

The Ecologist

November/December 1995

**CAMPAIGNS
& UPDATES**

RTZ Finances Mine Expansion in West Papua

Britain's Rio Tinto Zinc (RTZ), the world's largest mining company, has refused to stop co-financing a multi-million dollar expansion of the notorious Grasberg gold and copper mine in the highlands of West Papua (Indonesian Irian Jaya), despite stinging criticism of the project from a top US government agency.

The mine is centred on the world's largest gold deposit and third largest copper deposit. It is controlled by the US company Freeport-McMoRan Copper and Gold, in which RTZ has a 11.8% share. RTZ is providing up to \$750 million to explore an additional 2.6 million hectares of land belonging to the Amungme, Dani, Komoro and Ekari peoples, who have received derisory compensation for the loss of their land.

In October 1995, the US Overseas Private Investment Corporation (OPIC) — a government agency which provides insurance to US companies investing overseas against currency inconvertibility, expropriation and political unrest — withdrew \$100 million of political risk insurance for the project because of the mine's devastating environmental impact. MIGA, the investment guarantee arm of the World Bank, may follow suit.

OPIC has charged Freeport-McMoRan with "continuing material breaches of [its] duties . . . to ensure that overseas investment projects do not pose unreasonable or major environmental hazards or cause the degradation of tropical forest in developing countries."

In particular, says OPIC, the company breached its original contract by increasing ore production from an agreed maximum of 52,000 tonnes a day to 100,000 a day. OPIC condemned "the massive deposition" of mine tailings in the Ajkwe and Minajeri Rivers which had "severely degraded the rainforests surrounding them" and overwhelmed the capacity of these rivers to wash away the effluent. Some 110,000 tonnes of industrial waste are al-

lowed to be dumped each day into these rivers, a level which would not be permitted in the US. OPIC notes "numerous other unreasonable or major environmental, health or safety hazards."

Over the past decades, the mine has gouged a huge crater out of one of the mountains considered by the Amungme to be the home of their ancestral spirit. The area is under military occupation, and protests by the Amungme, Dani, Komoro and Ekari peoples living under the shadow of the mine have been met with severe repression. Even the Indonesian Government's own National Human Rights Commission has admitted that 16 Amungme have been murdered, and that another 4 have "disappeared". Australian Government reports put the numbers killed since mid-1984 at 22. The Indonesian military and Freeport security guards have been blamed for the attacks.

RTZ, however, claims the mine benefits local people, even though less than 150 out of the 7,500 company employees are West Papuans.

Local and international NGOs are demanding:

- A full, official public inquiry into the killings, and the torture and arbitrary imprisonment of local people;
- That the area around the mine be demilitarized;
- That current operations and further investment in Freeport's West Papuan operations should cease until human rights violations end;
- That the Indonesian government and Freeport-McMoRan unequivocally respect the land rights and wishes of the local Amungme, Koromo and other peoples;
- That the company release the results of two environmental and social audits which it has recently commissioned and permit local people and NGOs to set up a

permanent, independent monitoring system at the mine site and along local rivers.

Partizans, the dissident RTZ shareholder organization set up 18 years ago, has called on RTZ to use its influence with Freeport-McMoRan as the company's largest single shareholder to secure an immediate halt to all mining in West Papua until a fully independent environmental and social impact study has been carried out.

WRITE TO: Robert Wilson, Chief Executive, RTZ Corporation Plc, 6 St James's Square, London SW1Y 4LD, UK; President Suharto, President Republic of Indonesia, Istana Negara, Jalan, Veteran, Jakarta, INDONESIA; James Moffett, Chair, Freeport-McMoRan Inc., 1615 Pydras Street, LA 70012, USA.

CONTACT: Partizans, 218 Liverpool Road, London N1 1LE, UK, Tel/Fax: +44 (0)171-700 6189; Survival International, Survival International, 11-15 Emerald Street, London WC1N 3QL, UK. Tel: +44 (0)171-242 1441; Fax: +44 (0)171-242 1771.

