



MiningWatch Canada

Mines Alerte

Suite 508, 250 City Centre Avenue, Ottawa, Ontario, Canada K1R 6K7
tel. (613) 569-3439 — fax: (613) 569-5138 — info@miningwatch.ca — www.miningwatch.ca

Victim or Villain? Canadian Mining Investment in South-east Ecuador Exacerbates Divisions, Conflicts

July 18, 2007

Whether Canadian mining companies are deliberately or inadvertently involved or implicated in human rights abuses and manipulation of local organisations in Ecuador, they are benefiting from a situation of conflict, uncertainty, and governance problems, and exacerbating that situation with their very presence.

Pressing forward with mining projects without being able to verify that suitable conditions for investment exist is irresponsible and will only lead to further conflict and violence. Disgracefully, the Canadian government is actively supporting increased investment with no serious regard for human rights and environmental concerns.

In recent years there has been a huge influx of Canadian mineral exploration in southern Ecuador.

Companies including Aurelian Resources Inc., IAMGOLD Inc., and Corriente Resources Inc. have discovered sizeable reserves of gold and other metals, and have collected millions of dollars on the stock markets.¹ Some of this money has been spent on exploration and investment in infrastructure and community development projects, but it has also paid for public relations, web sites, and executives' salaries.

This frenzy of activity has created or exacerbated tensions and conflict within and between Indigenous and non-Indigenous communities in the affected area as supporters of mining development – whether paid by the companies or genuinely hopeful that mining will somehow

¹ Other companies active in the region in 2006 included Ascendant Copper Corp., Channel Resources Ltd., Coastport Capital Inc., Cornerstone Capital Resources Inc., Dynasty Metals and Mining Inc., Goldmarca Ltd., IAMGOLD Inc., International Minerals Corp., Largo Resources Ltd., Lateegra Gold Corp., Nortec Ventures Ltd., Odin Mining and Exploration Ltd., Oromonte Resources Inc., Plexmar Resources Inc., and Skeena Resources Ltd. Of these Aurelian, Corriente, Dynasty, Goldmarca, Lateegra, Oromonte, and Plexmar have properties in the conflict-ridden south-eastern Zamora Chinchipe and Morona Santiago provinces. Canaccord Adams Equity Research report #2006-145 “Metals and Mining -- Precious Metals and Minerals -- Ecuador: A South American Frontier” July 27, 2006.

bring social development with it – clash with people concerned about its serious environmental, economic, social, and cultural impacts.

Extractive Industries and the Ecuadorian State

The Ecuadorian government has long seen mining as a potential source of revenue to complement oil and gas extraction, and has historically tried to facilitate mining development through favourable legislation and concession processes.

On March 2, 2007, a complaint was brought before the Inter-American Commission on Human Rights, which explained: “the exploitation of natural resources, principally petroleum and more recently of minerals and metals, has constituted the economic and social development paradigm of Ecuador since the 1960s.”²

According to a 2006 research report by Canaccord Adams, “Southern Ecuador has rapidly become an attractive choice for mineral exploration/development companies.” When the mining code was re-written in 2000 (with assistance from the World Bank), royalties on production were eliminated, a single permitting process for exploration and exploitation was introduced, concessions were extended to 30 years and automatically renewable for another 30 years, and permission for 100% foreign ownership in mining properties was introduced.³

According to the Quito-based environmental group *Acción Ecológica*, 20% of the country has been concessioned to mining companies, totalling 5,629,751 hectares and including protected areas.⁴

President Rafael Correa, sworn in on January 15th, 2007, has made contradictory statements on mining, on the one hand trying to respond to strong and broadly-based concerns about the effects of the presence and activities of mining companies, and on the other hand trying to assuage mining companies and reassure them that their investments are safe and their potential profits will not be interfered with.

Critics have decried the Ecuadorian government’s lack of capacity to manage mining development, pointing to the social chaos and environmental contamination caused by oil and gas activities and persistent allegations against the government for failing to maintain human rights protections or to properly control the army and police.

Environmentalists and human rights defenders as well as peasant farmers and indigenous people have been subject to assaults and defamation with apparent impunity for the perpetrators, who range from private individuals and paramilitaries to members of the military or police.

