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COLONIAL PATTERNS OF RESOURCE DEVELOPMENT:

A Case Study of the Native Peoples Struggles
in the Amazon Basin of Brazil and its
Implications for the Northwest Territories.

Statement of evidence
before the

MACKENZIE VALLEY PIPELINE INQUIRY
YELLOWKNIFE, N.W.T.

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Mr. Commissioner:

We are grateful for this opportunity to present our concerns about the future course of resource development in the Canadian North before what may well become the most significant public inquiry in the history of this nation.

As you know, the Church has had an historical relationship with the native peoples of the Northwest Territories. We readily acknowledge that the Church in Canada has participated in the injustices incurred by native peoples in the past. We look to the past in order that we might act more responsibly in the present. Today, the projected resource development for the Northwest Territories raises profound questions of justice and poses a serious challenge for the whole Church in Canada.

The Church also has a concern with corporate responsibility. An inter-church Task Force on the Churches and Corporate Responsibility has been established to enable the Church to investigate the behaviour of corporations and call them to account on the question of public and social responsibility. In a brief to the Royal Commission on Corporate Concentration the Task Force argues that corporations cannot ignore their public and social responsibilities. In this context, the Churches initiated a special project the Corporate Action Research Project to prepare the background studies on corporate resource development in the Amazon and the North on which this presentation is based.

It is our understanding that the purpose of this particular phase of your inquiry is to assess the social impact, particularly on the lives of the native peoples, of building a pipeline down the Mackenzie Valley. In this context, we contend that it is important to examine the struggles of native peoples elsewhere in the world who have encountered similar patterns of resource development. Indeed the social impact of development plans for the Northwest Territories cannot properly be understood apart from such an examination for two fundamental reasons.

Firstly, native people everywhere have a special relationship to the land which is often neither understood nor tolerated by the larger societies within which they live. The tendency to look at each group in isolation denies us the insights we can get from looking at the common experience of native peoples throughout the world. Secondly, the land occupied and used by native people is the object of increasing interest by transnational corporations who, acting with the support of national governments are today the dominant forces in resource development.

We have chosen here to look at the struggle of native people in the Amazon region of Brazil. For the past decade, transnational corporations in cooperation with the Government of Brazil, and other Governments including Canada's, have taken control of the Amazon's rich resource base. A variety of mining, agricultural, forestry, and energy projects

have been initiated along with the construction of highways, railroads and sea ports. Native people have had no role in decisions about the use of their lands and their development. In effect, a colonial pattern of resource development has emerged in the Amazon which has had tragic consequences for the native peoples who have inhabited this region of the world for centuries.

Some may feel our choice is inappropriate. Brazil is a peculiarly harsh example in respect of its treatment of native people; Canada treats its native people distinctly less harshly and a difference in degree at some point becomes a difference in kind. This difference, however, should not lead us to conclude that examining the structure and pattern of resource development in the Amazon is irrelevant to understanding resource development plans for the North, including the proposed gas pipeline. There are some important parallels between resource development in the Amazon region and the Northwest Territories which, we believe, indicate that the Amazon case is not an isolated experience but has implications for resource development here. As we will show presently, some of the same transnational corporations are involved in both regions. The Canadian government also plays a role in both regions -- a major one, of course, here in the North and a minor, but nevertheless most disturbing one in Brazil.

There is a final and compelling reason for insisting on the relevance of our case study of the Amazon for the north.

While the situation in Brazil is presently much worse than in Canada, native people here have no guarantee that their situation will not worsen and dramatically so. Threats that a pipeline will be built regardless of whether or not there is a land settlement acceptable to the native people would, if carried out, constitute coercion of a nature that would move the North tragically closer to the present realities of Brazil. For what we see emerging in the NWT is a colonial pattern where native peoples have no effective control over future economic development of resources on their lands.

In presenting this study, we are acting in solidarity with our sister Church in Brazil. For the Brazilian Church has become a significant opposition to the relentless exploitation of the Indian people in the Amazon. In this particular moment in history, we find ourselves acting in the tradition of the prophets by engaging in the struggle of native peoples for justice in both the Northwest Territories and the Amazon.

The People and the Resources of the Amazon

The Amazon region of Brazil constitutes an enormous land mass of 1.5 million square miles stretching across the entire north and northwest half of the country. For several thousand years, the Amazon basin and its surrounding regions have been the homeland for Indian people. In recent years, the Amazon region has become recognized as one of the world's last untapped storehouses of mineral wealth, agricultural lands, and forests.

Through the centuries, the Indian people of the Amazon have developed a collective culture and self sufficient economy. When the Europeans arrived in the fifteenth century, they found a dense and lively Indian population in the Amazon region. There is no certainty about the size of the aboriginal populations prior to the arrival of the Europeans but historians calculate that the Indian people may have numbered between one and five millions. By 1900, intervening atrocities and natural disasters had drastically reduced the Indian population to less than a million. By 1940 the estimate was 500,000.

Since time beyond memory, the Indian people of the Amazon have had a unique relationship with the lands they have inhabited. The land itself has been intrinsic to the native way of life in the Amazon and the native culture has been developed in harmony with the environment. For the Brazilian Indian, therefore, as with aboriginal people elsewhere, the relationship with the land is not simply economic but is necessary to maintain the self-sufficient, collective way of life, and as such is considered inalienable from them as a people. To separate the Amazon Indians from their land is to deny their being, to destroy their way of life, and to disrupt the social, cultural, spiritual, economic and political relationships of their society. These are the conclusions of an historic meeting of native peoples, the First Indian Congress of the Southern Hemisphere held at the Catholic

University of Asuncion, Paraguay in October, 1974.

