



experiences
and Facts

Immediate Objective: Cabora Bassa

Peter Kellner

The contradictions inherent in imperialism are as varied as its distinct forms and methods. Thus we see that a project of the breadth of Cabora Bassa, which in principle should represent economic liberation and technical stimulus for an area, is conceived to augment the exploitation of a country, reinforce colonial subjugation and strongly support the racist regimes of Rhodesia and South Africa.

Peter Kellner, British journalist and specialist in African affairs, comes to our pages with an articulate document that exposes the motives for the construction of Cabora Bassa dam, the multiplicity of private and government interests surrounding it, the attitude and activity of FRELIMO and the mobilization of world public opinion on this aspect of the question.

THE DEATH of seven men in an explosion in Mozambique's Tete Province, at the end of February 1970, received little attention in the world press. And, indeed, why should anyone pay much attention when death and brutality on a much larger scale take place every day in the Third World? What makes

these deaths more significant than most is not simply that the men were Portuguese, and their assailants FRELIMO guerrillas, nor even that the explosion marked a major step up of FRELIMO's operations (previously they had been con-

centrated in Mozambique's two most northern provinces, Niassa and Cabo Delgado); but that the event heralded what is likely to become one of the most important battles for the Third World in the seventies: the attempt by the Portuguese — with the aid of corporations in Southern Africa, Europe and North America — to build Africa's largest dam, and subsequently make it the centre of a major industrial complex; and the struggle, by FRELIMO, to stop its being built, and so to hasten the end of Portuguese imperialism in Mozambique.

The men who lost their lives were building access roads to the dam site. In a curiously terse and in-explicit statement the following day in Lisbon, Portuguese officials said the deaths "were the result of an accident which occurred while the men were blasting rock to make way for one of the roads." But the explosion followed hard on the heels of a FRELIMO communiqué announcing increased activity in Tete. And this after FRELIMO had scored a number of notable successes in the province: between September 1969 and February 1970, FRELIMO forces killed 350 Portuguese troops, and destroyed 55 enemy vehicles and several post and camps. They blew up three bridges and captured large quantities of Portuguese war materials.

In the face of this hostility, it might appear madness itself to spend £150 million building a dam which, if completed, would be twice the size of the Kariba dam, and 70% bigger than the Aswan dam. But for the Portuguese it is a necessity if Mozambique is ever to become an economically viable colony. And for

the South Africans its construction is also of the utmost importance, because the republic's regime has chosen to make the river Zambezi, on which the dam is to be built, its first line of defense against the growing liberation movements which threaten its racist supremacy.

It is difficult to overemphasise the strategic importance of the Zambezi generally, and of Tete Province in particular. The South Africans, especially, recognise its importance, as they have four battalions ("advisers?") helping the Portuguese there, while there is no evidence of their presence in Niassa or Cabo Delgado. Tete is bounded to the south by Rhodesia, whose border is 60 miles from the dam site, to the west by Zambia, which is periodically bombed by Portuguese NATO-supplied aircraft to discourage her from assisting FRELIMO, and to the north by Malawi, where the persistence of neocolonialism is assured through the good offices of President Hastings Banda. Only to the southeast, along the Zambezi Valley, is Tete linked to the rest of Mozambique.

At present the land around Cabora Bassa is lonely scrubland — ideal for guerrilla infiltration. The Portuguese intend using the dam to irrigate nearly four million acres, and to develop the vast mineral resources which the area possesses: copper, nickel, manganese, iron and steel. Then the area will become an easily defensible industrial complex. The power from the dam — 17 000 million kilowatt-hours a year of it — will go mainly to South Africa's ever hungrier ESCOM (Electricity Supply Commission) grid. To achieve this, 24 000 Mozambiquans must be forcibly moved from the land to be flooded; and (hopefully)

one million of Portugal's ten million population will emigrate to Mozambique. The sheer audacity of the scheme is paralleled only by the financial gains which the Portuguese authorities anticipate. They want to make a transformation in ten years from a cripplingly expensive colony — where FRELIMO holds down 60 000 Portuguese troops who eat up 20% of Portugal's national governmental budget (proportionately a greater amount than the US is spending in Viet Nam, and remember that Portugal is also fighting counterrevolutionary wars in Angola and Guinea-Bissau) — into one which yields high profits; in other words, from a situation where exploitation does not pay to one where it does, a situation in which Portugal is no longer the pauper of Africa's white South. In the words of the Johannesburg Star, the dam "heralds the establishment of a Southern African economic community."

As if to emphasise this very point, it is a South African-led consortium which is to build the dam. The ZAMCO (Zambeze Consorcio Hidro-Electrico) consortium is led by the South African industrial giant, Anglo-American, whose chairman, Harry Oppenheimer, is possibly the most influential man in South African industry. ZAMCO's chairman is E.T.S. Brown, an Anglo-American director.

