

RAW MATERIALS: THE ACHILLES HEEL OF AMERICAN IMPERIALISM?

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"Access to resources has become the name of the game . . . Ten years from now, the developing world will be calling the shots."

Charles Robinson*, president of Marcona Corporation, in remarks before a Congressional committee investigating raw material shortages, 1975.

With national concern fixed on the so-called "energy crisis" the announcement of an impending "raw materials crisis" has gone largely unnoticed. In May of 1973, the U.S. Geological Survey released a report stating that the nation's known deposits of raw materials were "seriously depleted." The U.S. Department of the Interior has estimated that the annual gap between domestic production and consumption of all minerals, including energy materials, is likely to grow, in constant dollars, from \$8.6 billion in 1970 to \$31 billion in 1985 and \$64 billion by the turn of the century.¹ In the past two decades, while U.S. minerals consumption has more than doubled, net imports have grown from 11% to 15% of the total.² As can be seen from Table 1, of the thirteen basic raw materials required by an advanced industrial economy, the United States in 1970 was dependent on imports for more than half of its supplies of six. The Department of the Interior projects that by 1985, the United States will depend primarily upon imports for supplies of nine of the thirteen basic raw materials, including the principal ones such as iron, tin, and bauxite.³

The same story can be repeated for the industrial economies of Europe and Japan:

As those countries which industrialized earliest deplete their indigenous reserves of several basic minerals, the divergence between global areas of production and consumption grows. Western European consumption of several basic industrial raw materials — copper, tin, lead, chrome ore, manganese ore, and phosphate — now must be set (sic) almost entirely from imports.

Consumption of key minerals outside the United States rose 158 percent between 1950 and the late 1960's compared to a 38 percent increase in the United

States.⁵ Because U.S. supplies of some of these critical raw materials are inadequate to meet demand (see Table 2), imports must rise. "U.S. dependence on foreign mineral sources," says John B.M. Place of Anaconda Copper, "is growing at a pace the country cannot afford."⁶

The outlook for the future is that an ever-increasing percentage of the raw material requirements of the major imperialist nations have to be met by imports from Third World countries precisely at a time when the continuity of those supplies can no longer be insured by the oil and mineral company trusts (see Table 3). This was the essential conclusion of the special United Nations sessions on raw materials in 1974 and 1975 and has been reiterated at the recently concluded (June 1977) United Nations Paris Conference on International Economic Development (also known as the "North-South" dialogue).

In place of the world economic system in which the major industrial nations used their power to exploit the minerals and fuels of the Third World is being constructed a "new international economic order" that could alter the balance between rich and poor as never before. As Francisco Gonzales de Cossio, a member of Mexico's United Nations delegation put it: "We want the wealth to flow to the developing nations . . . The industrialized nations have taken advantage of their strong position to obtain low prices for our raw materials. At the same time, the prices of manufactured goods they sold to us were soaring. We are supporting the high living standards you have in the industrialized countries." As shown in Table 4, to an ever-increasing degree, marketing and production decisions are being made or significantly influenced by the host governments in the countries where the mineral reserves and resources are found. It should be noted that the figures in Table 4 for host country control over investment opportunities are based upon 1974 data, the latest year for which comparable world data has been collected. Events in 1975, such as the nationalization of iron ore in Venezuela and bauxite in Guyana, will show even more host country control.

Hi, friends,

Al Gedicks' article on the raw materials crisis (Vol. VII, No. IV) was a stimulating one. As a geographer, I am much tempted to accept his thesis: however, for the argument to be convincing he needs to take us further. We are in need of more consideration of the possible consequences and the potentials of market-modification of resource definition, and also the potentials and consequences of substitution.

Against the effort of disadvantaged countries (DCs) to improve their economic position by increasing the price of their mineral exports must be put the possibilities (where they are available) to the advantaged countries (ACs, or leading industrialized capitalist countries) of mining lower grade ores within their own borders. To what extent is it realistic to expect the ACs to dig deeper (or wider) into their own bedrock for a given resource rather than deal further with "unstable" or "unreliable" DC governments? How great a raise in price would make it attractive for the capitalists in the ACs to extend the definition of "resource" to lower-grade ores than are now considered? By how much would this postpone the "day of reckoning" for capitalism? The answer, of course, will differ in the case of each mineral, and the richness-threshold at which a mineral becomes a resource can be changed up to a point, beyond which even the most desperate entrepreneur must recognize the law of diminishing returns.

The other interesting question is that of substitution. Without falling into the trap of the technological fix, which assumes that we have a magic "black box" out of which any desired result can be engineered when needed, we can still postulate that the scientists and engineers of the ACs will come up with substitutes, not only of one mineral for another, but of non-minerals for minerals (in some cases). Certainly wood or glass could replace some current uses of minerals, particularly if ingenuity is applied so as to modify the physical characteristics of wood or glass that they may appropriately and safely be used in place of some minerals. Wood would certainly have an ecological advantage, since forests, properly cropped and cared for, should be a perpetual resource.

The ACs have a great advantage, since it is they who have the investment capital and the skilled scientific and engineering labor force, which the DCs lack. To assess Gedicks' suggested "achilles heel," we would need some assessment of just how much maneuverability the AC capitalists have. For mineral scarcity to create a crisis for the capitalists, it will have to be a crisis due, not to their loss of control over DC resources alone, but to their lack of alternatives as well. This is not just a quibble, for substitutions have certainly been developed in the past, and changes in ore-richness have also occurred.

OPEC had its stunning success, in part, because 1) the OPEC states are a rather homogeneous group and 2) the raw material was energy. Their homogeneity lay in their all being DCs: this is not always the case when one examines the sources of production of some of the other minerals. As for energy, this is crucial for the entire economy, and not just for part of it. Interruptions in the supply of other minerals can cause hardship, but do not affect an entire economy so drastically. It therefore by no means follows automatically that the producing states can act in concert as effectively if the export they wish to control is a metallic mineral.

Furthermore, we cannot take at face value the protestations of the spokesmen of industry when they announce impending resource scarcities. The people who are responsible for garnering supplies of investment capital are always worried about shortages of capital. The people who worry about wage-increases always like to have a "reserve army of the unemployed" around,

and keep upping the "acceptable" limit of unemployment. Likewise, the people responsible for keeping industry supplied with raw materials worry about raw material scarcities. I do not mean to imply that they are merely crying "wolf" and are really sitting on a cornucopia. It may be, however, that they are sending up warning signals because they do not want to face the expense of substitutions. Before we can be certain that raw material scarcities are really causing a crisis, we need information on the alternatives.