In the words of Tururin, chief of the Pataxo Nation in Amazonia:

We Indians are like a plant, which suffers seriously -- or dies -- when moved from its place. We cannot agree to leave here, because we were on this land long years before the reservation existed. For good or ill, it is ours; it is where we were born and grew up and where our fathers and forefathers died and are buried.

The Indians of the Amazon today claim the lands they have occupied for centuries in Amazonia to be their own. For these aboriginal peoples, the concept of land ownership is communal. The land exists to provide for the needs of people rather than the maximization of profits. The sole purpose of social organization itself is to guarantee the survival and rights of all people, rather than a few, by creating conditions for sharing power equally in the community and living in harmony with nature and its phenomena.

For the past decade, the Indian people and their culture have been seriously threatened by the onslaught of resource development in the Amazon. The vast mineral, energy, agricultural, and timber resources of the Amazon are being exploited for the markets of the world. Indeed, the potential mineral wealth of the Amazon is such that it is being heralded in global business circles as the "mineral province of the seventies". ("It was Canada in the 50's, Australia in the 60's, and I'm totally convinced it will be Brazil in the 70's", said mining consultant Patrick J. Delaney in

Engineering and Mining Journal, Feb. 1972).

The Amazon basin contains the world's largest reserves of iron ore, enormous bauxite deposits (that, according to Metals Week, Dec. 16, 1974, will allow the country to become one of the world's five largest producers within ten years), the world's largest tin reserves and enough manganese to become the world's second biggest exporter. Other minerals found in the Amazon include beryl, niobium, nickel, colobium, tantalum, cobalt, tungsten and copper. The Los Angeles Times for Sept. 26, 1975 reported good potential for chrome, phosphates, potassium, gold, diamonds and other gems. In addition the region may hold potential for hydro-electric projects and substantial oil reserves. Oil was discovered at various sites, not only a good quality but also in quantity, especially in the so-called Campos, (offshore, at the mouth of the Amazon) an area that is already being estimated as a reserve of approximately 800 million barrels. The Amazon also represents one of the largest forests in the world. Finally, vast tracts of land in the Amazon are being cleared primarily for cattle-raising.

Prior to 1964, there had been very little initiative taken in exploiting the resources of the Amazon. Until recently, there were a number of reasons for this resource base remaining untapped for large-scale economic exploitation. The virtual physical inaccessibility of the Amazon region has been perhaps the primary deterrent in the past. There

was also a lack of demand, both internally and externally for the Amazon's resources. The lack of strong state support and incentives was reflected in an economic nationalism which all but precluded the participation of foreign mining companies in the nation's mineral development because of a restrictive mining code. In this code subsoil rights were classified as being in the public domain and exploration and mining rights could only be granted to Brazilian nationals. Finally, no geological mapping had been made of the Amazon region in order to uncover the sites that contained the mineral resources.

In 1964, a military coup affected a number of these factors. The rapid escalation of mineral resource development gained momentum particularly because of the military government's new mining code promulgated in 1967. The new code stipulated that the government may develop only existing mining companies and can initiate new mining ventures only if no private companies have expressed interest in them. In fact, it favored private, foreign-based corporations to exploit the new mining ventures rather than take the initiative itself.

The impetus for this growth was given through conducting a complete geological survey of the Amazon and introducing fiscal incentives and tax exemptions for foreign investments in mining ventures. A state agency, the Cia de Pesquisa de Recursos Minerais (CPRM) was set up in 1970 as a service company, an exploration company and as a finance company, such that rather than develop a mine itself, CPRM would "work

with and for private companies" according to one of its directors.

Today the plan for the Amazon is on a massive scale which includes mineral resource extraction and development, timber extraction and forest products complexes, agricultural enterprises principally for cattle-raising and development of an infrastructure exemplified by the trans-Amazonic highway system.

The biggest boom in Brazil today is occurring in the mining sector. After successfully achieving a target of doubling the value of the country's mineral output between 1969 and 1973, the new development plans call for a quadrupling of output again between 1975 and 1980. Exploration budgets, which were almost non-existent a decade ago, will have reached an annual rate of \$150 million by the end of 1976, more than the combined exploration budgets of Canada and Australia. Mineral claims jumped from an annual rate of 2000 in 1968 to over 20,000 in 1975. Moreover, it is thought that even all this present activity is just skimming the surface of what appears to be the most important new basin of mineral wealth for the western industrialized nations.

The Corporate Take-over of the Amazon

In the previous section reference has been made to the resources of the Amazon and the changing conditions which make their extraction possible. Over the past decade an increasing number of transnational corporations, often

participating in joint ventures, have played a decisive role in resource development projects within the Amazon region. Canadian-based transnationals will be discussed in a later section.

