

clusive. Assessing risk in these situations is an art, not a science. Pearl was lured from the restaurant a waiting car because of the promise of an interview with Sheikh parak Ali Shah Gilani, an elusive ritual leader with reputed ties to the tetic shoe bomber, Richard C. Reid.

# Argentines battle the new conquistadors over a gold mine

BY NAOMI KLEIN  
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used to be that if there was one thing you could count on in matters of international trade, it was the desperation of the poor. No matter how bad the situation was always better than

ing. ut all of a sudden, poor countries are ing up trade rounds, standing up to International Monetary Fund and ing down foreign investment. What's g on? Is it possible that when you've enough, desperation turns into de-

ake the people of Esquel, a small city athern Argentina. A year ago, the -Canadian gold mining company idian purchased Britain's Brancote lings, which owned a gold deposit in el estimated at \$1 billion. The time ed to be right to build a huge open- ine: Gold was selling high, and Ar- ina, with its ravaged economy, was g low.

he company informed the city of Es- that it was about to be the lucky ient of 400 mining jobs. It slapped ther an environmental impact as- nent, assured the community that \$ 2,700 kilograms of cyanide a day no riskier than driving to work and eady to start digging. o did the community. Not for gold, or information. Selling off natural re-

er had contacted a friend, who in turn contacted a spokesman for the Kashmiri separatist movement, who arranged a meeting between Pearl and a certain "Bashir" at a hotel in Rawalpindi. Bashir then put Pearl in touch with one of Sheikh Gilani's disciples. All the while, Bashir's friendly

sources and public services to foreign multinationals has not worked out well for Argentina. These investments, far from delivering the promised prosperity, have left the country with fewer jobs, soaring debts, expensive services and suspicious wealthy politicians. When Meridian said, "Trust us," Esquel was unable to comply.

Esquel is located in a striking part of Patagonia, surrounded by rivers with spectacular fly fishing, mountains boasting world-class skiing, and the Alerces National Park. The mine site is about five miles from the city of 32,000 people, raising serious concerns about what impact the use of cyanide and other toxins would have on the local water supply, as well as the ranching and tourism industries.

With so few details coming from the company, the community sought out its own mining experts. It learned that open-pit gold mining using cyanide is banned in Montana. That when cyanide is broken down using the proposed INCO "destruction" process, it continues to contain toxins, and spills are still disastrous.

Greenpeace Argentina helped commission an independent study to assess the claims made in Meridian's environmental impact assessment. Dr. Robert Moran, the U.S. mining expert, states, "This is the most 'undefined' EIA I have reviewed in more than 30 years of hydrogeologic experience."

Kind of innocuous and protracted runaround encountered frequently by reporters in a part of the world where formal channels are weak and informal networks fill the gap.

Bashir, it turned out, was the British-raised Omar Saeed Sheikh, who had spent six years in an Indian jail for the

Beyond health and ecology concerns, many in Esquel simply believe that the mine is yet another bad deal for Argentina.

Most worrisome, if the site starts leaking after the mine closes, the community may well be stuck paying for the cleanup. Meridian, so tantalizingly close to its billion-dollar prize, is going to great lengths to prove it has learned from past mistakes. Immediately after the referendum, it hired the San Francisco-based Business for Social Responsibility to "help the company listen and understand the concerns of the community." Last month, Meridian released BSR's finding.

The BSR report, dismissed by many in Esquel as a public relations stunt, does not address the substantive ecological and economic issues. Instead, it blasts the company for its "striking lack of consistent and comprehensive engagement."

According to the report, accepted by Meridian, its employees displayed "an attitude of disregard" for the community and were "defensive and dismissive" of concerns. The report states, "The company was reluctant to share information about the proposed mine... in fact sometimes made it difficult to obtain information."

Meridian accepted its lashings and committed itself to transparency and information sharing in the future. The company says that its activities are "on pause" and that it won't move forward

without the support of the Esquel community." Meridian execs do sound like contrite 12-steppers these days. Speaking softly, investor relations manager Deborah Liston tells me that the company has learned "a painful lesson... It's a quiet time right now." Her boss, Peter Dougherty, vice president of finance and chief financial officer, also talks about "waiting for the community" and says that "sometimes when there are struggles, they define who you are at the end of the day."

But there is evidence that Meridian hasn't entirely changed its ways. Despite claims that the development is "on pause," Meridian has quietly registered a new mine site just about two miles from the city of Esquel, even closer than the last one.

And despite all the talk of full transparency, the company may still be withholding key information from the public. Meridian has long promised to produce a comprehensive, independent water study, crucial to the community's ability to assess the mine's risks. Five months past the deadline, Esquel is still waiting. So I was surprised when Liston mentioned that she had seen the study, that the results were favorable to the company, but that "we haven't released it yet. It's not the right time. Right now they (the public) don't want to hear that."

When I asked Dougherty about Lis-

war evolves, journalists like him will be needed more. And the risks will grow rather than diminish.

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ton's comments, he denied that the company was interfering with the study's release, since that would "compromise its independence." He said it, not me.

And what happens if, after all of the listening and hand-holding, the city still doesn't want an open-pit gold mine? Will Meridian leave Esquel, as the community is demanding, respecting the democratic wishes of its citizens?

"Look," Dougherty says, departing from the New Age talking points, "we're on this earth, and if it isn't growing, we are going to have to mine it... Our entire planet has been formed on the ability of gold to form empires. Gold is a stabilizing factor throughout time."

It's an appropriate historical reminder. Meridian rode into Esquel like modern-day conquistadors, convinced that its desperate people would be grateful to feed someone else's empire. But economic crisis has not just made Argentines more desperate, it has also made them more savvy, more inclined to look past the shiny promises of future prosperity and protect what they have left.

After all, when your entire country has been strip-mined, you tend to be wary of saviors wearing hard hats.

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