

2 de Nov. 1979-80



1er
aniversario
de la
nacionalización
de las minas

**Hermanos:
Hemos luchado porque nuestra patria
quede libre de extranjeros
interventores.**

A. C. SANDINO

inmineh
Instituto nicaraguense de minas
e hidrocarburos

Poster issued by the Nicaraguan government to celebrate the first anniversary of the nationalization of the mines on the 2nd of November 1979.



The experience of a Nicaraguan miner

By Robert Lilljequist
Translation by Åke Englund

During the last decade the mining industry in Nicaragua has undergone dramatic changes. In this report Robert Lilljequist has interviewed a Nicaraguan miner, who gives his historical perspective on these changes. We also publish a document found at the office of one of the transnational mining companies that were nationalized in 1979.

Robert Lilljequist is a geologist working in Nicaragua. He is the RMR correspondent for the Central American region.

My name is Carlos Enrique Vigil Pevedilla.

I was born in Granada, Nicaragua, Central America on the 30th of December 1913. I started to work in a mine in August 1938. I did my first job with a pickaxe and shovel in the El Chamarro mine which at that time was leased by Dr José Hurtado. Earlier the owner was Don Manuel Wildford, a German, but when he died the mine was inherited by his wife, who leased it to Dr Hurtado.

My first steps in the mining industry were very hard. The miners undertook to extract the rubble, and had to pay for the transportation to the crushing mill, which consisted of a crusher with two hammers with a capacity of ten tons per day. They also charged the miner 50 per cent for the preparation of the gold, or, to be more exact, for the hire of the equipment. His house, if one could call it a house, was unhealthy and humid, as it had a dirt floor. Thus we small miners lived constantly threatened by diseases, such as typhoid, anemia etc.

The transnational corporations, treating the worker and the day-labourer the same, paid them ridiculous wages. Around the year 1925 the wages were about 25 centavos a day, increasing gradually, to between 6 and 10 córdobas per day in 1978.

The miner never saw the gold as the rubble was transported by train or lorry to the plant to be crushed and poured into tanks for cyanidation and floatation.

The gold was crushed into coffee powder, blackish like aniline which was smelted cast and then sent abroad in bars of low carat, but in quintals. From 1969 Nicaragua held third place in Latin America as a producer of gold, and, I think, the first place when it came to the number of tubercular, anemic and phlegmatic workers and widows, who were left destitute because the corporations paid ridiculously low and insulting damages. In documents that I have in my possession I have receipts according to which the widows received only 100 to 200 córdobas for the death of their husbands. In another

document there is a letter signed by an American in which he asks a widow " . . . if you liked the coffin, if it was to your taste". This is the height of cynicism.

All the miners were martyrs. They were exploited physically without being able to demand anything as the Somoza family ran everything in the interests of the corporations.

Can it be possible that Nicaraguans are wishing these times of unjust exploitation back? Can it be possible that evil sons of Nicaragua are again considering a tyrannic regime?

If these evil Nicaraguans exist, they are those:

- who were protected by the Somoza Government, with sinecures and tax reductions to fill their coffers without caring about the miserable conditions of their workers;
- who were high state officials who enjoyed sinecures and remunerative missions abroad, wasting the people's money and enjoying fat salaries;
- who were national guards, the commanding voice in every place they were sent to, who had more power than the mayors, more power than the political leaders, than the priests, the representatives and senators.

May God save Nicaragua from these plagues!

Working for the Yankees

In the year 1960 a Yankee by the name of Prestyn Clayton decided to establish himself in the mining industry at La Libertad de Chontales. As a result I was employed to direct the prospecting and exploration work. I had already lived in this place for fifteen years, and the Yankee told me I would get 300 córdobas — ONLY THREE HUNDRED CORDOBAS — in expenses. Then he told me that I should help him, that he was broke and that, lat-

The St Elena mine in La Libertad mining district. Photo from 1981.

(Top)

A 10 cordobas note celebrating the nationalization of the mines.

(Below).

er, he would help me finding a job at a mine at Kisilala, situated in the province of Costa Atlantica.

I accepted and he started to send me various equipment, for the water supply, electricity and other things. I hired workers and paid them with merchandise for which I obtained credit in the local stores. After six months I had finished a road, one kilometer long, to the Los Angeles mine, installed an ore crusher with two hammers, repaired a dam and a chute. I had made plans of the area for him which he showed people in the United States. I got the furniture from the Esmeralda mine which I collected with the permission of the owners, and so on.

The thanks I got was that he denied me my wages and refused to pay the stores for the goods that I had obtained to pay his workers. The furniture from the Esmeralda mine was stolen, the machinery that he had got together, an Allis Chalmer tractor, a van, a diamond drill and a number of other things had in fact been taken from some American farmers at an exploitation that they ran together, with him as the "industrial partner".

