Getting Hip to Imperialism:

ALCAN, JAMAICA, AND CABORA BASSA
University of Toronto economist Abraham Rotstein reports that American corporations are taking more than $1.6 billion a year out of Canada. "U.S. investment in Canada has now reached the stage where there is a financial drain on the economy - they are taking more money out than they are putting in." And not only that, says Rotstein - they are using Canadian money (Canadian based banks) to finance expansion of their corporations in Canada. Rotstein estimates that in 1969 about 60% of the expansion of U.S. companies in Canada was paid for by Canadian money. "In other words," says Mr. Rotstein, "we are financing our own takeover."

More accurately, Canada has already financed its takeover; the U.S. is now securing its investments. Takeovers are always financed by the surplus capital of the victim - the consequence of which to the underdeveloped country is underdevelopment. This "takeover" was assisted by the Canadian bourgeoisie which has made (and is still making) a comfortable profit by selling the resources and autonomy of Canada to the highest bidder; another part of the bourgeoisie makes its business the management of U.S. and other corporations in Canada; still another part of the bourgeoisie has developed its own monopoly capitalism in areas free of foreign control. And then, of course, there are the bourgeois intellectuals.

In spite of this bourgeois sell-out of Canada's natural resources to U.S. capital, Canada is still a privileged country. Its people have one of the world's highest standards of living, with Canadians enjoying more social and health benefits than the people of most capitalist countries. Unemployment is periodically high, but Canada, as all metropolitan capitalist countries, offers the escape-valve mechanism of unemployment compensation and welfare (the left has come to consider welfare, etc., as a right, rather than what it is - a privilege). These compensations to the unemployed metropolitan worker amount to six or seven times as much as the wages of the employed worker.
in Africa and Asia, and three to four times as much as the wages of the South American employed worker.

What Price Has Canada Paid For Its Privileged Position?

Privilege is based on unequal exchange. The capitalist buys the labor-power of the worker who has nothing else to sell. If the worker has no bargaining power, the capitalist can pay him the minimum subsistence wage, or even less. If the worker has bargaining power (trade union power, labor scarcity, etc.) he can demand, and usually get, a better than survival wage for his labor.

The price the U.S. has paid for its national privilege is that, in its theft of 65% of the world's wealth by about 6% the world's population, the American people have become and are becoming a brutal people, electronicallycretinized, regarded by the capitalist system and most government agencies as (at best) 'consumers'. The American people have assisted (unconsciously or consciously) in the development of the system whereby monopoly capital, for profit from its tremendous global enterprises, can turn people into inhuman beings that murder, or consent to murder, human beings on whatever scale necessary to maintain the U.S.-dominated imperialist system.

The price which the people of the U.S. will pay for their temporary class collusion with the ruling class, and consequent privilege, will be and is being, paid in blood. The U.S. is beset with contradictions; as wars of national liberation are more successful, the contradictions can only sharpen.

The price is not so steep for the Canadian people - not yet! No draft; no global responsibility for policing the Empire; no major war costs; no extensive brutalization or indoctrination near the degree essential for the recruitment of large numbers of troops; little in the
way of secret service agencies such as the CID (Army), CIA, FBI, IRS, various state and local forces, vigilante groups, etc.

But contradictions do exist, and none of the degrading and dehumanizing aspects of capitalism are missing: poverty, misery, crime, alienation, mental illness, social anarchy, racism, chauvinism, etc. Nevertheless, and despite exceptions among the Indians and Quebequois, material conditions for the overwhelming majority of Canadians are vastly superior to those faced by almost two billion people living on the underdeveloped sectors of the imperialist system. By comparison to their oppression ours, to use an expression of Cleaver's, is like being oppressed between sheets of silk. The difference is qualitative rather than merely quantitative and, equally important, this relative privilege of the Canadian people rests squarely and historically on the super-exploitation of peoples in the disadvantaged hinterlands of the Empire.

To return to the question - what then is the price the Canadian people have paid for their privilege? Canadian industrial development has been financed first by British then by U.S. capital. The Canadian people are servants of two masters - Canadian bourgeoisie, and then the U.S. bourgeoisie. As a nation, Canada cannot determine the nature of capital investment. One price exacted of the Canadian people is that it is in danger of losing its privileged position if it cannot maintain its national bargaining power. A consequent additional price is the solution of the dilemma.

What does Canada do? The answer to this question is as complex as Canada's class composition. The comprador (management of foreign capital) class of the bourgeoisie effectively destroyed the socialist labor leadership of the working class in the early 40's, and replaced it with U.S.-dominated imperialist trade unions (CIO, etc.). Another element of the bourgeoisie has long worked to exploit potentialities in areas not yet monopolized by U.S. capital, and to expand its own foreign investment.
Canadian capital is being increasingly invested in Brazil, Haiti, Jamaica, Trinidad, Guyana, Venezuela, Ecuador, Colombia, South Africa, Mozambique, South West Africa, Uganda and elsewhere. Canada establishes its own 'peace corps' (CUSO) to smooth the way for Canadian investment.

Canada's ruling class sees a way out from under the thumb of U.S. capital through foreign investment - the development and expansion of Canadian imperialism. Diplomatically Canada can align itself with a few progressive countries at this time; it can build its credentials in countries by establishing itself as a neutral (à la Trudeau) mediator. Where Canadian policies are flagrantly contradictory to its image, the Canadian ruling class hopes that this will be seen as an insignificant departure from democratic policy. Two examples: the use of the War Measures Act, and Canadian trade with South Africa. To touch briefly on the latter example - Canadian External Affairs Minister Mitchell Sharp's illustrative statement, "Cutting off trade relations with South Africa would do nothing to improve the lot of black people there." On returning from his "African Safari", Sharp said "none of the five black African leaders I had talked to had asked that Canada discontinue trade with South Africa." Regarding the Alcan investment in Cabora Bassa, Sharp dismissed it as being such a small investment it can't do any harm. Canada is also a NATO member, but on a small scale, insists the Canadian government. Canadian Defense Minister Donald Macdonald has studied Canadian expansion and has concluded that "Canadian soldiers will not be involved in outright warfare for the next decade." How then to build up Canada's army at the present time - and still be in keeping with the essential 'progressive' image? The development of a capitalist "peoples army" - well paid forest fire and pollution (etc.) fighters - for the time being. Little imperialist powers grow to be big ones, especially as dominant empires are on their decline. It's not for nothing that the Canadian army is training itself in jungle warfare in Jamaica.
The Canadian Left

The left has long known of the U.S. domination of Canada (see Tim Buck, Our Fight For Canada) and has decried it as a menace to the development of class consciousness and socialism. And now the "rip off" is becoming popular - especially in left-liberal publications. The left follows the wake of popular consciousness (in terms of programs, if not in consciousness) and develops slogans and strategies to exploit what it feels to be significant contradictions: U.S. exploitation and control, Canadian government and ruling class collusion: anti-imperialism reduced in practice to mean anti-U.S. capital.