The construction of the Amazon road system, which includes the 3,100 Trans-Amazon highway from north-eastern Brazil to the Peruvian frontier, the Belem-Brazilia Highway running north to south on the eastern edge of the Amazon, the Santarem-Cuiaba Highway running north to south through west-central Brazil, the Northern Perimeter Highway and the Porto Velho Road passing through Mato Grosso and Rondonia, has involved several foreign surveying and equipment corporations. Earth Satellite Corporation, Litton Industries and Westinghouse Corporation all have contracts for Project Radam, a \$7 million aerial photographic survey of the Amazon. Komatsu (Japan) Fiat (Italy) General Motors, Caterpillar Brasil, J.I. Case, Clark Equipment, Eaton Corp. Wabco, Huber-Warco (U.S.) and others have contracts totalling \$172 million for earth-moving equipment.

United States Steel is involved in a joint venture, Amazons Mineracao, for the production of iron-ore. Bethlehem Steel participates in a joint venture, Industries E Comercio de Minerios, in manganese. Alcoa, Nippon Steel (Japan) Kaiser Aluminum, National Bulk Carriers, Pechiney, Alusuisse, Rio Tinto Zinc and Hanna Mining are involved in the bauxite field. Billiton (owned by Royal Dutch Shell), W.R. Grace, (Rockefeller/

Molybdenum Corp.-Moreira Salles), Portland Cement and others participate in joint ventures in tin.

The development of agriculture, mostly cattle-raising, involves National Bulk Carriers, (owned by D. Keith Ludwig), and Volkswagen Brazil among others. In forestry National Bulk Carriers is also involved.

The transnational corporations operating in the Amazon function in response to the demands of a global market system. By securing control over land in the Amazon, these corporations gain access to important supplies of raw materials. Access to supplies, in turn, provides these corporations with the power to determine or influence world market conditions on particular commodities. And control over lands, resources, and markets together guarantees rising profit margins for the transnationals.

The operations of the transnationals in the Amazon region have been facilitated by the government's overall development policy for Brazil, known as the "Brazilian Model". A combination of state incentives, international aid, foreign investment, and private financing characterized the Brazilian Model. The state does not hide the fact that "integrated and dependent capitalism" has been chosen as the model of "development" in Brazil. Analyses of the "Brazilian Model" have been made by the Bishops of the Amazon and the Catholic Bishops of the Northeast Brazil and the Center West. All three conclude that the present government of Brazil has

become the instrument of domination for foreign capitalists aligned with the local elites. In effect, this means that "national development" becomes subordinated to, and integrated with, the interests of the transnational corporations. For example, Alcan exports all bauxite extracted from the Amazon overseas, including exports to its Canadian site in Kitimat, B.C.

In particular, the Brazilian government has facilitated the operations of the transnationals in the Amazon through an elaborate state program of investment incentives. Corporations have been given tax exemptions up to 50 per cent as well as tax exemptions on the importation of new capital goods and certain raw materials. In addition, an enormous amount of public funds has been spent on providing basic infrastructures such as highways, harbours, and electric power. These facilities have been especially used by the transnational corporations in transporting raw materials for export to other countries. Their interests are in exporting Brazil's natural resources for maximum profitable sale elsewhere.

At the same time, Brazil's policies on "joint ventures" have provided greater benefits and more effective control for the transnationals in the Amazon. As the Financial Times of London (Sept. 23, 1975) points out:

Besides avoiding potential political problems, foreign companies with minority shares in Brazilian-controlled projects have a greater

access to governmental loans and grants, as well as having a better chance of winning government contracts because, for most purposes, a "Brazilian" company is defined as one with 51% or more Brazilian capital. As they frequently both control technology and have sufficient votes on the Board of Directors to veto any decisions they are firmly opposed to, the foreign companies exercise very great power in these joint ventures despite their formal status as minority shareholders.

Through this process, valuable mineral, timber, and energy resources from the Amazon are extracted and exported to other countries through the global market system. As a consequence, the resources of the Amazon are not being developed to serve the needs of the vast majority of Brazilians let alone the native people of the Amazon. This is the colonial pattern of development whereby powerful corporations have taken control of both the people and the resources of the Amazon basin.

The Exploitation of the Native Peoples in the Amazon

In the past, periods of economic boom in the Amazon (e.g., the production of rubber) have been accompanied by the extermination of Indian people on a large scale basis. During these times, it was possible to retreat into the remote areas of the Amazon where contact with non-Indians and the immediate threat was minimal. The situation now has radically changed. Due to the type and scale of resource development now under way in the Amazon, the Indian people can no longer escape the impact. In the words of the former President of the National Indian Agency (Funai), "The Indian

cannot be allowed to impede development." This has been the policy of the Brazilian government in the Amazon basin. For the transnational corporations and the Brazilian government, it has been necessary to remove native people from their traditional lands in order to proceed with resource development. In particular, the building of highways, mining industries, and agricultural enterprises have resulted in the exploitation of native peoples and their culture.

A. Highway Construction

The construction of the TransAmazonic Road System provided the basic conditions for attracting foreign investment and resource development. The highway system was built to criss-cross Indian parks (established to give native populations a chance of survival) and the seventeen reserves in the Amazon basin. The construction of the highway has had damaging effects on the lives of the Indian people. According to the Director of the Xingu National Park, for example, the construction of the BR 80 highway has brought "alcoholism, prostitution, adventurers, and those who destroy the environment." It has uprooted the Txukarramae tribe who were formally within the confines of the Xingu National Park. In addition, the introduction of new diseases during the construction phases of the highway has wiped out scores of Indian families.

