

Preserving Patagonia

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Cet article parle de la relation qui existe entre le plan de « la dette-contre-nature » et l'expansion des mines d'or en Patagonie. En les unissant, l'auteure expose les conflits qui agitent les femmes et les hommes de la Patagonie face à la destruction de leur environnement.

Argentina's continental surface (excluding the Malvinas-Falkland Islands, and Argentina's Antarctic Sector territorial claim), is almost 2,800,000 square kms, with a population of only 37 million people. The population density is thus a mere 13 inhabitants per square kilometer. Throughout Argentina's history, low population density has generated some truly absurd situations. In the mid-nineteenth century, for example, many political leaders (Presidents Bartolomé Mitre and Domingo Faustino Sarmiento among them), dominated and controlled by major economic and financial interests traditionally linked to British and centered on Buenos Aires City and its surroundings, believed that Argentina's "ailment" was that it was "far too large...." This left the rest of the provinces in the country to fend for themselves. The greatest victim of this policy of neglect is the Patagonian region.

Patagonia has a land surface of around one million square kilometers with a population density of approximately one person per square kilometer. The greater part of this surface is an inhospitable plain swept by very strong winds. Nearer to the coastal area, however, Patagonia's subsoil and its valleys (fed by deep mountain rivers), and especially its lake and forest areas have extremely valuable resources for its inhabitants:

abundant potable water, strong winds, oil and gas, critical and strategic minerals, and a fertile soil. The

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tragedy, however, is that it is not the Argentinian people who benefit from these resources, but rather multinational corporations (all of which are foreign-owned) and the governments of the so-called developed countries.

Patagonia's potential, and the fact that almost no advantage is being taken of that potential for its inhabitants, is evident when comparing its mountain lakes and forest areas with those of Switzerland which are similar in size.¹ In both places, some 45 per cent is arable, 25 per cent is pasture for grazing, while 30 per cent of the land area is suitable for neither). Switzerland, however, has six million inhabitants and produces 750,000 tons of grain, one million tons of potatoes, 60 thousand tons of sugar and half a million tons of apples (San Martín), while Patagonia's lake

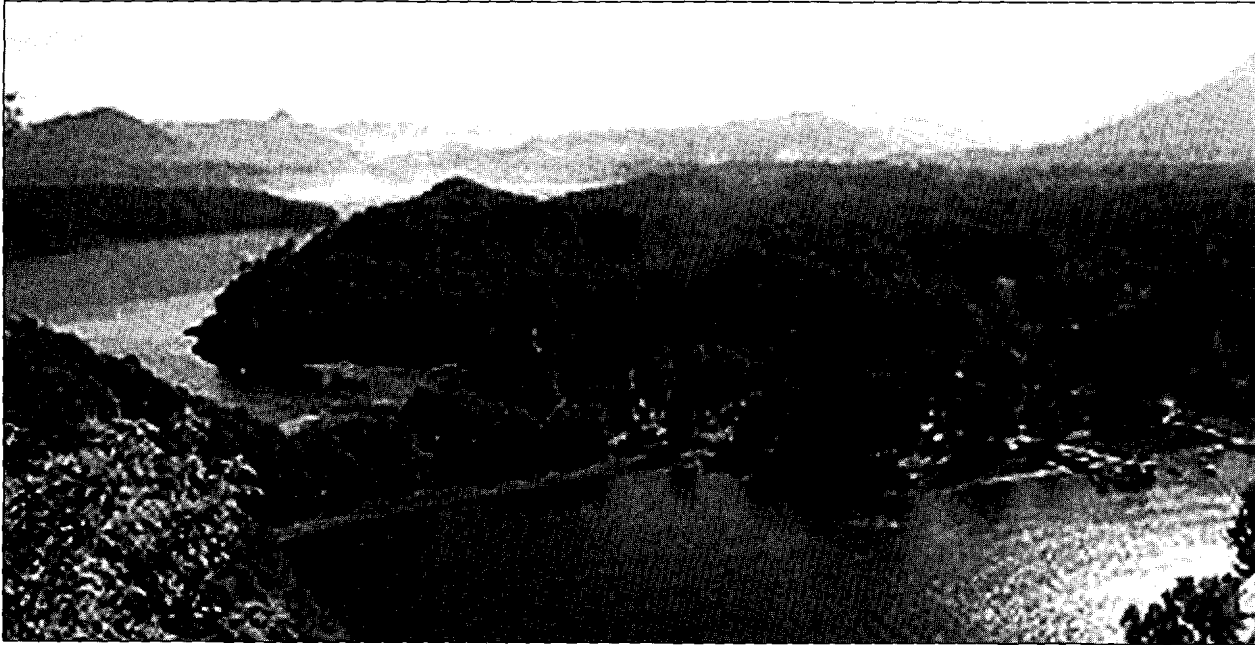
and forest areas has only 300,000 inhabitants and an almost negligible agricultural output by comparison. Furthermore, there is little environmental and resource protection. Overgrazing by sheep has contributed to significant erosion, further aggravated by strong winds and the lack of water in the Patagonian plateau. This is exacerbated by adverse agricultural and industrial practices.

