

DEFEND CHILE'S ENVIRONMENT AND ECONOMY: REPEAL THE US-CHILE FREE TRADE AGREEMENT! CANCEL PASCUA LAMA AND THE PATAGONIA HYDROELECTRIC PROJECT!

Chilean President Sebastián Piñera is speaking today at the Council of the Americas, an association of corporations with a record of human rights and environmental abuses around the world that have joined together to push free trade policies that undermine legislation to protect workers and the environment. His talk is part of a series sponsored by corporations including Barrick Gold and Freeport-McMoRan two notorious mining companies with mining interests in Chile.



Pascua Lama Threatens Water

Chile's ecosystem relies upon the glaciers in the mountains melting down and flowing throughout the country. Many groups of people living in Chile also rely deeply upon these glacial rivers. The many unique animals, such as the world's smallest deer, the pudu, now listed as Vulnerable in the IUCN list of threatened species, depend upon this balance, and on the incredibly isolated ancient forest in and around the Andes that make up Chile. (8) Not for long, with the FTA.

Similarly, Chile's economy relies upon a tenuous balance between government and the private sector. With some of the only financial system controls of an OECD (Organisation for Economic Co-operation and Development) member, and requirements for investment that make only long-term, profitable investments worthwhile, Chile's economy is as unique as its fauna. And with exports that are 90% primary materials, with 60% of that focused on mined materials, in particular copper, Chile is, also, less uniquely, overly sensitive to the common shocks of the market, a problem encouraged by the US-Chile Free Trade Agreement.

Chapter 10 of the free trade agreement (FTA), contains NAFTA-like provisions which put both of these rare systems at risk. Chile voluntarily removed and/or reduced many of its highly successful duty drawback systems and several sectoral policies as an advance compliance measure with the FTA, because the Chilean government dubbed them "WTO-illegal export subsidies". Without these initiatives to expand industry, the Chilean economy runs the risk of becoming even more dramatically dependent on a few extractive industries, and so more sensitive to shocks.



NUEVAS EXIGENCIAS PARA BARRICK GOLD

Barrick Gold, a company known world-wide for their corrupt practices and promotion of the false image of social responsibility, is planning to construct one of the world's largest gold mines, the Pascua Lama Project, in the high Andes region bordering Chile and Argentina. This mine threatens the last unpolluted valley in all of Northern Chile and the water source for approximately 100,000 people. With a mass movement building against this mine in both Chile and Argentina, it is also one of the most hotly contested mines in all of South America.

The proposed mine is located within the UNESCO-protected San Guillermo wilderness and is home to unique and widely biodiverse species ranging from llamas to mountain lions to lichens, and harbors the glacier systems which produce the water vital for the agricultural provinces below.

Additionally, Pascua Lama is opposed by the Diaguita Huascoaltinos Indigenous and Agricultural community, who claim the mining area as part of their traditional lands. Since mining exploration initiated, fences have been erected to stop the Diaguita from using their traditional lands for grazing, and they have been forced to sue the Chilean State in the OAS to demand that their rights be respected. Said one woman from a group of 250 indigenous families that inhabit "the last unpolluted valley of northern Chile" to Barrick Gold, "We do not need your money, and we are not seeking compensation. We just want you to leave our lands and allow us to live in peace." State-investor provisions of the free trade agreement FTA, Barrick Gold Corporation may be in a better



WE ARE GATHERED HERE TODAY TO UNITE IN HOLY PILLAGE THIS TOWER OF GREED AND THESE THREE VIRGIN GLACIERS. IF ANY ONE OBJECTS LET THEM NOW SPEAK OR FOREVER HOLD THEIR PEACE

position to attack the Chilean government and ignore the wishes of the people in the area, and sue for the right to mine areas that whole communities rely on to be clean.