The Brazilian government has utilized various tactics to free Indian lands for highway construction. Plans were

introduced to resettle half a million people living along the highway routes. Laws were also passed giving the government the rights to lands not occupied. A new Brazilian Indian Statute was passed in December, 1973 which virtually gave the government a free hand with regards to Indian land, citing "national interest" as the ultimate justification. Contrary to the wishes of Congress, former President Medici vetoed the section of the statute that would have protected native people by prohibiting the leasing of Indian land. Moreover, "garimpeiros" were hired to drive indigenous people from their lands and settlers were sent in to squat or colonize Indian territories. At the same time, the construction projects have severely damaged hunting and fishing practices for many Indian people. The damming of rivers and building of roads has altered the traditional patterns of animals and fish.

B. Mining Industries

In 1971, the Brazilian government declared the State of Rondonia as a major region for the extraction of cassiterite (tin). No consideration was given to how this resource extraction could proceed on Indian land. Rather, it was simply assumed that the Indian people would have to be driven away. The government's construction of the TransAmazonic Highway and the new port at Porto Velho paved the way for the investment of several transnational corporations. As a result, four or five major operations control tin production in

Rondonia today, including the Canadian-based corporation Brascan whose subsidiary Promisa has controlling interest in Mineracao Jacunda.

The Cintas Largas and Surui Indians, who for centuries had lived in relative isolation at the head waters of the Aripuana River in Rondonia, were suddenly faced with the possibility of extinction. In 1971, the two tribes agreed to resettle in Aripuana Park where they were assured of government protection. Several months later, the government began selling parcels of land in the Park to settlers. Several transnational corporations were granted permission to continue exploration on park land, and the highway was extended through the park despite Indian protests. The final blow was detail in 1973 when it was announced that the Park would be reduced to one-third its original size. Ten mining companies had received subsoil rights by the Brazilian government in the newly confiscated area. One of these was Billiton a subsidiary of Royal Dutch Shell; its Canadian subsidiary, Shell Canada, has extensive mining claims here in the Nahanni and is a member of the Arctic Gas consortium.

In the upper Amazon territory of Roraima exploration for uranium has severely affected the Yanomami nation. The governor of the territory stated, "I am of the opinion that an area as rich as this -- with gold, diamonds and uranium -- is not able to afford the luxury of conserving a half a dozen Indian tribes who are holding back development."

C. Agricultural Enterprises

The Brazilian government has also encouraged the formation of large agricultural business in the Indian territories of the Amazon. Government subsidies have been provided to help clear the land, construct storage facilities and even harvest the crops. A major example is the Swift-Armour-King Ranch, a 180,000 acre cattle ranch in Paragonimas. In 1971, Deltec International, through its subsidiary Swift do Brasil, made a bid to purchase the necessary acreage. The deal, however, became complicated by the fact that the lands had been designated as reservation for the Kaapore and Tembe Indian tribes. In 1972, the World Council of Churches brought attention to the fact that the King Ranch was sitting on the lands of the Tempe and Urubu -- kaapore Indians.

The Brazilian government's Minister of the Interior declared in 1973 that "the development of Amazonia will not stop because of the Indians." It was argued that Brazil needed large ranches in order to raise its levels of beef exports. In violation of national law, the property was promptly switched from federal to state jurisdiction in order to complete the transaction. Little or no consideration was given to how the Indian people were to survive without their lands. In 1972 Brascan, in conjunction with the CAEMI group, purchased Deltee's Brazilian subsidiary.

The impact of these patterns of resource development on the native peoples of the Amazon has been tragic. Reflect-

ing on these injustices, Claudio Villasboas, Director of Xingu National Park, commented:

They say it is necessary to open up roads to populate and settle the Amazon. Now the roads are open, and we can see that man is still absent. The forests are being levelled not only to open up the roads, but also to introduce cattle ... And for this the Indians are being expelled from their reserves and our ecological balance is being savagely mutilated.

The Failure of Government Protection of Native Rights

In 1968, the National Foundation for Assistance to the Indians (FUNAI) was established as a government agency with a two-fold objective. FUNAI was to protect native people until they are sufficiently "integrated" into the national society, and to serve as an agency for the Ministry of the Interior by promoting the development of the Amazon.

In its original statutes, FUNAI incorporated the conclusions of a government Task Force created in 1967 to investigate the precursor, FUNAI, the SPI. It endorsed the principles of the United Nations and the International Labour Organization regarding human and minority rights. The first article of the FUNAI statutes charged it with promoting respect for tribal institutions and communities, guaranteeing the permanent possession of lands which Indians inhabit, and the exclusive use of natural resources therein, according to the Brazilian Constitution; preserving the biological and cultural equilibrium of Indian communities in contact with the national society; and defending the spontaneous acculturation of Indian communities, rather than their rapid and enforced acculturation.

By 1970, FUNAI began to change its policy and deviate from the principles of its original charter. Commercial groups from the south of the country, large landowners, and foreign corporations pressured the government into opening up the lands of the Amazon and opposing the recognition of Indian rights. As a result, the Indian policy of FUNAI was sub-ordinated to the wider political and economic directives of the Brazilian model of development. FUNAI assumed an entrepreneurial position, contending that Indians must be integrated into the Amazonian patterns of "development" and growth. At the same time, FUNAI became an enormous piece of bureaucratic machinery centered in Brasilia. With massive contracts for mineral exploitation and land development, the whole issue of Indian rights became secondary to the promotion of Amazon development.