Additionally, in the last decades European and Anglo-U.S. companies have been trying to sign agreements with the provinces in Patagonia to allow the building of contaminating industrial plants, toxic waste warehousing, and treatment and disposal plants for foreign wastes on the outskirts of certain cities (especially coastal cities). In exchange for this crime against nature, bartering "debt-for-nature" they promise to plant trees in the areas surrounding these "industrial" plants. This article addresses the relationship which existed between their "debt-for-nature" schemes and the expansion of gold mining corporations in Patagonia

Debt for Territory (Debt-for-Nature Swaps)

At present, Argentina has a huge foreign debt. Over the past five years, in many international circles linked to elite local groups in which Argentina's wealth and riches are concentrated, the word has been that Argentina's foreign debt is impossible to pay. Since mid-2002, the U.S. Treasury Department and the International Monetary Fund (IMF) have suggested that Argentina could secure an important reduction (up to 40 per cent) on the principal of its

for its True Owners



private debt (*La Nación* 14 July 2003) by swapping it for territory. Since then, the most powerful banking circles in the United States have implemented a well-articulated and financed campaign geared to convincing (or forcing) Argentina to accept that since its foreign debt cannot be paid, it should surrender parts of its territory in exchange.

The concept of these “debt-for-nature swaps” was born in 1982 when Mexico defaulted on its foreign debt. In August 1983, Henry Kissinger and David Rockefeller called a private meeting in Vail, Colorado, in the United States, of a dozen or so worldwide political and financial figures (including former French president Valéry Giscard D’Estaing, former U.S. president Gerald Ford and representatives of four or five major multinational banks from the United States and Europe, etc). At this meeting, it was agreed that the only way to collect third world countries’ unpaid debts would be to privatize their public services and strategic

resource companies. That proposal was then called “debt for equity” (see Salbuchi).

This turn of events subsequently resulted in an intense psychological campaign geared to convincing Argentina that:

- its state-owned companies were the main culprits of its fiscal deficit, therefore, to eliminate that deficit, the companies had to be privatized;
- by privatizing these public services companies Argentina would benefit from fiscal credits which would then finance economic growth;
- once privatized, the new “owners” (international creditors) would introduce state-of-the-art technologies to Argentina resulting in increased value, comfort, efficiency, and business competitiveness as well as enhancing the social well-being of the community;
- it is in the country’s own inter-

est to deliver up these companies to the hands of private foreign experts as Argentinians are inefficient managers; and

- additionally, these companies are a source of corruption.

In 1989, Carlos Menem became president of Argentina and immediately privatized Argentina’s state-owned companies in order to pay its foreign debt. In spite of this, during his administration Argentina’s foreign debt grew from 64 billion dollars to 145 billion dollars (Argentine Central Bank).

In 2001, it became evident that goal of this campaign was to make Argentina meekly accept the concept of swapping “debt for territory.” The first step of this campaign involved the acquisition of great tracts of land, particularly in Patagonia, by large foreign economic groups, especially Anglo-U.S. corporations.²

The second step consisted of bombarding Argentina with insistent publicity aimed at convincing Argentines



that they do not know how to govern themselves and that, as a society, they are a veritable disaster. This poisonous campaign was instigated by former U.S. Treasury Secretary Paul O'Neill, when he said that "this is all the Argentine people's own fault because for 70 years they have not been able to build a strong industrial base." O'Neill chose to ignore the brutal and insurmountable import barriers which his government imposed on Argentina's industrialization, especially from 1945 to 1955, and from 1976 to date. He later added that "Argentines are a disorganized society," forgetting that each and every disturbance and military coup Argentina has suffered over the past 70 years has always been backed by the CIA and/or U.S. or British multinational corporations.

Paul O'Neill's preaching is reflected in the usual cliques (both foreign and local) which reached a climax with reports like the one prepared by Massachusetts Institute of Technology professor Rüdiger Dornbush (from the U.S.) and Ricardo Caballero (from Chile), who in mid-2001 said "The Argentines need external management as they do not know how to manage their own affairs."³ Unfortunately, many Argentine journalists and multimedia companies

jumped onto this bandwagon, defending the interests of U.S. banks and multinational companies.

