

Draft History of Siuna, Nicaragua

Part I

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Introduction

Siuna is a town with an estimated 2005 population of 10,000 people located in the mountainous interior of Nicaragua, approximately 240 kilometers northeast of the capital Managua and 154 kilometers west of the Caribbean port of Puerto Cabezas (INEC 2005:65). Siuna and the towns of Rosita (46 kilometers to the east) and Bonanza (38 kilometers to the northeast) form the Mining Triangle zone of Nicaragua. In the late nineteenth century, gold was discovered in Siuna, an event that has shaped the town ever since. The history of Siuna is one of conflict as various actors competed to control the precious dirt beneath Siuna's hills.

Today, the gold mining has ended. The mineshaft has flooded with water. The company commissary has long burned down. Talk of gold riches no longer peppers the small talk of Siuna's residents, known as *Siuñenos*. Cattle ranching now dominates Siuna's economy, and the discussions in the market mostly concern the prices of milk and beef, not gold.

As they go about their daily business, most *Siuñenos* take no notice of the concrete ruins and the toxic lagoon in the middle of town that are relics of mining era. The significance of the ruins only emerged when I sought out the eldest *Siuñenos* in 2008 and 2009. They told stories of the people drawn to Siuna's gold, of entrepreneurial Chinese merchants, of Miskito workers who toiled in the mine's depth, and of a greedy American overseer said to have made a pact with the devil to become rich.

This document delves into the meaning of these ruins in Siuna, to explore the largely untold history of this colorful gold mining town. The history I present here is based on a review of the available literature, archival research, and interviews conducted with members of the Siuna community in 2008 and 2009.

Before the Gold

Isolated in northeast Nicaragua, Siuna had less early contact with colonialism than the more assessable Pacific and Caribbean coasts of Nicaragua. To the west, the Spanish established their colony in the Pacific region in the sixteenth century, but never gained a successful foothold in the northeast interior where Siuna is located (Bourgeois 1981:28; Perez-Brignoli 1989:37). To the east of Siuna on the Caribbean Coast, the British forged an alliance with the indigenous Miskito in the seventeenth century in order to challenge Spanish control of the isthmus (Hale 1994:38-39; Sollis 1989:483-484). With the support of their British patrons, the Miskito became an effective military force, raiding as far north as Trujillo, Honduras and as far south as Bocas del Toro, Panama. They fought off Spanish domination and supported the British by periodically attacking Spanish settlers and forts. The combined efforts of the Miskito and the British kept the Caribbean coast of

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Nicaragua largely independent from Pacific Nicaragua until 1894 (Bourgeois 1989:27; Hale 1994:39; Sollis 1989:484).

Although Siuna had little direct contact with the British or Spanish, the area was impacted by their presence on the coasts. Fierce Miskito attacks probably pushed a second indigenous group, the Mayangna, from the Caribbean Coast into the Siuna area (Hale 1994:38-39; Rinne 2006:137; Von Houwald 2003:84-88). The Mayangna people were the principle inhabitants of Siuna when mining operations began (Cunningham and Barbeyto 2001:45,50). Today, the Mayangna continue to speak their own languages and live in villages outside of Siuna as well as the other mining triangle towns of Rosita and Bonanza.

José Aramburó

Gold first attracted attention to Siuna around the turn of the twentieth century, an era of increasing U.S. ventures on the Nicaraguan Caribbean littoral in gold mining, logging, rubber, and banana plantations (Gismoudi and Mouat 2002:852; Hale 1994:39; Sollis 1989:485-486). A Basque, José Aramburó, is the first recorded Siuna miner (Garcia Izaguirre 1998:7; Scorey 1920:6).¹ Aramburó's company, Compañía Minera La Luz y Los Angeles began extraction of alluvial deposits and processing via gold-mercury amalgamation in 1897 (Scorey 1920:6). The first mill in Siuna used to crush ore for processing ran on steam power (Tonopah Mining Company Records 1938). It is said that during this period gold was so plentiful that nuggets could be found in Siuna's road drains after rainstorms.

According to Siuna legend, Aramburó began searching for gold after he witnessed an indigenous Mayangna using a golden bob to fish (Sister Maria del Rey 1968:18-19).² It is said that a Mayangna woman named Seuna revealed the location of Siuna's gold to Aramburó in exchange for the freedom of her husband imprisoned in the Caribbean town of Bluefields (Garcia Izaguirre 1998:5-6).³ After Aramburó took possession of Siuna's gold in 1897, it would remain in foreign hands until the Sandinista Revolution of 1979.

La Luz and Los Angeles Mining Company and President Zelaya

In 1905, a group of Pittsburgh capitalists purchased the gold mine from Aramburó (Scorey 1920:6).⁴ Shortly thereafter, Siuna was thrust into the center of Nicaraguan politics when President José Santos Zelaya moved to annul the mine's concession in 1909. Zelaya was increasingly hostile towards U.S. investment since Panama had been chosen over Nicaragua for the site of the transoceanic canal in 1903. Zelaya also became frustrated with U.S. businesses that sold goods imported duty-free for company use on the open market and failed to complete promised infrastructure projects, such as building railroad lines (Gismoudi and Mouat 2002:853- 859) For their part, U.S. companies in the Caribbean region of Nicaragua disliked Zelaya's tax increases and his monopolies on important supplies, such as meat and dynamite. American businessmen preferred the liberty with which they had operated before Zelaya. It was only in 1894 that Zelaya occupied Bluefields and overthrew the independent government of the Mosquito Reserve that had previously controlled Nicaragua's Caribbean region (Gismoudi and Mouat 2002:849-854; Hale 1994:41).