Meanwhile, the Canadian ruling class and Government are free to exploit Canada's imperialist possibilities in the underdeveloped countries, aligning Canada with reactionary agencies in certain countries where U.S. capital is unwelcome.

By concentrating almost exclusively on its anti-American "strategy", the Canadian left plays into the hands of the Canadian bourgeoisie - and this excludes the reformist left which is already in the hands of the bourgeoisie. This is done in at least three ways:

1) It diverts attention from imperialism (U.S. and Canadian); one response to the "rip off" (anti-American) consciousness is that Canadian capitalists are not in and of themselves considered "good", but it is somehow considered "good" that so much percentage of industry, etc., is "Canadian owned" (which means Canadian capitalist owned). Thus inadvertently the left aligns itself with Canadian capital.

2) It assists the ruling class media presentation of Canada as a progressive country (by being "anti-American") and thereby allows further expansion of Canada's imperialism.

3) It limits narrowly the objective the left must have in order to maximize Canadian political consciousness and develop revolutionary action - and consequently fails to develop a meaningful internationalism and effective brake on national chauvinism.
ALCAN

AND

CANADIAN IMPERIALISM

Nathanael Davis

The Imperialist system enables a relative few to exploit the labor and resources of two-thirds of the world's population. The underdeveloped capitalist countries are the greatest victims of this system. They are rich in raw materials, yet with their large "cheap labour" force this wealth is extracted for the benefit of the metropolitan countries of Europe, North America and Japan. The superexploitation of workers and peasants in the underdeveloped countries allows the workers of the industrialized nations higher wages, cheap consumer goods, welfare services and, thus, a vastly higher standard of living. This fact implicates Japanese, North American and European workers as beneficiaries of imperialism. We in Canada tend all too readily to point our fingers at United States corporations such as Gulf Oil, United Fruit and a host of others, before examining Canada's own corporate imperialism. Canadians must be condemned equally with their United States partners in imperialist activities.

Alcan Corporation is a prime example of Canadian Imperialism. Nathanael Davis, president of the company, describes Alcan as an international corporation with a Canadian base. In the Canadian Senate Hearing on Foreign Affairs held 25 November 1969, Davis outlined Alcan's operations in the West Indies as well as touching on those in other regions of the world where the company operates. The reaction of the hearing committee was one of pride in the fact that Alcan is a Canadian corporation and that it has done such an excellent job in the West Indies. Davis stated, "The majority of our shareholders are located in Canada...we are considered to be a Canadian enterprise."1
When asked whether management and investment decisions were made in Canada, he answered, "Yes indeed!" As of 31 December 1970, 40.6% of the company's 34.4 million shares were held by Canadians, with the majority of the rest being held by U.S. citizens. Though Alcan is a multinational corporation, it must be considered an example of 'Canadian' imperialism since its policies are shaped and affected by Canadians.

Alcan has emerged over the past decade as the largest producer of primary aluminum in the world. A number of its earlier competitors were swallowed up in the process - U.S. companies which are now Alcan subsidiaries include: Reynolds Metal Co., Chicago Metallic Manufacturing Co., and James Booth Aluminum Ltd. (now Alcan Booth).

Alcan's total assets exceeded three billion dollars in 1969 with a net profit of over 80 million dollars. The company ranks as the 48th largest industrial corporation operating outside the United States. It employs over 66,500 people. Alcan obtains its bauxite (the ore from which aluminum is made) from Jamaica, Guyana, Brazil, Guinea, Malaysia, India, Australia and France. It also has holdings in Ghana which have not yet been worked. All of these countries except the last two are underdeveloped, and not one of them is located in North America. The smelters, however, are located in Canada, Italy, Norway, Sweden, Japan and India, with projections for Britain and Brazil. Most of the latter are industrial centers compared with the source countries of bauxite. In addition, Alcan obtains the fluorspar (natural calcium fluoride) used in aluminum production from Mexico, fabricates aluminum products in 33 countries and has sales outlets in over 100. Alcan boasts that nearly one-half of all the aluminum produced in the "Free World" is made by Alcan. Principal customers are the U.S. (357,000 tons in 1970) and Britain (222,000 tons). Although it was reported that Alcan's aluminum sales dropped in some areas compared with 1969, their South African trade showed a notable improvement.

Aluminum is one of the world's fastest growing industries. The average annual rate of growth since 1893 has
been 14.7%. In the last 20 years primary production in capitalist countries has increased at an average of 8.6% per year. Alcan projects an expansion in volume of raw material and metal profit base of 40% in 5 years (1969-1974). In 1960 25% of gross investment was outside of Canada, by 1974 it will be 66%.

Alcan in the West Indies

Alcan penetration of the West Indies goes back over fifty years. Its first operation began in Guyana in 1916 at MacKenzie, 65 miles from Georgetown. Alcan's Demera Bauxite Co. (DEMBA) is 100% Alcan owned and has been the main single source of bauxite for the company in past years. In 1942 the company prospected for bauxite in Jamaica and found large deposits near the surface, making for easy mining access, unlike Guyana where they must dig far underground.

In 1950 the construction of an alumina processing plant in Jamaica was started with the production getting underway in 1953 at Kirkvine, near Mandeville, some 60 miles from Kingston. Two additional plants have since been constructed, one at Ewerton in Jamaica in 1959 and the other at MacKenzie in 1961. This was an economizing move, since 4 tons of bauxite produce 2 tons of alumina which is then smelted to 1 ton of aluminum. By processing to Alumina in the W.I. the company saves 50% on shipping costs. This also served to keep the neocolonized governments involved satisfied that Alcan was "doing its best" to help them with industrial development.