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The Ecologist

CAMPAIGNS & UPDATES

Send news, campaigns and updates for inclusion in Campaigns & Updates to: The Ecologist (Campaigns), Agriculture House, Bath Road, Sturminster Newton, Dorset DT10 1DU, UK, E-mail: ecologist@gn.apc.org, Fax: +44- (0)1258 473748.

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Indigenous Groups Lobby Bakun Funders

Prospective British investors in the Bakun hydroelectric project in Sarawak were met by indigenous protesters from long-house communities when they visited the proposed dam site in November 1995. Ekran Berhad, the private company developing the dam on the Balui river, had invited the investors who manage substantial institutional funds. The trip was arranged by the Malaysia-based stockbroking firm Smith Zain, whose director is Joe Zabidi, a nephew of the Malaysian Prime Minister.

The fund managers refused to meet with local people but were handed a letter from them condemning the Bakun project. If built, the dam would require the eviction and resettlement of some 9,000 Kenyah, Kayan, Lahanan, Penan and Ukit peoples. An area of tropical rainforest the size of Singapore is being cleared before being flooded for the dam's reservoir.

The letter given to the visitors stated: "We, the people of upriver Sungai Rejang do not want to be resettled... Should the Bakun project go ahead, we, the poor people of Bakun, who make up the majority of the community, will die with this our ancestral land."

Finance for the dam is being sought through the Bakun Hydroelectric Corporation Sdn. Bhd., in which Ekran have a 20% stake. Investors are proving wary, however; indeed, the economic viability of the project is being increasingly questioned. Prospective investors are worried that Ekran has overestimated the dam's electricity output, thus exaggerating its financial rates of return. The company has claimed an output of 18,000 gigawatt

hours (GWh), which would require the dam to operate at 86% per cent of its capacity — an unprecedented rate of efficiency. The company's German consultants, Lahmeyer International, now claim an "annual average production" of 16,784 GWh — a figure still contested as unrealistic.

Further uncertainties concern the viability of the 650-kilometre-long underwater cable intended to carry the electricity from Sarawak to peninsular Malaysia. Some experts predict that transmission losses will be four times higher than Ekran claims. There are also doubts as to whether Malaysia will need the power generated by the Bakun dam.

Despite the lack of finance, Ekran has already awarded some construction contracts. Work on a tunnel to divert the Balui river has begun and is expected to be completed in mid-1997. The contractor is Dong-Ah Construction Industrial Co. of Korea. Contracts for the main construction work are expected to be awarded in mid-1996.

Over 10,000 hectares of forest are to be cleared by Pacific Chemicals, whose executive chair, Tan Sri Ting Pek Khing, is also executive chair of Ekran. In June 1995, demonstrators representing 26 Malaysian NGOs disrupted Pacific Chemicals' shareholders' meeting. They submitted a memorandum urging the company to behave in "an honest and responsible way".

CONTACT: The Ecologist, Bath Road, Sturminster Newton, Dorset DT10 1DU, UK. Fax: +44 (0)1258 473748, E-mail: <ecologist@gn.apc.org>; Sahabat Alam Malaysia, 19 Jalan Kelawai, 10250 Penang, MALAYSIA

Three Gorges Dam

Human rights and environmental groups are urging the US Export-Import Bank not to lend \$500 million to three US companies to finance their sales for the Three Gorges dam on the Yangtze river in China.

Voith Hydro hopes to win a contract for five 700MW turbines; Caterpillar wants to sell its tractors; and Rotec is looking to sell equipment to transport concrete.

The project has been severely criticized worldwide for economic, environmental, social and human rights reasons; high technical and political risks are also involved. In early November, Chinese officials acknowledged a 16-fold increase in the cost of the dam to an estimated \$75 billion. The World Bank is opposed to the project because it "would not be an economically viable proposition".

Engineering studies show that the Yangtze is so laden with sediment that the turbines would have to be shut down in 10 years time.

Some 1.3 million people would be displaced by the dam. Chinese security forces are expecting civil unrest and are preparing "to meet the combat-readiness needs of all units in the Three Gorges area" and to "uphold the policy of speed and severity in striking timely blows at crimes and criminals that sabotage Three Gorges construction and relocation". Some 179 people have already been arrested; some have been sentenced to between two and 20 years in prison for opposing the project.