In 1972 Deputy Jerionimo Santana commented that:

FUNAI ... has become an entity where groups take refuge to exploit the natural resources of the reserves where the Indians live. Today it is the Indian who is of least importance. The Indian is a "thing" and the policy put into effect by FUNAI proves it.

In 1973, the Brazilian government passed a new Indian Statute which virtually ignored the rights of tribal populations in the face of the extremely rapid pace of resource development in the Amazon. The new Indian Statute removed subsoil rights from native people and placed emphasis on programs for the "rapid integration" and "pacification" of the native peoples. Programs for "pacification" were considered

crucial in order to create conditions acceptable to foreign investors. As a result, FUNAI's function became that of protecting company and construction workers against the possibility of threats on Indian lands. Programs for "integration" were designed to remove Indian people from their lands and make way for the operations of the transnational corporations. In some cases, FUNAI has resettled Indian people on reserve land not large enough to support the whole tribe. The Yanamamo nation of 10,000, for example, was given a reserve where only 300 people could survive.

The government's programs of "pacification" and "integration" have had a devastating effect on Indian tribes such as the Cintas Largas. Previously semi-nomadic hunters and cultivators, the Cintas Largas were used to a rich diet of game, nuts, and honey, as well as maize, yarus, peanuts, sweet potatoes, bananas, and papayas which they cultivated themselves. Today, however, they can no longer feed themselves. Hunting and planting have been severely limited, not only because of the loss of land, but also because many of the people have become decimated and immobilized by sickness. They now depend on government handouts for a large proportion of their food with the result that malnutrition and starvation are widespread. An Indian agent who was originally involved in FUNAI's pacification and integration of the Cintas Largas, said the following:

There is today a dangerous reality in the Aripuana Park. It is the loneliness, the anxious incomprehension of the people. It is an illogical moment in their history. In less than four years their lands have begun to be divested. Epidemics will now leave their mark and many more of them will take the first kilometers down the long road where they will find misery, hunger, prostitution of their women and the end of their dreams.

In effect, the FUNAI programs for pacification and integration offer no protection for the Indian people and their constitutionally recognized rights in the face of rapid resource development. Once separated from their land, the Indian peoples are compelled to survive in an alien culture. They have no alternatives but to be assimilated into a system of welfarism or wage labour. Once a thriving, self-sufficient people, the Indians now find themselves reduced to a state of dependency and helplessness. As a result, some Indians have been forced into slavery, others have become beggars or exotic tourist attractions, and still others have migrated to Brazil's cities where they have become part of the massive urban poor.

The basic rationale behind FUNAI programmes for pacification and integration was critically discerned by the bishops of the Amazon.

... if the Indians are there but do not produce according to the dictates of integrated and dependent capitalism, if they do not have legal title to the land, if they do not own agricultural enterprises, then they must give way to the new 'colonizers', they must withdraw from the lands which 'civilization' has now decided to sell or give away to those destined to develop the interior of the country. If the Indians -- thus

challenged and robbed of their theoretically recognized rights, as well as their natural way of life -- die, then let them die. If they resist, they are to be opposed as though they were the invaders of their own lands.

The Canadian Connection Corporate and Governmental

There is a Canadian connection to the tragic story of the Amazon. Directly and indirectly, the Canadian Government and Canadian-based corporations are involved in the colonial patterns of resource development in the Amazon. In recent years, Canadian-based corporations have extended their operations to the Amazon basin and the Canadian government has promoted this type of investment. A recent publication of the Department of Industry, Trade and Commerce (Canada Commerce, January 1976) described the investment possibilities in Brazil this way:

Why not settle down here yourself? In doing so you would have some familiar Canadian neighbours, including Alcan, Massey-Ferguson, Moore Corporation, The Royal Bank of Canada, Connaught Laboratories, The Bank of Montreal, The Imperial Bank of Commerce, The Toronto-Dominion Bank and Stelco ...

Brascan is investigating mineral deposits in the states of Minas Gerais, Amazonas, Rio Grande do Sol, Para, Ceara and Bahia. It is also involved in the territory of Rondonia through its mining subsidiary Promisa. It maintains a 60% interest in the tin mine, Jacunda, also located in Rondonia. Through its interest in Swift-Armour S.A. it holds agribusiness interests throughout the Amazon including the King Ranch on Kaapore and Tempe Indian lands. In partnership

with MacMillan Bloedel it maintains a 250,000 acre tree farm in the State of Santa Catarina.

Alcan manages and holds 19% ownership in a joint venture with the Brazilian government, Reynolds metals, Billiton (Royal Dutch Shell), Rio Tinto Zinc and others in a \$290 million project located on the Trombetas River for bauxite extraction. It also operates two completely owned smelters, Alumínio do Brasil and Alumínio do Brasil Nordeste. In addition it is active in mineral exploration on the north shore of the Amazon between Manaus and Belem.

Inco in cooperation with German transnationals operates Baminco, a nickel exploration and feasibility project in Goias state, in preparation for a possible \$500 million investment in Goias. It is also involved in the discovery of a (lateritic) nickel deposit in the state of Para. Inco is investigating copper deposits and has its own exploration program.