The aforementioned 2007 complaint to the Inter-American Commission on Human Rights named both Ascendant Copper and Corriente Resources as being implicated in abuses within their

² *Informe sobre la Situación de las Personas y Pueblos Afectados por las Actividades Mineras y Petroleras en el Ecuador*, Presentado a la Comisión Interamericana de Derechos Humanos, 127º Periodo Ordinario de Sesiones, 02 de marzo de 2007.

³ Canaccord Adams Equity Research (2006, July 27). *Metals and Mining -- Precious Metals and Minerals -- Ecuador: A South American Frontier*. Report #2006-145.

⁴ Acción Ecológica (2005). *Conflictos y Resistencia Frente a la Actividad Minera*. Retrieved July 13, 2007 from <http://www.accionecologica.org/webae/images/2005/mineria/documentos/intro.pdf>.

concession areas.⁵ The same report implicates various US oil companies in serious human rights and environmental abuses in Ecuador.

In 1998, Ecuador ratified the International Labour Organization's Convention 169 on Indigenous and Tribal People, which requires that the government consult with Indigenous people before industrial development takes place on their land.

As well, Article 88 of the constitution guarantees the right of citizens and communities to be consulted before the state takes any decision that may negatively affect the environment.⁶

South East Ecuador and Shuar Organizations

In total, the Shuar people number about 110,000, and their territory comprises approximately one million hectares, in the eastern provinces of Napo, Pastaza, Morona Santiago, Zamora Chinchipe and Sucumbíos.⁷ There are a variety of Shuar organizations. The four largest organizations are:

- the Interprovincial Federation of Shuar Centres (FICSH), the largest organization, representing 490 *centros* (centres or villages);
- the Independent Federation of the Ecuadorian Shuar People (FIPSE), representing approximately 7,000 Shuar whose traditional territory covers 184,000 hectares and represents 47 *centros*;⁸
- the Shuar Organization of Ecuador (OSHE), which represents 40 *centros*; and
- the Shuar Federation of Zamora Chinchipe (FSZCH), which represents 18 *centros*.⁹

Of the groups mentioned above, FICSH and FIPSE make up part of the Confederation of Indigenous Nationalities of the Ecuadorian Amazon (CONFENIAE), an umbrella organization which represents nine indigenous groups in the Amazon: Quichua, Shuar, Achuar, Huaorani, Siona, Secoya, Shiwiari, Záparo, and Cofán.

CONFENIAE is one of three regional organizations of indigenous people, which together make up the Confederation of Indigenous Nations of Ecuador (CONAIE), the national indigenous

⁵ CDES, CEDHU, DECOIN, Acción Ecológica (2007. March 2). *Informe sobre la Situación de las Personas y Pueblos Afectados por las Actividades Mineras y Petroleras en el Ecuador*, Presentado a la Comisión Interamericana de Derechos Humanos, 127º Periodo Ordinario de Sesiones, 02 de marzo de 2007.

⁶ Mychalejko, C. (2007. May 15). *La Resistencia Contra Ascendant Copper Corporación en Ecuador*. Retrieved July 13, 2007 from <http://upsidedownworld.org/main/content/view/289/81/>

⁷ CODENPE (2003). *Nacionalidad Indígena Shuar*. Gobierno del Ecuador. Retrieved July 12, 2007 from <http://www.codenpe.gov.ec/shuar.htm>.

⁸ Australia Indigenous Law Reporter (2001. November 14). *Representation alleging non-observance by Ecuador of the Indigenous and Tribal Peoples Convention, 1989 (No 169), made under article 24 of the ILO Constitution by the Confederación Ecuatoriana de Organizaciones Sindicales Libres (CEOSL)*. AustLII. Retrieved July 11, 2007 from <http://www.austlii.edu.au/au/journals/AILR/2002/22.html>

⁹ Traa-Valarezo, X. (1999. November). *Ecuador: Programa de Agua y Saneamiento para Comunidades Rurales y Pequeños Municipios*. Banco Mundial. Retrieved July 11, 2007 from [http://wbln0018.worldbank.org/Caribbean%20CMU/CaribbeanCMUOL.nsf/2b820ea8475d09518525678300554757/19a7945a9f6e52048525689d0055bbb1/\\$FILE/Ecu-praguas.doc](http://wbln0018.worldbank.org/Caribbean%20CMU/CaribbeanCMUOL.nsf/2b820ea8475d09518525678300554757/19a7945a9f6e52048525689d0055bbb1/$FILE/Ecu-praguas.doc)

organization. The president of CONFENIAE is Domingo Raúl Ankuash Chayuk, who is a Shuar.¹⁰

