

Bank of America brings civilization to Bougainville

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Liberation News Service

The black natives of Bougainville never had much. White officials from the Australian colonial administration ran the island. But the blacks had their coconut and copra plantations, their villages, and the lush beauty of their South Pacific island.

Bank of America changed all that. The blacks had the misfortune of living on top of 760 million tons of copper ore. Bank of America wanted the immense profits from strip mining the copper, and the powerless, colonized population was not going to be allowed to stand in the path of the world's biggest bank.

The exploitation of the copper depended upon massive financing. Bank of America organized a syndicate in 1969 to provide \$250,000,000 capital to Rio Tinto Zinc Ltd., which would actually do the mining through a concession on the Bougainville deposits secured from the Australians. In return for its role as financier, Bank of America was assigned three per cent ownership in what would become the world's largest open pit copper mine.

No shares for blacks

The copper lay under several hundred feet of volcanic soil on native land. The blacks, however, had no chance of sharing in the riches. Australia had passed a law under which all minerals found on native land were ceded to the colonial administration. Then, the mining sites were signed away to the consortium.

That was just the beginning. The consortium needed thousands more acres of land for a port, construction camp, housing for white workers, and other facilities. The consortium asked the natives to give them long-term leases on land, which included farms and villages. The natives refused. The Australian administration went ahead anyway and leased the land over native protests.

When the bulldozers came to begin construction of mine facilities near Rorovana village in August, 1969, about 70 black men and women sat on the ground blocking their path. Police threw tear gas. The natives held their ground. Finally police drove them away with clubs. Other demonstrations by natives were dispersed the same way.

Bank of America's partner in the mine, Rio Tinto Zinc, was experienced in this kind of business operation. Rio Tinto has operated mines in white-supremacist South Africa for many years. (Bank of America did too — participating in a \$40 million line of credit to the South African government until 1969). In Australia itself, Rio Tinto treated aborigines around its mining sites the same way it dealt with the Bougainville natives.



To win the lucrative Australian mining concessions, Rio Tinto gave gifts of stock to key government officials at one-half the market value. The mild-mannered London Times commented in 1968, "There have been grumbles in some countries that Rio Tinto Zinc and other big overseas groups are getting away with national resources, a kind of licensed larceny."

To avoid appearing too much like a corporate thief, the Bougainville consortium has given a 20 per cent share of the

ownership of the mine to the Australian colonial administration. The Australians, of course, claim that the administration's share of the profits will be used to benefit the black natives whose land was ripped off by the consortium. Since the blacks have no control over the shares, it cannot be expected that they will get any better treatment in the future than in the past.

Not only will the consortium take the copper, but it will also devastate the landscape in the process. A consortium official told World Mining magazine: "We are starting to prepare for stripping. Every tree over five inches in diameter has been killed. An aerial defoliant spraying programme has just been finished to kill off the underbrush. All dead trees and brush will be cleared, pulled up by the roots or blasted, and removed from the mine site in preparation for stripping. Hydraulic stripping will be used for stripping down to rock. The mud will be washed down the mountain."

Battlefield facsimile

When the copper is gone, the natives will be left with a realistic facsimile of a Vietnam battlefield.

Bank of America is bursting with pride over the Bougainville project. The 1969 annual report features a four-colour display on the mine. Bank president Tom Clausen calls it "the highest order of venture banking." Venture banking is a term coined by Bank of America which means the bank has a hand in everything: lending the money, planning the investment, winning favourable treatment from local governments, and sharing in actual ownership.

"It requires a well informed and sophisticated intelligence system as well as a high degree of statesmanship," says the bank. "A better example of this new international banking could hardly be found than the role played by our bank in financing the Bougainville copper project." Profits are expected to flow in Bank of America's vaults beginning in 1973.

Bank of America and the other giant American corporations are busy extending Bougainville-style "development" throughout the Third World. The corporations claim that their overseas investments help "close the world's income

gap." Bank of America's Clausen says, "in the political climate that exists in most lesser developed countries, the only passport to success is to help, not exploit, that country. In making the claim of exploitation, the radical left is either naive about political realities abroad, or callously making use of an outdated shibboleth for their own ends."

Among themselves, however, the corporate elite speak quite frankly about what is going on. Rudolph Peterson, then president of Bank of America, told a convention of bankers in 1968 that "With the end of the colonial era most European banks pulled back from Asia. The time is now ripe for their return with the new dimension of venture banking."

While European banks may get a few crumbs off the table, the lion's share of the spoils goes to U.S. corporations. They are attempting nothing less than the complete integration of the "Free World" into a single, multinational economic system, structured to produce maximum profits.

Multinational banks

Bank of America's international activities are an important part. Since World War II, the bank has systematically built a financial network encompassing 75 countries. If a branch is not permitted, Bank of America buys an interest in a local bank. If that is prohibited, the bank sets up a representative office. In the words of Fortune magazine, "The aim... is to build up a system whose intertwined operations will improve the bank's over-all earnings."

Only two other banks — Chase Manhattan and First National City — have international systems that compare to Bank of America's. With the bank's guidance and financing, U.S. corporations are literally buying up the economies of the "Free World." The value of U.S. holdings abroad increased from \$7.2 billion in 1946 to \$65 billion in 1968.

The people of Asia, Latin America and Africa find themselves basically in the same position as the Bougainville Islanders. Those who desperately want progress — and end to hunger, disease and social inequality — find themselves being fashioned into a niche in the world-wide schemes of Bank of America.

COUNCIL OF THE YORK STUDENT FEDERATION

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FEBRUARY 2, 1971

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3 COUNCILLORS PER FULL
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NOMINATION FORMS, ALL OTHER INFORMATION IS AVAILABLE
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