Noranda is involved with U.S. Steel and New Jersey Zinc (a division of Gulf and Western) in a joint venture for a zinc deposit in the state of Minas Gerais. Falconbridge maintains an exploration office, through its subsidiary Mineracao Falcao Ltda., in Rio de Janeiro, with a program stretching throughout Brazil. Cominco has an active exploration program for base metals through Mineracao Cominco Ltda. and has an active exploration program throughout Brazil. Anglo-American Corporation, the parent of Hudson's Bay Mining

and Smelting is involved in a joint venture to carry out exploration and recently purchased 49% of Morro Velho, Brazil's only gold mine located in Minas Gerais.

In addition Canadian companies, Swan Wooster and Howe International have been engaged in providing advanced engineering for the port and railway lines required for the joint venture to develop the iron ore deposit in the state of Para.

At the same time, the Canadian government, through its various departments and agencies is active in the Amazon region. Two officials of CPRM told a meeting of AIME in February 1975, that, "In harmony with the goals set by the Ministry of Mines and Energy ... a series of steps were taken in 1971 to set up a technical cooperation agreement between the Brazilian government and the Canadian Government ... The Brazilian Canadian Geophysical Agreement (CGBCA) was considered top priority by the Ministry of Mines and Energy and the work is due to start in 1975". The Geological Survey of Canada (Department of Energy, Mines and Resources) has been engaged in setting up a comprehensive mineral exploration project. Roger Blake, Consul and Trade Commissioner in Rio de Janeiro commented, "This was the first step in what is hoped to be a continuing program of cooperation between two of the largest countries in the hemisphere and whose geological terrain is so similar."

The \$11.2 million study is being carried out by

Canadian geological survey companies in the three Amazon States of Goias, Mato Grosso and Para with the initial funding coming from the Canadian International Development Agency (CIDA). The companies carrying out this airborne survey are Northway Survey Corp., Survair Ltd. and Terra Surveys. The size and duration of the project make it the largest effort in which the GSC has been involved outside of Canada. Results of such studies are made available to the Brazilian government, who in turn gives them to private corporations such as Inco, already working in the area being surveyed. The GSC's involvement "will continue through all stages of mineral exploration, right up to the drilling of interesting occurrences" according to B.E. Ministra, Aid Coordinator for the GSC. Furthermore, CIDA has funded a five-year programme of mineral exploration education to familiarize Brazilians with Canadian technology at the University of Bahia at a cost of \$1.2 million.

Indeed, the Canadian government has established close working relationships with such transnational companies as Brascan, Alcan, Inco, Falconbridge, Noranda, Cominco and others presently operating in the Amazon. Moreover, the boards of directors of these mining transnationals have included members of the federal cabinet, government agencies, crown corporations and the major banking institutions. A case in point is Brascan, which has included two Liberal Cabinet ministers, past and present, on its Board of Directors.

These are Mitchell Sharp and Robert Winters. Brascan's President is a member of the Canadian Development Corporation. Noranda's VicePresident, is on the Board of Directors of the Export Development Corporation.

Implications for the Northwest Territories

In the foregoing analysis, we have described the colonial pattern of resource development which has taken place in the Amazon region of Brazil during the past decade. From our study it is evident that this pattern of resource development in the Amazon is primarily controlled by transnational corporations, receiving the active support of the Brazilian government and serving interests outside of Brazil. It is also clear that native people in the Amazon have had no control over decisions about how development takes place. This has been crucial since only they are able to protect their interests. As a consequence, resource development in the Amazon not only fails to meet the needs of indigenous native peoples but ends up destroying their culture and their way of life.

The following parallels, we believe, indicate that the Amazon case is not an isolated experience but has implications for resource development in the Northwest Territories.

Just as the Amazon region is recognized as one of the world's last untapped storehouses of mineral wealth, so the Northwest Territories is viewed as a resource hinterland for southern Canada and the industrialized world in general.

For the native peoples of the North, as for the Indians of the Amazon, the lands they have inhabited are essential to maintain their way of life. To separate either group from their land is to deny their being, to destroy their way of life and to disrupt the social, cultural, spiritual, economic and political relationships of their society.

Just as native people in the Amazon are excluded from making decisions on how development takes place, so the native people of the North are having their right to decide how development takes place challenged by threats that a pipeline may be built whether or not there is a land settlement acceptable to them.

We contend also that the Department of Indian and Northern Affairs has the same built-in conflict of interest as its Brazilian counterpart, FUNAI. That is, it is charged with protecting the interests of native people at the same time as it promotes the development of northern resources.

The involvement of transnational corporations in the resource development process is another feature common to the two regions. Indeed, in many instances the same corporations active in Amazon resource development, also are involved in the Canadian north. Brascan, whose activities in Brazil were discussed in the previous section, has a 45% interest in Yava and acts as operator for the Yava syndicate in copper-lead zinc exploration underway between Beachay and Casey Lakes and also base metal exploration near MacKay Lake.

Through participation in Elf Canada Ltd. Brascan has oil and gas rights throughout the Northwest Territories, especially in the high Arctic. With a 12.3% interest in Magnorth Petroleum Ltd. Brascan is involved in 14.2 million offshore acres in Viscount, Melville and Lancaster Sounds. Brascan Resources recently acquired controlling interest of Western Mines, which holds a lead-zinc property in the Pine Point area, jointly with DuPont of Canada Exploration. Brascan recently made an unsuccessful bid for Ashland Oil Canada Ltd., which is a member of the Delta Five group. Brascan, held until recently, the largest single block (7%) of Hudson's Bay Co. shares.

