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May 20, 1992

President Patricio Aylwin
Palacio de la Moneda
Santiago, Chile

Señor Presidente, Ref. Proposed dams on the Bio-Bio River in Chile

It has come to my attention that the World Bank's International Finance Corp. (IFC) is considering a loan of up to \$125. million to Pangué S.A., a subsidiary of Endesa, for their proposal to build the first in a six-dam complex along the Bio-Bio River for hydro-electricity. Although Endesa was required by IFC to carry out an environmental assessment, this was done only for the first dam (Pangué Dam), while completely ignoring the remaining dams and their environmental impact.

Not only that, but Endesa has been keeping Bio-Bio residents in the dark as to the ramifications of this project. And although Endesa knows that 1300 of Bio-Bio's native people and peasant farmers must be re-located in the event the dams are constructed, no program for their resettlement has been developed.

As you know, the forest ecosystem of the Alto Bio-Bio is the ancestral land and center of the spiritual life of the Pehuenche Indians. Over a thousand people would be displaced to make way for the dams, but also many livelihoods, including Chilean peasants who live and farm along the river bank, would be forever disrupted by roadbuilding, excavation, etc. Not to mention the sudden influx of outside workers, as well as the logging and tourism expected to follow dam construction. All 9000 Pehuenche Indians living along the Bio-Bio would ultimately feel the negative effects of the dam projects.

And if all this is still not sufficient reason why this mega project should not be carried out, the fact that the Bio-Bio river is located in the second most seismically active region in the world (after Japan), as well as its vicinity to two active volcanoes should silence any persistent dam proponents for good.

In view of the severe threat the proposed dams pose to:

- a) the cultural survival of the Pehuenche people as well as the farmers;
- b) the unique and diverse river ecology, and
- c) the region's seismic stability,

I urge you, Señor Presidente, to consider the following:

1. Immediate recognition and enforcement of the Pehuenche people's rights to determine the use of their ancestral lands;
2. The right of all those affected to a hearing, to sue, to protect their land, their water and their forest ecosystems from irresponsible and unjust expropriation, and to otherwise hold the proponents liable for their actions;
3. 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;
4. A halt to all work on the Bio-Bio dams, and
5. Compensation for Bio-Bio residents whose land, forests and livestock have been destroyed by work to date.

Reciba, Señor Presidente, la expresión de mi más alta consideración.



Sra. Elly de Jongh

c.c.
Jaime Toha Gonzalez,
Ministro Presidente