It was, furthermore, a South African who made the Cabora Bassa scheme a viable proposition for the Portuguese. The possibility of building a dam to harness the Zambezi as it flows through the narrow Kebrabasa gorge was first mooted in the mid-fifties, as a way of propping up the tottering Mozambique economy, and so saving the country

for the "civilisation" which Portuguese rule endowed. In 1966, Hennie Van Eck, the chairman of South Africa's powerful Industrial Development Commission, decided that the project was worth supporting. During frequent visits to Lisbon during the early survey work on the dam site he had been wooed by the Portuguese Government, and eventually he was won over. He, in turn, went on to persuade ESCOM to take three quarters of the power to be generated by the dam. With this commitment, the Portuguese could safely go ahead and plan the dam in greater detail.

Van Eck evidently considered the project in more than straight commercial terms. In September the well-informed pro-Nationalist Party magazine News-Check reported that "Van Eck's reasoning [...] implies a closely-knit Southern Africa, and it implies, too, a signal contribution of an outward-looking republic to all the African countries clustered in the South." The dam was seen as an important part of this process by contributing to the subcontinental power grid which South Africa is trying to establish. In Lesotho, for example (where Chief Jonathan ensured the continuation of a pro-South African regime by seizing power after losing a general election at the beginning of 1970), South Africa is financing the Oxbow River hydroelectric scheme, which will harness the headwaters of the Orange River. Further-down the Orange, toward South-West Africa, another hydroelectric and irrigation project is under way. In Swaziland, South Africa is collaborating on the building of a coal-fired power plant. On the Cunene River in southern

Angola, South Africa and Portugal are building a smaller version of Cabora Bassa. As well as using power from the Cunene to pump into the ESCOM grid, the waters will irrigate parts of South-West Africa.

It was against this background that South African companies featured in each of the consortia which tendered for the Cabora Bassa contract. At first the British-led consortium which had built the Kariba dam was considered to be the favorite. GEC-English Electric headed the group, which included Italian and Portuguese companies, and Concor-Grinaker (Pty) of Johannesburg. A US-French group called Cabora Bassa Builders also tendered for the contract, but their bid, at 143 million, was easily the highest of the three main ones. The third consortium was ZAMCO. With Anglo-American were a number of Europe's biggest engineering companies, including Siemens and AEG-Telefunken (West Germany), Compagnie Générale d'Entreprises Electriques (France) and ASEA (Sweden). Their bid was for 103.4 million. In July 1968, the Portuguese Government announced that ZAMCO would get the contract. Preparatory work was scheduled to begin on November 1. But before work could start, Dr. Salazar, Prime Minister for over 40 years, suffered a stroke, and was replaced by Dr. Marcelo Caetano. Caetano immediately postponed the start by delaying the signing of the final contract.

Whereas Salazar had simply wanted as many white settlers and as much private capital as possible in Mozambique, Caetano wanted also to avoid depending too much on South Africa for the dam's con-

struction and subsequent commercial viability. The difference between the two men represented the difference between two generations of imperialists: the brash, straight-forward, unsubtle fascism of the twenties and thirties had given way to the more devious, complex, internationally-organised neo-colonialism of the sixties. Caetano wanted to attract British and North American capital to Cabora Bassa and, therefore, involve these countries' governments on the side of Portugal's colonial policies. It was something which Salazar had never considered particularly important, with the result that Portugal under him had become increasingly ostracised from the rest of the capitalist world, as well as the socialist countries and the Third World. Caetano gave publicly as his reason for stalling the fact that the arrangements for financing the dam were incomplete. So, like a good bureaucrat, he established a commission to study the arrangement. On April 20, 1969, he announced that ZAMCO might not get the final contract. "It has been considered convenient [he said] to initiate negotiations with other consortia who originally presented themselves to tender."

Once again, GEC-English Electric's hopes rose. On July 1 Bridget Bloom, the (London) Financial Time's African correspondent, reported from Lourenço Marques that "well-informed sources" were predicting success for the British-led consortium. But once again, their hopes were to be dashed, for the Portuguese Government announced on September 4 that they had reawarded the contract to ZAMCO — even though the estimated cost had now risen to £150 million. One of the most powerful arguments in

ZAMCO's favour was that the consortium included ASEA, the most experienced company in the world at setting up long-distance, high-voltage, direct current transmission systems. Normally, A/C transmission systems are used for long-distance cables, but the D/C system which ASEA has developed in the last few years costs 30% less for an 800-mile line — the length required to take the power to South Africa.