Inco, which is also involved in Brazil, holds a 4.44% interest in Panarctic and a gold property in the Bathurst Inlet area. Noranda, also holds a 4.44% interest in Panarctic, and through Canex-Placer made the lead-silver discovery at Howards Pass. It is involved in copper-lead-zinc exploration for base metals near Kaminak. Noranda has an option on Cadillac Exploration's silver-lead deposit at Prairie Creek.

Falconbridge which operates in Brazil, controls the Giant Yellowknife gold mine near Yellowknife Bay. It also has an option on Arcadia Exploration's silver-gold deposits at Coronation Gulf and many other sites in Slave province. With the same corporate parent as Falconbridge, Canadian Superior Oil is a member of the Delta Five group active in exploration in Mackenzie Delta and Beaufort Sea. Canadian Superior Oil

was, until recently, a member of the Arctic Gas consortium.

Cominco operates the Pine Point Mine and is involved in copper-lead-zinc exploration near Beechay and Casey Lakes, copper exploration near the Redstone River, gold exploration around the Con-Rycon Mine, uranium exploration near Goulbourn Basin and diamond exploration on Somerset Islands. It owns the Con Mine and has controlling interest and manages the adjoining Rycon Mine. Cominco was a member of the Arctic Gas consortium, and is still involved through TransCanada Pipelines in which it is a major shareholder. It owns 87% of Pan Canadian Petroleum, which is a member of the Delta 5 group and has a 17.7% interest in Panarctic. Bathurst-Norsemines optioned 65% interest to Cominco at Hackett Lake. Cominco also has a 75% interest in the lead zinc Arvik Mines on Little Cornwallis Island.

Hudson's Bay Mining and Smelting whose parent, Anglo American Corp. is involved in Brazil, has a lead-zinc deposit at MacMillan Pass.

Four other transnational corporations are active in both Brazil and the Canadian North. Billiton (Royal Dutch Shell) through Shell Exploration has an option on Redstone Resources copper deposit at Coates Lake, a copper deposit at Little Dahl and Redstone River. It is involved in uranium exploration near Baker Lake. Billiton has an 11% interest in the Manisivik lead-zinc mine at Strathcona Sound, Shell Canada is a member of the Arctic Gas consortium and is also a member

of the Beaufort-Delta Oil Project Ltd. that wants to build a crude oil pipeline down the Mackenzie Valley.

Rio Tinto Zinc has an option on Vestor Exploration uranium deposit at Nonacho Lake. Rio Tinto Canadian Exploration is investigating base metals at Arctic Red together with Welcome North and Serem Ltd.

Metallgesellschaft GmbH has an 11% interest in the producing lead-zinc mine at Strathcone Sound and is exploring for uranium near Baker Lake. Its Brazilian involvement is through Baminco and, with Inco, it has a nickel deposit in Goias state.

U.S. Steel is involved, with Hudson Bay Exploration and Noranda, in base metal exploration near Kaminak Lake

The primary interest of these transnational corporation is in resource extraction for export at profitable rates, not the internal development of the country or region in which the resources are found, nor for the people to whom the resources belong. This is sometimes obscured by government and industry statements that these resource development activities are in the "national interest", and by direct national government participation alongside the transnationals in the resource development process.

It may be that to some extent a parallel exists between the Brazilian government's crucial role in promoting and facilitating resource development by the transnational corporations in the Amazon, which has been analysed in this case

study, and the Canadian government's apparently growing role in resource development in the North. The Canadian government and its Crown agencies have long supplied infrastructure in the North, while at the same time royalty arrangements have been generous relative to provincial jurisdictions in Canada and relative to most other countries. In the oil and gas sector, the Canadian Government is directly involved through its 45% ownership of Panarctic. In a recent background study done for the churches, Professor Larry Pratt of the University of Alberta concluded that the role for the government of Canada in future northern development "is likely to become increasingly direct and pronounced ... The government is under pressure to provide public funds for high-risk, high-cost frontier energy development, and this seems to be the anticipated role of Petrocan, working through joint ventures and farmouts with the existing leaseholders ... It seems almost certain that the government will be required to provide expensive 'completion guarantees' for any major pipeline project (much as it did for Transcanada in the 1950's)."

Conclusion

In conclusion, Mr. Commissioner, we believe that the possibility cannot be dismissed of a colonial pattern of development with important similarities to the Amazon experience occurring in the Northwest Territories during the next decade. For these reasons, the Church insists that the

construction of a Mackenzie Valley Pipeline and any other major resource development project be postponed until native people have control over the development process and there has been a just settlement of land claims with the Dene. In the interest of justice, we maintain that the Dene must have a significant measure of control over the future patterns of resource development in the Northwest Territories. To achieve this objective, a just land claims settlement is imperative. The experience of the Amazon is a living testimony of the tragic consequences that will arise from failing to achieve these basic objectives.

