

## **No Dirty Gold in El Salvador!**

### **We Oppose Commerce Group's Lawsuit Against the People of El Salvador!**

In response to El Salvador's rural grassroots movement to stop destructive gold mining in the departments of Cabanas and La Union, both Pacific Rim and Commerce Group are suing the government of El Salvador for \$77 million and \$100 million respectively, each in compensation by using the investor "protections" of the U.S.-Central America Free Trade Agreement (CAFTA-DR).

### **What is Commerce Group?**

Commerce Group is a Milwaukee-based company which owns the San Sebastian gold mine in El Salvador. Commerce Group's sporadic mining activities over the past 40 years have reportedly resulted in severe environmental and public health problems in the municipality of Santa Rosa de Lima, where the mine is located. As a result of these problems, the Salvadoran government revoked Commerce Group's mining permit on September 13, 2006. Now, taking advantage of "foreign investor protections" in the Central America Free Trade Agreement (CAFTA), Commerce Group is suing the Salvadoran government for \$100 million.

### **Why Do We Oppose Commerce Group's Lawsuit?**

1. This lawsuit is a cynical attempt by an unsuccessful company to exploit international trade agreements to make money which they have been unable to make by legitimate means. According to Commerce Group's own filings with the U.S. Securities and Exchange Commission (SEC), the company has had no earnings since 2002, four years before their permit was revoked, and the company has not been engaged in mining since 1999, seven years before their permit was revoked. This lawsuit is nothing but a dishonest "get rich quick" scheme at the expense of a sovereign nation.

2. The people of Santa Rosa are continuing to suffer the environmental and public health effects of Commerce Group's previous mining activities as a result of acid drainage from the abandoned mine. A 2006 study found that the river which runs through the town is 100,000 times more acidic than uncontaminated bodies of water in the same region.<sup>1</sup> The study also found levels of cyanide more than 10 times higher than the maximum allowed by the World Health Organization (WHO), as well as high levels of sulfates and dissolved metals. Many people use the water from the river for washing clothes and dishes, for making tortillas, and for their crops and livestock. According to a University of Ohio study, there are widespread reports of human health problems, ranging from chronic headaches to kidney diseases.<sup>2</sup> If anything, it is Commerce Group who should be paying for the toxic legacy they have left behind.

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<sup>1</sup> Flaviano Bianchini, 2006. "Estudio Tecnico: Calidad de agua en la zona de explotacion minera de San Sebastian, municipio de Santa Rosa de Lima, departamento de La Union, El Salvador."

<sup>2</sup> Cidia Cortes, 2010. "Análisis de Agua y su relacion con la salud y calidad de vida de los pobladores del Rio San Sebastain, en la zona de minas San Sebastian."

3. If Commerce Group is successful in this lawsuit, it could undermine the ability of all countries (including our own) to make laws for the benefit of their own people. This is not an isolated case; a Canadian company called Pacific Rim is pursuing a similar suit against the government of El Salvador for a mining claim in another part of the country. “Foreign investor protections,” such as those in CAFTA, put the profits of foreign companies over national sovereignty, democracy, and people’s well-being. Stopping the Commerce Group lawsuit, and similar lawsuits such as Pacific Rim’s, would be an important victory for people and the environment over corporate profits.

**We the Undersigned Demand:**  
**An End to the Commerce Group Lawsuit!**  
**Cleanup of Past Mining Pollution!**  
**Compensation for the Victims of Mine Pollution!**  
**Respect for El Salvadoran Self-Determination!**

U.S.-El Salvador Sister Cities  
Democracy Center  
Maryknoll Office for Global Concerns  
The SHARE Foundation  
Milwaukee Clean Clothes Campaign  
Centro de Estudios sobre Inversión y Comercio, CEICOM  
Wisconsin John Muir Chapter Sierra Club  
Milwaukee Fair Trade Coalition  
La Mesa Nacional Frente la Minería Metálica  
Global Economy Project, Institute for Policy Studies  
Jamie Moffett Media Design & Production  
The Atlantic Regional Solidarity Network  
Barrio Nuevo  
Canadians Against Mining In El Salvador(CAMES)  
Committee In Solidarity with the People of El Salvador, CISPES  
Mining Watch Canada  
Caribbean & Latin America Support Project (CLASP), New Paltz, NY  
Sister Parish Inc  
Friends of Chilama  
FOCUS Central America, Wichita KS  
Volunteer Missionary Movement  
Latin America Solidarity Committee-Milwaukee  
Toronto Forum on Cuba  
Hands Across Borders, Erie PA  
Romero Interfaith Center, Philadelphia PA  
MOFGA-CCR and CORDES Sistering Project  
Madison-Arcatao Sister Cities Project  
Community Action on Latin America, CALA  
Concord, NH-Agua Caliente El Salvador Sistering Project  
McGill Research Group Investigating Canadian Mining in Latin America  
Austin-Guajoyo Sister City Project  
Sister Parish Ministry Team of Wallingford United Methodist Church  
Coalition Québécoise sur les impacts socio-environnementaux de transnationales en  
Amérique Latine  
Groupe de travail Non à Pascua Lama - Montréal

Chicago-Cinquera Sister Cities  
Center for Alternative Mining Development Policy, La Crosse, Wisconsin  
Wisconsin Resources Protection Council, Tomahawk, Wisconsin  
Power in Community Alliances, Bangor ME  
Wisconsin Network for Peace and Justice  
FMLN Minnesota  
Minnesota Immigrants Rights Action Committee  
Good Shepherd Parish Central America Committee  
La Asociación para el Desarrollo de El Salvador, CRIPDES  
Lawrence-El Papaturre Friendship Committee, Lawrence, KS  
La Asociación de Comunidades para el Desarrollo de Chalatenango, CCR  
Chicago Religious Leadership Network on Latin America (CRLN)  
School of the Americas Watch (SOA Watch)  
Amigos de San Isidro Cabañas, ASIC  
Asociación Desarrollo, Economico y Social-ADES Santa Marta  
Watertown-El Salvador Sister City Committee  
Saint Andrew Christian Church-El Higueral Sister Parish Project  
Arlington-Teosinte (El Salvador) Sister City Committee  
Radio Victoria, Cabañas, El Salvador  
The New Jersey State-San Isidro and Los Amates Sister City Project  
Seattle CISPES  
Comité Ambiental de Cabañas  
The School Sisters of Notre Dame-Milwaukee Province Office of Global Justice & Peace  
Cambridge-San Jose Las Flores Sister City Project