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Dear Probe International Supporter:

Last November, while leading his Team Canada mission in China, Prime Minister Jean Chrétien shocked Canadians by announcing Canadian government support for the mammoth Three Gorges dam project on the Yangtze River, and his intention to use tax dollars to help finance this controversial project.

The *Ottawa Citizen* called it a "stunning reversal of Liberal policy on environmental and international development issues." While in opposition, the Liberals lambasted the Mulroney government's support of the dam. Christine Stewart, then Liberal development critic, demanded assurances from the Mulroney government that "taxpayers' money will not be made available to Canadian businesses or used in any way to support the Three Gorges Dam project through EDC concessional funding or loan guarantees or through any other Government department."

In another plea to the government, Ms. Stewart wrote: "This dam will flood many cities and rural towns and more than 100,000 acres of precious farmland. . . . Furthermore, the project flagrantly ignores . . . the public's right to be consulted and to participate in decisions that have significant effect on them." Ms. Stewart was referring to the relocation of 1.3 million people whose homes, farms, temples, and factories will be flooded by the Three Gorges dam, but who have had no say in the matter.

Nothing has changed since Ms. Stewart warned of the perils of funding the Three Gorges dam. If anything, the situation is more ominous.

According to a leaked internal Chinese government security document, "civil disputes, violent fights, and massive armed mêlées" are expected during the forced relocation. To deal with this public opposition, the ministries of public security and state security have been directed to strengthen "the combat-readiness needs of all units in the Three Gorges area."

Not only will the Three Gorges dam provoke the world's largest (and perhaps the bloodiest) forced resettlement, it will devastate the Yangtze ecosystem and imperil endangered species such as the Chinese river dolphin and the Siberian crane. It will spread debilitating diseases such as malaria and schistosomiasis. It may fail in its main objective of generating power because the Yangtze's massive silt load is expected to grind the turbines to a halt. Worse yet, the dam's enormous reservoir might induce a catastrophic earthquake along

existing fault lines. Ironically, the Chinese minister of energy admits that China does not need new energy sources – it could double its GNP with conservation and efficiency alone.

The megadam has virtually no international credibility. The Canadian International Development Agency, which funded a now discredited \$14 million feasibility study, withdrew its support in 1992. Hydro-Québec vice-president Pierre Senecal, one of the authors of that feasibility study, has since publicly stated that due to population increases and the lack of available land “the study’s recommendation that resettlement is feasible is not valid anymore.” Even the World Bank has warned that the Three Gorges dam “would not be an economically viable proposition.” And the United States Bureau of Reclamation, one of the world’s foremost dam-building agencies, recently withdrew from the project after supporting it for 50 years, stating that the Three Gorges dam is “not environmentally, or economically feasible.”

Although Prime Minister Chrétien has exhorted Canadian electric utilities to bid for Three Gorges contracts, only Hydro-Québec is prepared to do so. British Columbia Premier Mike Harcourt has instructed B.C. Hydro not to bid. In Ontario, despite Premier Bob Rae’s eagerness for contracts, Ontario Hydro Chairman Maurice Strong, under cross-examination by Probe International at a recent Ontario Energy Board hearing, said his utility would get involved in Three Gorges “over my dead body.”

Mr. Chrétien has told the Export Development Corporation (a Crown corporation that finances foreign governments that buy Canadian) to start financing Three Gorges contracts, but only one loan has gone through – \$23.5 million to build a cement plant for the dam. A second loan, of \$35 million, to finance engineering giant Monenco-AGRA’s sale of a supercomputer to help the Chinese plan the forced resettlement of 1.3 million people, has not yet been signed.

There is still time to stop Canadian tax dollars being used for this and other contracts. Without foreign subsidies it is unlikely that the Three Gorges dam will be completed because the Chinese dam builders will be unable to raise the necessary \$34 billion.

Your help is needed now more than ever.

Please send a letter to Prime Minister Jean Chrétien, urging him to live up to his promise to govern with integrity, and to immediately stop using Canadian tax dollars to bankroll this devastating project. You may also want to send a letter (or a copy of your letter to the PM) to your local newspaper.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'P. Adams', with a stylized, flowing script.

Patricia Adams
Executive Director

P.S. In the early spring, Probe International will hold an environmental conference call for our supporters to discuss the Three Gorges dam. If you would like to share your concerns and ideas with me and other supporters, please note your preferences on your response coupon and we will make the necessary arrangements and contact you with further details. We will also invite government representatives to participate so they can hear your views.