CORPORATIONS OPERATING IN THE NWT AND AMAZON BASIN

<u>CORPORATION/ PARENT</u>	<u>N.W.T.</u>	<u>AMAZON BASIN</u>
Placer/ Noranda (26%)	Cánez-Placer lead-silver discovery at Howards Pass; copper-lead-zinc exploration near Beechay and Casey Lakes; exploration for base metals near Kaminak; 4.44% in Panarctic; option by Noranda on Cadillac Exploration's silver-lead deposit at Prairie Creek.	'Joint venturing' on significant zinc deposit with U.S. Steel and N.J. Zinc (a division of Gulf and Western) in state of Minas Gerais.
Hudson's Bay Mining and Smelting/Anglo-American Corporation (South Africa-34%)	Lead-zinc deposit at MacMillan Pass	Anglo-American has 'joint venture' with ICOMI to carry out exploration and join others; recently purchased 49% in Morro Velho, Brazil's only gold mine in Minas Gerais.
Shell Exploration/ Royal Dutch Shell	Option on Redstone Resources copper deposit at Coates Lake; copper deposit at Little Dahl and Redstone river; uranium exploration near Baker Lake; through Billiton has 11% in Nanisivik lead-zinc mine at Strathcona Sound; part of Arctic Gas consortium. Member of Beaufort-Delta Oil Project Ltd that wants to build crude oil pipeline down the Mackenzie Valley	Through mineral exploration subsidiary, Billiton Shell is actively exploring for various metals throughout Brazil; operates tin mine in Rondonia, Cia. de Mineracao Ferro Union (FERUSA)

CORPORATION/
PARENT

N.W.T.

AMAZON BASIN

Rio Tinto
Zinc

Option on Vestor
Exploration uranium
deposit Nonacho Lake;
Rio Tinto Canadian
Exploration together
with Welcome North
and Serem Ltd.,
investigating base
metals at Arctic Red.

Through Brazilian
subsidiary has 5%
in Alcan's Rio de
Norte project on
the Trombetas River
on bauxite deposits.

COMINCO/
Canadian Pacific

Pine Point Mine; copper-Exploring for base
lead-zinc exploration metals in Brazil
near Beechay and Casey (exact locations
Lakes copper near Red- uncertain).
stone River, gold
exploration around
Con-Rycon mine;
uranium exploration
near Goulbourn mine;
diamond exploration on
Somerset Islands;
17.7% interest in
Panarctic; Bathurst-
Norsemines optioned
65% interest to
COMINCO at Hackett
Lake; Arvik Mines
(lead-zinc) at Little
Cornwallis Is.
Owns Con Mine and has
controlling interest
in and manages adjoining
Rycon Mine; was a mem-
ber of the Arctic Gas
consortium, and is still
involved through Trans
Canada Pipelines Ltd. in
which it is a major
shareholder.
Owns 87% of Pan Canadian
Petroleum which is a
member of the Delta 5
group.

CORPORATION/
PARENT

N.W.T.

AMAZON BASIN

Metallgesellschaft
GmbH (Thyssen
Group)

Has 11% interest in
producing lead-zinc
mine at Strathcona
Sound; exploring
for uranium near
Baker Lake

Together with another
German firm is a
principal shareholder
in Baminco along with
INCO and has nickel
deposit in Goias
State.

U.S. Steel

Base metal explora-
tion near Kaminak
Lake with Hudson Bay
Exploration and
Noranda.

'Joint venture' in
state of Minas Gerais
on significant zinc
deposit; 'joint
venture' with CVRD
(Brazilian Govern-
ment) in huge iron
ore deposit in the
state of Para.

Giant Yellowknife/
Falconbridge
Nickel Mines (19%)

Gold mine near
Yellowknife Bay;
option on Arcadia
exploration's
silver-gold deposit
at Coronation Gulf
and many other
sites in Slave
province; Canadian
Superior Oil with
the same corporate
parent as Falcon-
bridge, is member of
"Delta 5" group ac-
tive in oil and gas
exploration in
MacKenzie Delta and
Beaufort Sea.
Canadian Superior Oil
was until recently a
member of the Arctic
Gas consortium.

Has exploration
office in Rio de
Janeiro and is
active in nickel
sulphides explora-
tion.

CORPORATION/
PARENT

N.W.T.

AMAZON BASIN

Brascan Resources/
BRASCAN Ltd.

Through participation in Yava syndicate has interest in copper-lead-zinc exploration underway between Beechay and Casey Lake and also base metal exploration near MacKay Lake; Brascan has 45% interest in Yava and acts as operator; through participation in Elf Canada Ltd. has oil and gas rights throughout N.W.T. especially the high Arctic (Elf is presently in the process of being absorbed into its sister company, Company of Canada Ltd.) Held until recently the largest single block (7%) of Hudson's Bay Co. shares. Recently made an unsuccessful bid for Ashland Oil Canada Ltd. which is a member of the Delta Five Group. in Magnorth Petroleum Ltd., has 12.3% interest in 14.2 million offshore acres in Viscount, Melville and Lancaster Sounds. Brascan Resources recently acquired controlling interest in Western mines which holds a lead-zinc property in the Pine Point area jointly with DuPont of Canada Exploration.

Through Promisa, Brascan mineral exploration subsidiary, company is investigating mineral deposits in the states of Minas Gerais, Amazonas, Rio Grande do Sul, Para, Ceara and Bahia as well as the territory of Rondonia; has 60% interest in producing tin mine, Jacunda, also in Rondonia; agri-business interests spread throughout Amazon as a result of 92% interest in Swift-Armour; with MacMillan Bloedel holds 49% interest in EMBFASCA, a proposed 250,000 acre forest products complex in the state of Santa Catarina.

International
Nickel Company
of Canada/INCO

4.44% interest in Panaretic; Has a gold property in the Bathurst Inlet area.

Operating Baminco, nickel exploration and feasibility project in Goias in preparation for \$500 million investment; investigating copper deposit and has its own exploration programme.

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