CONAIE in turn forms part of the Coordination of Indigenous Organizations of the Amazon Basin (COICA), which represents nine organizations from the nine countries that share the Amazon basin.¹¹

Oil Concerns and Popular Resistance in South East Ecuador

It is impossible to evaluate the effects of the entry of Canadian mining companies in Ecuador, more particularly in Amazonia, without understanding the behavioural precedent for transnational corporations that has been set by North American oil firms. The following is by no means a complete summary, but it aims to explain the ongoing conflicts and the precedent for the division of Shuar organizations due to US oil companies.

In 1998, Arco Oriente Inc. (subsidiary of Atlantic Richfield Company, USA) was granted a concession known as Block 24 allowing it to exploit oil in an expanse of 500,000 acres, most of which is on Shuar and Achuar homelands.¹²

Independent journalist Leo B. Gorman noted that “no indigenous stakeholders were consulted or even informed about the agreement [between the government and Arco].” Gorman quotes Tito Puanchir, then president of the FIPSE as saying “They hadn’t made (the contract) known to us. We learned about it unofficially.”¹³

Tamara Jelic and Chris Jochnick, writing for the New York-based Carnegie Council, note that “in reaction to the news of Arco’s license, the three governing federations of the Shuar and Achuar people – FIPSE (Shuar), FICSH (Shuar), and FINAE (Achuar) – called for special assemblies and pronounced their unconditional opposition to oil development on their lands. FIPSE resolved to prohibit any individual or community negotiations with the company.”¹⁴

Regarding Arco’s reaction to pronouncements by FIPSE, FICSH and FINAE, it is worth quoting Jelic and Jochnick at length:

Arco deployed divisive strategies to enter Shuar territory. It flew into several isolated base communities with offerings of health centers, work, potable water, and free flights. The company also met with Shuar individuals, the governor of a neighboring province, and members of the armed forces in attempts to gain access to Shuar territory. It succeeded in convincing leaders

¹⁰ CONFENIAE (2007. January 31). *RESOLUCIONES: CONGRESO EXTRAORDINARIO DE LA CONFENIAE*. Retrieved July 12, 2007 from http://www.coica.org/sp/noticias/no_070131.html

¹¹ AIDSESP, Perú; APA, Guyana; CIDOB, Bolivia; COIAB, Brazil; CONFENIAE, Ecuador; CONIVE, Venezuela; FOAG, French Guiana; OIS, Suriname; and OPIAC, Colombia.

¹² On April 17, 2000, Arco sold its assets to Burlington Resources (now part of Conoco Phillips, USA).

¹³ Gorman, L. (2002. April 11). “Ecuadorian Shuar and Achuar Indians Say “NO” to Burlington Oil Company”. *Touchstone*. Retrieved July 11 from <http://www.rtis.com/reg/bcs/pol/touchstone/sum02/04.HTM>

¹⁴ Jelic, T., Jochnick, C. (2000. April 6). “The Meaning of a Legal Victory in the Ecuadorian Amazon”. *Carnegie Council*. Retrieved July 11, 2007 from http://www.cceia.org/resources/publications/dialogue/2_02/articles/616.html

of three FIPSE subgroups to sign a contract authorizing the company to enter their territory in exchange for \$3,000 for each subgroup.¹⁵

According to the Australia Indigenous Law Reporter, “These negotiations created tensions within the FIPSE. The ‘divide and conquer’ policy is widely used by oil companies in Ecuador, saving time and money for the oil companies, and weakening the unity and political capacity of the Indigenous organisations to administer their lands.”¹⁶

A court case followed, and “on September 8 [2001], a civil court judge ruled that Arco had violated the Shuar people’s rights to organizational integrity and ordered the company to refrain from negotiating with FIPSE members or communities without the authorization of the FIPSE General Assembly.”¹⁷

Since the court ruling, internal divisions in Shuar organizations for the benefit of transnational corporations have continued, however the tactic seems to have shifted – out of legal necessity – to creating higher level divisions in indigenous organizations.

