

# The Struggle Against Destructive Mining in Marinduque, Philippines

Catherine Coumans, May, 2002

Marinduque is a small island province of some 960 square kilometres lying about 160 km south of the capital Manila in the Philippines. The people of Marinduque fought a 5-year battle to keep tailings that were spilled into a river, in a 1996 mine disaster, from being piped into the sea through Submarine Tailings Disposal (STD). They were ultimately successful. For these islanders, the struggle to protect their sea was but the latest in a long history of struggles to protect critical island ecosystems from the impacts of mining by Canada's Placer Dome Inc.

## **Brief Corporate Background: Placer Dome Inc. and Marcopper Mining Corporation**

Placer Dome Inc. is a major Canadian mining company based in Vancouver, British Columbia. Placer Dome is the third largest gold mining company in North America and 5<sup>th</sup> largest in the world. Placer Dome is involved in 15 mines in six countries on five continents. As early as 1956, Placer Dome, then Placer Development Limited, became involved in an exploration project on the island of Marinduque in the Philippines, undertaking extensive geological mapping and drilling. In 1964 Marcopper Mining Corporation (Marcopper) became involved in mining operations in Marinduque. Placer Development Ltd. secured and guaranteed more than US\$ 40 million in loans for the new copper mining company from a consortium of American banks and "Placer undertook the responsibility for open pit planning, design and construction...."<sup>1</sup>

## ***Placer Dome's involvement with Marcopper was long standing and core to decision making at the mines.***

- From the start of mining by Marcopper in Marinduque, in 1969, Placer Dome has owned 39.9% of the shares in Marcopper, the maximum amount of shares that could, until recently, be legally held by a foreign company in the Philippines.
- Placer Dome managed the two Marcopper mines on the island. All Presidents and Resident Managers of Marcopper, from 1969 until 1997 (when Placer Dome divested) came from Placer Dome. This arrangement was established in agreements Placer Dome had with the banks whose loans Placer Dome guaranteed.
- Placer Dome guaranteed the loans for two successive Marcopper copper mines on the island.
- Placer Dome provided the technical expertise for the two mines.
- Placer Dome was the only mining company involved in Marcopper from 1969-1994. Placer Dome's secret partner in the mine (50%) until 1986, when he was overthrown, was the Philippine dictator Ferdinand Marcos. After 1986, Marcos's shares were taken over and held by successive Philippine governments (Corazon Aquino, Fidel Ramos) until 1994, when they were privatized.

## **A 30-year History of Mining Disasters and Social Opposition**

In 30 years of mining under Placer Dome's management, Marinduqueños endured one mining-related environmental disaster after another. For 16 years, from 1975 to 1991, Placer Dome oversaw the dumping of 200 million tons of mine waste (tailings) directly into the shallow waters of **Calancan Bay**, covering corals and seagrasses and the bottom of the bay with 80 square kilometres of tailings. The food security of 12 fishing villages around the bay has been severely impacted for more than 25 years. These tailings are also leaching metals into the bay and are suspected to be the cause of lead contamination found in children from villages around the bay. Calancan Bay villagers were never asked for their permission for this dumping and never compensated for their losses. They protested the dumping vehemently for 16

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<sup>1</sup> Philippine Mining Journal, October 1969:38.

