

Exploitation and Poverty in Mexican Mining

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In my last article written for La Jornada on Thursday 17th August, I presented a clear comparison of the contrast between the level of wages paid by mining companies in Mexico and those earned by workers from the same sector in the USA, Canada and other parts of the world. To illustrate it more effectively, I pointed to the fact that “Germán Feliciano Larrea’s Grupo México (Mexico Group), Alberto Bailleres’ Grupo Peñoles (Peñoles Group) and Alonso Ancira Elizondo’s Grupo Acerero del Norte (Northern Steel Group) pay miners wages that are controlled, subject to and threatened by their companies, which fluctuate on average in equivalent foreign currency from **5 to 10 dollars per day**, while in the US and Canada wages range from **35 to 45 dollars per hour**.”

I also mentioned that a fortnight ago Highland Valley Copper, one of the largest copper mines in British Columbia, Canada, agreed during their revision of their collective bargaining contract with members of District 3 of the United Steelworkers union, to pay **nearly 53 dollars per hour** (\$52.59) without the disputes, threats or repression, that we would usually expect to see in Mexico.

These brutally exploitative, indecent and immoral differences have turned these business owners into both the richest and most miserly men in our great country. The situation is as plain as day, and the only reason for it is the unbridled and heartless greed and ambition of shareholders, management and board. Natural resources below the earth rightfully belong to the nation, and these companies extract them under limitless concessions granted to them by government, paying minimal duties calculated per hectare, rather than by the value of what they extract. As if that weren’t enough, they behave like lords of the manor, wielding power and blackmailing local governments in the regions where they operate.

They also go around manipulating authorities and the media into speaking favourably about them, and negatively about the Miners Union, using the Mexican Mining Chamber and the National Steel Chamber, which are both little more than mouthpieces of Larrea, Bailleres and Ancira, allowing them to express negative opinions and further their twisted aims against other small and medium sized businesses.

To top it all, domestic and international mining companies use the same machinery, equipment and similar technology to extract minerals and transform them into industrial metals, because these processes are universal. The prices of the finished products are practically the same wherever they are produced, calculated as they are based on global markets. How can the current administration’s civil servants not see that they are rewarding companies which profit from



inhumane exploitation of the workforce by paying poverty wages, and extracting non-renewable natural resources, polluting the environment, rivers and seas and destroying the natural world with unchecked, irreparable actions, leaving an extremely high corporate debt to society?

Added to this, although the cost of living in the US and Canada is higher than in Mexico, perhaps twice as high, this cannot begin justify the wage discrepancies of 10, 50, 100 or more times those paid in Mexico. It is simply a case of abuse, taking advantage and acting with utter impunity.

Dishonest businessmen, such as Larrea, Bailleres and Ancira among others, have been behind the worst tragedies in the history of our country's mining industry, such as the industrial homicide and criminal negligence of Grupo México at the Pasta de Conchos coal mine where 65 workers died, where 63 remain buried and abandoned some 11 years on. Or indeed the contamination of the Sonora and Bacanuchi rivers in Cananea, which contributed to the development of cancers and other illnesses in more than 22,000 people living in the area. The same thing is going on with these and other companies, as they poison and pollute the environment in Fresnillo and Torreón (Bailleres' Grupo Peñoles) Nacozari, Cananea, Taxco and Sombrerete (Larrea's Grupo México), Monclova and the Coahuila coal region (Ancira's Grupo Acerero del Norte), denying children, residents and future generations the right to healthy physical, mental and intellectual development.

What are the authorities playing at? They are condemning thousands or millions of Mexicans to poverty, marginalisation and suffering. To cap the government's sheer incompetence and corruption, according to analysis conducted by the international organisation Wood Mackenzie of expenditure by the world's biggest mining companies, La Caridad mine in Nacozari, Sonora, owned by the infamous and callous Germán Larrea, has had the lowest costs of any company since 2012. **The costs to produce a pound of copper in 2017 range from 11 cents (USD) up to 51 cents (USD). The price of metal is currently a little over 3 dollars per pound on the international market.** This is not efficiency – it is shameless abuse and exploitation, subjecting miners to live at almost subsistence levels, something that the vested interests of the PAN and PRI party governments led them to ignore, let alone put right.

It's neither a miracle nor a coincidence that foreign investors have carried on opening and pursuing new business activities in our country. This has so infuriated President Trump's conservative government, that faced with the Mexican government's failed policy and dehumanised strategy which neither creates decent jobs nor obliges companies to pay fair wages, Trump has insisted on building an absurd and degrading wall across the entire length of the Mexican border. Enrique Peña Nieto's government has just over a year left, and surely this historic social debt to the Mexican people is only going to increase over these 14 final months of his controversial administration.