

413 - 17th Ave., East,
Regina, Sask.
S4N 0Y4
(306) 569-0743

I would
appreciate a
response.
Thank you
to Taylor

Copy Only

NR. 92/11624
A: 26 MAY 92
P.A.A. ARCHIVO
C.B.E.
M.T.O. EDEC I.R.A.

ite and protest the lending policies of the World
seems to be a never ending litany of economically,
socially and environmentally offensive projects that the Institutions are involved in, the latest
being the Bio-Bio dams in Chile.

I protest this disaster in the making in the strongest possible terms and demand that you vote
against any loans to this project until it will satisfy all Canadian Environmental Assessment and
Review Legislation. Why is it still necessary for me to write and protest, following the publication
and acceptance of the Brundtland Report. Surely the experts in your organization now know that mega
energy projects are the road to social, environmental and economic disaster. Just look at the
Canadian record. James Bay. Rafferty/Alameda. Oldman River. Darlington. And these are just the
recent ones. A good look at the Nelson, Churchill and Laird projects would just as easily prove my
point. And then there are hundreds of unsettled land claims.

It is long past the time for your Institution to start funding development that will satisfy the real
social and environmental needs of people so that all life, in all its wonderful diversity, continues.
If you don't then there will simply be no economy because, as your are aware, it is possible to have
sick people, and a sick economy in a healthy environment, but it is impossible to have a healthy
people and a healthy economy in a sick environment.

You and your Institutions have a choice. You can vote to fund projects that protect and enhance the
diversity of all life and therefore ensure a vibrant, growing and healthy environment that can
support a caring economy and that will guarantee our children, grand children and hoped for great
grand children a future. Or you can vote to continue to fund energy projects that are environmental,
social and economic disasters and thus ensure that we continue to destroy creation simply because
you have the power to do so.

I vote for my children, grandchildren and hoped for great grandchildren and the bio-diversity of our
earth. I hope you and your Institution will vote the same way, not just on this project, but on every
project that comes to you for funding. I would be happy indeed not to have to write a protest letter
to you and I'm sure you would be even happier not receiving them.

I look forward to a very positive reply.

Thank you.

Yours truly,

Allan S. Taylor

Taylor

Box 263,
Embros, Ont.
NOJ 1J0.
May 20, 1992.

President Patricio Aylwin,
Palacio de la Moneda,
Santiago, Chile,

Copies sent to

Ms. Gonzalez

Ms. Frank Potter

Ms. Don Mazankowski

Ms. Lewis Preston

Dear Ms. Aylwin

The Canadian public is quickly realizing that the World Bank considers no dam too big, too damaging, or too hated by local communities to fund. NOR does the Bank operate with the best information about the true costs of the project, which inevitably comes from the people most directly affected. These people, whether the Pehuenche people of Chile or the people of the countless other rivers irrevocably altered by World Bank projects, are systematically shut out of World Bank decisions. Victimizing one segment of the population with specious claims to the national interest does not constitute development and it must stop.

The Bio-Bio dams pose a threat to:

The cultural survival of the Pehuenche people; farmers; the unique and diverse river ecology; and the region's seismic stability.

It is important to immediately recognize and enforce the Pehuenche people's rights to determine the use of their ancestral lands.

All those affected have the right to a hearing, the right to sue, the right to protect their water, their land, their forest ecosystems from irresponsible and unjust expropriation, and to otherwise hold the proponents liable for their actions. There should be prompt disclosure of all relevant information (including technical and economic feasibility studies, environmental and social assessments for all six Bio-Bio dams) to any member of the public that requests such information. The studies should be conducted impartially, not by a group that has a vested or financial interest in the results of the project, e.g. the corporation building the dams. There should be an immediate halt to all work on the Bio-Bio dams and there should be compensation for all Bio-Bio residents whose land, forests and livestock have been destroyed by work to date.

How ironic that as Canadian taxpayers, we take out of one pocket money to finance World Bank projects which cause problems for people for whom the churches' mission programs require us to support with money from our other pocket.

What kind of officials administer an organization that displaces defenceless indigenous Third World people? It is a simple matter to play God for people if we aren't inconvenienced ourselves.