According to author Dai Qing who was jailed for publishing her critique of the project, Three Gorges "has become the focal point of a high level power play [in the Chinese Communist Party], comparable to the struggle over how to handle the... 1989 massacre in Tiananmen Square".

Canada's Export Development Agency signed a \$12.5 million contract to support Canadian-based Monenco Agra industries provide computer systems to map the resettlement, with a potential \$17.5 million further contract for follow-up work. On 23 November, Probe International held a rally in Ontario in protest at Canadian government support for the project.

CONTACT: Probe International, 225 Brunswick Avenue, Toronto, Ontario, CANADA M5S 2M6. Fax: +1 (416) 978 3824; E-mail: <eprobe@web.apc.org>

Cement Fixers

In October 1995, the UK Department of the Environment revealed the membership of its committee which determines pollution limits for the cement industry.

It includes representatives of the British Cement Association, the British Association of Cement Manufacturers, British Pre-Cast Concrete Federation, ARC Southern, Castle Cement, Pioneer Aggregates and the British Ready Mixed Concrete Association (see article pp.232-237 this issue)

Mac-Blo Dropped

In November 1995, the *New York Times* announced that it will not renew its contract at the end of the year with MacMillan Bloedel, a major logger in the Canadian Clayquot Sound.

Environmentalists have criticized MacMillan Bloedel and International Forest Products, the two companies logging in the Sound, for failing to implement adequately the British Columbia government's ban on "conventional clearcutting" (CAMPAIGNS, July/August 1995)

EU Pushes Foreign Investment Treaty

The European Union is pushing the World Trade Organization (the body set up to police the latest GATT rules for international trade) to establish a multi-lateral treaty on foreign investments. A statement signed by over 30 international NGOs has been sent to the WTO, demanding that the EU proposals are rejected and maintaining that the WTO is not the appropriate forum for discussions on investment policy.

Under present GATT rules, the WTO can intervene in a country's restriction on foreign investment only where national controls on foreign investment are considered to distort trade. The EU proposals would require governments to remove all regulations that control foreign investment, regardless of whether such regulations constitute a trade barrier or not.

In some countries, foreign companies are not at present allowed to operate in certain sectors, for example, banking, insurance and telecommunications. In sectors where they are allowed, foreign companies have to apply for permission to set up; approval often comes with conditions. Many developing countries have policies that favour the growth of local companies.

If the EU proposals are accepted, the sovereign right of a country to regulate the entry, conditions, behaviour and operations of foreign companies wishing to set up in the country would be stripped away. Foreign companies would have the right to enter any country that is a signatory to GATT and to be treated no differently from local companies.

"If the proposed treaty is accepted, then the already inadequate regulations most countries have on foreign investment will be compulsorily removed," argues Third World Network.

Third World Network warns that the EU proposals could lead to the closure of many local firms and farms, increased unemployment and the substantial buying of land and property by foreign investors. It would also exacerbate the balance of payments difficulties faced by many countries, particularly in the South, since profits would be likely to be repatriated.

CONTACT Third World Network, 228 Macalister Road, 10400 Penang, MALAYISA. Fax: +60-4-226 4505; E-mail: <twon@igc.apc.org>

Kentucky Fried Chicken Protests in India

The Government of India raised permitted levels of the flavour enhancer monosodium glutamate (MSG) in December 1995. The decision came after a Bangalore court closed a Kentucky Fried Chicken outlet because its food exceeded the legal limits for the additive. Used in a wide range of fast foods, MSG is associated with behavioural disorders, such as hyperactivity, and has induced severe brain damage in rats. Unborn children are at particular risk since MSG concentrates in the placenta.

The Government fears that the Bangalore court's decision will deter further investment in India by foreign-owned food processing companies and fast food chains such as McDonalds, which plans to open the first of 60 outlets in 1996.

A broad-based campaign has developed against Kentucky Fried Chicken comprising health activists opposed to the entry of "junk food chains" into India, farmers' groups and animal rights' groups opposed to factory farming, environmental groups, and those opposed to the entry of TNCs in India's food sector. The campaign pressured the Delhi government to close KFC's first outlet in the capital.