I stress this because there have been so many previous times during which false hopes were raised about the imminent demise of capitalism. Yet it is still with us. On the other hand, those of us who are concerned about ecology and non-renewable resources have reason to suspect that capitalism's difficulties may be so compounded in the next generation by its inability to meet the Ecological Imperative, that that may just be what will cause its demise. **For anyone looking at the American scene, a "revolutionary proletariat" seems not to have materialised, and capitalism in America may then collapse without having a socialist workingclass as its undertaker, disconcerting as that may be to Marxists. The interrelationships of capitalism, and its class struggles, and the problems of ecology, are too complex to explore at this point.** My suggestion to Gedicks is "Go further. Dig deeper. Few people are studying the geography of minerals in terms of its effect on capitalism. Whatever the future has in store for us, this is an important topic."

Cordially yours,
 Laurence G. Wolf

TABLE ONE

U.S. Dependence On Imports Of Principal Industrial Raw Materials,
With Projections To The Year 2000

Raw Material	(Percent Imported)			
	1950	1970	1985	2000
Aluminum	64	85	96	98
Chromium	(1)	100	100	100
Copper	31	0	34	56
Iron	8	30	55	67
Lead	39	31	62	67
Manganese	88	95	100	100
Nickel	94	90	88	89
Phosphorus	8	0	0	2
Potassium	14	42	47	61
Sulfur	2	0	28	52
Tin	77	(1)	100	100
Tungsten	(1)	50	87	97
Zinc	38	59	72	84

(1) Not available

Source: Data are derived from U.S. Department of the Interior publications. Cited in Lester R. Brown's "The Global Politics of Resource Scarcity," presented as testimony before the Subcommittee on Foreign Economic Policy of the Committee on Foreign Affairs, 93rd Congress, 2nd Session, House of Representatives (Washington, D.C. G.P.O. 1974), p. 247.

The significance of this trend has not been lost on the American foreign policy establishment:

The increased control by resource-rich countries of the developments within their borders will change the historical, institutional, and economic framework of the minerals industry. International companies that are vertically integrated from raw material production through the manufacturing of consumer products stand to lose control of the raw material production end of the flow of materials.

The argument that I would like to advance in this paper is that the continuity of raw material supplies has become the Achilles' heel of American imperialism. This argument is based on four interrelated propositions: (1) that the social relations of production between imperialist nations and their resource colonies reflect the needs of the capital accumulation process for an ever-greater amount of raw materials at low cost; (2) that the existing global division of labor is being challenged by the demands of resource colonies in the Third World for a new international economic order (NIEO) which will further restrict access to these nonrenewable natural resources by the imperialist nations; (3) that growing inter-imperialist rivalries for raw material supplies will force the United States to make other resource colonies at home and abroad "secure" and (4) that the recolonization of resource colonies such as Puerto Rico and Native American reservations will lead to anti-capitalist and anti-imperialist struggles over the use and control of natural resources.

American imperialism and raw materials

Marx located the need of the capitalist for an ever-increasing quantity of raw materials at low cost in the

very structure of the capitalist accumulation process. The capitalist accumulation process requires raw materials at a low price because the price of the product is influenced far more by the price of raw materials than it is influenced by fixed capital. This is the case because "the value of the raw and auxiliary materials passes entirely into the value of the product in the manufacture of which they are consumed, while the elements of fixed capital transfer their value to the product only gradually in proportion to their wear and tear."⁹ Because the value of raw materials forms an ever-growing component of the value of the commodity-product in proportion to the development of the productivity of labor, any increase in price or disruption of supply threatens the ability of capital to reproduce itself on an ever-extending scale. And if capital does not expand it dies.¹⁰

The faster that capital expands the faster still is the rate at which it must consume raw materials in the form of plant, equipment, and goods for sale. In our own time this expansionary process has reached unprecedented proportions. Since 1940, the United States alone has consumed more minerals than all of humankind in history. And demand is not only picking up speed in the United States but is rising at an even faster rate overseas. In the past, industrial consumers of raw materials have been able to rely upon the market to secure their needs. When rising demand or supply constraints have pushed prices up, the market has spurred technology to develop new sources or substitutes. But now, with the quantitative leap in the demand for raw materials and the longer lead time required to develop new supplies, the market is increasingly unable to deliver the raw materials in the required quantities. But the problem is not that there are actual shortages; the raw materials are there in great supply. The question, as the editors of *Business Week* rightly point out, is economic and political: "How will the resources be got out of the ground, and most pointedly, by whom?"¹¹

American multinational corporations and the control of raw material supplies

The task of securing an adequate and uninterrupted supply of critical raw materials for American capital expansion fell to the mining and oil corporations, the finest American "multinational corporations" to appear on the world scene. It was during the 1890s that the robber barons consolidated American industry and created the giant trusts and cartels in oil and mining: Rockefeller's Standard Oil trust, Guggenheim's copper, lead and silver trust, Carnegie's steel trust, etc. Nor was it accidental that the era of the great consolidation in steel, oil, copper, etc. was also the era of American imperial expansion in the Caribbean, South America and the Pacific. The rise of the Guggenheim family to a predominant position in the world minerals industry would not have been possible if the Guggenheims had not first checked potential competition by acquiring control over Chilean and Mexican copper deposits. That the acquisition of such control was by no means an inevita-

fore prevented sustained economic development from taking place in these countries. **Whether these countries embark upon socialist or state capitalist models of development is irrelevant from the point of view of the continued availability of these raw material supplies for the expansionary needs of the imperialist countries. In either case the result is increased competition for raw material supplies among the imperialist nations and an intensification of resource exploitation in the more "secure" colonies of American imperialism — Puerto Rico and American Indian reservations.**

Thus the struggle of the colonized peoples of Puerto Rico and the Native Americans for control over their nonrenewable natural resources can be seen as the points at which inter-imperialist rivalries and anti-imperialist struggles come together in their sharpest form. Because the struggle for control over natural resources is not unique to either Puerto Rico or American Indian reservations it is important for an anti-imperialist movement in the United States to develop ways and means of providing support for these struggles at the same time as we extend the analogy of foreign and domestic resource colonies to the concerns of other American communities regarding control over land, resources, the environment and alternative modes of utilizing labor for the production of goods and services to meet human needs.

The strategic importance of the struggles of Puerto Ricans and Native Americans for sovereignty over their land base and economic development is two fold: the success of these struggles will not only deprive American imperialism of a much needed source of cheap raw materials for expansion but also may provide concrete examples of how economic development planning can take place on a basis other than the self-expansion of multinational corporate capital. Such a strategy may then provide us with the answer to the question of whether raw materials are the Achilles' heel of American imperialism.