The Pittsburg group acted aggressively to protect their investment in Siuna from Zelaya's threat to annul the concession. In October 1909, the La Luz and Los Angeles Mining Company backed a rebellion against Zelaya. William Alder, a Company stockholder, sent a boat full of weapons from New Orleans to Bluefields to arm the rebellion. Adolfo Díaz, the Nicaraguan secretary for the Company, fundraised \$600,000 for the effort. Leonard Groce, the mine's American manager, even enlisted in the rebel forces. Groce was captured laying mines for Zelaya's boats on the San Juan River, which forms the border between Nicaragua and Costa Rica. Zelaya decided to execute Groce and a second American prisoner on November 16th, 1909 (Gismoudi and Mouat 2002: 866-867; Langley and Schoonover 1995: 82-88).

As Langley and Schoonover (1995:91-92) explain, Zelaya's execution of the Americans stirred up American public support for the rebellion and more American "soldiers of fortune" from New Orleans and the Panama Canal construction site flocked to the rebel ranks. On December 1st, 1909, Secretary of State Philander Knox struck the fatal blow to Zelaya's Government. In his famous "note" to Zelaya's Chargé d'Affaires in Washington, Knox severed diplomatic relations, calling Zelaya a "blot upon the history of Nicaragua" (Gismoudi and Mouat 2002:864; Nearing and Freeman 1925:153).

Knox's decision to end diplomatic relations with Nicaragua was not a capricious reaction to the execution of the two American rebels captured on the San Juan River, but a deliberate response to Zelaya's regional ambitions and, to some extent, lobbying by the La Luz and Los Angeles Mining Company. Zelaya's aspirations of reuniting Central America under his leadership and partnering with the Japanese or the British to build a Nicaraguan canal threatened the supremacy the U.S. enjoyed in Central America and the Caribbean in the wake of the Spanish-American War of 1898 (Walker 2003:18). In addition, lobbying from the La Luz and Los Angeles Mining Company on Knox influenced his choice to sever diplomatic relations. As Gismoudi and Mouat (2002) explain, Knox was a Pittsburg native and previously a corporate lawyer in the city. Henry Fletcher, who worked as a diplomat in Knox's State Department, was the brother of La Luz and Los Angeles's President, Gilmore Fletcher. Knox was clearly well acquainted with the Pittsburg owners of the mining company.⁵ Throughout 1909, the Pittsburg investors lobbied their ally in Washington, Secretary Knox, to protect their mining concession (Gismoudi and Mouat 2002:846-847, 863-867, 878). The influence of La Luz and Los Angeles on Knox's foreign policy in Nicaragua exemplifies the "dollar diplomacy" of Secretary Knox and President Taft, in which military action was considered justifiable to defend American business interests abroad.

Just days after Knox issued his note cutting off diplomatic relations with Nicaragua, Zelaya resigned the Presidency and appointed a supporter in his place. The United States soon forced Zelaya's designee out as well and ushered the leaders of the U.S. backed rebellion into power. Adolfo Díaz, La Luz and Los Angeles' secretary and a leader in the rebellion, became President of Nicaragua in May 1911 (Gismoudi and Mouat 2002:869-871; Langley and Schoonover 1995:112). President Díaz insured the foreign gold mining concession in Siuna remained valid, and he continued to receive \$100 a month salary from La Luz and Los Angeles while President (Gismoudi and Mouat 2002:874). His government also arranged a series of loans for the Nicaraguan government by American banks that gave the banks and the U.S. government control

over Nicaragua's finances, custom tax collection, and railroads (Nearing and Freeman 1925:162-165; Walker 2003:19).

Anger over the threat to Nicaraguan sovereignty from the growing American influence sparked a rebellion against President Díaz in July 1912. It was only with an American military intervention that Díaz managed to stay in power. In August 1912, American marines landed in Nicaragua and quickly put an end to the rebellion (Nearing and Freeman 1925:164). The United States continued to occupy Nicaragua until 1933 (with a brief hiatus of a few months in 1925). Protecting American banks and business was one aim of the occupation, but far more important was Nicaragua's strategic importance to the United States. A compliant Nicaragua was critical to maintaining American dominance in the region because of Nicaragua's proximity to the Panama Canal and because it was a site for a potential second canal (Walker 2003:20).

La Luz and Los Angeles Mining Company and General Sandino

With a cooperative government installed and protected by the American military, the La Luz and Los Angeles Mining Company continued its gold mining operations in Siuna. Although the political situation no longer immediately endangered the mine, the remoteness of the Siuna site continued to pose a challenge. The Company was forced to ship fuel and other supplies more than one hundred miles from the Caribbean Coast up the Prinzapolka River via riverboat (Gismoudi and Mouat 2002:859; Plecash and Hopper 1963:624; Scorey 1920). A 1920 report as well as accounts by elderly residents of Siuna state that the Company employed oxen as well as local women in hauling supplies from river docks at the villages of Wani and Amparo the five miles from the Prinzapolka River to the mine. Women are reported as carrying a burden of eighty pounds for only \$2.00 per ton-mile, suggesting the harsh working conditions under which the one-hundred or so employees worked at the time (New York Times 1928c; Scorey 1920).

