

SUBMISSION TO THE PARLIAMENTARY SUBCOMMITTEE ON HUMAN RIGHTS AND INTERNATIONAL DEVELOPMENT OF THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL TRADE OF THE CANADIAN PARLIAMENT

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TVI has been in Canatuan since 1994. The company have made the claim that TVI is a major positive influence on the economy and development of Canatuan and Siocon. On the national level the Philippine Government has equally claimed an expansion in mining as the major contributor to solving the Philippine economic crisis. Such claims are based on an extraordinarily positive assessment of the take up of mining options and the potential income from mining. However they are seriously flawed and lack credibility because they also fail to count the costs that inevitably are associated with mining development. This is particularly remiss in the Philippines where virtually all past mines have resulted in serious externalised costs/disasters not only to affected communities through loss of agricultural land to subsidence, drainage disruption, deforestation, pollution and damage to river systems and inshore waters, but also to the government through the costs in the destruction of infrastructure (roads, bridges, irrigation systems and others). This experience partially explains the scepticism of communities to company and government promises.¹

It is too early to give a full or fair assessment of the costs and benefits of the operations of TVI. Clearly there will be jobs and income generated by the operations of the company. The company also points to royalty and tax payments but experience teaches that claimed benefits often exceed actual ones.

The clearly expressed concerns of the locally affected peoples include the following areas:

1. Overall heavy loss of livelihoods and subsistence resulting in net loss including deprivation of subsistence survival base for some of poorest. The majority of jobs to be generated are front loaded and short lived in construction and security. In the longer term this relatively small mine expects to operate with between 100 and 150 workers in mining and processing. By contrast, job and livelihood losses already far exceed this and are unlikely to recover.
2. Severe short and long term environmental degradation to both land and water systems resulting in health impacts, impoverishment and loss of livelihood, affecting the viability of rice farming, fishing, and tourism.
3. Militarization and increased violence and conflict
4. Subversion of local decision making and abuse/destruction of indigenous systems of governance
5. Strengthening of patronage politics, corruption and interference and manipulation of local decision making and failure to respect local wishes.
6. The use of locally available development capital to benefit a foreign company.
7. Based on experience elsewhere failure of taxes and payments to benefit local community

The local economy in Siocon Siocon is remote and far from Manila. In the Philippines this often implies neglect. The area is also one where rebel activities of the groups the MNLF, MILF and Abu Sayyef have occurred including in the recent past. Experience in different parts of the world has led many respected agencies, such as International Alert, to call for a ban on mining in conflict zones. Gold mines in particular can become a prize that exacerbates conflict, and can lead to extortion and militarization. Prior to the arrival of TVI the community of Canatuan had no police presence. Today there are in excess of 100 heavily armed paramilitaries and military personnel "policing" the area. They have many high powered weapons which are themselves a magnet for rebels.

¹ See Marcopper-Placer Dome- Marinduque, Atlas Mine- Cebu, Benguet Corp-Benguet, Lepanto-Benguet, Suricon- Surigao del Norte etc

Due to the presence and operations of TVI 15 people have been killed in violent attacks upon the company by rebel groups. The main victims in these attacks were local Subanon. Elsewhere in the Philippines extractive industries in remote regions have been forced to pay money in “revolutionary taxes/extortion” to rebel groups. There are persistent rumours that the failure of TVI to keep up payments to rebels was the trigger of the murderous attack on its truck in 2002. TVI denies that it has ever paid money to rebel groups. However motorbike drivers travelling between Canatuan and Siocon report they regularly have to make such payments to continue their business. Extortion remains a future danger.

Environment and economy inextricably linked

The good forest cover, large rivers and fertile coastal plain make for an area which is highly productive for rice and fish farming and inshore fisheries. The fish farming has been a particularly prosperous part of the agricultural economy. In their petition against TVI the local Fish Farmers Association report an average income through the 1990s of P50,000 plus per hectare or profits of P40,000 per hectare per farmer. Totalling P54 million per annum. The Farmers Association and Rice and Corn Millers Association have also highlighted their opposition to TVI based on reducing yields as a result of siltation and pollution.

The fish farmers noted a serious fall off in their yields since TVI started to operate its cyanide plant in 2002. The company blames a lot of the pollution on the small scale miners (SSMs) who predate them. SSM can be a source of pollution especially in the form of mercury discharge into the environment. However the observed impacts seem to correlate closely with the operation of the TVI cyanide plant. Witness accounts indicate visible discolouration of the river, bad smells, fish kills, and a build up of mud and silt. The skin problems manifest in the fish are also reported by some humans exposed to the river². Problems for fish farmers include reduced numbers of fry, retarded rates of growth and failure to achieve optimum size. Returns from fish farming have plummeted. Inshore fisheries are a significant economic activity particularly among the coastal dwelling Moro (Muslim) communities. The coastal waters were until recently rich with marine life. The Siocon Peace and Development Advocates programme based in the Muslim communities have expressed their concern about reducing fish yields and poisoning of the river and have called for an end to the operations of TVI.

In the mountains the economy and culture of the Subanon around Canatuan is largely based on subsistence agriculture. The maintenance of hill farms is essential to the long term survival of the local people. The seizure of land by the company in and around the community was at the expense of both agricultural and forest land including sacred areas, homes and other structures. Certain families, particularly those leading opposition, report being barred from access to the community and are unable to maintain their farms TVI boasts on its website of an “end to slash and burn agriculture of semi-nomadic IP bands in the immediate area.”