FOOTNOTES

- * Charles Robinson has been described by Pacific News Service as the new "czar" for U.S. economic policy abroad. As undersecretary of state for economic affairs he successfully negotiated the U.S.-Soviet grain and oil agreements. His attention is now devoted to reaching an even more difficult detente with third world countries that own the bulk of the world's raw materials.
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 4. *Ibid.*
 5. "Metals: The Warning Signals Are Up," *Fortune*, October 1972, p. 109.
 6. *Business Week*, op. cit., p. 60.
 7. *Wall Street Journal*, July 3, 1975.
 8. *Mining and Minerals Policy*, Annual Report of the Secretary of the Interior (Washington, D.C., G.P.O. July 1976), p. 23.
 9. Karl Marx, *Capital*, Vol. 3 (New York: International Pub., 1967), p. 108.
 10. Terence McCarthy, "An Age of Scarcity: Oil is Only the Beginning," *Ramparts*, May 1974, pp. 28-33, 53-54.
 11. *Business Week*, op. cit., p. 56.
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 13. "Impact of Economic Nationalism on Key Mineral Resource Industries," External Research Study, U.S. Department of State, Bureau of Intelligence and Research, March 20, 1972, p. 33.

14. Noam Chomsky, "Schools for Scandal," *Seven Days*, March 14, 1977, p. 20.
15. Richard J. Barnet, *Intervention and Revolution* (New York: New American Library, 1968).
16. *Final Report of the National Commission on Materials Policy* (Washington, D.C., 1973), Chapter 9, p. 15.
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20. *Final Report*, op. cit., Chapter 9, p. 7.
21. Norman Girvan, *Copper in Chile* (Jamaica: Institute of Social and Economic Research, University of the West Indies, 1972); Theodore H. Moran, "The Multinational Corporation and the Politics of Development," Ph.D. thesis, Harvard University, 1970.
22. Girvan, op. cit., p. 30.
23. *Engineering and Mining Journal*, January 1972, p. 132.
24. Harry Magdoff, *The Age of Imperialism* (New York: Modern Reader, 1969), p. 149.
25. Gabriel Kolko, *The Roots of American Foreign Policy* (Boston: Beacon Press, 1969), p. 60.
26. Fu Ching-Yen, "How Imperialism Keeps the Third World Poor," *The Guardian*, June 27, 1973, p. 16.
27. Terence McCarthy, op. cit., p. 30.
28. *Ibid.*, p. 28.
29. Norman Girvan, "Economic Nationalists vs. Multinational Corporations: Revolutionary or Evolutionary Change?" in *Multinationals in Africa* (Uppsala, Sweden: Scandinavian Institute of African Studies).
30. John P. Albers et al., op. cit., p. A1.
31. *New York Times*, March 27, 1971, Sec. IV, p. 3.
32. Cited by Dr. Jose Francisco Cadilla in testimony before the *Church Panel on Copper Mining in Puerto Rico*, January 21-22, 1971, p. 36. This phenomenon is extensively treated in Charles Geisler, "Exporting Pollution: The Case of Japan," *Western Sociological Review* (Spring 1977).
33. *Ibid.*
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37. Testimony of Ms. Carmen Noelia Lopez before the *Church Panel*, op. cit., p. 34.
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39. "Who Owns the Land? A Native American Challenge," in *Juris Doctor*, September 1976.
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53. *Ibid.*, p. 13.
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56. "On the Conspiracy to Repress Human Rights in North America: The Pentagon Vs. Pine Ridge, CIA vs. AIM, U.S. vs. Native People," *Akwesasne Notes*, Vol. 7, No. 5 (Early Winter 1975), pp. 4-17.

TABLE TWO

Percent of U.S. annual total demand for selected metal and nonmetallic minerals supplied from domestic sources during the period 1971 through 1975 compared with estimated domestic resources¹

Commodity	Percent of U.S. annual demand supplied from domestic sources by year					Identified resources ²	Hypothetical resources ⁴
	1971	1972	1973	1974	1975		
Aluminum (ores and metal)	15	13	11	12	15	Very large	KDI
Antimony	64	50	50	56	44	SMALL	SMALL
Asbestos	17	16	18	12	14	SMALL	INSIGNIFICANT
Barium	64	61	63	62	65	Very large	Very large
Bismuth	73	36	27	36	20	SMALL	KDI
Cadmium	69	62	59	54	50	Moderate	Large
Chromium	16	9	9	10	9	INSIGNIFICANT	INSIGNIFICANT
Cobalt	4	2	2	1	2	Very large	Huge
Columbium	0	0	0	0	0	Very large	KDI
Copper	91	89	92	80	99	Large	Large
Fluorine	21	23	21	19	18	SMALL	Moderate
Gold	34	29	52	37	55	Large	KDI
Iron	68	74	77	76	71	Very Large	Huge
Lead	76	76	71	81	96	Large	Moderate
Magnesium (nonmetallic)	95	95	94	94	97	Huge	Huge
Manganese	3	2	2	2	1	Large	KDI
Mercury	52	39	22	14	27	SMALL	KDI
Mica (sheet)	0	0	0	1	0	INSIGNIFICANT	SMALL
Molybdenum	100	100	100	100	100	Huge	Huge
Nickel	40	35	31	28	29	Large	KDI
Platinum group metals	25	18	12	12	20	Moderate	Large
Phosphate	100	100	100	100	100	Very large	Huge
Potassium	54	55	47	42	51	Very large	Huge
Selenium	73	76	43	41	42	Huge	Huge
Silver	55	50	34	45	70	Moderate	Large
Strontium	0	0	0	0	0	Huge	Huge
Tantalum	4	4	13	13	5	INSIGNIFICANT	KDI
Tellurium	80	62	67	59	41	Large	Very large
Tin	19	17	16	16	25	INSIGNIFICANT	INSIGNIFICANT
Titanium (ilmenite)	67	82	72	67	72	Very large	Very large
Titanium (rutile)	1	20	4	2	22	Moderate	Very large
Tungsten	54	57	37	37	46	Moderate	Moderate
Vanadium	79	73	57	64	64	Very large	KDI
Zinc	41	89	36	41	36	Very large	Very large

¹The concepts of this table are under continual review and represent current state of the art procedures.

²Resource appraisal terms:

Huge—domestic resources (of the category shown) are greater than 10 times the minimum anticipated cumulative demand (MACD) between the years 1975 and 2000.

Very large—domestic resources are 2 to 10 times the MACD.

Large—domestic resources are approximately 75 percent to twice the MACD.

Moderate—domestic resources are approximately 35 percent to 75 percent of the MACD.

SMALL—domestic resources are approximately 10 percent to 35 percent of the MACD.

INSIGNIFICANT—domestic resources are less than 10 percent of the MACD.

KDI (known data insufficient)—resources not estimated because of insufficient geologic knowledge of surface and subsurface areas.