During the third stage multiple methods were proposed for Argentina to pay its debt in a "civilized and neat" manner. Such methods included:

- Setting up environmental reservations.
- "Green" or oxygen certifications in order to "take advantage" of our extensive and rich forestry.
- Land cessions for U.S. military and/or scientific bases
- Privatizing the Banco de la Nación Argentina (Argentine National Bank) and Banco de la Provincia de Buenos Aires (Buenos Aires Province's centuries-old bank) which together hold mortgages over the best land in the country with an area equivalent to half of Argentina's very fertile "humid pampas." Once these banks become privatized, their new owners (foreign private banks who are creditors of Argentina's foreign debt), would be able to take over all of these lands by foreclosing the mortgages.
- And, the last and most creative

measure (and for this reason the most dangerous) would be to issue new state-backed debt bonds guaranteed by a trusteeship over public lands that would all be placed under one hat. That bond would be swapped with creditors for the older unbacked debt bonds they presently hold. This mechanism would, in practice, operate like a mortgage, so that if Argentina does not pay the new bonds, bondholders could execute them and retain their share in the trusteeship, i.e., take over Argentina's territory.

The fourth step (working parallel to the others) was to promote the idea of swapping debt for territory among the general public. For example, in 2002 the Buenos Aires firm, "Jorge Giacobbe y Asociados" carried out a poll in the Province of Chubut (*Crónica; El Patagónico*) which apparently was also carried out in the southern provinces of Tierra del Fuego, Santa Cruz, and Neuquén. The most suggestive questions in this poll included the following:

Would you accept giving up our rights over Antarctica in order to cancel all of our foreign debt?

Would you accept swapping federal and even provincial state-owned land in payment of our foreign debt?

The fifth and last step is the most grave and alarming. In January 2002 former President Eduardo Duhalde officially contracted Norman Bailey, a U.S. political analyst linked to the Republican Party, as his personal political advisor. This "expert" sent Mr. Duhalde a memo in which he recommended issuing bonds backed by a trusteeship on state-owned lands in order to "swap" them for the present foreign debt bonds. At the same time, former President Duhalde decreed that three Anglo-U.S. companies should render international

advisory on matters pertaining to our foreign debt, and to present and implement a strategy geared on securing international financing (*Boletín Oficial*). The three companies thus contracted were (and still are) linked to former secretary of state and national security advisor Sir Henry Kissinger⁴ who actually recommended them to Mr Duhalde; one of these firms is owned by Kissinger (*Clarín* April 2002; *La Nación* April 2002; *Página 12* April 2002).

Patagonia is for Sale

Until 1995, foreigners could not purchase land in border zones without requesting a special permit from the federal government. The most sensitive and guarded area was Patagonia as large areas have been held under foreign ownership for many years. The best known example is the British Crown which has owned an enormous tract of land of at least 200,000 hectares in Patagonia for more than a century.

In 1995, Argentina's then President Carlos Menem and his Interior Minister, Carlos Ruckauf (later Foreign Minister in 2002), sanctioned the purchase by foreign companies of as much land as they wanted anywhere in the country. The only requirement was to inform the Interior Ministry which was to establish a registry of such acquisitions. Due to "lack of adequate budget funding" this registry has not been updated since 2001.

At the end of the 1980s, the Deep Ecology Foundation, belonging to U.S. businessman Douglas Tompkins, acquired 400,000 hectares of land in Chile in an area ranging from the Pacific Ocean to its border with Argentina in Patagonia, at the same latitude as area of Patagonia which is rich in mountain lakes and forests. Other companies linked or affiliated with Tompkins in turn purchased a further 400,000 hectares in that same area of Chile. In this way, since more than a decade ago, Chile's territory was sliced in



two by "private property" belonging to Mr Tomkins who has fenced in "his" territory and, evicted its former inhabitants in spite of the fact that they occupied those lands peacefully since time immemorial, alleging that these they were contaminating the environment (Chilean Ministry of the Interior).

A short time afterwards, through his company, Patagonia Land Trust, Tomkins began acquiring large tracts of land in the Argentine Patagonia. Today, he owns 800,000 hectares. Officers from his company in Rio Gallegos in Santa Cruz Province say they plan to acquire up to a total of ten million hectares (representing ten per cent of the land surface of all of Patagonia) over the next ten years and for which they have budgeted approximately 110 million dollars, i.e., \$11.00 per hectare (*El Patagónico* July 2002).