In February of 2006, CONAIE announced in a press release that “[Oil and mining companies] are seeking to weaken, divide and destroy the organizations of the Amazonian Nationalities, because we refuse to accept their activities in our territory. With the complicity of corrupt leaders like Enrique Cunambi, José Aviles, Miguel Puwanchir and an entire mafia financed by these companies, they seek to invade and destroy our territories.”¹⁸

Despite well-financed attempts to create division in indigenous organizations, and the difficulties that Indigenous peoples have experienced in trying to reign in corrupt and power hungry leaders, the unity and strength of the grassroots membership has held back extractive industries. “After eight years, millions in lost investment, and oil drilling activities at a stand still, the position of the Shuar, Achuar, and Kichwa remains as it was the day the blocks were auctioned off---no to logging, mining, and oil extraction on their lands.”¹⁹

Corriente Resources and the Mirador Mine: New Company on the Block

In South-east Ecuador, the discovery of what may be one of the world’s largest unexploited copper-gold deposits along the Condor Cordillera eventually led to the presence of two Canadian companies in the region, Corriente Resources and Aurelian Resources.²⁰

¹⁵ *ibid.*

¹⁶ Australia Indigenous Law Reporter (2001. November 14). “Representation alleging non-observance by Ecuador of the Indigenous and Tribal Peoples Convention, 1989 (No 169), made under article 24 of the ILO Constitution by the Confederación Ecuatoriana de Organizaciones Sindicales Libres (CEOSL)”. *AustLII*. Retrieved July 11, 2007 from <http://www.austlii.edu.au/au/journals/AILR/2002/22.html>

¹⁷ *ibid.*

¹⁸ CONAIE. (2006. February 3). *Las compañías petroleras atacan a la FICSH para invadir sus territorios*. Retrieved July 12, 2007 from http://www.conaie.org/es/di_co_noticias/nn060203.html

¹⁹ AmazonWatch (2006). *ConocoPhillips Oil Projects vs. Indigenous Communities in the Amazon: Block 24 -- The Southern Ecuadorian Amazon*. Retrieved July 11, 2007 from http://www.amazonwatch.org/amazon/EC/burling/index.php?page_number=2

²⁰ CCDHAL (2007. Mars) *Le cas de Shuar en Équateur : Non aux minières, oui à la vie*. Retrieved July 13 from <http://www.ccdhal.koumbit.org/spip.php?article219>

The Mirador Mine, which Corriente is hoping to develop in Zamora Chinchipe is its flagship property, a copper/gold/silver project comprising 6 concessions covering 13,640 hectares.²¹

There has been strong and organized opposition to the Mirador project, which intensified greatly in the fall and winter of 2006, and which remains highly mobilized to this day.

Ongoing protests in the neighbouring province of Morona Santiago resulted in the issuance of a Presidential Decree on November 12, 2006, demanding an immediate suspension of mining concessions and the development of hydroelectric projects in the province. Central to the protests was the struggle against the *Hidroabanico* dam, which is projected to supply energy to Corriente Resources and other transnational companies.²² Corriente Resources also has two large concessions in Morona Santiago.²³

On October 20, 2006, over 500 residents of the town of El Pangui in Zamora Chinchipe met to oppose the mining project being proposed by Ecuacorriente (Corriente Resources' wholly-owned subsidiary in Ecuador). César Padilla, who attended the meeting, explains that

“the firm has managed to break the will of some local leaders of indigenous communities under the discourse of ‘mutual benefits,’ some of whom have decided to support the company and its project. This group of local leaders is small and is bitterly opposed and denounced by the rest of the population of the province, including leaders of the Shuar communities of the region.”²⁴

A further popular assembly in El Pangui was organized on December 1, 2006. In attendance were Salvador Quishpe, the elected member of congress for Zamora Chinchipe, and José Paqui, governor of Zamora Chinchipe, and a handful of mayors. The popular assembly decided to move towards Tundayme to make their demands to Corriente Resources, principally to demand that the “exit of all workers and employees” from the area.²⁵

On December 2, 2006, a peaceful march was held in the province of Zamora Chinchipe and the canton of Gualaquiza, in the province of Morona Santiago, against the activities of Corriente Resources. Although the march was peaceful and included elders, the military blocked a bridge leading to the Corriente base camp and there were physical clashes.