³Identified resources are defined as including reserves and materials other than reserves that are reasonably well known as to location, extent, and grade and that may be exploitable in the future under more favorable economic conditions or with improvements in technology. Reserves are those portions of the identified resources from which a usable mineral or energy commodity can be economically and legally extracted at the time of determination.

⁴Hypothetical resources are undiscovered, but geologically are predictable deposits of materials similar to identified resources.

Source: Based on information from U.S. Geological Survey and U.S. Bureau of mines.

ble outcome because of insufficient capital or inadequate technology within Chile is demonstrated by the fact that it took a civil war (in 1891) and the military defeat of a Chilean capitalist class before Chile's predominant position in the world copper market was overtaken by that of the United States.¹²

The importance of U.S. control over foreign supply sources cannot be measured in purely quantitative

terms. For at a time when the United States had an abundance of most raw materials essential for industrial growth, oil and mining corporations were scouring the globe for potential sources of oil and minerals, which, if not controlled by American corporations, might disrupt corporate control of markets for raw materials. According to minerals industry economist Raymond Mikesell, "... petroleum and mineral firms, regardless of their

The struggle for Native American sovereignty over natural resources

As the tribal council learned of the environmental and cultural impact of stripmining they hired tribal lawyers to petition the Interior Department to nullify the agreements. In 1973 interior Secretary Rogers Morton, convinced that the government would ultimately lose in court, cancelled the leases. In the meantime the tribe has been considering the alternatives available to them with regard to the development and control of their own natural resources. Encouraged by the example of the Organization of Petroleum Exporting Countries (OPEC), Indian tribes are considering what they might do other than simply let outside corporations exploit their nonrenewable natural resources for a lease fee or royalty.⁴⁹ Through the recently-formed Council of Energy Resource Tribes (CERT), the Northern Cheyennes have begun to consider the possibility of developing this coal themselves, drawing on independent expertise with the advice of competent environmental scientists, protecting their reservation with proper planning, regulations and controls.

As the multinational corporations, in cooperation with the Department of the Interior and the Bureau of Indian Affairs, attempt to wrest control over the coal, copper, uranium, oil and other resources on tribal lands, Indian tribes are becoming increasingly aware that their principal enemy is the same enemy as those Third World peoples struggling to regain control of their own economies. In a major document drafted by the Second International Indian Treaty Conference in 1976, some 600 delegates from most North American tribes laid out plans for membership in the Organization of Petroleum Exporting Countries (OPEC) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). In addition, the delegates agreed to seek technical and legal assistance from Third World countries in the defense and development of Indian natural resources.⁵⁰ Charles H. Lohah, the acting executive director of CERT, an Osage Indian, says that "This is still the same war . . . It has just gone from the cavalry to the courthouse."⁵¹

Although the Northern Cheyenne tribal council was able to stop any stripmining on the reservation the energy companies have not abandoned their plan to surround the 700 square-mile reservation with generating and coal gassification plants.⁵² Just twenty miles north of the Northern Cheyenne reservation is Colstrip, a brand new company town where the first two units of a planned four unit electrical generating plant are located. But the Northern Cheyenne tribe is mounting a powerful effort to stop Colstrip units 3 and 4 from being built. The danger of air pollution from the generating plants is so great that the tribal council has petitioned that the Environmental Protection Agency use its toughest laws to keep air over Cheyenne clean. If the petition is approved, it will force the energy industry to install very expensive pollution controls, or scrap its plans altogether. **"We're not against progress," says tribal council president Allan Rowland. "For us, progress**

means developing the tribe's resources like timber and agriculture. If our air is degraded these things will be diminished. They are our livelihood and the core of our values."⁵³ The statement which accompanied the tribe's petition to the Environmental Protection Agency summed up the stakes involved from the tribe's point of view.⁵⁴

Economic development brought by outsiders to Indian tribes is often a false progress that strips them of their natural resources, disrupts their lives and traditions, and leaves them only dollars which are quickly gone. We want our own kind of progress that will work for us, not someone else's progress that will export our resources and leave us the consequences.

Some observers of President Carter's new Department of Energy view the authorization of the department's secretary (certain to be James Schlesinger) to use the armed forces to "carry out his functions" as a thinly-veiled threat of force against Indian tribes which are unwilling to see their lands destroyed for the needs of the energy companies.⁵⁵ In a large context, government officials and corporate executives fear that if native Americans begin to exert control over the development of their natural resources, the example is likely to spread to other non-Indian communities in the United States which face similar problems with regard to the misdevelopment of nonrenewable natural resources by multinational energy and minerals corporations. The scale of U.S. government-FBI-CIA repression on Indian reservations today is designed to contain and if possible, eliminate this influence altogether.⁵⁶

The purpose of this paper has been to place the current discussions of the energy crisis in the larger context of an emerging raw materials crisis. The argument running through this paper has been that the assurance of a continuity of raw material supplies has become the Achilles' heel of American imperialism. The basis for this argument lies in an analysis of the contradictory nature of the social relations of production between imperialist nations and their resource colonies and the role of raw materials in the capital accumulation process on a world scale. But there is no automatic connection between the cutoff of raw material supplies by the Third World raw material producers and the collapse of imperialism; the underlying dynamics arise from the concrete historical responses of the multinational energy and minerals corporations to this situation on the one hand and the response of recolonized peoples in Puerto Rico and on American Indian reservations on the other hand. Thus there can be no answer in the abstract to the question of whether raw material supply is the Achilles' heel of American imperialism; one must construct a political strategy and put it into practice before the question can finally be answered.

The significance of Third World demands for a new international economic order lies in the movement among Third World raw material producers to restructure the social relations of production that have hereto-

TABLE THREE

Principal Source Of Selected Imports** To The United States By Country

Raw Material	Countries
Antimony	South Africa, Bolivia, Mexico, People's Republic of China
Asbestos	Canada, South Africa
Bismuth	Japan, Mexico, Peru, United Kingdom
Chromium	Rhodesia, South Africa, Turkey, U.S.S.R.
Fluorine	Italy, Mexico, Spain
Mercury	Algeria, Canada, Mexico, Spain
Sheet Mica	Brazil, India, Malagasy
Tantalum	Australia, Brazil, Canada, Thailand
Tin	Bolivia, Malaysia, Thailand

** These minerals are those for which the U.S. Department of the Interior has identified U.S. reserves as "substantially inadequate" or "inadequate" when compared to recent estimates of cumulative demand for these minerals through the year 2000.
Source: Based on Bureau of Census.

degree of vertical integration, desire to maintain their position in world markets, and without control over sources of supply their position is greatly impaired."¹³

Thus, in addition to providing the raw material requirements of American industry, mining and oil corporations had to search every corner of the globe for potential new supply sources which might threaten their dominant position in world markets.