Citizens' groups plan to contest the decision to raise permitted levels of MSG and continue to protest on other grounds as well.

WRITE TO: Prime Minister Narsima Rao, Fax: +91 1 301 9817; Minister of Food Processing, K.P. Singh Deo, Fax: +91 1 371 3030.

CONTACT: Research Foundation for Science Technology and natural Resource policy, A-60 Hauz Khas, New Delhi-110 016, INDIA.

Roadstone Quarry Shut Down

Environmentalists brought the Whatley limestone quarry in the Mendip Hills of Somerset to a standstill on 4 December 1995 in protest at a proposed 35-hectare expansion to the existing 70-hectare site. The quarry, one of Europe's largest, is owned by Amey Roadstone Corporation (ARC), part of the Hanson conglomerate.

The planning application is being opposed by local and city councils. Expansion would threaten a 6,000 year-old wood, while quarrying below the water table will affect the water supply. Said John Preedy who lives next to the quarry, "We decry people who cut down the rain forests, robbing us of animal and plant beauty. Yet the quarry owners are doing the very same thing to the Mendip hills, woodlands and hedgerows."

Whatley quarry supplies some 14,000 tonnes of stone for roads every day. ARC supplied stone to build the roads through Twyford Down and Solsbury Hill. Because new roadstone costs only £2 to £3 per tonne, road repair and building materials are rarely reused: it is cheaper to landfill old stone and buy in new. Preventing the expansion of the quarry should make stone recycling more economically viable and reduce landfill.

CONTACT: Hills Not Holes, c/o South Somerset EF! 31 Hamdon Close, Stoke-Sub-Hamdon, Somerset TA14 6QN, Tel: 01935 825074.

The UK Government cut its roadbuilding budget by £34 billion — one third — in November 1995. Some 77 road schemes were totally scrapped and over 100 put on hold, scaled down or de-prioritized.

Also abandoned in November was a "relief motorway" for the M62 motorway — an 11-mile six-lane stretch to run parallel to the existing eight-lane motorway.

The Government also announced five more privately-funded Design, Build, Finance, Operate (DBFO) roads worth £3,500 million, construction of which would start in 1997-98. The private contractor is paid for each vehicle on the road and thus has an interest in generating traffic.

Work on five publicly-funded roads is due to start by April 1996, including the A34 Newbury Bypass, the M66 on the eastern edge of Greater Manchester and the M11 Link in London. Protesters are camped at all of these sites — on the ground, in tree houses or underground in tunnels. The Newbury Bypass is now estimated to cost £3,100 million instead of £366 million.

CONTACT: Road Alert! PO Box 5544, Newbury, Berkshire RG14 5FB, UK. Tel: +44 (0)1635 521770; Fax: +44 (0)1635 521 6601; E-mail: <roadalert@gn.apc.org>

No M66 Campaign, The Woods, Lumb Lane, Droylesden, Tameside, Greater Manchester;

No M11 Campaign, The Wanstead Environmental Centre, 1 High Street, Wanstead, London E11 2AA.

Ecuador Oil Workers on Hunger Strike

Ecuadorean oil workers have gone on hunger strike because of Government plans to expand the trans-Ecuadorean oil pipeline to exploit the remaining oil reserves in the country. The workers say the expansion will cause ecological damage and violate human rights.

The Ecuadorean Government justifies the expansion of the pipeline, which it hopes will attract new international oil companies, as a means of paying-off its high external debt. The new pipeline and exploration sites will affect indigenous territories, many of which are located in the last primary rainforest of the Amazon and are among the world's richest areas in terms of biodiversity.

The Amazonia for Life Campaign is opposing the pipeline's expansion because it will require new roads which will undoubtedly cause:

- changes in the sustainable lifestyle of Amazon cultures;
- deforestation and further colonization;
- destruction and poisoning of rivers, lakes and lagoons, many of which are sacred;
- a loss of biodiversity, as thousands of unclassified species of plants and animals disappear.

CONTACT Acción Ecológica, Lerida 380 y Poncevedra, Casilla 17-15-246-C, Quito, ECUADOR. E-mail: <verde@acecol.ec>

Oregon Forest Arrests Exceed 200

Protests and arrests have escalated in the US Pacific Northwest ancient forest area (*The Ecologist*, July/August 1994) since President Bill Clinton signed a bill in September 1995 exempting national forests in the area from all environmental laws for 18 months, thereby clearing the way for extensive clearcutting.