In that same area, U.S. media mogul Ted Turner has acquired 70,000 hectares "because he likes trout fishing" and the Italian company Benetton owns 800,000 hectares which they use for sheep grazing (*La Nación*).

Recently, Tomkins also acquired 100,000 hectares in the "Esteros del Iberá"⁵ region, which is one of the largest reservoirs of potable water in

Argentina, located in the northeastern province of Corrientes which borders on Paraguay, Brazil, and Uruguay.

Additionally, a UK firm has also acquired 70,000 hectares in the northeastern province of Misiones, bordering on Corrientes province, which has the largest forest reserve in the country.⁶

With the acquisitions he has made so far in Chile and in Argentina Mr Tomkins could very well find himself owning a swath of land running all the way from the Pacific coast to the Atlantic oceans, dividing both countries in two—to the north of Tomkins' territory and to the south.

It is very difficult to believe that such strategic land purchases are inspired by altruistic goals of environmental conservation.

The Environment and Gold Mining

Gold mining by foreign interests is the greatest and hardest challenge the Argentine people have to face in order to inhabit, fully integrate, protect and conserve its territory, and defend it from foreign creditors' voracity legitimized by the country's alleged public debt.

Currently, Meridian Gold, a Ca-

nadian company which belonging to the Tenke Mining Corp. holding in Vancouver, Canada, has purchased land just six kilometers from the city of Esquel in Chubut Province where there are important gold and silver mines. They intend to exploiting those resources with open-air mining which uses sodium cyanide, a powerful poisonous agent. Since this mine lies at the foot of the Andes Mountains, water coming from the melting of mountain ice would carry excess cyanide to the city of Esquel and the entire Patagonian Plateau, thus generating deadly contamination for humans and animals.

Tenke Mining Corporation owns a little over 90 land tracts with rights to mining over 958,000 hectares, an area rich in gold and silver ores along the Andes mountains, from the northern border with Bolivia to the extreme south of the province of Santa Cruz.⁷ If Tenke Mining Corp.-Meridian Gold succeed in overcoming popular resistance in Esquel, they will surely exploit all of their mines using sodium cyanide thus poisoning large tracts of land in Argentina.

The people of Esquel became aware of this mining project and the damage it would cause only in August 2002, after a briefing given by a manager of Dupont Corporation regarding the use of cyanide and its "benefits." This briefing was organized by the Mining Department of the Province of Chubut. During that briefing, two very courageous women began a great fight and proved the speaker from Dupont Corporation wrong.

Marta Sahores and Silvia González, both from the National University of Patagonia San Juan Bosco, immediately organized a resistance movement with other women, among them sociologist María Mirta Rodríguez, philosopher and journalist Mariela Masasese, and the Mapuche Indian leader Moira Millán.⁸ Many men have also joined this movement.

In September 2002, less than a month after the briefing, Sahores and Gonzalez began conducting infor-

mation sessions at the university regarding the dangers posed by cyanide, despite protests from several professors' and officers' in defence of Meridian Gold's interests. During these sessions, they explained that six tons of cyanide would be used every day, that high remnant the cyanide would remain in the debris, and that cyanide's "natural" decomposition process would generate many intermediate substances, also highly toxic in nature and which have a long half-

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life. They also detailed the harms caused by cyanide to humans.

At the end of October 2002, Silvia González began receiving telephone threats. By mid-November, Marta Sahores also received such calls. Their lonely battle ended the 3rd December when approximately 3,000 marched through the streets of the city of Esquel demanding that Meridian Gold not poison Chubut's natural resources. From then on, their popular town hall meetings became more numerous and dozens of volunteers began disseminating information about the dangers of open-air gold mining in this corner of Argentina. Popular pressure became so strong that the provincial government had no choice but to call a plebiscite so that the people could vote for or against what Meridian Gold intended

to do with their mining project. The last protest march three days before the plebiscite brought together six thousand people. On the 23rd March, the plebiscite was held and its results were overwhelming: more than 70 per cent of the electorate turned out to vote, of whom 11,500 (82 per cent) voted against Meridian Gold's project.

Less than 2,500 were in favour of the project, most of whom were no doubt influenced by the construction workers' trade union which campaigned extensively in favour of the mining project, claiming it would generate "thousands of new jobs."

On December 14, 2002 a group of scientists, and studies and research institutes meeting in Berlin, Germany issued the Declaration of Berlin on the dangers of this extraction method using the chemical compound sodium cyanide. This declaration states that:

- The use of cyanide to extract ore is unacceptable due to the irreversible damage it causes to the ecological system. Correspondingly, this method using cyanide in the open air is not authorized under the laws of Germany and the European Union.

