

SUMO & MISKITO TIMBER GIVEN TO TAIWAN COMPANY

(Nicaragua) An agreement of economic cooperation was made between the Chamorro government and the Taiwanese government where Taiwan has pledged \$100 million to cover part of the arrears payments on Nicaragua's foreign debt - plus an unknown amount of aid to the Ortega army.

Shortly after, Pedro Joaquin Chamorro, son of President Chamorro, and present Ambassador to Taiwan, brought Fernando Chan, the front man for the Taiwanese firm Equipe Enterprise, Ltd., to General Humberto Ortega to seek a logging concession. Ironically, Chan, a Nicaraguan, was reportedly the business advisor for the late Hope Somoza, wife of the former dictator Anastasio Somoza, and for their son Tachito.

Equipe Enterprise solicited a renewable 20-year forestry concession for the exploitation of 470,000 hectares of tropical forest in northeastern Nicaragua. It is 1,814 square miles, an area about the size of the state of Delaware. They will be cutting approximately five trees per hectare per year.

Under this agreement, 200,000 hectares of forest will feed a pulp paper mill and 270,000 hectares of forest will feed a plywood and lumber mill, both to be installed by Equipe Enterprise. The Taiwanese also requested exoneration from taxes and rights to the acquisition of infrastructure at discounted prices.

On the evening of August 5, 1991, before departing for Taiwan, and after being authorized by Antonio Lacayo, Minister of the Presidency, Mr. Patricio Jerez, Vice-Minister of IRENA (the natural resources department), signed an exploitation contract with Equipe Nicaragua, S.A. President Chamorro's government continues to deny that such a contract was signed.

Local communities and those in charge of regional planning were not consulted. Although most of the 470,000 hectares belong to the state, they include some of the traditional territories of the Sumo and Miskito Indians.

A concession of this type ignores the rights of the indigenous communities to use and enjoy their natural resources and to participate in the decision-making, increases the commu-

nities' social problems and destroys the ecological system, the rivers, the soil, the wild animals and their historically natural habitat.

Both the Sumo and Miskito communities have strongly opposed this concession and have stated that this project will further endanger their homeland, making their survival even more difficult. Sumo leaders have written a letter asking the international community to help them protect the forest.

The authorities of the Autonomous Region of the North Atlantic have filed a protest claiming the concession violates their rights as established in the Law of Autonomy and the Constitution.

They demanded the "immediate suspension of all action in this case, full disclosure of the details of the contract, and the establishment of a national law regulating the use of natural resources before any concession is put into effect." They have further stated, "A failure to comply with these demands will force us to exert our rights to defend our patrimony."

Please write letters of concern to President Violeta Chamorro, Antonio Lacayo and General Humberto Ortega c/o the Nicaraguan Embassy, 1627 New Hampshire Avenue NW, Washington DC 20009 and send a fax to Jaime Incer, Minister of Natural Resources in Nicaragua, (IRENA) at 5052-31274.