Congressman Salvador Quishpe was abducted, along with a number of other demonstrators, and brought into the military base. Kelly Patterson, in The Ottawa Citizen, quotes Mr. Quishpe as saying “[the military] bound my hands and feet and ... wrapped my whole head, even my nose and mouth, in packing tape... I was dying.”²⁶

²¹ Infomine. (2007). *Mirador: Project Summary*. Retrieved July 13, 2007 from <http://www.infomine.com/companies-properties/infodbweb/ChargePropertyReport.asp?SearchID=28205>

²² Equipo de Reflexión Pastoral Limón-Nunkui-Cenepa (2006. September 25). *Jimbitono, una pequeña comunidad ecuatoriana, en lucha contra una hidroeléctrica privada*. Retrieved July 13, 2007 from <http://www.llacta.org/organiz/coms/2006/com0467.htm>.

²³ Patterson, K (2007. January 18). “Canadian CEO denies abuses at mine protest”. *Ottawa Citizen*. Retrieved July 13, 2007 from <http://lists.miningwatch.ca/pipermail/news/2007-January/001092.html>

²⁴ Padilla, César (2006, November 2). *Conflicts Over Canadian Mining Firm Ecuacorrientes in Zamora, Ecuador*. Retrieved July 13, 2007 from <http://miningwatch.ca/index.php?/Corriente/Zamora>

²⁵ Coordinadora Campesina Popular de Morona Santiago (2007. December 2). *Boletín de prensa*. Retrieved July 13, 2007 from <http://www.llacta.org/organiz/coms/2006/com0591.htm>

²⁶ Patterson, K (2007. January 18). “Canadian CEO denies abuses at mine protest”. *Ottawa Citizen*. Retrieved July 13, 2007 from <http://lists.miningwatch.ca/pipermail/news/2007-January/001092.html>

Also on December 2nd, according to the Human Rights Observatory of Ecuador (CEDHU) “A still undetermined number of *campesinos* and indigenous people, including women, were victims of repression with tear gas, firearms, physical aggression and illegal detentions.”²⁷

According to the March, 2007 complaint to the Inter-American Commission on Human Rights, these acts of repression were carried out by the armed forces working in tandem with private security agents hired by Corriente Resources.²⁸

This is consistent with the findings of the Ecuador Mission of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people, Rodolfo Stavenhagen, who found that in 2006, “The use of elements of the armed forces to secure the interests of oil, mining and logging companies operating in indigenous territories has triggered various abuses and complaints, and led to numerous incidents with the indigenous population, who complain of the militarization of their communal areas.”²⁹

Following the events of December 2, 2006, Corriente Resources had its permit for the Mirador project suspended by the Ecuadorian government.

In January, 2007, a national group was formed, the National Coordinating Committee in Defence of Life and Sovereignty. Jennifer Moore, a writer based in Quito, notes that according to one activist:

“There’s an effort to minimize participation in our movement, to say that there are only a few hundred people in opposition and that in reality the rest of the population is in favour of these mining projects.” However, says [Lina] Solano, the reality is otherwise. “In all this time that [the Co-ordinating Committee] has been organizing since the 26th of January of this year, there are thousands of people mobilizing, as much women, men, elderly, children and youth -- whole families in fact -- that are demonstrating in defence of our water more than anything, since this is the resource that is most put at risk by large-scale metal extraction.”³⁰

On June 5th, unsatisfied with government reactions to their demands, leaders called for an indefinite uprising against metal mining.

Blockades were erected on June 26, blocking three major arteries near Cuenca, as well as other main routes in Zamora Chinchipe, Morona Santiago and Chimborazo.

²⁷ CEDHU. (2007. January 26). *Empresas Mineras Canadienses Promueven la Violencia en el Ecuador*. Retrieved July 15, 2007 from

<http://www.cedhu.org/html/modules.php?name=News&file=article&sid=417>

²⁸ *Informe sobre la Situación de las Personas y Pueblos Afectados por las Actividades Mineras y Petroleras en el Ecuador*, Presentado a la Comisión Interamericana de Derechos Humanos, 127º Periodo Ordinario de Sesiones, 02 de marzo de 2007.