In 1928, Alcan acquired 100% ownership of Sprostons in Jamaica, Guyana and Trinidad, a company now engaged in shipping and services as well as in aluminum fabrication. Another 100% Alcan firm, Alcan Products of Jamaica, was established in 1959 and is likewise engaged in aluminum fabrication. In addition to the mining and fabricating industries, Alcan is engaged in shipping and storage with
100% ownership of Saguenay Shipping Lines which, with a
fleet of over 50 ships, carries bauxite and alumina from
the West Indies and other bauxite areas to the smelters in
Canada and Europe. Also Chaguaramas Terminals Ltd. in
Trinidad serves Alcan as a port and a storage site for
bauxite on its way to the Arvida smelter.

Alcan employs 9,700 workers in the West Indies (1970),
most of whom are engaged in the bauxite mining and alumina
processing industries. Alcan in 1968 put its West Indian
investment at $300 million Canadian (Jamaica: $179,000,000
and Guyana: $120,000,000). Demba produced 3 million tons
of bauxite in 1968, 38% of which was shipped directly to
Canada, 22% made into alumina and the remainder made into
calcined bauxite, for use in the abrasive industry in 27
countries. These exports totalled $46,000,000 which is
37% of Guyana's total export. This gave Alcan a profit of
$6.5 million in 1968 (DEMBA) and the Guyanese government
$4.7 million dollars in taxes. For Jamaica, the comparable
figures were: exports $65.5 million, 28% of total; $16
million profit and $11.5 million in taxes. Jamaica pro-
duced 1.22 million tons of alumina in 1968 which was
shipped to Canada and Europe for aluminum production.²

Alcan in Jamaica is also engaged in cattle and
citrus production. In the above mentioned senate enquiry,
Davis proudly outlines how his company is boosting that
country's food production, emphasizing that Alcan makes
no profits on such enterprises. However it was learned on
further probing that according to Jamaican legislation all
mined land must be returned to its original state after
the removal of the ore and all holdings of 100 acres or
more must be utilized to their fullest extent. Therefore,
since Alcan owns 48,000 acres of Jamaica, the company had
no choice but to develop its fallow land or be forced to
sell. The hearing committee quickly changed the subject
to Alcan's educational aid when it learned that agricul-
ture was the cheapest way to develop the land. (Agricul-
tural workers are extremely underpaid -- $2 per day or
less, while Jamaica has a cost of living close to that of
Canada.) This switch enables the Canadian senators to
regain pride in their "great Canadian corporation".
Wages earned by West Indian Alcan workers are considerably lower than their Canadian counterparts. In 1968 at Alcan's plant in Kingston (sic!), Ontario 2,000 workers took home $12 million or $6,000 each. In the whole of Canada, that year, 17,000 workers averaged $5,882 (Nathanael Davis got $250,000!). On the other hand 5,768 Guyanese workers earned $10.7 million or $1,860 each in 1968. The average wage of all 9,322 Alcan workers in the West Indies that year was $2,680 per annum, less than half that of Alcan's Canadian workers. In Guyana, a worker started at a wage of $5.57 per day while in Jamaica a bauxite worker got $1.07 per hour. In Canada, aluminum workers start at upwards of $3.00 per hour! Canadians counter these wages by claiming that the cost of living is lower in the West Indies; but this is false, as the cost of living in Jamaica is higher in the bauxite towns than it is in Canada.

As with any extractive industry, questions arise concerning the quantity of the resources - how long they will last, and the future of the economy when this resource is depleted. Davis stated that in Guyana there is 30 years of bauxite left and in Jamaica from 30 to 60 years with the reserves being mined at the present rate. However, when one examines Alcan's operations in the last decade, a great expansion is seen. In 1961, Alcan's net profits were $22 million while in 1970 this was $80 million, almost a 400% increase in 9 years. Alcan's policy is one of expansion and intensified exploitation until the reserves are finished. Indications are that the bauxite in the West Indies will be depleted much sooner than predicted. For this reason Alcan is ever on the look-out for new bauxite resources; hence the projected developments in Brazil, Guinea and possibly Ghana.

In the Canadian senate hearing of 1969, Davis was questioned on the ownership and the possibility of local equity holdings of Alcan companies in the West Indies. He stated that the company had no objections to equity holdings of local companies by West Indians, but when asked about ownership of the bauxite industry, he replied:

We have not visualized offering local equity
participation in our basic bauxite and alumina activities in the area. Both bauxite and alumina are one link in a production process through to metal, and we felt if there were shareholders at every link we would inevitably end up with basic conflicts of interest.

It was also learned that it is very difficult for West Indians even to obtain shares in the parent company. This clearly shows that while Alcan management may not worry too much about losing control of a small fabricating industry to either private holders or even a West Indian government (although this has not yet happened - all are 100% Alcan owned), they certainly will not tolerate any tampering with their life-blood - bauxite. On questions related to the possible nationalization of the bauxite industry, he stated, "We feel that economic sense would dictate that the [West Indian] governments use their capital in other areas to better advantage." These remarks were hailed by the Canadian senators!

Open-pit Bauxite mining near Mandeville, Jamaica.
Davis enumerated the many ways in which Alcan is helping the development of the West Indies for a better way of life for all, in spite of the fact that West Indians have no say in how this Canadian corporation exploits their raw material wealth. Among the many advantages cited were increased employment, technical training, revenue from tariffs, wages and taxes, expansion of much needed services such as hospitals and schools, scholarships for study at home and abroad and the development of light industries and agriculture. However, the realities of the situation prove to be much different on close examination of the Jamaican scene.

Alcan is not alone in Jamaica. Presently mining bauxite and/or processing alumina are Alcan, Reynolds, Alcoa, Kaiser, Revere, and Aluminum Partners of Jamaica (Alpart). These companies employed a total of 7,308 people in 1967 -- less than .4% of the population. In 1965 the per capita income for Jamaicans was $498, while in Canada it was in excess of $4,000.5 While the bauxite companies do not pay North American wages, they do pay their workers much above the average national income. Superficially, this may seem like a benefit to the island. However, when examined closely, contradictions are evident. In Mandeville, the largest bauxite and alumina center in the country, Alcan and the other aluminum corporations have made their greatest impact. The cost of living between 1961 and the present has sky-rocketed. For example, a house that rented for 15 pounds in 1965 rented for 54 pounds in 1969. This was due to the "boom" caused when Alpart began its activities. Many foreigners, mainly American and Canadian, poured into the town. Rents immediately shot up as it was common knowledge that the company subsidized foreigners' rents. In addition, wages
were 'high' by the Jamaican standards for bauxite workers. Anyone not working for the bauxite companies simply could not pay the rents and therefore had no choice but to seek lodgings elsewhere. Likewise, the cost of food rose 66% in 5 years giving Mandeville the highest cost of living in Jamaica. The economic "boom" of Alcan's and others' operations gives an appearance of prosperity on paper (e.g. increase of exports, rising gross national product, etc.) but this is merely a statistical illusion since only a minute portion of the island's two million people realize any benefits. The bulk of the population, not being employed in the bauxite industry, feel a continual economic squeeze - their earnings not keeping pace with the ever-accelerating cost of living caused by the bauxite corporations. The masses of people live on low fixed incomes or most rely on subsistence farming for their livelihood. Unemployment still remains at 25-30 percent of the working force.