But the day before ZAMCO was finally awarded the contract, ASEA withdrew. The story of this withdrawal must itself count as one of the major successes for anti-apartheid activists in Europe in recent years. A series of demonstrations, sit-ins and protest marches embarrassed ASEA's directors who, in turn, looked to the Swedish Government for a commitment to support the company in its bid for the £15 million transmission line contract. In this connection, ASEA's own account, as presented in a 200-word "Review of Events," published at the end of September 1969, makes interesting reading. ASEA says that it feared breaking Sweden's laws on sanctions against Rhodesia, because ZAMCO refused to guarantee that no Rhodesian supplies would be used during the dam's construction. (This might have made ASEA liable to prosecution, on the basis that by participating in the project it would have been helping to promote Rhodesian exports.) Even after ASEA announced that it was pulling out of the consortium, it sought an assurance from the Swedish Government that if it still went in as a subcontractor it would not be prosecuted. In effect, the company wanted to shift the political responsibility from itself and

onto the Stockholm government.

The Government refused to give any such assurance. Indeed, it could hardly have acted otherwise, for the ruling Social-Democratic Party gives regular financial support to FRELIMO, and ASEA was asking for a government decision just a few days before the party's annual conference at which Marcelino dos Santos, one of FRELIMO's leaders, was to be a guest speaker. ASEA's departure from the consortium was a serious blow to ZAMCO. South Africa's weekly magazine, *The Financial Mail*, said it was "a body blow to the entire scheme. [...] If the situation is not swiftly resolved, there appear to be serious setbacks in prospect."

Of the few companies which were capable of taking ASEA's place, the one with the highest hopes was... GEC-English Electric! GEC-EE has an information-swap agreement with ASEA, and could, therefore, use the system which ASEA had built up over the years. When the contract between the Portuguese Government and ZAMCO was signed in Lisbon on September 18, GEC-EE looked as if it might get a third chance to participate in Cabora Bassa. But if ASEA had had problems in Sweden, GEC-EE should have to face even greater difficulties in Britain. For Sweden was only applying UN resolutions on sanctions against Rhodesia when it refused ASEA immunity from prosecution. And these resolutions were passed at Britain's request. It seemed rather odd to some observers that a Swedish firm might be denied a share in the dam contract because of Britain's policy on Rhodesia, and that a British firm might

move in instead. The fact that GEC-EE was only able to move in because it was permitted to use ASEA's know-how just added salt to the wound.

Clearly the delicacy of the situation was lost on Lord Nelson, Chairman of GEC-EE, who, not content simply to announce his company's renewed interest, decided to reveal his intentions to the world during a visit to Sweden early in October. While in Stockholm, he told a Svenska Dagbladet reporter: "We are completely prepared to take ASEA's place in the consortium; we have done all the preliminary work. There is no public feeling against us in Britain, and no legislation to prevent us taking part." This statement infuriated the Swedes even more. But Lord Nelson's complacency was soon shattered. On November 9 I wrote in the (London) Sunday Times Business News that a row was brewing in the British Parliament over GEC-EE's possible involvement. In both the House of Lords and the House of Commons, left-wing members of the ruling Labour Party were mobilising support to call on the Government to prevent any involvement by GEC-EE — or any other British firm — in the project.

Their argument, it should be stressed, was not that the dam would benefit the Portuguese imperialists, and harm FRELIMO's liberation struggle, but that any British involvement would contravene Britain's own sanctions policy against Rhodesia. The MPs were well aware that on the broad issue of exploitation and the struggle to end it they would receive no support from a government which,

despite its "Labour" tag, rooted its actions firmly in the traditions of advanced capitalism. They did, however, hope that the Government would enforce the sanctions policy which it had itself persuaded most of the countries of the world, through the United Nations, to accept.

Their case centred round two propositions: firstly, that Rhodesia would supply some of the materials for the construction of the dam; and secondly, that Rhodesia would take some of the power from the dam after its completion. To demonstrate the first point, they turned to a booklet published by the Rhodesian National Export Council, and called *The Way to Cabora Bassa*. This describes the project as "surely one of the greatest opportunities to present itself to our industry for many years." In the first stage of the building of the dam, says the booklet, Rhodesia is "ideally placed" to supply all the needs of the Cabora Bassa community from "food-stuffs to feed them, through the clothes they will wear... up to the vast quantities of cement to be poured into the dam and the timber shattering to contain it." The hopes of (white) Rhodesian businessmen are real enough: with the dam site only 200 miles from Salisbury, Rhodesia is the obvious source of supply for most of these things. And it cannot be entirely coincidental that on both sides of the border the road between Salisbury and Tete is currently being widened and strengthened.

Secondly, in order to show that Rhodesia is likely to get power from the dam, we need look no further than the 1968 report of Rhodesia's Secretary for Transport and Power, Lt. Colonel Leslie. In the report,

which covers the events of 1967, we find the following statement:

The Cabora Bassa project, as an alternative source of power in prospect, received careful consideration. A delegation of Rhodesian officials opened discussions with a Portuguese delegation in Salisbury during June and a second round of talks between the delegates took place in Lisbon in November 1967. [...] Further meetings are to be held.