Juan Blanco, a ninety-five year old retired miner and Siuna native, has memories of the 1920s mining period in Siuna. He remembers Adolfo Díaz visiting Siuna via riverboat from Bluefields to inspect the mines. He described Adolfo Díaz as a short, rotund, *bienvestido* [well-dressed] man who was the owner of three small mills in Siuna used to crush gold ore.⁶ Siuna, explained Blanco, was nothing more than a small mining camp macheted out of the jungle at this time.

In 1928, Siuna once again became a flashpoint in the tumultuous relationship between Nicaragua and the United States when Augusto C. Sandino sacked the mine. Sandino was leading a surprisingly successful guerrilla war to kick out the U.S. Marines who had occupied Nicaragua nearly continuously since 1912. Sandino was a nationalist whose principle grievance was that American occupation violated Nicaraguan sovereignty (Walker 2003:22). Sandino's guerrillas habitually targeted U.S.-owned corporations (Macaulay 1967:55,119,197-198) as they were symbolic of the imperialist American presence in Nicaragua. The La Luz and Los Angeles mine in Siuna was a particularly appealing target for Sandino, as he must have been aware of the Company's involvement in the 1909 overthrow of Zelaya (Gismondi and Mouat 2002: 845-846). Macaulay (1967:119) writes that "according to one of his admirers, Sandino was obsessed with the idea of ravaging these American mines, for he considered them a source of much of his country's troubles."

On the evening of April 12th 1928, Sandinista guerrillas unexpectedly arrived in Siuna. They immediately entered the Company mess hall, where they threw out the miners and ate their dinner (Denny 1928b; New York Times 1928c). The guerrillas proceeded to sack the Company and town, stealing gold, money, merchandise, and animals (New York Times 1928c). The raiders captured five foreign workers, and one died of malaria in captivity (New York Times 1928a). At least one Chinese merchant received a note from the Sandinista promising future reimbursement for confiscated wares. *The New York Times* reported in 1928 that such Sandinista promissory notes ordered U.S. President Calvin Coolidge, rather than the Sandinistas, to pay the bearers (Denny 1928c). The Chinese merchant in Siuna is said to have dutifully saved the promissory note. With the triumph of the modern Sandinistas a generation later in 1979, he hoped to finally be reimbursed for his 1928 goods, but he never received his money.

Before retreating into the jungle, Sandino spectacularly destroyed the processing mill using the Company's dynamite (Plecash and Hopper 1963:624). In 2009, Juan Blanco, the ninety-five year-old Siuna native, still remembered vividly this impressive explosion that scattered metal and flattened trees. A second long-time Siuna resident said she was told many years ago that the Company's cashier, Mr. Brown, hid nearby during the attack with Company cash, only to distribute the money later to Siuna's most indigent residents. This account is partly corroborated by a *New York Times* article reporting on the attack: "So great was the explosion at La Luz, which is in the Prinzapolka district, that trees more than a mile away were uprooted and felled, according to the cashier at the mine, a Mr. Brown. Brown, who had seen the rebels approaching, was hidden in the brush to await their departure when the terrific blast occurred" (New York Times 1928b). After destroying the mill, Sandino penned a letter on April 29th to the manager of La Luz and Los Angeles: "I have the honor to inform you that on this day your mine has been reduced to ashes by disposition of this command to make more tangible our protest against the warlike invasion that your Government has made in our territory without any right other than that of brute force" (Conrad 1980:192). The Manager of the mine discovered the letter in the ruins when he returned with a U.S. Marine Captain to survey the damage (Denny 1928c).

By all available accounts, the Sandinista raid inspired fear rather than nationalist pride among Siuna's residents. Juan Blanco recalls residents fleeing into the surrounding hills as the Sandinistas raided the town: "We couldn't sleep in our houses, we had to sleep in the hills. During the day in the houses, during the night in the hills." *The New York Times* also reports residents fleeing the guerilla attack (Denny 1928b, New York Times 1928b). Two additional raids in 1930 and 1931 by Sandino's general Pedro Altamirano, nicknamed Pedrón (Pedro the great) undoubtedly worsened the atmosphere of fear (Macaulay 1967:201,220; New York Times 1930). Pedrón is remembered as being particularly cruel. Macaulay (1967:129) writes that "just the sight of his dark hulking form was enough to inspire terror." Three *Siuñenos* recalled being told by now deceased relatives that Pedrón was no revolutionary, merely an "assassin." Indeed, Pedrón had been nothing more than a common outlaw before his close association with Sandino made him into something of a revolutionary (Macaulay 1967:128-129). In 1930, Pedrón chased the Siuna judge, Remigio Pinel Padilla, into hiding in the wilderness around La Cruz de Rio Grande. After evading Pedrón, Padilla returned to Siuna, only to suffer from a grave lung infection. He was reportedly cured by prayer in front of the

crucifix of Señor de Esquipulas, which Catholics in Siuna continue to venerate today (Jarquín and Altamirano 2003). Juan Blanco summarized succinctly that after Sandino, “the bandits came to kill and rob.”