The post-World War II crunch

Up until the end of World War II, this strategy of maintaining control over raw material supplies on a world scale worked fairly well, at least from the point of view of the multinational mining and oil companies. The multinational corporations paid as little as possible for the raw materials they extracted from the Third World and charged as much as possible for the manufactured goods which the Third World raw material producers had to import. If any country balked at this arrangement, as did the Nationalist government of Mohammed Mossadegh in Iran in 1953, the multinational corporations simply arranged for the government to be toppled in a CIA-backed coup. **The overthrow of the Mossadegh regime was described by the *New York Times* as an "object lesson" to "underdeveloped countries with rich resources," who will now perceive "the heavy cost that must be paid by one of their number which goes berserk with fanatical nationalism."**¹⁴ Whenever Third World countries attempt to assert their sovereignty over their natural resources they become targets for CIA subversion: Guatemala in 1954, the Congo in 1964, Brazil in 1964, the Dominican Republic in 1965, and unsuccessfully in Cuba in 1961.¹⁵

But as the United States economy expanded in the 1960s so did the industrial economies of Europe, Japan and some developing countries. As capitalist industrialization proceeds in these economies the demand for raw materials essential to the reproduction of capital on an extended scale becomes problematic. The *Final Report of the National Commission on Materials Policy* has noted: "Some U.S. enterprises that have long pursued

the same materials have reacted with alarm to this competition. This business competition may evolve into a mutually destructive race for resources when combined with rapidly growing demand for materials."¹⁶ Projections of minerals demand over the next 25 years indicate that U.S. dependence on imports will grow substantially at the same time as the resource needs of other countries will be jumping at an even faster pace.¹⁷ The result, says Charles Robinson, will be an intensified scramble for raw materials "that will make our confrontation with Japan over trade issues look minor by comparison."¹⁸

Japanese firms like Mitsubishi International Corporation have already reached agreements with American coal and copper producers to finance new resource projects and be paid back in some of the output from the mine. Kennecott's Vice President for Exploration, C. Harry Burgess, expressed the serious concern of the American copper giants with the government-subsidized Japanese mineral companies at a State Department sponsored seminar on the minerals industries: "Against this kind of coalition (Japanese government and big business) United States mining companies have no tools at all, and if this continues for another few decades the newly discovered major copper deposits will be owned by the Japanese."¹⁹

Even if the United States were to increase its domestic production of minerals and fuels way beyond present levels, the dependence of the United States on foreign supplies would remain because "the country still could not isolate itself from the repercussions of economic and political conflict that would accompany supply shortages elsewhere."²⁰ **And the list of nations from which the United States can expect to obtain privilege concessions for exploration and mining as in the past 75 years is not very long: principally Canada, Australia, South Africa, Rhodesia and a handful of fascist dictatorships in the Third World.** While major insurgencies are underway in Africa the stirrings of economic nationalism are beginning to make themselves felt in Canada and Australia with regard to foreign exploitation of natural resources. **Nor can the U.S. risk the disruption of supply which would occur if it were to resort to military force as it has done in the past to insure compliance from Third World producing nations.** What were the forces which brought about the impetus to a new international division of labor on the part of the Third World raw material producers?

Overcoming the Global Division of Labor

"Third World countries have successfully attacked U.S. corporations because we so completely dominated their economies."

Charles Robinson, president of Marcona Corporation in testimony before Congress, 1975.

The enforced division of labor between the raw material-producing economies of the Third World and the industrial economies of the imperialist countries has resulted in a situation where Third World economies are plagued with growing debts and insufficient foreign exchange reserves to import badly needed food and

American Indian reservations. In this confrontation between colonizer and colonized, American imperialism has helped to promote among Native Americans a strong sense of Indian self-determination which closely identifies itself with economic nationalists in the Third World.⁴¹ Economic nationalists in the Third World and American Indians realize that when they try to regain control over their own natural resources they inevitably run up against the determined opposition of the largest multinational corporations and the United States Government. The essential continuity of corporate-governmental collusion at home and abroad is best illustrated by the response of Kennecott Copper Corporation and the U.S. Government to the Chilean nationalization of copper and the leasing of coal lands from the Northern Cheyennes.

No sooner did the democratically-elected Chilean Congress vote unanimously for the nationalization of all American-owned copper mines in Chile than Kennecott and other multinational corporations like Anaconda and ITT, in conjunction with agencies of the U.S. Government, began a campaign of economic warfare and political subversion against Chile. These policies, carried out over the three-year period of the Allende government, provided the essential context for the military overthrow of a democratic government. The same collusion between multinational corporations and the U.S. Government can be seen in the behavior of Peabody Coal Company (a subsidiary of Kennecott) and the U.S. Department of the Interior with respect to the leasing of coal on Indian lands.

The leasing policy of the Department of the Interior, while purporting to be competitive, has actually abandoned public responsibility to corporate interests. After a noncompetitive bid, the Northern Cheyennes leased 16,000 acres of their land in eastern Montana to Peabody Coal for 12 cents an acre. But in competition bidding just two years later, two sales in the same area drew six bidders each, and the winning bids approached \$16 an acre: Richard Bodman, Assistant Secretary of the Interior, has admitted that "leasing generally has been on the basis of industry expressions of interest."⁴² Moreover, as international lawyer Charles Lipton has pointed out, those Indian leases, which provide for a fixed royalty per ton of coal, cannot be considered fair and reasonable because the value of coal is bound to increase during the energy shortage, while the value of the dollar will decrease due to inflation. "That kind of royalty," Lipton concludes, "has no relationship to value, let alone profitability, and that kind of royalty has not been seen in international mineral agreements since the end of the colonial era."⁴³ By 1973, the Bureau of Indian Affairs had convinced the Northern Cheyenne tribe to lease 56% of its land (214,000 acres) to the Peabody Coal Company, Continental Oil, Amax, Chevron and several speculators.

The environmental and cultural impact of stripmining

If the coal companies had been allowed to proceed with stripmining in 1973 there is little doubt that **at least half the Northern Cheyenne reservation would be lost to**

machines like Continental Oil's Giant Earth Mover, which is 200 feet high and weighs more than 7,000 tons. In Continental's strip mines in the eastern United States this machine operates 24 hours a day 7 days a week, and uses enough electricity to supply a city of 15,000. It is operated by one man, who rides in an elevator to his cab. Each chomp takes out 220 cubic yards of earth. The machine cuts deep, long trenches one beside the other to reach the coal. The pulverized rock and earth taken from the trenches is dumped nearby in large mounds. **This results in the complete destruction of the land; landslides, erosion and siltation are major results. Erosion entering streams and rivers destroys them as life-supporting systems. Acid and mineral pollution also result as the coal shale is brought to the surface.**" Alarmed white ranchers in Montana formed a protective association known as the Northern Plains Resource Council to prevent Continental Oil from gaining control of valuable grazing lands from unsuspecting cowmen.