The purpose of spelling out these points is not to suggest that the question of whether or not sanctions will be violated by the project is the most important issue: far from it — sanctions-busting is a curious little sideshow played while the main drama, the confrontation between the exploiters and the exploited, is taking place. What this discussion does show, however, is that even on its own arguments, the British Government ought to ban the participation of British firms. Why, even the right-wing pro-South African MP, Julian Amery, recognised this. Speaking on BBC radio on November 11, he said: "If the Government was serious about sanctions against Rhodesia it would prevent British participation in the scheme."

Needless to say, the British Government was not serious. Or rather, it was serious — about ways of helping British firms get round the Government's own sanctions policy. On November 9 I had written in the *Sunday Times*:

The Foreign Office and the Board of Trade have been giving quiet encouragement to GEC-English Electric. Talks were held earlier this year between GEC-EE and the Export Credits Guarantee Department, when GEC-

EE was organising a consortium to compete with ZAMCO. It appears that these talks, which ceased when the GEC-EE-led bid to build the dam failed, have now been resumed.

This account has not been disputed subsequently.

But just as public opinion had worried ASEA, so GEC-EE found the publicity attending their new bid distinctly unpalatable. Despite private government assurances that they would not be prosecuted for sanctions-busting, GEC-EE announced on December 1 that they were abandoning their bid. The *Times* quoted a company spokesman as saying: "The present situation has come about as a result of commercial discussions leaving aside the sanctions issue altogether." This statement was, however, at variance with the words of D.R. Love, GEC-EE's man in charge of the bid, who had told me on November 28: "We have been thoroughly embarrassed by the publicity accorded to our attempts to get involved in Cabora Bassa. It has reduced the possibilities of English Electric participating in the project."

If GEC-EE were now out of the running — Siemens is now expected to build the transmission lines — another British firm is still very much in the fight. This is Barclays Bank DCO (DCO stands for Dominion, Colonial and Overseas), which has 909 branches in Southern Africa, 53% of its total strength around the world. DCO in South Africa is a wholly-owned subsidiary of the British company, but acts to a large extent independently. In this way the fiction of Barclays Bank in London having nothing to

do with the sordid business of financing apartheid is maintained. Nevertheless, an inspection of the annual reports of Barclays DCO and Anglo-American reveals some interesting links.

The companies have two directors in common: Harry Oppenheimer himself, and Sidney Spiro. Another Anglo-American director, Sir Frederick Crawford, is on DCO's Rhodesia Board (yes, they really do have one). In May 1958 when Crawford came to Britain for a holiday, his passport was confiscated. In a subsequent debate in the House of Commons, George Thomson, then Commonwealth Secretary, was moved to remark that Crawford was one of the Smith regime's "active supporters." If this statement does not exactly undermine white supremacy in Rhodesia, neither does it suggest that Crawford is a particularly solid Marxist. But quite apart from the personnel, the most important link between DCO and Anglo-American is a simple one: Anglo-American is DCO's biggest customer anywhere in the world. It is not, therefore, surprising that DCO is putting up some of the financing for the dam. And this carries with it no risk of prosecution for, as Lord Shepherd said for the British Government in the House of Lords on December 15, all a British company had to avoid was dealing directly with goods of Rhodesian origin. So the British Government, by its refusal to stop British participation in the dam, is effectively supporting Portugal's policy of exploitation, as are companies in Southern Africa, Europe, and North America.

It is in some ways tempting to

blame a small number of men — such as the ones listed above — and the pressure they can bring to bear, for the building of the dam and the complicity of the British Government. Tempting, but mistaken. Conspiracy views of history carry with them the danger of obscuring the basic economic driving force which motivates most actions. It is not, therefore, necessary to postulate the existence of wicked cabals of South African, Rhodesian and Portuguese racists plotting with the captains of European and North American industry to impede the progress of the peoples of Southern Africa toward freedom. They are simply acting out the roles in which they find themselves. The fact that behind the Cabora Bassa project lies an interlocking network of "free-world" capital represents a normal, rather than an exceptional, state of affairs. It is just that in the case of Cabora Bassa it is a little easier than usual to lay these links bare.

No wonder FRELIMO, in its February 25 communiqué, said: FRELIMO will do all in its power to stop this project. However, we are aware that our resources are limited. This is an issue of the utmost importance to our struggle because, if successful, its one million white settlers will make Portuguese power more entrenched, and thus much more difficult to destroy. The Portuguese Government is well aware of this, and will use all means at its disposal, plus those of its imperialist and racist allies, to ensure that the project goes ahead. The combined efforts of FRELIMO in Mozambique and the progressive forces of the world will be able to stop them.