According to La Luz and Los Angeles, Sandino cost the Company two million dollars of damage in his 1928 attack (Denny 1928a). The raid also occurred at an unfortunate time. By the time the war in Nicaragua was over, the world economy was in the midst of the Great Depression, which probably made financing the repairs more difficult. During the early 1930s, La Luz and Los Angeles Mining Company continued to control the mining operations, but production was at times suspended and otherwise operating at low capacity (New York Times 1936; Tonopah Mining Company Records 1938). Adolfo Díaz directed efforts by the company beginning in 1934 to restart profitable production, but to no apparent avail (MacLeod 1998). La Luz and Los Angeles was unable or uninterested in conducting further explorations to determine if more ore was extractable that might justify further infrastructure and equipment investments (Tonopah Mining Company Records 1938).

In 1936, Tonopah Mining Company of Nevada (headquartered in Philadelphia) and Ventures Limited of Toronto purchased a two-year option on the La Luz and Los Angeles property in Siuna (Tonopah Mining Company Records 1938). After investing in a two-year exploration project that indicated extensive profitable gold ores existed on the site, Tonopah and Ventures exercised their option and formed a new company in 1938 called La Luz Mines Limited to operate the mine in Siuna (Plecash and Hopper 1963:624; Tonopah Mining Company Records 1938). Ventures Limited controlled two thirds of the new company, and Tonopah Mining Company owned the remaining third (Tonopah Mining Company Records 1938).

La Luz Mines Limited and the Beginning of “Company Time”

Beginning in 1938, La Luz Mines Limited provided the needed capital to transform Siuna from an isolated mining camp into a full-fledged company town. The Company built an impressive infrastructure in order to mitigate the difficulties of operating a large gold mine in such a remote location. Juan Blanco, the ninety-five year-Siuna native, explained, “there was nothing here until the Canadian Company [La Luz Mines Limited] came. There were no electric lights, no planes, no cars.”

Among the Company’s most important infrastructure investments was a hydroelectric dam. Begun in 1939 and completed in 1942, the 22 meter Mistrook Dam on the Yy River provided electricity for the mining operation and the burgeoning town (Begochéa 1963:15; La Luz Mines Limited 1940).⁷ Hydroelectricity improved the profit margin of the Company, as it reduced the expense of transporting diesel fuel to Siuna to run the machines that crushed ore for processing (La Luz Mines Limited 1942:4).

In addition to the dam, the Company built an exclusive neighborhood to house the forty foreign managers of the mine, mostly Americans and Canadian (Tonopah Mining Company Records 1941). “The Zone” was situated on the tallest hill in Siuna and was strictly off limits to Nicaraguans, unless they were workers maintaining the grounds, performing housework, or acting as guards. The Zone included a golf course, tennis court, swimming pool, social club, and a private school for the children of the foreign employees. The best drinking water available was also pumped directly to the Zone, bypassing the Nicaraguan neighborhoods. The idea of an exclusive neighborhood for

foreign workers was not unique to Siuna, but a characteristic of many company towns in Nicaragua and across Central America. The nearby mining town of Bonanza also had its own Zone, likewise perched on a hillside as if to preside over the going-ons of the town below, and Bragman's Bluff Lumber Company in Puerto Cabezas also operated an exclusive zone for managers. (Pineda 2006:113-114). Bourgois (1989:4) describes a zone in a Costa Rican banana plantation that is similar to Siuna's: "In the center of the plantation, surrounded by tall fences and manicured hedges and lawns, is the luxurious housing complex reserved for the top echelons of management, called the White Zone. It includes an exclusive sporting complex known as the club, with a nine-hole golf course, a swimming pool, a bowling alley, a tennis court, and an air-conditioned bar and movie hall. For the vast majority of the plantation population access to the club and the White Zone is strictly forbidden."

I expected to find that *Siuñenos* resented the opulence and exclusivity of the Zone, but this was largely not the case. Most people I discussed the Zone with were more interested in describing its elegant features (beautiful orange trees, a gas-powered lawn mower, horses for riding) rather than portraying it as a symbol of segregation or the company's exploitation of Nicaraguan workers. Several people I spoke with were angered by the way the Zone fell into disrepair after the 1979 Sandinista Revolution, complaining that Sandinista bosses had robbed the place and did not maintain the buildings and grounds. To many elderly *Siuñenos* today, the Zone is a symbol of the lost prosperity of Company Time rather than a catalyst for class-consciousness. The perspectives of elderly *Siuñenos* on the Zone reflect the typical positive attitudes towards company time as a whole, attitudes that will be elaborated on below.

In 1941, the Company also extended the landing strip in Siuna to accommodate regular air service (La Luz Mines Limited 1941:9).⁸ There were still no roads to Siuna, so air service became the most important transportation link for Siuna. After the end of World War II, Taca Airlines purchased war surplus aircraft (including DC-3s, C-46s, and C-47s) to serve Siuna and other destinations on the Nicaraguan Caribbean Coast. Airstrips were also built at Mistrook, to serve the settlement at the hydroelectric dam, and at the Prinzapolka river port of Alamikamba, in order to facilitate the shipping of goods from the Caribbean to Siuna (Plecash and Hopper 1963:634). In the first two decades of its operations, La Luz Mines Limited transported an impressive amount of cargo to Siuna by air. From 1936 to 1956, 79,360 tons of cargo arrived in Siuna by air at an average cost of \$31.40 per ton (Plecash and Hopper 1963:635). Unlike today, working-class *Siuñenos* could afford to travel by air to Siuna during company time.