It is to be hoped that you reassess the situation and look at the projects with your heart and not through the corporations' pocketbooks.

Yours truly,

Mrs. Mona Pelton

World Bank Loan to Private Sector Spells Doom for Famed Chilean River, Pehuenche People

World Bank to Repeat Past Offenses

The World Bank seems set to repeat its sorry record of financing uneconomic, environmentally and socially disastrous dams, this time on Chile's spectacular Bio-Bio River, which is so rich with sensational gorges and towering waterfalls that many believe it is worthy of world heritage site status.

The World Bank's International Finance Corporation (IFC) is now considering a proposal from Pangué S.A., a subsidiary of Endesa, the private Chilean electric utility, for a loan of up to \$125 million to build Pangué, the first in a six-dam complex along the Bio-Bio. The IFC required Endesa to carry out an environmental assessment for Pangué alone, ignoring the five dams that would follow should Pangué be built. For its part, Endesa is keeping details of its proposal and its analysis out of the public spotlight, agreeing for public relations purposes to make its final environmental assessment report for Pangué available for public review, but refusing to let the affected communities see it except at the utility's offices in Santiago, 250 miles away. Even then, neither the communities nor Santiago-based environmentalists can make copies — making detailed review of the document impossible.

Endesa has also been keeping Bio-Bio residents in the dark, arranging meetings with them but revealing none of the implications of Bio-Bio hydroelectric development. And though Endesa knows that 1300 of Bio-Bio's native people and peasant farmers must be relocated if the dams are constructed, no program for doing so has been developed.

Destruction of the Pehuenche Way of Life

The forest ecosystem of the Alto Bio-Bio is the ancestral land and center of the spiritual life of the Pehuenche Indians, who named the river after the "bee-o bee-o" call of the *Elaenia* bird. While over a thousand people would be displaced to make way for the dams, the livelihoods of many more — including Chilean peasants who live and farm along the river bank — would be forever disrupted by road-building, excavation, the sudden influx of outside workers, and the logging and tourism expected to follow dam building. All 9000 Pehuenche living along the Bio-Bio would ultimately feel the negative effects of the dam projects.

As one Pehuenche woman put it to the *New York Times*, "the dams will be the end of Pehuenche life... Yes, we are poor, but we want to live as we have always lived, with the old customs of our ancestors. We want our children to speak our language. The dam will ruin that."

Environment Under Siege

The Bio-Bio River is located in the second most seismically active region in the world, after Japan. Experience with other large dam projects shows that the weight of water stored behind a dam can



induce seismic activity, causing damage to the dam structure, and possible catastrophic dam failure. Also threatening the integrity and stability of the Bio-Bio dams are two active volcanoes — Callaqui and Lonquimay — within steps of the proposed dam sites. Landslides and avalanches that could cause dam failure and catastrophic flooding would become a frightening possibility for downstream communities.

From its headwaters high in the Andes to its mouth at the major city of Concepcion on the Pacific coast, the Bio-Bio is also one of the few rivers to still flow unimpeded from its source to the sea. The intrusion of dams would threaten the rich biological diversity of the Alto Bio-Bio, home to many rare and endangered plant, animal, and fish species unique to the Bio-Bio environment. To optimize electrical output, engineers plan to trap 20% of the river's annual flow, also trapping the river's nutrients behind the dams, thus threatening the Tollo de agua dulce, Bagre, and Carmelita fish species which are unique to the Bio-Bio River. Artificial reservoirs would flood biologically diverse native and second-growth forests; disrupting the water flow would erode the river downstream.

Following the building of the dams, tourist development and increased logging would destroy the habitats of numerous plant species, including the ancient and vulnerable *Araucaria* forests, and numerous animal species, such as the Andean fox, the Andean condor, the Chilean pigeon, the puma and the slender-billed parakeet.

Local economies would also be undermined, as changes in the river's flow will diminish water supplies to downstream irrigators during periods of low flow, exacerbate downstream pollution problems, and reduce nutrient deposits in the Arauco Gulf, an important estuary and commercial fishery.