Those arrested include children and the elderly, a former Congressman, a local church minister and a television journalist. One protester has been on hunger strike outside the courthouse in Eugene, Oregon since early October to oppose the "Logging Without Laws".

WRITE TO: Protesters have asked supporters to contact the US embassy in their country concerning the Salvage Logging Rider or to write to President Bill Clinton, The White House, 1600 Pennsylvania Avenue, Washington, DC 20500, USA.

Oncomouse Patent

After a three-day public hearing on the 1992 oncomouse patent over 21-23 November 1995, the panel of the European Patent Office (EPO) failed to reach a decision on whether or not to revoke the patent granted to Harvard University which has licensed DuPont. The patent extends to all non-human mammals engineered to develop cancer, not just mice.

Upon abandoning the hearing, the panel stated it would convey its decision in writing at some unspecified future date.

Polish Forest Still Threatened

Despite international recognition as Europe's last area of primeval lowland temperate forest, Bialowieza is still being logged.

Home to a rich diversity of flora and fauna including bison, lynx and wolf, the forest holds mature oak and lime stands much sought after as prime timber. Representatives of Polish scientific bodies and NGOs recently signed and sent a platform to the Polish government, demanding National Park protection for the whole of the forest. Some 200,000 members of the Polish general public recently signed a petition for the forest.

The Bialowieza forest covers an area of some 1,500 square kilometres; approximately 580 square kilometres are in Poland and 900 square kilometres in Belorussia. The Belorussian side is a national park, but only 47 square kilometres are protected on the Polish side.

In addition, some 1,600 tonnes of chlorine, 80,000 tonnes of ammonia 160,000 tonnes of liquid propane and other hazardous chemicals and gases are transported by rail each year through the forest from Belarus to Poland.

WRITE TO: Prime Minister, Urząd Rady Ministrów, al. Ujazdowskie 1-3, 00 902 Warsaw, POLAND.

CONTACT: EYFA/ASEED, PO Box 94115, 1090 GC Amsterdam, THE NETHERLANDS. Fax: +31 (0)20 692 8757, E-mail: <eyfa@antenna.nl>

IN BRIEF ●●●●●●●●●●

● NARMADA SUPREME COURT CASE

In December 1995 after six days of hearings, the Supreme Court in India adjourned the case filed by the Narmada Bachao Andolan (NBA) in May 1995 until January 1996. The NBA's comprehensive case challenges the Sardar Sarovar Project over relocation and resettlement, environmental impacts, lack of studies and plans, and economic and financial non-viability.

● INDIA FIGHTS COLONIALISM (1700-1947)

The London Development Education Centre has published an educational pack describing the participation of peasant movements, women's groups and tribal organizations in India's Independence struggle. Packed with photographs, the booklet looks at key events through dates, battles, places, poetry, plays and testimonies.

CONTACT: LONDEC, Instrument House, 207-215 King's Cross Road, London WC1X 89DB, UK. Tel: 0171-713 7907. Price: £6.50 (incl. p&p)

● GOODBYE MR CHIPS?

On 11 December 1995, the McLibel trial ran into its 199th day, becoming the longest civil trial in British history. The case is expected to run until summer 1996. At the outset in June 1994, McDonald's expected the trial to last 3-4 weeks.

McDonald's has sent more than 1,000 free educational packs to schools to assist in teaching maths, geography and English. Examples include: Add up a collection of baskets of fries; Do you know where in England McDonald's restaurants are? Identify words like Chicken McNuggets and Happy Meals.

● BHOPAL REMEMBERED

On 3 December 1995, the anniversary of the Bhopal disaster, people marched through the streets in mock funeral processions, carrying photos of Union Carbide's former chief Warren Anderson, and burned effigies of Union Carbide officials.

● RIVER USK SAVED

In September 1995, the UK government rejected proposals to dam the river Usk in Wales, the largest tidal valley in England and Wales which supports rare and threatened fish species.