Air travel to Siuna was exotic enough to attract the attention of Hollywood. In 1946, a Paramount News crew traveled to Siuna and produced a two-minute newsreel entitled "A Town Survives By Jet Plane." The film shows a DC-3 bringing supplies to Siuna. The footage is accompanied by dramatic orchestral music, and the narrator explains that "deep in the heart of Nicaragua's dense mountainous interior, [is] the gold mining town of Siuna, a town that keeps going, amazingly enough, thanks to jet-equipped planes!"

The Company was encouraged to develop Siuna due to the favorable investment conditions and security provided by the Somoza dictatorship of Nicaragua. Anastasio Somoza, who came to power in Nicaragua after organizing the assassination of Sandino in 1934, was a strong American ally. He spoke English, was educated in the U.S., and

unequivocally supported U.S. foreign policy in Latin America and around the globe to win favor in Washington (Walker 2003:25-28). Around 1938, Somoza approved La Luz Mines to operate for thirty years with a low export duty of 1.5 percent (Plecash and Hopper 1963:625). Foreign companies favored by Somoza no longer had to fear the type of attacks they suffered from Sandino, as Somoza's loyal National Guard patrolled the country and protected the dictatorship. In Siuna, the Company apparently paid to maintain the National Guard garrison (Plecash and Hopper 1963:624,635; Walker 2003:26-27). The National Guard Captain in Siuna also padded his wallet by selling liquor licenses, marriage licenses, and collection various other fines and taxes (Sister Maria del Rey 1968:48-49). La Luz Mines 1942 Annual Report described the relationship between the Company and Somoza in glowing terms that suggest the importance of the dictatorship in assuring the profitable operations of the Company: "... your Directors take great pleasure in recording the mutually pleasant and cordial relations existing between your Company and the Government of Nicaragua and its highly esteemed and respected President, Don Anastasio Somoza" (La Luz Mines Limited 1942:3).

The extensive infrastructure development required lots of workers. By 1941, the Company employed more than 1,000 people including approximately 40 American and Canadian supervisors (La Luz Mines Limited 1941:11; Tonopah Mining Company Records 1941). The vast majority of the laborers in Siuna in the 1940s and 1950s migrated from other areas of Nicaragua. Few, if any, of the local Mayangna indigenous people worked for the mine, but it is unclear why. The few *Siñenos* I asked would shrug, simply saying the Mayangna were not interested in working for the Company.

Five of the six people I interviewed who arrived in Siuna before 1945 came from the banana town of La Cruz de Rio Grande, closer to the Caribbean coast. One man said me he walked fifteen days from La Cruz to Siuna as part of a caravan of forty families. The collapse of the banana plantations in La Cruz stimulated migration to Siuna.⁹ Those that immigrated to Siuna from La Cruz remembered a banana blight (probably the Panama disease) and a storm (probably a strong hurricane that hit the Caribbean Coast of Nicaragua on September 27th, 1941) as ruining the bananas in La Cruz (Cuéllar and Kandel 2007:5; La Luz Mines Limited 1940:5; Sumner 1941:265). Sollis (1989:490) writes that La Luz Mines preferred employing former banana workers because they were already accustomed to the demands of working for a company. Many of the workers coming from the failing banana plantations along the coast were indigenous Miskito (Adams 1981:59).

Many of the eldest Siuna residents in 2009 arrived in Siuna from other parts of Nicaragua shortly after World War II, suggesting a major jump in production and activity at the Company following the end of the War. I interviewed seven individuals who arrived in Siuna from 1945 to 1949. They came to Siuna from from Bluefields, Boaco, Chontales, Matagalpa, and Nueva Segovia.

El Pozo, The Underground Mine

In 1941 La Luz Mines Limited began building a mineshaft to extract underground gold ores in Siuna. Workers remember jobs in the mine as the most difficult, dangerous, and lucrative employment that the Company offered. Before the mine, production had concentrated on superficial, open-pit mining, but by 1954 the Company abandoned the open-pit mine completely and efforts were concentrated on the underground mine. The

mineshaft was dug in the center of Siuna and is still visible today, although it is now flooded (*see photo*). At the surface, the shaft is 17-feet wide and 12-feet long rectangle, reinforced by wood beams and concrete walls. Previously a 105-foot tower containing elevator equipment at the surface stood above the mine opening, but the tower collapsed in the 1990s. At multiple levels underground, various tunnels and shafts were also dug. By 1963, the mine was 1,710 feet deep. Miners ascended and descended into the mine by elevator, and ore was hauled to the surface in gigantic buckets to be milled in the surface processing plant. The mine required continuous pumping of water from the tunnels and shaft to prevent flooding, and a ventilation shaft and large fan blew fresh air from the surface into the mine. Electricity for pumping, as well as milling, was provided by the hydroelectric plant on the Yy river (Plecash and Hooper 1963:627-630).

The underground mine is the setting for some of Siuna's most colorful local lore. For example, in the *Canta Gallo* [Singing Rooster] mineshaft, miners supposedly heard and saw a rooster made of pure gold crowing during the middle of the night. The social club in the foreign workers' zone was named the *Canta Gallo* in honor of this myth.