These higher wages for a few helps to perpetuate the class system in Jamaica left by the British. The hiring of domestics and servants from the mass of poorer people and the gross over exploitation of labour was not brought to Jamaica by Alcan. However, the expansion of the Jamaican bourgeoisie certainly maintains this status quo. In Jamaica a maid receives 35 shillings (less than $5) per week (65 cents per day or about 8 cents an hour!) for long hours and heavy work. Likewise, most unskilled labourers "lucky" enough to find employment receive a similar poverty wage. In addition to this, people must endure the indignities of being considered 'lower class' or of the 'maid - yard boy set', even occasionally being required to address middle-class employers' children as "sir" or "miss". For most people there are no employment alternatives or social welfare benefits, with the result being that one is forced to endure these indignities rather than enter the world of prostitution or crime. This is Alcan's program of "economic prosperity" for the people of Jamaica.

The flood of foreigners to the Island to work for Alcan and the other companies in managerial and technical capacities (engineers) has created some problems for the company. Due to the fact that local education and medical care are not nearly up to the standards of North
America, the foreigners demanded exclusive hospitals as well as schools for their children. However, the company could not afford, politically, to make these too exclusive in a predominantly black country. Therefore, Alcan poured funds into the Mandeville nursing Home (a hospital) which is free for Alcan employees while all others must pay. Needless to say, most people in Jamaica attend the public medical wards which are free but badly understaffed and ill-equipped. Parts of hospitals have had to be closed down due to the lack of nurses. In addition, Alcan hired the services of a large number of doctors in Mandeville while there is a critical shortage in most other parts of the island.

In the field of education, Alcan gives relatively large sums of money to exclusive snob schools in Mandeville such as De Cartret College, an elementary-secondary boarding school for the wealthy; Mandeville Prep, a middle-class kindergarten and elementary, and more recently, Belaire High School. The latter is a school fashioned after the North American system where most of the expatriot children attend along with those of the Jamaican staff workers -- not bauxite labourers. The teachers are paid approximately double the government salary to ensure a 'good' education. By contrast, most Jamaicans never get a chance to enter secondary schools because of the high fees, strict screening tests and a basically poor primary education resulting from gross overcrowding, lack of schools and a shortage of trained teachers. A student-teacher ratio of more than 100 to 1 with no equipment other than a blackboard is common in the elementary schools. On the other hand, the University of the West Indies is of as high a standard as most universities in North America, offering degrees in medicine, the arts and natural sciences, agriculture and engineering. The entrance requirements are high and thus, in 1965, less than 2,000 students were enrolled on the three campuses located in Jamaica, Trinidad and Barbados. The Jamaican student rarely has the opportunity to attend this University. Those who do comprise an overwhelmingly middle class student body, more interested in maintaining their privileged positions than in the welfare of the Jamaican people. Alcan gives token scholarships and grants to the UWI, as well as grants to a few students for study abroad; but this is not really a ser-
vice to the country, merely a way of maintaining the present stratified social conditions by creating a class stratum whose interests are the same as Alcan's.

The extension of British colonial class stratification is not an asset to the masses of any country. As might be expected, however, Alcan perpetuates this inequality by having its employees live in company housing at Ingleside, near Mandeville, which looks almost like a 'white' neighbourhood, except for the black servants. There is even the exclusive "badminton hut"* for the "Alcan clique". Most foreign whites working for the bauxite companies near Mandeville are members of the Manchester Club. This has often been called the last bastion of British colonialism in Jamaica. Membership is presently based on money, but up to a few years ago color was the real qualification of belonging. This should not surprise us since Alcan has operations in South Africa and, more recently, in Mozambique.

As mentioned earlier, Alcan is also involved in agriculture. The impression that Alcan is boosting the country's agricultural output, however, is false. Alcan is forced to reclaim mined land and to develop land not yet mined, and agriculture is the cheapest method of this forced "development". The company farms 10,000 acres in forestry (for Xmas trees - sic!), citrus and cattle, employing Jamaicans as wage labourers. An additional 20,000 acres are leased in small holdings to about 4,000 Jamaicans for a maximum of 7 years. This is not long enough to cultivate the main crops of the region - coffee and citrus - and the peasants are under constant threat of eviction whenever Alcan declares it is ready to mine. This is Alcan's agricultural "development program": Jamaicans, given the general land hunger, must lease their own land from a foreign company and can be evicted at any time.

There is an area of 300 acres near the Kirkvine works that will never be farmed or reclaimed. This is the slag pool that the alumina processing plant has created since ..........

* The "badminton hut" has a reputation in Jamaica for its snob parties and expatriot social gatherings.
its beginning. It consists of a huge lake of caustic iron oxide. Once more, this is a sample of Alcan's service to Jamaica. Would this be allowed in Canada? Perhaps. But a land with a population density of 2,000 people per cultivated square mile cannot afford such waste. There is also a large slag pool near the Ewerton Plant and with the new operations of the U.S. companies being constructed, one can expect additional land to be lost due to these inhuman industrial techniques.

Jamaica has remained a poor country despite (or, perhaps, because of) the "economic development" provided by companies such as Alcan. Alcan, however, has made terrific profits from its Jamaican investments, which in turn have provided work for over 19,000 Canadians - thus contributing to Canada's high standard of living. In 1964 every dollar earned from the aluminum industry gave Jamaica 17 cents and Canada 83 cents. Meanwhile, for Jamaica the contradiction between rich and poor becomes increasingly sharp as time goes on.