The terms of the lease, as the tribal council was to find out, gave the leaseholder the right to assign their rights to other firms and to sublease railroad or roadway rights. The lease gave the purchaser the right to use the Indian land for all manner of buildings and installations necessary for the production, processing, and transportation of the coal, opening the way for the construction of power, conversion, and petrochemical plants, railroad lines, associated industrial complexes, and new towns of non-Indians, whose numbers would submerge the approximately 3000 Northern Cheyennes and turn the reservation quickly into "an industrialized white man's domain."⁴⁵

Although the Northern Cheyenne tribe did not know it at the time, the invasion of the energy companies onto their reservation was part of the long range planning of the energy companies for the day when their crude oil supplies around the globe were either depleted or nationalized. James Ridgeway has summarized the stakes involved in the recolonization of the Northern Cheyenne tribe by the energy companies:⁴⁶

The Northern Cheyenne reservation sits astride the Fort Union formation, an immense block of virgin coal extending down from Canada, through the Dakotas, across eastern Montana and most of Wyoming. These coal beds are estimated to contain 1.5 trillion tons of coal in all, and 100 billion tons of this coal lie in seams of from 25-to-250 feet thick just below the surface where it can be strip mined. All told these coal deposits represent approximately 40 percent of the total U.S. reserves, and 20 percent of the entire world supply.

In 1971 the Department of the Interior had produced a document called the North Central Power Survey which laid out the plans of the energy companies for the region.⁴⁷ The study set out sites for forty-two power plants which could generate 50,000 megawatts of power by 1980, and 200,000 megawatts by the year 2000. These projects would also require diversion of existing water supplies from the rivers of the Yellowstone basin, creation of dams, pumping stations, aqueduct systems, etc.⁴⁸

TABLE FOUR

Percentage by type of host country of world total production and estimated reserves of selected minerals, 1974

Commodity	Market economies ¹ in foreign countries									
	Controlling interest									
	Centrally controlled economies		Complete state ownership		By state		By country nationals		By private investor ²	
	Production	Reserves	Production	Reserves	Production	Reserves	Production	Reserves	Production	Reserves
Bauxite	13	4	4	1	20	6	30	58	29	32
Copper	17	12	11	8	23	31	5	4	26	25
Iron ore	35	45	11	6	1	1	13	13	31	28
Manganese	39	39	2	(³)	1	(³)	17	4	40	56
Mercury	39	31	41	59	none	none	8	5	11	5
Phosphate rock	25	5	32	71	5	3	neg.	6	(³)	1
Tin	22	20	none	none	20	34	(³)	(³)	53	45
Tungsten	49	68	2	(³)	13	7	4	1	22	18
Petroleum	19	16	26	30	28	36	(³)	(³)	10	13

¹The exact list of countries grouped by type of controlling interest within a market economy varies from commodity to commodity.

²This category represents those circumstances in foreign countries where citizenship of the investor does not restrict investment in the host country. This is in contrast to those countries where private investment is encouraged, but country nationals must have controlling interest of the investment.

³Negligible.

⁴Withheld to maintain confidentiality of company data.

Note.—Totals may not add to 100% because of rounding procedures. Latest year for which comparable world data are available is 1974. Source: U.S. Bureau of Mines.

machinery. Because most Third World countries depend on foreign exchange earnings from the sale of one or two basic commodities (copper, coffee, sugar, etc.) these economies are extremely sensitive to the fluctuations in the world market prices for these commodities. **For every one cent drop in copper prices, Chile loses from \$9 to \$15 million in revenue. Because copper accounts for 80% of Chile's foreign exchange earning capacity, the ability of Chile to carry out industrial development programs is critically dependent upon the fluctuations of the world copper market.** But to even speak of a world market draws attention away from the multinational corporations which buy and sell these raw material through their own subsidiaries, thus establishing prices that have little connection with actual market prices.

The domination of Chilean copper production (up until 1971) by the American-owned copper companies of Anaconda and Kennecott nicely illustrates some of the major obstacles to economic development planning for Third World raw material producers. Since the takeover of Chilean copper deposits by Anaconda and Kennecott in the early 1900s, Chilean copper production has been integrated into the corporate economies of these corporations.²¹ Major decisions about production and pricing were effectively removed from the authority of Chilean decision-makers. The evolution of the Chilean copper industry conformed to the raw material needs of the American companies and the American government. Kennecott and Anaconda sold Chilean copper either to their own fabricating subsidiaries in the U.S. at the low New York metals market price — the so-called "producers' price" — or to established customers abroad at reduced prices. The "producers' price" is

an artificial price set by the four leading American copper producers. This New York price has been consistently lower than the world market price, established on the London Metal Exchange. The difference between what Chile could have earned by selling some of its copper in the best world markets and the producers' price has cost the Chilean economy dearly.

Chilean copper production was directly linked with U.S. copper consumption and the fluctuations in the U.S. business cycle. During the depression of 1930-32, Chilean copper sales plunged from \$111 million in 1929 to \$31 million in 1931, and prices fell from 17.5 cents to 7.0 cents. Following the depression, the U.S. imposed a tariff on copper imports which prevented Chile from participating in the U.S. recovery beginning in 1932. Thus, the Chilean copper industry bore the losses when the U.S. business cycle took a plunge downward but was prohibited from participating in the benefits when the business cycle turned upward.²²

Finally, Chilean demands that copper processing and fabricating facilities be located in Chile have been subordinated to the growth needs of the vertically-integrated American copper companies. While the location of processing and fabricating facilities in Chile would allow Chile to generate additional employment, taxes and sales of finished copper products, these facilities would compete with the facilities of the American copper companies in the United States. Even more important, the creation of these facilities in Chile would have encouraged a socialist Chile to consume a greater portion of its copper for its own industrial needs, reduce the dependency of Chile on American manufactured goods and encourage Chile to open up new markets in

tors in the area of Guayanilla strongly suggest that the increasing number of respiratory infections are due to air pollution from the nearby petrochemical plant. In one recent study, 37.5 percent — less than two-fifths — of the population had normal respiratory function; while 17.5 percent were classified as having severe respiratory problems.³⁴

The Economic Impact of Copper Mining

In addition to being highly polluting, the proposed copper mining projects will utilize enormous amounts of drinking water and electricity, penetrate into large expanses of agricultural land and provide few jobs. A mining expert who was technical advisor to the church panel stated that copper mines in the United States and Canada of roughly the same size proposed for Puerto Rico directly employ from 100 to 125 men at the mine mill complex and another 100 men at the smelter for a grand total of 225 jobs.³⁵ Moreover, much of the employment possible in the mines is of a highly technical nature and would be given to technicians brought in from outside the island. The church panel concluded that Kennecott and Amax would not employ more than 600 workers and that the unemployment problem would not be significantly altered by bringing mining companies onto the island.