I was also told stories about a Northamerican named John¹⁰ who worked as the manager of operations in the mine beginning in 1949. John was nicknamed by the workers *el tigre amarillo* [the yellow tiger] because he possessed what was referred to as an "imperative" personality. Eleven individuals I interviewed described *el tigre amarillo* as *mal creado* [bad-natured], while two others described him as a fair boss. Two former miners I spoke with claimed he had physically abused workers. One retired miner I interviewed told me straight out that he believed John had made a pact with the devil. He revealed this after having waxed on the fairness and generosity of other Northamericans he had worked for, making it clear his suspicions were specific only to John. This retired miner said that John would "give" the miners who died in accidents to the devil in exchange for the devil's help finding gold. John was happy when miners died because, the miner said, leaning in close to whisper in English, "where the dead man is, plenty gold." When I inquired, three other longtime *Siuñenos* confirmed that people believed John had made a pact with the devil.

Adams (1981:76-77) reports that a *Siuñeno* miner related a similar story to her of an American manager who made a pact with the devil. That account does not name John specifically, but it corresponds with the stories I heard about him in 2008 and 2009: "It got to the point that when men would die in mine accidents, the supervisor would say: 'good, good, good, now we're going to find more gold'" (Adams 1981:76).

Although I heard only the stories of the *Canta Gallo* and *el tigre amarillo*, it is possible that more elaborate supernatural beliefs about mining existed in Siuna. These beliefs may have been lost with time and the death of many of the miners, or *Siuñenos* today may have been reluctant to discuss such ideas because they might seem superstitious or naive in the contemporary context.

Nash (1979) and Taussig (1980) detail supernatural beliefs revolving around mining among Bolivian tin miners. Aspects of this belief system bear resemblance to the story of John's devil pact in Siuna. Bolivian miners offered sacrifices, such as a pair of llamas or liquor, to the masculine deity *Supay*. *Supay* is also called *él Tío* [the uncle] or the devil, and sometimes takes the form of a Northamerican manager who embodies danger, power and wealth. The sacrifices to *Supay* brought luck and protection in the

mines, and accidents or mining deaths were blamed on the failure to properly appease *Supay* (Nash 1979:122,156-157,164,191-194; Taussig 1980:143).

A lone miner desperate for money could also beg *Supay* for special help by offering liquor, cigarettes, coca leaves, and, ultimately, his own soul. The miner would become a “superman” capable of earning in one day what others made in two months: “Whoever plays with Tio becomes like a demon” (Nash 1979:192; Taussig 1980:145). The devil contract brought ephemeral riches, but ended in the miner’s death: “A contract with *Supay* brings luck and the chance windfall that might change one’s circumstances but inevitably causes death in a short time” (Nash 1979:123).

Taussig (1980) argues that the beliefs revolving around *Supay* represent the reaction of people living in a non-capitalist, peasant or subsistence economy to the introduction of capitalism. The new workers, Taussig believes, implicitly compare the two economic systems: “The peasant producer lives in a system that is aimed at the satisfaction of an array of qualitatively defined needs; contrarily, the capitalist and the capitalist system have the aim of limitless capital accumulation” (Taussig 1980:25). The comparison between the two systems informs the beliefs that associate the capitalist mining industry with evil and the devil: “From this concrete condition of critical comparison the devil-beliefs emerge, as the situation of wage labor in the plantations and mines is contrasted with the drastically different situation that obtains in the communities from which these new proletarians have come, into which they were born, and with which they still retain personal contact” (Taussig 1980:19).

Supay in Bolivia is similar to the devil beliefs reported in Siuna in important respects. In both cases the devil is associated with the capitalist mining industry and Northamerican overseers, and in both sacrifices to the devil were said to bring luck in mining.

A belief that the devil had a presence in the underground becomes understandable when considering the very real dangers of the mine. Retired miners described the Siuna mine as so hellishly hot in some places that work was only possible with large fans for ventilation. Many miners were injured or died in accidents involving falling rocks, poisonous underground gases, or dynamite. Production bonuses that encouraged miners to enter dynamited areas before gases and dust had cleared put workers at higher risk (Adams 1981:79). One former miner with an excellent memory¹¹ believed that 36 miners had died during his years in the mine from 1946 to 1968. This estimate is similar to the one a miner told Adams (1981:79) of approximately one death per year from 1938 to 1968. Relatives received a small indemnification if a family member was killed. *Siuñenos* said the Company, National Guard, or Somoza took the majority of the compensation for a dead miner, leaving the family with only a pittance. Not included in these death estimations are the many miners who became sick and died later from silicosis, caused by breathing in rock dust. The Company regularly X-rayed miners’ lungs in the Company-owned Hospital, and workers who developed silicosis were said to have been fired to avoid liability (Adams 1981:79). Many of the underground mine workers were Miskito and probably returned to their home villages to die after developing silicosis, making estimations of the number of dead from silicosis impossible (Adams 1981:79) Nearly every elderly *Siuñeno* I spoke with mentioned the silicosis deaths, indicating that the number of dead must have been significant. A common refrain among is that the Company left nothing behind for Nicaragua but a hole in the earth and a hole in the lungs.