Just last year, Argentinian President Cristina Fernández Kirchner vetoed a law – passed by a strong majority – that would protect the glaciers in Argentina. “It’s difficult to understand what happened. The scientific community doesn’t want to slow economic development, but rather preserve freshwater sources in a region where the provinces rely on those reserves for consumption and irrigation,” said Ricardo Villalba, a member of the 2007 Nobel Peace Prize-winning Intergovernmental Panel on Climate Change (IPCC) and director of the Argentine government’s institute for snow and glacier research, IANIGLA..

Barrick’s Pascua Lama mine has been singled out as the mining project that could have been threatened by this glacier law, and critics point out that Barrick Gold was a major funder of Cristina Fernández’ presidential campaign. The mine’s exploration phase alone has already been linked to a 56-70% depletion of three glaciers near the mine, according to a report by Chile’s General Water Directorship.



Patagonia at Risk from Hydroelectric Project



40% of Chile’s electricity is produced by hydroelectric dams. Endesa and Colbun, two electric companies, formed a joint venture called HidroAysen to develop hydroelectric dams. This venture proposes to build 5 dams on the Baker River and Pascua River. “The HidroAysén project is opposed by the Natural Resources Defense Council (NRDC), Ecosistemas, the Citizen Coalition for Aysen Life Reserve, and Chilean celebrities. The opposition argues the project would be environmentally devastating, lead to more destructive projects, ruin pristine ecosystems, and that alternatives such as conservation policies remain to be instituted.” If the project is not stopped, the dams will flood thousands of acres of pristine ecosystem and wildlife habitat. In addition, a proposed transmission line needed to carry electricity from the dams would be one of the longest in the world, extending more than 1,400 miles and cutting through national parks, reserves and wildlife sanctuaries.

This problem will grow as more and more foreign investors look to make a profit off of this expanding, dangerous, industry. While Chile is shifting towards less environmentally damaging energy resources, the energy demands of mining projects are driving this potentially devastating project.

Chile’s forests are among the rarest biomes in the world (.2% of the world’s forests are similar to Chile’s), and are home to 5,000 year old Monkey Puzzle Trees. (3) New gateways for foreign investment in logging and the planting of non-native trees may throw this delicate area of the world more out of balance. Arauco and CMPC are two companies that have been having a negative impact on this environment, which are owned by two larger companies that are funding the Patagonia dam project..

According to Aaron Sanger, of ForestEthics, the free trade agreement exacerbates “environmental and social problems in Chile by boosting the revenue, and therefore the influence, of companies such as Arauco and CMPC--without requiring any new enviro/social safeguards and even lowering some existing safeguards..”

Privatization Limiting Water Access

Elements of Chile’s economy are often referred to as the “Chilean Model” by advocates of free market neoliberal economic policies, including policies to privatize water resources. The president, investors, the Ministry of Public Works, and the Water Cadastre all work together to ensure investment in the Chilean water system. Unfortunately, for Chileans, this has meant a decrease in availability of water, with price increases of anywhere between 41% to 240% between the years 1986-2000. In 2005, a reform bill called the Water Code Reform was passed that was intended to deal with the many social and environmental problems resulting from this privatization of water. The Major changes were: “1) Giving the President authority to exclude water resources from economic competition in cases where necessary to protect the public interest. 2) Obliging the General Directorate of Water Resources (DGA) to consider environmental aspects in the process of establishing new water rights, especially in terms of determining ecological water flows and protecting sustainable aquifer management. 3) Charging a license fee for unused water rights and limiting requests for water use rights to genuine needs, as a deterrent against hoarding and speculation.” This problem is exacerbated by the FTA.

What You Can Do:

- Call, fax, or email your Senators and House Representative and urge them to introduce legislation to repeal the US-Chile Free Trade Agreement. You can look up their names and contact information at <http://contactingthecongress.org>
- Write to President Sebastián Piñera and Minister of the Environment Marcela Castaneda. Urge them to cancel Pascua Lama and the Patagonia hydroelectric project. Write care of Ambassador Arturo Fernandois, Embassy of Chile in the US, 1732 Massachusetts Ave. N.W., Washington, DC 20036 US Fax:(202) 887 5579