And then one day he realized that the Americans had come to Juigalpa and that they were going to claim from him what had been taken from the mines in Esteli. He gave me a weapon so that I would defend his property, which I flatly refused.

After a number of such very bad deals he ended up in prison, and the genocide government itself was going to throw him out of the country. So he married a Nicaraguan woman, a relative of the Somozas and this gave him a fresh start in his adventures here in Nicaragua.

Today the miners have had wage increases and they work with enthusiasm, and when they make a claim, our Government, which is indeed a popular government, attends to it immediately.

As to health, hospitals have been built and small but modern dwellinghouses of concrete, and they now live like people.

The foreign currency situation is bad,



very bad, but this is of course due to the many problems and debts left by the plunders of the Somosistas when they fled the country, but I hope that our situ-

ation will get better in spite of the constant threat of the Yankee imperialists who are crying over their "lost dominions", and, Good Lord, may it be for ever.

The MINSET (Empresa Minera de El Setentrion) was owned by the Canadian transnational Noranda Mines Ltd and by local Nicaraguan capital.

The text below has been found in the confidential yearly reports sent by the General Manager to company headquarters in Toronto.

Annual opinions of a mine manager

Documental quotations from Ern Kettel, General Manager and Vice President of Empresa Minera De El Setentrion operating the Limón Mine in Nicaragua 1941–1979.

1970

The political climate in Nicaragua continues to be favorable.

1972

Empresa formerly was taxed 5 per cent of the gross value of export. The new tax is in additional 5 per cent. Provided we are allowed to deduct this export tax from our income tax as formerly, the impact will not be felt at the present level of production. It is not opportune to discuss this point with the tax authorities at present (the 23 of December, 1972 an earthquake destroyed Managua, the capital of Nicaragua – editors remark), but this shall be done at a later date.

1973

The local working atmosphere as maintained by the government of Nicaragua remains good.

1974

A tax deficiency of 618 000 dollars was assessed Empresa for the 1972–73 and 1973–74 fiscal years.

An alarming upsurge of terrorist activity toward years end somewhat clouds political peace in Nicaragua. The Government is taking very strong measures to combat it.

An officially formented labor union has been formed at the mine over the management's objections. It is expected that this will result in a wage increase during 1975.

1975

A joint venture of Setentrion, Rosario Resources and Hecla Mining exploring the La India area began operating during the year and continues. Nothing of interest has been found. The three companies participate equally in this effort, with Rosario in charge of the work.

Although Nicaragua is still under martial law as a result of terrorist activity in late 1974, the political scene is calm and stable.

The Honduras government imposed a 20 per cent sales tax on the sales of metals resulting from mine operation in December. This tax burden would rule out an operation in Honduras. It is understood that a possible deal can be made with the government to avoid this tax and such a possibility will be investigated in January (1976). If a deal is not possible, it would appear further exploration would not be warranted. MINSA (Minsa is wholly owned by Setentrion) has spent about 1 million US dollars in exploration in Honduras during the past 7 years.

1976

A short strike and formation of a labour union at Limón resulted in increased wages early in the year. The settlement was estimated to increase our costs by 330 000 USD per year.

The political situation appears stable in Nicaragua.

1977

The political situation in Nicaragua is precarious at present due to guerilla activity and the recent assassination of the most prominent member of the opposition to the Somoza regime.

A new labor contract of 18 months was signed with the workers in December.

A 10 per cent increase in wages was rewarded. All other conditions remain the same as prevailed in the previous contract.

1978

Honduras: The tax situation has not changed as was hoped. The situation tax wise is still 60 per cent to the government, 40 per cent to the mine owner of the net profit. A further 15 per cent with-holding tax is imposed on dividends leaving Honduras. The Chamber of Commerce, and Ministry of Mines oppose this tax situation, but have been unable to influence the Ministry of Finance who favors it.

1978 was a turbulent year in Nicaragua. Insurrection, civil War, whatever it might be called, destroyed portions of the major cities, Leon, Masaya, Estelí, Chinandega. In the writer's opinion, outside influence was largely responsible for the turmoil. The attitude of the US State Department has greatly added to the turmoil in their apparent support of socialist, communist activities and projects. At year's end, due entirely to a tenacious president and army, the country is still operating. The mine operation, surprisingly, was not directly affected by the turmoil, except that staff members have been frightened away and we are now reduced to two foreigners at Limón. An attempt was made on the life of Edward Hagie, our General Superintendent, early in the year. Although the Government has beefed up our protection somewhat by assigning additional soldiers to the Limón Cuartel, we are still extremely vulnerable. The radicals undoubtedly feel they would alienate the public if they should sabotage Limón, throwing some 800 people out of work, and this has served to protect our operation.

Late in the year, all insurance companies announced they would discontinue coverage for riot, malicious damage, and civil commotion, early in 1979.

The Sandinistas took power the 19th of July, 1979. ■