

Ecuador: Occidental Signs Unconscionable and Fraudulent Agreements in the Amazon

US-based transnational OCCIDENTAL is currently negotiating with Indigenous communities in Ecuadorian Amazonia, offering little more than twentieth century trinkets—chainsaws, medicine chests, and rain-coats—in exchange for undefined access to Indigenous territory for “petroleum activities.” OCCIDENTAL is one of the world’s largest oil companies, currently operating in over eleven different countries outside the US, and extracting over 200,000 barrels of crude per day. Indigenous communities have been pressured to sign completely inadequate agreements, in the presence of the military—agreements which oblige the communities to allow the companies to carry out undefined petroleum exploration and extraction activities for undefined periods of time.

Occidental has used various forms of coercion to secure agreements with the leaders of the Indigenous communities. Leaders of the Secoya report that prior to negotiations, the legal representative of Occidental threatened to bring the military to the community. Occidental’s legal representative also told Secoya community leaders that “they did not want to see anyone else at the discussions.” Such statements amount to coercion and directly violate the Secoya people’s right to independent consultation.

In one instance, Occidental brought a draft agreement to the negotiations and was very reluctant to include any of the proposals made by the community. In the end, only a vague reference to the possibility of temporary employment was included. In previous discussions, Occidental had told the community that the company only wanted permission to do seismic testing. However, the agreement signed permits Occidental to carry out any form of “petroleum activity.” A Secoya leader later realized that the granting of permission for “petroleum activities” was a mistake, and asked Occidental to change the agreement.

Occidental also reportedly told Secoya leaders that the company could not pay in advance because they didn’t have the money. To explain this situation, the company used the analogy that “a farmer cannot pay the rent for the land until he’s harvested all the corn.” The company also told the Secoya leaders that if they did not grant permission, the Ecuadorian government could expropriate the land and the community could lose its territory.

Occidental operates in an area of over 200,000 hectares called Block 15. This block includes a part of the Limoncocha Biological Reserve, a protected area, and part of the Secoya, Siona, and Quichua Indigenous territory. Occidental signed an agreement with the Ecuadorian government that grants the company extraction rights for 20 years. Using Occidental’s own estimates of the existing reserves, the entire production of Block 15 will supply the equivalent of US oil consumption for just 12.7 days.

Information from: Carlos Sergio Figueiredo Tautz

Write letters to the directors of occidental corporation denouncing the immoral and illegal way in which they are carrying out negotiations. demand that they suspend negotiations and conduct all future negotiations ethically and legally: Ray R. Irani, President and Chief Executive Officer, Occidental Petroleum, 10889 Wilshire Boulevard, Los Angeles, CA, 90024-4201; Mastonn Cunningham, Occidental Exploration and Production Co., Av. Amazonas 3837 y Corea, Casilla 17-15-0095-C, Quito, Ecuador

Chile: South and North American Indigenous Peoples to Protest Chilean Dam Project

An historic meeting of Indigenous peoples from North and South America has been scheduled to coincide with the annual meeting of the world’s largest association of dam construction and hydroelectric technology companies. At issue is the planned construction by ENDESA, Chile’s largest private company, of Ralco Dam, the second in a series of six dams planned for the Biobío River, ancestral Andean homeland of the Pehuenche Indians

The Indigenous delegation will begin its activities in Chile on October 9 in Santiago, culminating in a demonstration at the annual meeting of the International Consortium on Large Dams (ICOLD) in Santiago on October 16.

Despite the fact that 100 Pehuenche Indian families, Chile’s most traditional Indigenous group would have their villages flooded by the project, no relocation plan was included in ENDESA’s environmental impact statement, which was submitted in April to Chilean environmental authorities. The Pehuenche say they are determined to exercise their rights guaranteed under Chilean law to remain on their ancestral lands, and have called for support from North American Indigenous people, many of whom have personally experienced the impacts of large dams.

Nine native peoples from the North will be making the trip to meet the Pehuenche, and to participate in political discussions, spiritual ceremonies, and public demonstrations. The delegation includes prominent leaders from diverse Indigenous communities and nationally-based Native American organizations.

Ralco would be a 155 meter-high dam with a 3,400 hectare reservoir. The dam would generate 570 Megawatts of electricity at a cost of \$500 million. The dam would also flood over 70 km of the river valley, inundating the richly diverse forest and its wildlife, and leaving downstream portions of the river dry for months at a time, devastating fish stocks. The first dam on the Biobío, called Pangue, was constructed after the International Finance Corporation (IFC) of the World Bank assured investors that it would be the only dam built on the river. In response to a complaint by the Pehuenche and Chilean environmentalists, the World Bank has now initiated a formal inquiry into irregularities in the Pangue loan.

Environmental groups and Chilean Energy Commission officials have questioned the need for construction of Ralco,