- Technology used to reduce the risk exposure is not manageable and cannot be properly controlled. The breakage of dams, losses, accidents to transporting media (for example, Summitville, Colorado/U.S.A. 1993; Harmony Mine, South Africa; 1994; Manila, Philippines 1995; Omai, Guayana 1995; Homestake Mine South Dakota, U.S.A 1996; Gold Quarry Mine Nevada territory of Western Shoshone, U.S.A 1997; Kumtor, Khirgiztan 1998; Baia Mare, Rumania 2000) and other accidents throughout the world indicate that these companies do not act with due care.

- Main gold producers (e.g., Anglo Gold, South Africa; Gold

Fields, South Africa; Rio Tinto, UK/Australia; Newmont, USA; Barrick, Canada; Placer Dome; Canada; BHP, Australia; Normandy, Australia) concentrate in poor countries and regions with low production costs and inadequate legal and technical control standards.

•This negative balance shows that the extraction of gold using cyanide completely contradicts the points contained in the Declaration of Rio de Janeiro. In the long run, this type of mining destroys the basic needs or life and endangers proper food intake.

In spite of this, and now in a clandestine and illegal manner, Meridian Gold has made secret agreements with municipal and provincial authorities which enable them to anyway move forward with their project.

I asked Marta Soares, what would be the immediate impacts on Patagonia women's well-being if Tenke Mining Corporation breaks popular resistance against its project.

Mining always brings poverty for future generations and we, as women, worry about the future of our children, grandchildren and life itself. Mining among other things will result in river contamination, wild flora and fauna destruction; heavy metal and cyanide poison. Its presence means that prostitution and delinquency will increase, as will illness, segmentation of society, and unemployment due contamination.

When I asked her about the future of resistance, and the role of women in this struggle, she replied:

Women play an important role in the struggle against mining, and our engagement is broad. We are on the planning committees, declaring on the tribunals, mobilizing on the streets, and informing about risks in schools and hospi-

als. In Esquel we say, "No to Contamination, No to Mining." It won't go over us.

The resistance is far from over. Popular protests continue through town hall meetings, e-mails and through friendly media. Now all that is needed is the support and solidarity of people from other countries who also wish to preserve the environment and, especially, human life. Support Marta and Silvia in every way possible.⁹

The author acknowledges the invaluable and generous support of Marta Soares, to whom he is very grateful.

Translated from the original in Spanish by Adrian Salbuchi.

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¹Switzerland's lake areas are 41,400 square kilometres; Patagonia's are approximately 32,000 square kms).

²This is exactly the way the usurpation of the Mexican State of Texas by the United States began in the 1830s, when numerous "innocent" U.S. "colonizers" began buying up huge tracts of land in Texas. Once it was felt that they had grown sufficiently strong, and with the decisive support of the U.S. State Department, they engineered a very well-armed "popular uprising" which first demanded their "independence," and later requested their outright annexation to the United States. This "democratic" decision taken by the "majority" of Texans was immediately supported by the U.S. Congress and Texas thus became another star on the U.S. flag, in a fully "legal" and "democratic" manner. What impediment would there be today for these "colonizers" to try to do the same to Argentina, especially considering that the U.S. has infinitely more fire-power than they had 170 years ago, and that they

also have the firm and verified possibility of carrying out a psychological war against Argentina which would be devastating?

³Information from various Argentine newspaper articles published mid-2002, June 2002, and September 2002.

⁴Kissinger was (and still is) representative and lawyer for the multinational company ERIDAY which built the giant Yaciretá hydroelectric dam on the Paraná river. ERIDAY is claiming an exorbitant 1.5 billion dollars for "extra costs" while Argentina's technical advisors indicate that, at most, it owes them 100 million dollars. (This suit is currently underway, filed by the author in May 2002 in the Buenos Aires Criminal Court.) Why did Mr Duhalde name Kissinger for such a delicate negotiation, considering that he is a representative of one of Argentina's powerful creditors?

⁵Personal communication to the author made by Provincial Representative for the Province of Corrientes, Ms. Araceli Ferreyra

⁶Personal communication to the author made by the Misiones Provincial Government Press Secretary Dr. Héctor Presa.

⁷See www.tenke.com

⁸The Mapuche Indians also called Araucanos, have inhabited this region since before Spanish colonization.

⁹As a sign of solidarity with this popular movement against Meridian Gold's mine, you can email Marta Soares at martasahores@ciudad.com.ar or the author at: jglabake@teleread.com.ar

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