The Nationalization Threat

Is the nationalization of Alcan and the other companies by the Jamaican government the answer? In Africa the Guinean (Conakry) Government owns 49% of the bauxite consortium and will receive 65% of all taxable profits. It is calculated that Guinea will receive $4 million per year from the operation. However, in order to purchase 49% of the company, a $64.5 million loan was taken from the World Bank and yearly profit will not quite cover the interest payment on the loan thereby depleting Guinea's capital as well as its bauxite. This type of nationalization is definitely not in any country's favour.

Guyana is presently trying to obtain 51% ownership of Demba. The Government wants to buy out the shares of the current tax assessment and pay for them by allowing the company to go tax free until payment is complete. This
means that no capital would leave Guyana, although its revenue would be reduced from the loss or reduction of Alcan's taxes. Needless to say, Alcan will not agree with these terms and threatens closing or reducing their operations in that country. The Government is talking of eventually developing its own integrated aluminum industry (bauxite -- alumina -- aluminum), since there is ample hydro-electric potential. If this is successful Guyana would benefit, since bauxite sells for 5 cents per pound while aluminum is worth 27 cents per pound -- more than a five-fold increase! Is it any wonder why Canada is a 'developed nation' while the bauxite producers remain 'underdeveloped'?

Ghana built the Volta Dam with foreign loans in the hope of developing such an integrated aluminum industry. However, it was Kaiser and Reynolds which took advantage of the cheap power, processing "their" bauxite mined in Jamaica. Ghana could not develop the industry herself due to the lack of capital and technical skills, therefore had to rely on foreign corporations. Meanwhile, a British company mines the Ghanaian bauxite and exports it for processing. Like Guinea, Ghana loses out, since its Volta Dam loan payments amount to $4.5 million per year while the revenue from electricity sales to Kaiser and Reynolds are only $3.5 million.

In Jamaica, an integrated and publicly owned aluminum industry could greatly benefit the whole population through much needed revenue for national reconstruction. Such an integrated aluminum industry is possible despite Jamaica's lack of hydro-electric power. Alcan, for example, is expanding in Britain to produce a 120,000 ton coal smelter. If the company wanted, a similar smelter could be produced in Jamaica with power from coal or even nuclear reactors. But Alcan obviously has no intention of moving in this direction. Davis stated that there was no industrial research being carried out in the West Indies and that there were no such plans for the future. A smelter might bene-

*Since this article was written Guyana has nationalized 51% of Alcan's operations in that country — though with full compensation!
fit Jamaica, but would it spell added profits for Alcan?

To obtain the maximum benefit from its natural resources, Jamaica must own these resources. Nationalization of the bauxite industry in the countries mentioned above has proven unsatisfactory. National ownership of the bauxite is simply not enough. To develop a viable Jamaican aluminum industry would not be possible without development occurring throughout the Jamaican economy. And this development will not be possible without a radical change in the productive and social relations within Jamaica - and between Jamaica and Canada. That is, socialization of the Jamaican economy and a break in the unequal relationship with Canada and the other imperialist powers are prerequisites for development.

**Canadian Troops in Jamaica**

The present Jamaican Government has no intention of changing the status quo. Seaga's (Minister of Finance) slogans, like "change without despair", are meaningless in a country full of despair, stagnation and foreign exploitation. Alcan can exploit Jamaica because of the positive sanctions it receives from a corrupt Jamaican Government and complicitous ruling class. In 1969, 850 Canadian troops took part in manoeuvres in Jamaica. The reason given was: to acquaint Canadian soldiers with jungle warfare. Should an insurrection develop on the Island, is it Prime Minister Shearer's intention to call on Canada's military help? Or is Canada more concerned with the protection of Canadian corporate investments in Jamaica? In any case, Canada has no jungles to defend - north of the 49th parallel, that is!

Canadian troops undergoing guerrilla warfare training in Jamaica. Photo: Toronto Star Weekly.
Rumors of graft and bribes between government ministers and large foreign corporations are all too frequent to be disregarded. One such rumor is that Alcan gave one million pounds to the conservative ruling party (JLP) in the 1967 elections. The party was returned to office with a lead of 13 seats but only 49% of the vote. The other party (PNP), with a moderate socialist platform, obtained 51% of the vote and might have taken measures to nationalize the bauxite industry as well as other foreign companies and industries.

The Government which Alcan helps keep in power has little interest in curing Jamaican social ills. In fact, it is one of those ills. It is not infrequent that public funds finance the extravagant life-style of Government officials. In 1965 Jamaica House, the Prime Minister's official residence, was completed at a cost of $450,000. Later that same year it became public knowledge that certain ministers were using Government funds to furnish their government-supplied houses - to the tune of about $18,000 each. In addition one can see Government delegations constantly leaving and returning (first class) to the island from abroad, courtesy of the people of Jamaica.

This criminal waste of public funds can be contrasted to life in West Kingston, which forms the largest and most violent slum areas in Jamaica. Part of this area is referred to as the 'dungle' which is the local term applied to the Kingston garbage dump located in the vicinity. This is the 'residential' area for the urban lumpens and drifters from the countryside. The people squat in this region and scrounge from the dump in order to obtain materials to construct make-shift shanty dwellings. Occasionally the government has a 'clean-up' campaign in which the shacks are bulldozed. This often results in rioting and violence since the people are not provided with alternate housing: and soon the hovels reappear elsewhere in the vicinity.

In West Kingston most of the people are without the basic human requirements needed to live a minimal existence. Unemployment is extreme. Educational facilities are almost non-existent. Housing is worse than anywhere else on the Island. These conditions have resulted in a level of violence and crime difficult to imagine for North Americans.
However, when social conditions are examined such as "400 families depending on water from a single stand-pipe" in White Lane, an area of West Kingston, or on North Street where "people sleep in roofless yards" and "nine-tenths are without jobs or hope of any", then it is realized that in order to survive the people have been driven by poverty into the world of 'crime'. However, the real criminals are not the people in West Kingston, but rather the perpetuators of a capitalist system which allows their continued oppression. Alcan and the governments of Jamaica and Canada are parts of that oppressive system.

Jamaica has an outward appearance of prosperity with its supermarkets, traffic jams and Kentucky Fried Chicken -- foreign investment at every corner -- but the masses of people never see this "affluence". Alcan expatriates sip cool drinks at the Manchester Club in Mandeville; Prime Minister Shearer returns from his visit with Nixon and announces to the nation on the question of the social upheavals in West Kingston that "This violence must stop!" Meanwhile, the people grow impatient.