²⁹ Stavenhagen, Rodolfo (2006. March 15). *Report of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people, Rodolfo Stavenhagen Addendum MISSION TO ECUADOR*. UN General Assembly. Retrieved July 16, 2007 from

<http://daccessdds.un.org/doc/UNDOC/GEN/G07/100/29/PDF/G0710029.pdf?OpenElement>

³⁰ Moore, J. (2007. July 5). “Defending ‘Life and Sovereignty’”. *The Dominion*. Retrieved July 16, 2007 from <http://www.dominionpaper.ca/articles/1269>

Eyewitness accounts from June 27, 2007 describe

“blockade by blockade, hundreds of police used overwhelming amounts of tear gas and anti-riot vehicles to dislodge protesters of all ages from the highways violently. Dozens of people were taken into detention and injuries were sustained by a number of demonstrators, as well as several police officers. In the area of Tarqui, southwest of Cuenca, police exhausted their supply of tear gas while taking control of the demonstration and reportedly sprayed tear gas inside of several homes, nearly asphyxiating several children.”³¹

A general assembly called by the National Coordinating Committee in Defence of Life and Sovereignty on July 10, 2007 called for the continuation of the national uprising against mining, which began on June 5th, reiterating their demand “for an Ecuador free of large scale mining!”³²

Public Letters to MiningWatch: Defamation and Distraction

On June 25th, MiningWatch Canada received a letter from Rubén Naichap on behalf of the Shuar Federation of Zamora Chinchipe, accusing MiningWatch of “Support for Economic, Cultural and Social Genocide of the Shuar People.” His letter makes specific reference to the Mirador project and Ecuacorriente. On June 27th, MiningWatch received a second letter, signed by José Aviles, on behalf of CONFENIAE. The letters arrived during a three-day peak of anti-mining demonstrations in Southeast Ecuador, and were copied to members of Parliament, government officials in both Ecuador and Canada, media, and mining industry associations.

The right of these men to sign off on behalf of the Shuar Federation of Zamora Chinchipe and CONFENIAE respectively has been harshly questioned by established Indigenous organizations.

A communiqué by CONFENIAE, in response to the letters sent to MiningWatch from Naichap and Aviles states:

“The mining and oil companies and others that have invaded our territories in Amazonia have organized a campaign by a false CONFENIAE, lead by José Aviles, who is sending out communiqués in the international arena, to confuse public institutions, governments, and international cooperation organizations about what is happening in the Ecuadorian Amazonia. The indigenous Mafia lies in the most shameless and condemnable way, usurping the name of the CONFENIAE and of the Federation Shuar de Zamora Chinchipe FEPNASH-ZCH, presided over by our colleague Ángel Awak. They are not ashamed to send communiqués prepared in the public relations offices of the mining companies, affirming such ridiculous things as that mineral exploitation provides education, hospitals, and culture to our communities. If we have received so many benefits, how is it possible that we live in the situation of misery and abandonment that they themselves recognize in their writings?”³³

³¹ *ibid.*

³² Coordinadora Nacional (2007. July 10). *Boletín de Prensa.*

³³ CONFENIAE (2007. July 3). *Las Nacionalidades Indígenas continúan las luchas contra las compañías mineras y petroleras que han invadido nuestros territorios.* Retrieved July 16, 2007 from: http://www.confeniae.org/es/comunicados/070703_mafia_mineras.html

Mr. Naichap is a known supporter of the Mirador mine. His name was put forward by an industry representative of the multi-stakeholder Advisory Group to the Canadian government's "National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries" to participate as an "expert" at the Toronto Roundtable meeting in September, 2006.

On the occasion of his participation in the Roundtables, representatives from FIPSE and FICSH denounced Rubén Naichap as someone who "has been expelled from the Shuar Federations FIPSE and FICSH for his failure to respect the resolutions and decisions in our organizations, and for his conflictual, divisive and individualist conduct, which has generated serious problems within our communities." They also note that "we do not take responsibility for and are not informed of any action, gesture, statement, relation or agreement that RUBEN NAICHAP y ANKUR realizes in the name of the Shuar, nor does he belong to any grassroots organization, association or the Federations of which we are the highest authorities."³⁴