Siuna Grows at mid-Century

In 1945, a primary school opened under the direction of American, Catholic, Maryknoll nuns. The school quickly became one of Siuna's most important institutions. The nuns educated a generation of *Siuñenos* before turning the school over to Nicaraguan management in 1965 (date unconfirmed). Maura Clarke, one of the Maryknoll nuns assassinated in El Salvador in 1980, was the director of the school for a time. In addition to the school, the nuns ran a health center (Sister Maria del Rey 1968:157). One *Siuñeno* who had attended the school claimed it was of higher quality than the schools available in Siuna today. Another graduate of the school said the nuns helped to "civilize" Siuna. Miskito, Creole, and mestizo children all attended the school. The nuns maintained a close relationship with the American and Canadian managers of the Company; the nuns were often invited to meals or parties hosted in "the Zone" (Sister Maria del Rey 1968:165). *Siuñenos* remember the Maryknoll School and the nuns fondly. Sister Maria del Rey's memoir of her time teaching at the school, *Prospero Strikes it Rich* is the most comprehensive account of Siuna during the company era.

During the 1950s, La Luz Mines Limited made another series of infrastructure investments aimed at reducing the high cost of transporting cargo in and out of Siuna. By 1956, the Company had built 46 miles of road from Siuna to Alamikamba, the river port on the Prinzapolka River. The following year the Company completed an additional 19 miles of road that connected the Siuna-Alamikamba road to Rosita (where the Company was planning to develop a copper mine), 22 miles from Alamikamba downstream to the second river port of Limbaika, and 17 additional miles of road around the Yy hydroelectric reservoir. Once the road to Limbaika was completed, the Company unloaded river cargo originating from the Caribbean at Limbaika rather than Alamikamba. Limbaika had the advantage of being navigable all year long, even during the dry season (Plecash and Hopper 1963:634). Sister Maria del Rey recalled a conversation with Company manager John Plecash¹² in which he describes the difficulty of these road building projects in the wet, tropical forest of Caribbean Nicaragua: "All the rain may be the farmer's delight but we roadbuilders take a dim view of it. We've made one hundred three miles of road here; it cost us a million dollars... roadmaking can't be a year-round job here. From June to January the rain stops us. That's when we struggle to maintain what's already built" (Sister Maria del Rey 1968:166).

Siuñenos who are old enough to remember remark that the dirt roads were in better condition during company time than they are today. The roads were maintained in order to reduce damage to its vehicles and expedite transportation. John Plecash, the Company manager, was infamous for being a stickler for road quality, complaining to the road crew stationed in El Empalme (midway between Siuna and Alamikamba) of even the smallest potholes.

In 1954 La Luz Mines Limited formed a wholly-owned subsidiary, Rosita Mines Limited, to operate the new copper mine at Rosita, located 46 kilometers from Siuna. The processing of the ore at Rosita required that large amounts of copper concentrate be shipped out of Nicaragua for final processing and extraction of the copper. To increase the efficiency of shipping the copper concentrate as well as the equipment needed for the new Rosita operation, the Company began construction on an ambitious ocean dock project on the Caribbean in 1957 named Puerto Isabel. From the ocean dock three miles south of the Prinzapolka River's mouth, supplies would be trucked on a three-mile road

to a smaller river dock on the Prinzapolka. From the river dock, barges propelled by tugs would carry cargo to Limbaika 65 miles upstream of the river's mouth and fifteen miles downstream of Alamikamba (Plecash and Hopper 1963:634,635).

Royal Netherlands Harbor Works completed Puerto Isabel on contract in 1959, the same year the new copper mine in Rosita began operations. The dock extended an impressive 2,800 feet into the Caribbean. With the construction of Puerto Isabel La Luz Mines Limited had developed an extensive private infrastructure in Eastern Nicaragua (Plecash and Hopper 1963:635,637). In addition to the Siuna gold mine and the new copper mine at Rosita, the Company controlled four air strips at Siuna, Rosita, Yy, and Alamikamba; a hydroelectric facility at Yy; two river docks at Alamikamba and Limbaika; and the new ocean dock at Puerto Isabel.

Siuna's ethnic communities

As has been mentioned above, the extensive operations of the Company required a large workforce, and employees hailed from many different communities and ethnicities. Once in Siuna, however, workers were divided into a few ethnic categories: the American and Canadian managers; Miskito indigenous laborers; Spanish-speaking *mestizos* (sometimes referred to as *españoles* or "the Spanish" by English and Creole speakers); English and English-Creole speaking Creoles or blacks that included all Afro-Caribbeans regardless of their nationality as Nicaraguans, Jamaican, or Cayman; and finally the Chinese who did not work for the mine but operated a group of successful stores and businesses in the La Luz neighborhood.

The Afro-Caribbeans held many of the most comfortable and skill-based jobs at the Company. This may seem counterintuitive considering the racism and segregation against African-Americans in the United States during the twentieth century, but the Company especially valued Creole workers for their ability to speak English. Creoles held most of the office jobs such as secretaries, assistants, and accountants.

The Spanish-speaking *mestizos* occupied jobs at all levels within the Company, from grunts in the depths of the mine to management positions. Like the Afro-Caribbeans, the *mestizos* who worked beside the Northamericans in higher-level positions remember the Northamerican managers as fair and willing to share their technical knowledge with their employees. Some of these friendships between Northamericans and *mestizos* ran deep. One Canadian manager of the auto shop helped his Nicaraguan assistant immigrate to the United States.

