention of the first advances of the Spanish conquest. The conquistadors Juan Badillo and Sebastián de Belalcázar invaded in 1537, an invasion which within two centuries resulted in the extermination or displacement of the Catarmas, who were replaced by African slaves. Then in the 19th century, at the initiative of General Santander, the rich mines of Marmato were pawned to the London government in compensation for the debt that the patriot armies had incurred with England, an acrimonious enemy of the Spanish Crown, for their logistic and financial support to our country during the wars of independence. The gold which the English extracted from Marmato for nearly a century was substantially more than the original debt. This was actually the first transfer of Marmato to a foreign power, a colonization of a new type, to give it a name.

With the English arrived the technology to exploit the gold, the most advanced in the world at the time. So the villagers did not even see its glitter as all was exported to England. For many years they had to content themselves with the small mines that they opened where they could and which started spreading all over the mountain.

Today Marmato is a village of eight thousand inhabitants which live completely off mining. So one wonders whether what is happening today with the arrival of the Canadian multinational Medoro Resources is really a result of investor confidence in the Uribe government or whether it is a reversal of history. As it is, one cannot speak of independence in a country where 40% of the land is being prospected or exploited by foreign companies, no matter that they destroy national parks, wetlands, forest reserves or entire towns, as in the case of Marmato, over which the voracity of the foreign company hangs like the sword of Damocles and for which the plan is, no more and no less, to erase it from the face of the earth and leave an empty hole in its place.



Medoro's Project

Medoro Resources includes among its directors Hernán Martínez, ex Minister of Mines and Energy of Colombia; María Consuelo Araujo, ex Foreign Minister; Augusto López, former President of Bavaria; and Juan Carlo Santos, Corporate Director of the company and cousin of President Juan Manuel Santos who became famous for declaring to the Al Jazeera network that the problem with Marmato was simply a matter of money.

[See the documentary by clicking here.](#)

The official Medoro web page shows the Marmato project to be a priority

[Click here to go to the Medoro web page](#)

And it is no wonder. According to the company's own studies and figures, the municipality covers 1,198 hectares of the gold belt in the western mountains, and there are 6.6 million ounces of gold within the 226 million tones of material forming the mountain. And the best extraction method is open-pit mining, a process of mega-mining exploitation by which the entire mountain is exploited until it is gone. The only problem is that to advance in this project, the townspeople must be moved elsewhere.

In Medoro's institutional video they state: "Unplanned and poorly productive artisan mining has not enabled the workers and the entire community to raise their quality of life and preserve the environment. With the arrival of Medoro the entire region enters a new stage of development with a technologically, environmentally and socially sustainable mining exploitation." In this optimistic statement, there is no doubt that, and using animation the video shows that Marmato disappears and the mountain becomes a hole.

To see the video, click on the following image.

For Fernando Álvarez, a miner of the region, the video produces chills and rage. He saw it in Manizales, in a meeting to which the multinational company invited some community representatives from Marmato. "We saw it there because they have not dared to show it in Marmato. They know we are not fools and we will not buy their story. The video shows how the mountain begins to disappear and becomes a hole, and a road for them to enter with their machines. After, when they have excavated everything, the hole begins to fill with good-looking water and banana plants around. They throw out a mesh, take out a bit of earth and plant grass. They think we're stupid. Do you think that a banana plant is going to survive there?" asks Fernando, not hiding his indignation.

According to the Company's statement on its official page, "As of 2011, 100% of the properties on Marmato mountain have been consolidated by Medoro Resources." It is a statement that surprises the Marmatoans who are trying to understand what is happening or about to happen in their village. There are more than 400 mines divided between Zone A and Zone B of the municipality, a division made by the government in the 80s which limits artisan mining to the higher part of the mountain (A) and intermediate mining, which until then had been operated by the company Minerías Nacionales S.A., to the lower zone (B). Of these mines, Medoro has bought only 84. And their inventory cannot include the houses, which are not their property.

It all began 4 years ago

Four years ago, the Canadian multinational was present in Marmato, not as Medoro but as Colombian Goldfields, a subsidiary company which came to buy the mines from the small miners who held the titles.



"They bought the mines which employed more people, but instead of putting them to work they closed the mines and left 833 people out of work," says Yamil Amar, leader of the Marmato Prodefense Committee. They also destroyed properties and 9 gold processing mills, of the 11 in the region. "We therefore concluded that they wanted a forced economic displacement and to do that they needed to remove the people."

In February 2010 the company made the other large purchase, when they acquired the titles to the Echandía land, which also affected the miners who worked in Cien Pesos a neighboring area. They did the same with the licenses of La María, by buying the stock of Colombia Gold PLC. Yamil Amar is owner of a mine in this area and explains what happened:

"The Echandía land is part of an RPP: recognized private property, meaning that the State cannot own the subsoil. A geologist, we don't know whether dishonest, produced a topographic map and included Cien Pesos, where there are 23 mines, within the Echandía RPP. And Medoro, neither slow nor lazy, acquired the title. Those of us in Cien Pesos were working with the permission of the government, paying royalties, so we felt like owners entitled to this work."