Following his visit to Canada, on November 10th, Naichap allegedly participated – along with an armed mob of supporters of the project – in intimidating a peaceful demonstration and injuring and demonstrators. According to a report to the provincial police commander by a local police chief,

"[the Shuar] were alongside the main road near the police truck, setting off dynamite and firing their weapons (shotguns) against the demonstrators and the National Police. They were dressed in military camouflage and had their faces covered with face masks. Police officer Obaco Reyes Alejandro was injured in the shooting; he was hit by pellets in both legs by members of the Shuar Community who are supporting the ECUACORRIENTE MINING COMPANY... Later in the Pangui Station, we proceeded to take statements from the demonstrators who indicated that the leaders of the armed Shuar were Rubén Nayshap, David Loja and Galo Tiwi."³⁵

José Aviles is known to be allied with US oil interests, and has been described as forming part of "...a corrupt sector allied with petroleum companies, headed up by José Aviles, José Quenamá and Antonio Vargas. This group is involved in extremely serious acts of corruption that took place during the Lucio Gutiérrez regime and in the last elections they supported Álvaro Noboa, the extreme right fascist candidate."³⁶

The letters to MiningWatch were initially displayed on the Shuar Federation of Zamora Chinchipe (FSZCH) web site www.federacionshuar.org, which purports to inform the interested public about the Shuar people.

The FSZCH web site was launched on June 15th, 2007. According to photos published on the site, among those present at the launch were: Jacinthe Roy, Special Program Coordinator, Aurelian Ecuador S.A.; José Aviles, disputed President of CONFENIAE; Sara Holloway, Commercial Assistant, Embassy of Canada; Milton Llasag, Lawyer; Loreto Cubillos, International Counsel, FSZCH; Victor Buñay, Executive Director, INDESIC (the Ecuadorian non-profit Institute for Social Development and Scientific Research); Paola Olmedo, Iberia Airlines; Romulo Heredia,

³⁴ Ayuy, C. and Tankamash, M (2006. September 1). *Certification*. PDF available at (MWC website).

³⁵ Pangui Country Chief of Police (2006. November 10). *Information Presented to Provincial Police Commander of Zamora Chinchipe CP-18 (ACC)*.

³⁶ Uvijindia, R. P. (2006. December). *Integración Sudamericana de los Pueblos*. Retrieved July 10, 2007 from <http://www.amawtaywasi.edu.ec/boletinelectronico/boletin09.htm>

Academic Director, INDESIC; Marc-Andre Hawkes, Vice-Consul, Embassy of Canada; Ian Harris, Vice-President of Project Development, Ecuacorriente S.A.; Adam McEniry, Latin America director, Wayne Dunn & Associates; and Don Clarke, International Counsel, FSZCH.³⁷

It remains to be explained why officials from the Canadian Embassy would publicly support Naichap and Aviles, who have been denounced through official channels by the legitimate leaders of Indigenous organizations in Ecuador.

Conclusions

Letters such as those sent by Naichap and Aviles reveal the heightened level of conflict and tension on the ground in Ecuador. That the letters are libellous towards MiningWatch is essentially but a detail. Far more serious is the gross misrepresentation that they make regarding the situation on the ground and the demands of Indigenous and non-Indigenous people with relation to the extractive industries in Ecuador.

The resistance to large scale mining in Ecuador, including by Indigenous people has by all accounts increased since the Ecuador Mission Report of the UN Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people concluded that “[c]oncessions granted to oil and mining companies must be reviewed.”³⁸

Until ethical practices by extractive companies can be monitored and enforced, and until suitable legal, regulatory, and social conditions for investment exist in Ecuador, mining investment will continue to create and exacerbate confusion and conflict, and mining companies will be accused of profiting from an unjust situation.

³⁷ *Ceremonia de Lanzamiento Pagina Web Oficial Federación Shuar de Zamora Chinchipe*. Retrieved July 16, 2007 from http://www.federacionshuar.org/?pag=noticia_4&leng=es

³⁸ Stavenhagen, Rodolfo (2006. March 15). *Report of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people, Rodolfo Stavenhagen Addendum MISSION TO ECUADOR*. UN General Assembly. Retrieved July 16, 2007 from <http://daccessdds.un.org/doc/UNDOC/GEN/G07/100/29/PDF/G0710029.pdf?OpenElement>