There is also a settler community in Canatuan, which was established prior to TVI's arrival. The main economic activity among the settlers was SSM though only a minority directly engaged in mining. There were also related and service industries.³ SSM is unequivocally condemned by TVI. There is a more complex reality. SSM in the Philippines has generated approximately 50% of the national gold output in the 1990s. SSMs make a significant contribution to the national economy. A conservative estimate suggests they number 300,000 in the country. They are drawn largely from the ranks of the rural poor who are among the poorest in the country. Throughout the Philippines gold rush areas settle into longer term communities. Canatuan was such a community to which many settlers have a long term commitment after mining. The occupation by the company and harassment by guards has resulted in forced depopulation.

² See for example cases cited on DCMI website

³ It is estimated there were as many as 2000 settlers in the area at certain periods over the last 15 years. Some people quote higher figures.

SSM in Canatuan has provided many more jobs than are on offer from TVI. These jobs are available to unskilled local people and provide income. Many small scale miners live and reinvest their earnings locally. Stores and services that have developed provide improved access for the whole community. In the Canatuan case some of the worst effects of SSM pollution through mercury seepage would have been much reduced if TVI had not imposed checkpoints in the mid 1990s to hold the gold and mercury rich tailings on site and prevent processing elsewhere.

The vitriolic critique of SSM mounted by TVI is unsurprising when it is realised that in various locations to which the company has laid claim throughout the Philippines there are SSMs who have prior rights. Indeed TVI has used SSM presence as an "indicator" in making its own claims. It seems likely that if TVI succeeds with its dispossession at Canatuan the same drama will be repeated at several other sites.

Economic impacts of militarization

The imposed checkpoints were reported by local residents to be sometimes used by company guards to extract payments to allow goods through. This extortion has been repeatedly reported to TVI management but complaints persist. Some residents report the permanent confiscation of goods. The restrictions on access also pushed up the costs of agricultural goods for sale including farm inputs. They have also prevented the SSMs from recovering the gold from their tailings. When acquired by the company the miners received payments well below market price. Some filed theft charges against TVI.

TVI as employer

There is no union among TVI workers. In 2003 a worker Rogaciano Decasa got sick from suspected work-related poisoning. He was a welder and had spent considerable periods inside the confined spaces and poorly ventilated tanks in the processing plant welding up cracks in the equipment including that used in cyanide separation. He accuses TVI of failing to provide adequate safety equipment or standards to protect him and failing to take his deteriorating health and concerns as to his health seriously. He was subsequently independently diagnosed to be suffering from poisoning with heightened levels of lead in his blood. Throughout the period of TVI occupation there have been repeated accounts from company employees of periods when pay was not forthcoming on time, sometimes these periods extended for several months.

Community Development?

In 1997 there was already a SSMs' multipurpose cooperative established in the community. In 2001 the company repackaged its company store/TVI employees' cooperative into the Highlander Multi Purpose Cooperative. This, it was claimed, represented the whole community. Under Philippine rules governing cooperative development there are restrictions on developing more than one multipurpose coop in the same place. However by 2001 the community coop was in decline - not least because its managers reported having difficulty getting their goods through the checkpoints. The new coop was closely associated with and backed by the company. Marciano Sopian, a company employee, was its President. Most of its officers were workers of TVI and the coop treasurer was Mr. Ricaforte, the then OIC manager of TVI in Canatuan. Company employees were able to get goods on credit from the coop even during periods when their pay was delayed.

The new coop applied for start up capital from the Cooperative Development Authority of the Philippines. A figure of P1 million is reported by sources outside the company. The company reports that the coop was used to develop projects. Subsequently the coop was also used as a vehicle to secure a bigger loan from the Land Bank of the Philippines, said to be for P12 million.

A Canada Fund, CIDA funded, goat rearing project was developed with the stated objective to provide income for women in the community. Contrary to the normal practice on such projects the funds were released, not to any organisation of the women in the community, but rather, through the company's Community Development office - thereby boosting the funds and patronage available to the company. The CIDA funded project has generated

widespread criticism as one example of Canadian Government interference in favour of the company. It is seen as bolstering the position of the company by buying support amidst a community that has remained opposed to the operations of TVI despite, or because of, ten years of pressure upon the local community.

What we see from these various development initiatives is, that contrary to the claims that mining is bringing in a high level of new investment for community development, in reality TVI seems to be mobilising and utilising scarce Philippine local funds designated for local community development. Given the limited funds of this kind available this is in competition with the needs of other communities for the same funds. An assessment of development effectiveness would require a detailed study.

The local pre-existing economy has been disrupted and even profitable sections of it are being irreparably damaged and the peace and unity of the local community has been shattered. The leadership of the community has been displaced and the community organisation torn apart. This division was generated around the issue of the rejection or acceptance of the mine. TVI's role has been divisive and manipulative. According to Subanon traditional courts the leadership of the local community has been usurped by a group seeking to promote the company's interest for financial benefit despite the rejection of the mine by the traditional leadership and the majority of community members. These divisions, the militarization and displacement have all lowered the capacity of the community to administer itself or cooperate for collective development.

We feel that the impact of TVI on Canatuan should be the subject of a detailed independent examination. We welcome the stated openness of the company to independent investigation and urge parliamentarians to work with a credible range of concerned groups and experts to conduct such investigations on the human rights and economic impacts of this project.

Philippine Indigenous Peoples Links.
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PIPLinks is a human rights organisation based in the United Kingdom that has been monitoring the situation in Canatuan since our first visit to the area in 1997. We have made several visits to the area and have had meetings with both community and company representatives on several occasions.