Prime Minister Hugh Shearer of Jamaica with U.S. President Nixon.
A Jesuit, Tom Curran, sums up the situation:

This is a different island from ten years ago. There's a lot more wealth, but it stays at the top. The major problem is not just poverty, but the contrast between poverty and wealth. In the Red Hills, across Washington Boulevard, a baby cries because its belly is too full, this side of the gully because it is empty. People just can't see their children starving -- and others not only not starving, but being profligate in their wealth -- without becoming dissatisfied. If they all become dissatisfied at once, you have the seeds of revolution. 10

The masses of people in Jamaica are becoming more and more dissatisfied. A recent survey showed that 85 percent of the population earned less than $10 per week. The "seeds of revolution" have been sown, with Alcan and others helping to nurture and foster their growth. The seeds will sprout when the Jamaican people seize what is theirs so that all Jamaicans may benefit from her wealth of resources rather than just the local bourgeois and foreign corporations now controlling the country.

Alumina processing plant. Ewerton, Jamaica.
The Portuguese dream of establishing a Lusitanian Empire within Africa burst like a string of firecrackers with the beginning of armed struggle in 1961 in Angola, 1963 in Guiné and 1964 in Mozambique. It became clear that alone Portugal could not hope to maintain a hold upon her colonies in Africa. As a result Portugal was forced to diverge from the path of economic monopoly in the colonies in favour of a policy of encouraging the influx of foreign capital, both to relieve the financial burden of maintaining a costly war and to command greater political support by broadening the sphere of vested interests from overseas.

In addition, the closing of the Suez and the arrival of super tankers and other large vessels unable to use such canals, highlighted the importance of the Cape Sea route. Western powers revised their policy towards South Africa, Rhodesia and the Portuguese colonies and headed down the path of close co-operation and involvement. The Cabora Bassa Dam Project in Tete province of northwestern Mozambique is a timely example of such alignment.

Located in Kebrassa Gorge on the Zambezi River, some 80 miles upstream from the town of Tete, the purpose of this project is to provide hydro-electric power, primarily to South Africa and Rhodesia, and to control the seasonal irregularities of the Zambezi flow for settlement and agricultural purposes.

As presently conceived, this massive project will involve three stages of development:
1. 1969-1975: construction of the Cabora Bassa Dam itself and a southern generating station of some 1.2 million kw. capacity.

2. An increase in the generating capacity of two million kw. by the construction of a northern station; also two or three new dams downstream.


Portugal called for tenders on phase 1 in 1967 with the contract being awarded to the consortium, ZAMCO, in which the Anglo-American Corporation of South Africa plays a dominant role along with Portuguese, French, West German and Canadian firms. However, it is to be noted that South Africa has 117 million pounds invested, or two-thirds of the total investment. The South African Government has agreed to cover any construction deficit to a maximum of $49 million to be repaid at low interest rates over 25 years. Union Acceptances of Johannesburg and other South African financial institutions have also provided backing.

Because of public pressure and pressure from some of the African states, a Swedish and an Italian firm have pulled out of the project. These companies dropped out when their governments refused to guarantee export credits or legal immunity. In Sweden this was due to laws concerning relations with Rhodesia, which is taking a part in the construction.

South Africa's stake in the project is more than merely monetary. South Africa needs increasing amounts of hydro-electric power if she is to continue her industrial expansion. In Angola, Mozambique, Botswana, Lesotho and Swaziland, there is a great power potential, and South Africa has plans for projects such as the Cabora Bassa Dam in all these countries and hopes to fashion a vast network which would give it an ample supply of cheap power for her needs. This is illustrated by the following excerpts from an official South African Publication, The Concept of Economic Co-operation in Southern Africa:

It will, however, be many decades before
Mozambique itself will be able to absorb such quantities of energy. It was therefore clear to the Portuguese that if they could persuade the Republic to enter into a contract to purchase a substantial proportion of the energy surplus, the full potential of these schemes in Angola and Mozambique could be developed economically and the resulting revenue would enable them to tackle the land reclamation and irrigation projects without which they would find difficulty in raising their agricultural productivity....Negotiations between the Republic and the Portuguese authorities for the Zambezi are in an advanced stage. Negotiations with Lesotho for the use of power and water from the projected Oxbow Lake Scheme have reached their final stage....

From a cost point of view the Republic would gain considerably—all of these schemes could supply the Republic with power at a lower cost per unit than that at present.12

However, in addition to a cheap power supply, South Africa is advancing a policy of neo-colonization of the smaller countries involved, much like the U.S. policy in Latin America and South East Asia. She does not want to be suddenly cut off from her supply of power by nationalist or liberation movements.

In such an integrated scheme a measure of supranational control would have to be accepted. Individually none of these schemes however large some of them may be—the potential of the proposed Cabora Bassa component alone is about 60% of the Republic's current annual demand—would seriously embarrass the Republic from a control point of view....

Would it be possible to allow the same kind of atomistic, individual, or even state control of small projects....or would the economics as well as the technology of the infra-structure require a greater measure of integration of control?.... The extent of political sovereignty would have
to be severely limited by the technological nature of the processes..., sovereignty would have to be relinquished in the field of technological co-operation... The smaller the individual communities, the greater the need for co-operation.13

This is South Africa's policy with regards to the countries of small southern Africa: integrated control under South Africa's leadership.

It is difficult to exaggerate the impact of such a project upon Tete province. This area contains the richest land in Mozambique, not only in terms of agricultural development, but also due to the large, and mainly unexploited mineral deposits located there. The Cabora Bassa plan allows for the future development of all these resources by producing the water and power requirements for agriculture and industry. In these terms, the strategic importance of the area becomes instantly apparent.
Tete province and Cabora Bassa are also crucially important when viewed in the larger context of the fascist alliance of South Africa, Rhodesia and the Portuguese colonies. Eighty-three thousand black Mozambicans have been displaced from the area of the dam. Portugal has plans for the settlement of one million white Europeans in the Zambezi valley, since irrigation will provide 1.5 million hectares (1 hectare = 2.5 acres) of additional arable land. These settlers, when viewed in relation to Portugal's population of 9 million, will obviously have to include many non-Portuguese. At present there are campaigns to recruit settlers from West Germany and France in addition to white South Africans and Rhodesians. Portuguese soldiers, after their four years of service, are also encouraged to stay on as settlers. The Cabora Bassa Dam is the scheme of Portugal and South Africa to hold the line
The Cabora Bassa dam site seen from the air. On the side of the cliff engineers have blasted out a hairpin bend road which is the only means of access to the site of the dam itself.