Also in February 2010, Medora acquired the stocks of *Mineros Nacionales S.A.*, which has an underground operation in the lower zone and produces 25 thousand ounces of gold per year. Since then, all Marmatoans, including locals of neighboring areas like Supía, Riosucio and Caramanta who also benefit from this activity, are feeling the steps of the huge animal of the mining locomotive, as President Santos calls it.

One thing is the information that the foreign companies and the national government provide in order to make mining look like a viable and profitable business and provider of progress and development to the nation; but the other side of the coin is the reality which the people of the villages affected by exploitive mining are experiencing, especially the pressures being put upon them. Medoro says that in the prospecting stage, which should take three years, 300 jobs will be created, when what really occurred was the more mines were closed and hundreds of people were left without work, which has precipitated the *guachero* uprising.

Guachero is the name given to the miners who, desperate from being without work, one day made the decision to break the padlocks on the closed mines, and to work them. "We did it because we were hungry. Now they come to tell us we are trespassers and they want us out. But according to the mining code, when a mine is not worked for 6 months, the purchaser loses it," explains Mario Tangarife, leader of United Miners. Currently there are hundreds of *guacheros*.

On the other hand, there is a large number of small mines which Medoro has not bought, which under the new Mining Code of 2001 are currently illegal, notwithstanding that the majority of them have been in existence for over 15 years. Overnight, from artisan miners they have become illegal and, by virtue of this situation, the pressures on them have become increasingly tough and strategic. These range from eviction warrants (which they have been unable to enforce), to administrative proceedings ordering the transfer of the mine, to signing contracts with the *guacheros*, by which Medoro attempts to make them their employees.



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Ambition does not rest

The potential gold deposit which has not yet been prospected under the earth in Colombia is well known (the Spanish conquest did not speak in vain of these lands as El Dorado), as is shown by the flood of mining titles which have been approved in recent years and those still on the waiting list.

A study by RECLAME ([Red Colombiana Frente a la Gran Minería Transnacional or Colombian Network Against Large Transnational Mining](#)) tells us that between 1990 and 2002 1,047 mining titles were approved; meanwhile the government of Álvaro Uribe approved 7,397 titles, a high percentage of which for gold mining. The totality of these titles occupies 8.4 million hectares. Moreover, there are 19,629 applications in process, for a total of 22.7 million hectares, i.e. 20% of the national territory.

It is therefore indisputable that we are in a full mining boom. What is disputable, as far as the gold is concerned, is the benefit it has for our country, which is very little. The major beneficiaries are transnational companies, like Medoro Resources, for which the business is very profitable. First, because they pay ridiculous royalties: barely 4%. Given this, Senator Juan Mario Laserna recently proposed increasing this to 12%, to which the government replied saying they would not be increased, as a strategy to maintain competitiveness and judicial stability in the sector.

The high profitability of the business for the

transnational companies is also due to low operational labor costs and the enormous tax benefits which have been granted. In effect, in the context of high demand for mining resources and a growing need for the companies to invest their surplus, the Colombian state offers them all kinds of incentives and tax *gabelas* (a reward strategy called "investor confidence"), such as eliminating the payment of 7% of the total value of the profits taken from the country; access to fuel with subsidized prices in the border area; and the possibility to deduct any investment made in social programs, the environment, science and technology, and the purchase of equipment and machinery from their taxable income and their royalties.

What is also disputable is the benefit of mining in generating employment: the sector generates only 1.1% of the country's total employment. This partly explains why departments and municipalities, such as Marmato suffer not only the environmental consequences of exploitative mining (deforestation, rivers and streams contaminated with mercury and cyanide, etc.), but they are also far behind in terms of human development (as measured by the Basic Unmet Needs indicator).

Add to this that the institutions charged with oversight and control of the mining sector are profoundly inoperative. The Mining Ministry is very weak. *Ingeominas* is the cave of Ali Baba, independent corporations are not in their finest moment and the Ministry of the Environment can barely be revived.

The entire picture depicts a policy of giving away our riches and does not even consider the incredible price

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increase which gold has recently experienced in the international market: since 2001 it has increased 5 times its dollar value, and today demands the highest price in history.



So it makes sense when Mario Tangarife, Marmato mining leader, says "It is not right that people, not even Colombians, come saying that we are trespassers and that we have to leave this mountain. This is disrespect beyond description. They will not make us leave."

And he asks: "Why, after so many years, does the State only make an appearance in Marmato, now that the multinationals have their eye set on us?"