In 1974 the same proposal for copper mining that had been rejected in 1971 was reintroduced by ex-governor Rafael Hernandez-Colon. In August of 1974 the Puerto Rican legislature held hearings on the copper mining venture where the companies proposed a joint venture arrangement between the companies and the colonial government. Under the terms of this agreement each party would put up one-third of the initial investment, estimated at \$240 million. While the government would receive 51% of the profits, it would also be responsible for providing the infrastructure: roads, water and power facilities, relocation of the population displaced by the stripmining, and facilities for the miners and their families. The last part of the agreement would allow the companies to operate under tax exemption for an unspecified number of years.

According to Roberto Rexach Benitez, President of the Commission on Natural Resources of the Puerto Rican House of Representatives, the companies have included payment for royalties, taxes and fees for water and electrical facilities in their calculation of Puerto Rico's share of the profits. Benitez pointed out that the Puerto Rican government was entitled to these items by law whether it puts up a third of the initial investment or not. Benitez also pointed out that when the costs of the infrastructure are deducted, Puerto Rico is left with \$66 million to rectify the social costs such as air pollution, the stripping of Puerto Rico's central mountain range, and the contamination of the water of the surrounding areas. At the same time, the profits of Kennecott and Amax were shown to be under-estimated by at least \$180 million, bringing the total profit to more than one billion dollars. The reaction of Benitez to the information revealed by various studies was to call the governor's

decision to give the rights to the U.S. mining companies "selling out the national interests of the Puerto Rican people."³⁶

Despite the church hearings, demonstrations, public hearings and court actions in opposition to mining on the island, the colonial government plans to go ahead with the plans of Kennecott and Amax for copper mining. The position of the Puerto Rican independence movement is that there should be no copper mining on the island until there is a government which is capable of using the natural resources of Puerto Rico for the benefit of the people of Puerto Rico. Organizations such as the Student Brigades Against the Mining have brought this message to people in those parts of the island which will be most directly affected by any mining. The Student Brigades have been responsible for organizing local groups against the mines and are collecting signatures on petitions to submit to the government in opposition to the mining. Members of the brigades have been persecuted by the police and other land owners in the proposed mining areas. But the ongoing work of the brigades is made possible because of the economic support they receive from local citizens.³⁷

Ex-president Ford's surprise proposal to make Puerto Rico the fifty-first state follows on the heels of the announcement from the Secretary-General of the Puerto Rican Socialist Party, Juan Mari Bras, that the colonial government of Puerto Rico secretly signed preliminary agreements with four U.S. oil companies for the exploitation of oil in the territorial waters of Puerto Rico. The agreement between the government and Mobil, Shell, Exxon, and Continental Oil authorizes the companies to extract 200 thousand barrels of oil per day, for a period of 30 years, at an investment of 400 million. The level of production would make Puerto Rico the nineteenth largest producer of oil in the world.³⁸ The independence movement has interpreted Ford's announcement as an admission that the colonial government of Puerto Rico is incapable of promoting the re-colonization of Puerto Rico as a copper and oil colony without the direct assistance of U.S. military force.

The recolonization of Native American lands

"... something very powerful has been taking place almost unnoticed in law offices and courtrooms throughout the country in recent years. Indians have launched a quiet legal offensive to protect their long-ignored rights to land, water, minerals and sovereignty. This movement is unprecedented in American history. Its goal is to insure the existence of the Indian tribes by altering the balance of power between them and the United States. And its first major victories are now beginning to reverberate."

Robert McLaughlin³⁹
September, 1976

Most of America's known reserves of uranium and one-third of all low-sulphur coal in the nation are on Indian lands.⁴⁰ In their attempt to achieve "energy independence" by 1990, the multinational energy and mineral corporations have come into conflict with American Indian tribes over sovereignty of natural resources on

the Third World and the socialist countries. Should other raw material producers get the same idea, of using their resources for their own industrialization, it would reduce the available supply to the United States and other imperialist countries and the prices would rise.

But the real threat which a socialist Chile would have represented cannot be understood simply in terms of a readjustment of prices. If Chile or any other Third World raw material producer should embark upon an industrial diversification scheme the raw materials that are now available for export to the imperialist countries would be severely reduced, or in some cases, eliminated altogether. **The international division of labor is such that, as Ian MacGregor of AMAX (American Metal Climax) has reminded us, "if we postulate any improvement of consequence in the standards of the two-thirds of the world's population who do not enjoy the conditions of the developed world, the raw material needs would become astronomical."**²³

Prior to the organization of producers' associations among raw material-producing countries of the Third World, the global division of labor was enforced by the power of the multinational natural resource corporations that have traditionally dominated the world commodity markets. For most of the preceding century, Third World countries were easily manipulated by the handful of companies that controlled the major raw material industries. Petroleum was in the hands of the Seven Sisters: Exxon, Mobil, Gulf, Socal, Texaco, British Petroleum and Shell. And up until quite recently seven multinational corporations — Anaconda, Kennecott, Phelps Dodge, Roan-AMC group, Anglo-American group, Union Miniere and International Nickel — controlled most of the copper production outside the Socialist countries. Because of such concentration in the hands of a few owners and managers, the multinational corporations were able to keep the price of raw materials down while it charged the highest price the market would bear for manufactured goods made from these cheap raw materials.

This global division of labor and system of exchange relations was reinforced and perpetuated by the ever-spiraling indebtedness of Third World countries to international lending agencies. Fluctuations in the demand for and hence the price of raw materials exported by the Third World necessitated heavy borrowing to finance needed imports. But then the Third World countries had to pay interest on those loans and were therefore required to set aside badly needed foreign exchange earnings to pay the debt service charges instead of buying imports.²⁴ No serious economic development planning could take place under these circumstances because, as Gabriel Kolko has pointed out, "when prices of raw materials are high they tend to concentrate on selling more raw materials and when prices are low their earnings are insufficient to raise capital for diversification."²⁵

During 1974 and 1975 the Third World witnessed a 30 per cent decline in the prices for their raw materials at the same time the prices of manufactured goods were

soaring. On top of this system of unequal exchange the raw material producers were then forced to bear the brunt of the collapse of the international monetary system. The time was ripe for revolt.