The Miskito tended to work the most dangerous, highest paying jobs as underground miners as opposed to the more comfortable but less lucrative jobs in other departments. Retired Company workers explained the disproportionate number of Miskito working in the mine by describing the Miskito as fearless, hardworking, eager for the bonuses available in the mine work, and easy to exploit because of their more limited fluency in English and Spanish. John Plecash, the Company manager, told the Maryknoll nun Maria del Rey in 1968, that the vast majority of underground mine workers were Miskito: "In the early days the *pozeros* [underground mine workers] were forty per cent Spanish, ten per cent Jamaican Negro and fifty per cent Miskito Indian. Now the Jamaicans are practically out of the 'hole,' the Spanish are only twenty per cent, and the Miskitos constitute eighty per cent" (Sister Maria del Rey 1968:169). Because so many Miskito worked in the mine, they surely suffered disproportionately in terms of

accidents and silicosis. In 2008 and 2009, I interviewed only a few retired Miskito miners because many had long ago returned to their villages on the Caribbean Coast, or perhaps perished from silicosis. These interviews occurred in Alamikamba and Limbaika. One Spanish-speaking miner I interviewed in Siuna was identified by others as being Miskito or from Miskito family, but the interviewer did not identify himself as such, perhaps fearing stigmatization.¹³

Employment at the mine was segregated with the Americans and Canadians in management, the Afro-Caribbeans below the Northamericans, the Miskitos at the bottom, and *mestizos* working at all levels below the Northamericans.

Unlike the other ethnicities, the Chinese did not work for the Company. They operated independent stores in the La Luz neighborhood. The Chinese community in eastern Nicaragua was based in Bluefields on the Caribbean Coast, where many Chinese apparently migrated from Panama and the Canal Zone. One elderly resident as well as MaryKnoll sister Maria del Rey remember Chinese merchants buying gold in exchange for goods such as food and clothing in the early days of Siuna: “On Luk Yong, seated on a rough stool just inside his doorway, would take a jeweler’s glass carefully out of his pocket, remove the old leather wrappings and adjust it deliberately in his eye... The glass, of course, detected flaws [in the gold]. The tiny scales he kept on his counter had Chinese figures... And Rodrigo would go back to the hut he shared with Ramon, delighted with the new shirt, the bag of black beans and the few pieces of money allotted to him” (Sister Maria del Rey 1968:20).

In addition to the occupational segregation at the Company, housing was also segregated in Siuna. Northamerican managers lived on the literal and figurative apex of town in the Zone, while Miskito lived in the Miskitotown neighborhood and Afro-Caribbeans in the Jamaicatown neighborhood. The Company owned much of the property and housing units in Siuna, and thus probably dictated the segregation by neighborhood. One *Siuñeno* suggested that the Company segregated ethnicities in order to stem labor organizing, but little is known about the Company’s motivations, if any, in separating ethnicities by neighborhood.

Part II coming sometime before June 2010, with more polished writing and more details for the whole history. Your comments and suggestions are welcome.

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Endnotes

¹ Scorey (1920:6) calls Aramburó, the first Siuna mine owner, Spanish, and Garcia Izaguirre (1998:7) calls him Basque. The Aramburó name is indeed of Basque origin, so I chose to refer to him as Basque.

² One elderly Siuna resident suggested that Aramburó first met “Seuna” in the village of Wani.

³ An alternative story suggests that the name Siuna originated from the Spanish word *suampo*, swamp (Garcia Izaguirre 1998:6).

⁴ There is confusion about the exact date of purchase of the La Luz y Los Angeles mine by the Pittsburg group. Scorey (1920:6) writes that the mine was purchased in July 1905 by a Pittsburgh group lead by Thomas B. Riter. In contrast, citing the archives of Adolfo Díaz, Gismondi and Mouat (2002:859) indicate that James Deitrick of Pittsburgh purchased the mine in 1904.

⁵ There has been speculation that Knox himself was a shareholder in La Luz and Los Angeles (cf. Macaulay 1967:119). However, in their exhaustive research on this incident Gismondi and Mouat (2002) found no evidence that Knox was a shareholder.

⁶ Díaz’s papers archived at Tulane University confirm Juan Blanco’s memory that Díaz owned mines in Siuna. He purchased the Potosí mine in 1914 and other concessions in 1930 (MacLeod 1998).

⁷ The Yy river is said to have been named by English speakers because there was a “y” fork in the river.

⁸ A smaller airstrip had previously been located in the Campo Viejo neighborhood of Siuna: “This field being limited to aircraft such as Ford trimotors and DC-3’s, it was later replaced with a much larger landing strip capable of accommodating aircraft such as the C-46. Up until the completion of the latter airfield, all heavy and bulky equipment was transported by river to Amparo, and thence overland to the property” (Plecash and Hopper 1963:634). Elderly Siuna residents believed a number of planes crashed on the old airstrip, which they say prompted the construction of the new airstrip. The new airstrip is still in use today.

⁹ An elderly, long-time resident of Alamikamba explained to me in May 2009 that Cuyamel and Standard Fruit Company had operated or purchased bananas in the La Cruz de Rio Grande de Matagalpa area. United Fruit Company purchased Cuyamel Fruit Company in 1929 (Kepner and Soothill 1935:131). United Fruit Company in Nicaragua was headquartered in Bluefields, and Standard Fruit Company in Nicaragua was headquartered in Puerto Cabezas (Pineda 2006:111,118).

¹⁰ A pseudonym.

¹¹ This retired miner recalled the exact date the hydroelectric dam on the Yy river had collapsed, August 12, 1968, exemplifying his excellent memory.

¹² In her account, Maria del Rey uses the pseudonym “Charles Judson” for John Plecash.