Photo: Anti-Apartheid News, July-August 1971
on the southern African liberation struggles. They hope that the line will be hardened by the entrenchment of international capital and a million whites in the Zambezi valley—a technological-financial barrier to prevent FRELIMO, the Mozambique Liberation Front, from advancing southward.

The South Africans and Rhodesians thus have a definite political stake in the project which will result in a cementing of their ties with the Portuguese colonies. By the end of 1968 South Africa had committed one-third of its ground force recruitment to the defence of Mozambique, Angola and Rhodesia. At present two battalions of South African troops are stationed in the Zambezi valley, and have already clashed with FRELIMO guerrillas. In February 1971 Major Silva Pais, head of the Portuguese D.G.S. (secret police) in charge of security in Africa brought the security chiefs of Mozambique and Angola to Salisbury to meet with Rhodesian and South African security heads. This meeting was probably called to discuss the liberation movements and the safety of the Cabora Bassa Project—since the Portuguese forces have not been successful in preventing FRELIMO harassment. General Kaulza de Arriaga, commander-in-chief of the Portuguese forces in Mozambique said that the dam would be built at "whatever the cost may be and whoever may get hurt." It is in fact being built under the shaky protection of the South African military, equipped with the most modern arms and support facilities. Their presence on Mozambican territory brings a new and expanded dimension to the people's war there.

Alcan — Alliance with Fascism & Colonialism

Canada is very much a part of the scheme of the white settlers and fascist governments in southern Africa to maintain their power and privilege. Though taking a liberal stance on the right of nations to self-determination in U.N. debate, Canada must be judged by its actions. The Canadian Department of Industry, Trade and Commerce has en-
couraged Canadian participation in the Cabora Bassa project. The Department's publication, Foreign Trade (11/69), ran two articles—one from South Africa and one from Mozambique—urging Canadian businessmen not to miss the great opportunity for investment in Cabora Bassa. It also seems probable, since Alcan is now involved, that the Canadian Government has guaranteed export credits for the contracts.

Alcan and its U.S. subsidiary, Reynolds, have announced contracts with the Portuguese company, Quintas y Quintas (10/15/70, Toronto Globe and Mail). The contracts provide for the processing and delivery of 12,000 tons of aluminum to Portugal for use in the manufacture of electrical cables for the Cabora Bassa Dam. This will give Alcan $3,600,000 and provide work for 180 Canadians in Quebec for a period of one year.

Participants like Alcan have found it necessary to counter the adverse publicity and criticism they've received with their own justifications for the project. They argue that the Cabora Bassa Project is really in the interests of the people of Mozambique. Some reasons given are:

1. The dam will provide Mozambique with all the electric power needed for its development and will enable Mozambique to export power to neighbouring countries.

2. The building of the dam and the resulting industry will give work to thousands of Mozambicans.

3. It will irrigate thousands of hectares of land allowing hundreds of thousands of people to benefit from use of this newly available arable land.

4. The dam and the accompanying Zambezi Valley Development Project will attract foreign investment for the further development of the country.

Finally, these corporations say, independence will come sooner or later. It's better to let the dam be built, since as an independent country, Mozambique will be in a better economic situation with it than without it.
The FRELIMO response to this:

1. Most of the power will go to the oppressive and racist regime of South Africa.

2. The Mozambican people won't benefit from a public works project like Cabora Bassa. All Government projects (roads, bridges, government buildings) are constructed by forced labour in order to pay off an unjust tax levied by the Portuguese on all Mozambicans.

3. The irrigated land will not go to Mozambicans, but rather to a million white settlers.

4. Countries whose natural resources are in foreign hands usually remain underdeveloped and over-exploited, as is the case of most countries in Latin America and Africa. North America and Europe are no richer in natural resources; however, development occurred due to the fact that those resources remained in these countries to be processed on the spot. In addition, resources from the underdeveloped colonies and neo-colonies went toward the enrichment of North America and Europe. Already the Portuguese have granted prospecting rights for copper, oil and iron deposits in Tete province, in the region of the Cabora Bassa Dam, to U.S. and Japanese companies.15

Portugal has only a superficial economic hold on Mozambique. The dam is meant to attract foreign investment and to entrench these interests on the side of the colonialists against the liberation movement. The dam is in the interest of international capital, if only to maintain and protect existing investments in southern Africa. The dam was calculated as the economic and political means to ensure that independence never comes to the Mozambican people.

Alcan's interests in Cabora Bassa are much deeper than the immediate monetary returns on its aluminum. Liberation struggles are a threat to multi-national corporations and financial institutions. If the resulting
independence is real, it means a political and economic break with those countries (and their corporations) which now control the colonized people and their resources. Alcan's involvement in Cabora Bassa should not be surprising; it has subsidiaries based in South Africa allowing that country to be self-sufficient in aluminum production.

It would appear that the white minority regimes of southern Africa have made their intentions perfectly clear. Through the establishment of economic, political and military co-operation, the Smith, Vorster and Caetano regimes have drawn closer together than ever before. By opening "their" economies to foreign investment, interests have been created which foster new allies among the developed capitalist countries -- such as Canada. How long, one might ask, before the Canadian "special forces" intervene with other reactionary forces to protect Alcan and other Canadian corporations in southern Africa?

Jamaica & Cabora Bassa

Jamaica and the West Indies are far removed from Mozambique and the FRELIMO-led liberation struggle there. It is nonetheless ironic that the people of Jamaica, with the national motto "Out of Many, One People", should have their resources going to aid the racist alliance of South Africa, Rhodesia and Portugal. Through Alcan and its protector, the Canadian Government, Jamaica is linked to the apartheid regimes of southern Africa. Without Jamaican or Guyanese bauxite, Alcan could not manufacture and sell aluminum to the Portuguese for use in further oppression of the Mozambican people. Again, the aluminum wire provided for Cabora Bassa by Alcan from (at least in part) Jamaican bauxite, helps the fascist white minority in South Africa to sustain its brutal apartheid regime.