The Collapse of the international monetary order

The problem of inadequate foreign exchange reserves with which to purchase imported goods was further complicated when the United States and other imperialist countries devalued their currencies. When the dollar devaluates, the United States shifts the burden of losses onto the Third World countries which have U.S. dollars as their foreign exchange reserve. At the end of 1971 the gold and foreign exchange reserves of Europe and the U.S. totalled \$129.8 billion while the reserves of the Asian, African and Latin American countries totalled only \$22.7 billion of which 75% was in the form of foreign exchange, mainly U.S. dollars.²⁶ With the weakening of the dollar relative to other Western currencies the buying power of the Third World's raw material revenues has shrunk in Europe. The dollar devaluation in December 1971 brought a loss of about \$1.2 billion to the foreign exchange reserves of Asian, African and Latin American countries.

The combination of the dollar devaluation with runaway inflation²⁷ in the entire capitalist West has meant that in order to maintain effective buying power in the markets of the imperialist countries, the raw material producers have to increase their output of raw materials two, three and four times that amount just to keep up with inflated prices. In the absence of an increase in the prices for their raw materials, these countries were being forced to speed up the process by which they depleted the non-renewable resources upon which the future economic development of these countries depend. This process has been eloquently summarized by Terence McCarthy:²⁸

On a world scale, it is — or has been until now — a means by which the capitalist cartels and trusts shift, gallon by gallon or ton by ton, bits of one country to other countries. And as they sell off one country bit by bit they use the proceeds to buy up leases on other countries mile by mile which they then sell off bit by bit until nothing is left behind but holes in the ground, some narrow and deep, some broad and shallow — until all the Third World becomes West Virginia.

Under these conditions, the Third World was able to come together with a common demand for the radical transformation of the entire world economic system. Inspired by the dramatic success of the oil-producing countries, other raw material producers in the Third World began calling for a worldwide network of organizations comparable to the Organization of Petroleum Exporting Countries (OPEC). Producer associations now exist for a wide variety of mineral and agricultural raw materials, including copper, bauxite, tin, coffee, bananas, iron ore, mercury, phosphates and rubber. Five of these commodities are among the 13 basic raw materials required by United States industry. These attempts by the raw material producers at reorganizing

the relationships between the raw material producing countries and the imperialist countries by exerting a greater control over production, pricing and marketing were a direct challenge to the decision-making power of multinational natural resource corporations. Whether the objective role of economic nationalism serves as an alternative to socialism and a socialist pattern of development is a critical question but one which is beyond the scope of the present paper.²⁹ What is clear is that the United States Congress was sufficiently worried about the prospect of raw material shortages to establish a National Commission on Materials Policy to take up the question of how an uninterrupted flow of raw materials for capital accumulation could once again be assured.

Multinational corporations and resource colonies

As countries in the former colonies of Asia, Africa and Latin America take steps to assert their control over their nonrenewable natural resources and as the United States faces increasing competition from Western Europe and Japan for the remaining sources of cheap raw materials, the multinational corporations are forced to retreat to their internal and external colonies for these supplies. The attempt to achieve "energy independence" by 1990 will require even greater amounts of nonfuel raw materials to produce the drilling rigs, mine trucks, tractors, shovels, power generating plants, pipelines and refineries that are envisaged by this project. According to the U.S. Geological Survey, minimum estimates of nonfuel mineral raw-material requirements for all energy types 1975-1990 indicate that concrete and iron are needed in the largest tonnages, but that substantial quantities of other materials such as aluminum, barite, bentonite, manganese, and nickel must also be available if the United States is to attain energy independence by 1990.³⁰

The drive by the multinational mineral and energy corporations to transform both Puerto Rico and Native American reservations into fuel and mineral resource colonies is part of U.S. imperialism's answer to the demands of Third World raw material producers for a new international economic order. The major contradiction of this strategy, as I shall argue in the following sections, is that the attempt to recolonize Puerto Rico and Native American reservations will create the objective possibilities for the unification of diverse groups at home and abroad on an anti-imperialist basis. Instead of promoting the recommendation of the National Commission on Materials Policy for "the orderly development of domestic resources," the multinational resource corporations may end up promoting revolt in both its principal external colonial possession and its principal internal colonial possession.

The recolonization of Puerto Rico

"When the U.S. needed sugar, we grew sugar; when it needed cheap labor, we were cheap labor. Now it needs copper."

—Sir Irvin Torres Torres, Puerto Rican sociologist.
Testimony before the Church Panel on Copper Mining in
Puerto Rico, January 21, 1971.

As a consequence of the rising tide of economic nationalism in the Third World, U.S. energy and mineral corporations have been engaged in intensive exploratory operations in the U.S. and other "secure" areas of the world such as Puerto Rico. A March 1971 *New York Times* article suggested that Puerto Rico would be ideal from this point of view because of its colonial status and its military importance to the United States: "Independence is not likely — if for no other reason than that the United States is not apt to give up its island military anchor in the Atlantic, an island only one hour by plane from Cuba, an island from which the Navy keeps its eye on Russian ship movements in the Caribbean."³¹

As early as 1965 Kennecott Copper Corporation and the American Metal Climax Corporation (AMAX) were engaged in secret negotiations with the colonial government of Puerto Rico to exploit more than 240 million tons of copper in the mountains of central Puerto Rico. As a result of the publication of an article in a local magazine exposing the hitherto secret discussions between the mining companies and the colonial government, the Puerto Rican independence movement was able to mobilize political pressure to prevent any agreement from being signed. After a series of hearings on the proposed copper mining project, sponsored by eight American church groups, in January of 1971, the colonial government was once again forced to refuse any mining permits to the companies. The criticism of the foreign-owned and controlled copper mining projects that have been made by the Puerto Rican independence movement arose out of the specific historical situation of Puerto Rico but have important implications for potential resource colonies within the United States.

The environmental impact of copper mining

"Because of the dangers of air pollution," observed Simon Strauss of the American Smelting and Refining Company (ASARCO), "it is probably going to be very difficult to build a new copper smelter anywhere in the western U.S., particularly in Arizona."³² "Avoiding fumes from smelters," said Ian MacGregor of American Metal Climax, "will add fantastically to capital cost, and that is why you see so many developments of copper projects taking place abroad."³³ The government of Puerto Rico has had environmental legislation on the books since 1950 but has not enforced these standards set by law. A major contention of scientists at the church-sponsored hearings was that the government could not be expected to enforce environmental standards if the copper mining project were approved. Scientists pointed out that in its efforts to promote a large petrochemical industrial complex on the island the Puerto Rican government has effectively ignored U.S. federal environmental regulations. As a result, pollutants are frequently emitted in quantities exceeding the maximum tolerable by human beings. Reports by doc-