The peoples of southern Africa and Jamaica, however, are not entirely helpless victims in this process of imperialist exploitation and plunder. They can resist, and
many are in fact resisting. The advance of FRELIMO forces in Mozambique is threatening the construction of Cabora Bassa - which requires an increasing number of South African troops for its protection; in Angola the forces of the MPLA (Popular Movement for the Liberation of Angola) are in control of a third of their national territory and threaten imperialist interests in the diamond, coffee and petroleum industries as well as the Cunene hydro-electric project; in Zimbabwe (Rhodesia), the guerrilla forces are growing and will soon become a serious threat to the Smith regime and its South African protector; and under the leadership of the ANC and SWAPO, the peoples of South and Southwest Africa are also mounting increasing resistance. It is also necessary for the Jamaican people to resist; to seize control of their own natural resources from the hands of Alcan and other imperialist corporations. Only then will all Jamaicans be able to enjoy a decent standard of life and living, and be able once and for all to end the use of bauxite and other Jamaican resources by North American corporations for selfish profit and the maintenance of racist regimes.

International Opposition to the Cabora Bassa Project

The construction of the Cabora Bassa Dam is the most eloquent expression of the colonialist and imperialist attitude. Cabora Bassa is a crime. It is a crime not only against the Mozambican people but also the entire people of southern Africa and Africa as a whole. The complicity of the Western powers in the realization of the construction project of the Cabora Bassa Dam has provoked the indignation of the popular forces of these same Western countries. A vast movement of solidarity is developing in the world, especially envisioning the impediment of the Dam construction. This movement of solidarity comes to support precisely the positions and decisions of FRELIMO.
and the Mozambican people. (FRELIMO, address to an ad hoc group of the U.N., in Mozambique Revolution, 1971)

The United Nations has condemned the Cabora Bassa project. African nations, through the Organization of African Unity and the Non-Aligned Summit Conference, have also condemned the construction of the dam. President Kaunda of Zambia is leading a campaign to press governments to withdraw from the scheme by threatening the loss of African trade. The decisive factor, however, will be FRELIMO's military actions against the dam construction.

Most of the aid to FRELIMO comes from African nations--especially Zambia and Tanzania--and the socialist countries. However, there exists in North America and Europe organizations which are also working to provide aid to the liberation movements, information on the progress of the liberation struggles, and to promote public awareness in order to bring pressures on their respective governments and companies to withdraw from Cabora Bassa and similar projects. In Italy, Sweden, and Britain they have been successful. Recently,* in the U.S., several groups have been successful in enlisting support from a number of American congressmen to help force the cancellation of the Export-Import Bank Loan to General Electric which had a contract with the Portuguese to supply $55 million worth of transformers for Cabora Bassa. The cancellation of the loan caused the company to withdraw from the project and has also set a precedent which will discourage involvement by other U.S. firms.

In Canada there is also a continuing, if as yet unsuccessful, campaign to force Alcan out of Cabora Bassa. Project Mozambique, a group from Eastern Canada, raised funds to buy Alcan shares and attended the Annual Shareholder's Meeting on 1 April 1971 in order to focus the attention of Alcan executives and other shareholders, as well as the public, on the crime of Cabora Bassa. They brought together students, churches, humanitarian groups, and even the YWCA to protest Alcan's participation in the Cabora Bassa Dam project. The action was successful in that it was given national press coverage, thus bringing

*(in mid-1971)
Alcan's involvement before the Canadian public's eye.

Liberation Support Movement, in Western Canada, is also engaged in the anti-Alcan campaign. The LSM has carried out considerable propaganda and agitational work in Vancouver as well as sending material support to FRELIMO. The LSM is currently attempting to coordinate its anti-Alcan activities with other groups in Canada—and within the newly-formed North American Anti-Imperialist coalition. LSM encourages individuals, groups and organizations to protest Alcan's imperialist operations by demanding its immediate withdrawal from the Cabora Bassa Dam project, and by giving material support to the liberation movements in southern Africa through LSM or organizations with similar programs.

Demonstration organized by LSM on Frelimo Day, 25 Sept. 1971 in Vancouver, Canada. After speeches this mock dam was 'busted' as demonstrators crashed through it & began a jog around the downtown area, carrying placards & shouting slogans. Informational literature was distributed.
Notes


2 Ibid., p. 31.

3 Ibid., p. 17.

4 Ibid., p. 18.

5 Ransford Palmer, The Jamaican Economy, p. 133

6 Clyde Sanger, Half a Loaf, p. 137.


8 The Senate of Canada, op. cit., p. 24.

9 Sanger, op. cit., p. 136.

10 Ibid.

11 Republic of Zambia, Cabora Bassa Scheme: Portuguese or South African.

12 Ibid.

13 Ibid.


Literature Cited


United Nations Special Committee report (A/8423/Add. 4)
28 September 1971 (page 17)

The Special Committee called upon all States, particularly the military allies of Portugal within the North Atlantic Treaty Organization (NATO), to take the following measures: (a) to disist from giving the Portuguese Government any military assistance, including the training of military personnel within or outside the framework of the North Atlantic Treaty Alliance; (b) to prevent the sale or supply of weapons, military equipment and material, including aircraft, helicopters and vehicles to the Portuguese Government; and (c) to stop the sale or shipment to that Government of equipment and materials for the manufacture or maintenance of weapons and ammunition.

Deploring the intensified activity of economic and financial and other interests which impede the self-determination and independence of the African populations in the Portuguese Territories, the Special Committee called upon all States to put an end to practices which exploit the peoples and the Territories under Portuguese domination, and to discourage their nationals from entering into any activities or arrangements which strengthen Portugal's domination. The Committee also appealed to all Governments which had not yet done so, to withdraw from activities relating to the Cabora Bassa project in Mozambique and the Cunene River Basin project in Angola.

The Committee drew the attention of the Security Council to the grave situation created by the continued defiance by Portugal of its obligations under the Charter and the threat to international peace and security resulting from the growing collaboration between Portugal, South Africa and the minority regime in Southern Rhodesia...also to the urgent need to adopt the necessary measures to make mandatory the provisions of its resolutions concerning this question.

The Committee again urged all States to render the peoples of the Territories the financial and material assistance necessary for the continuance of their struggle for the restoration of their rights, and to take co-ordinated measures,...to increase assistance to the national liberation movements, including the active participation of the specialized agencies and the international organizations concerned...