Florida International University

FIU Digital Commons

FIU Electronic Theses and Dissertations

University Graduate School

6-4-2021

Canadian Banks and Imperialism in the English-Speaking Caribbean

Tamanisha J. John
Florida International University, tjohn181@fiu.edu

Follow this and additional works at: https://digitalcommons.fiu.edu/etd

Part of the Canadian History Commons, Caribbean Languages and Societies Commons, Economic History Commons, Finance Commons, Growth and Development Commons, International Business Commons, International Relations Commons, and the Political Economy Commons

Recommended Citation
John, Tamanisha J., "Canadian Banks and Imperialism in the English-Speaking Caribbean" (2021). *FIU Electronic Theses and Dissertations*. 4804.
https://digitalcommons.fiu.edu/etd/4804

This work is brought to you for free and open access by the University Graduate School at FIU Digital Commons. It has been accepted for inclusion in FIU Electronic Theses and Dissertations by an authorized administrator of FIU Digital Commons. For more information, please contact dcc@fiu.edu.

FLORIDA INTERNATIONAL UNIVERSITY

Miami, Florida

CANADIAN BANKS AND IMPERIALISM IN THE ENGLISH-SPEAKING CARIBBEAN

A dissertation submitted in partial fulfillment of

the requirements for the degree of

DOCTOR OF PHILOSOPHY

in

INTERNATIONAL RELATIONS

by

Tamanisha Jennifer John

2021

To: Dean John F. Stack, Jr.
Steven J. Green School of International and Public Affairs

This dissertation, written by Tamanisha Jennifer John, and entitled Canadian Banks and Imperialism in the English-Speaking Caribbean, having been approved in respect to style and intellectual content, is referred to you for judgment.

We have read this dissertation and recommend that it be approved.

John Oates

Julie Zeng

Percy Hintzen

Pablo Toral

Ronald W. Cox, Major Professor

Date of Defense: June 04, 2021

The dissertation of Tamanisha Jennifer John is approved.

Dean John F. Stack, Jr.
Steven J. Green School of International and Public Affairs

Andrés G. Gil
Vice President for Research and Economic Development
and Dean of the University Graduate School

Florida International University, 2021

DEDICATION

First and foremost, I would like to thank my family for their continued support throughout my entire academic journey. I want to give praise and thanks to my mother Nichelle, my uncle Troy, my grandfather George, and my aunt Trudie. Their love, guidance, and support are what has gotten me to where I am today. I would also like to dedicate my dissertation to my grandmother Loraine who, along with my father Everic, passed before the completion of my project. My grandmother really pushed me to go all the way through, even though there were many times that I thought about giving up.

I would also like to dedicate this dissertation to my friends and other members of my community that have given me emotional support throughout my graduate school career. Special shout-outs to Stephanie M., Lydia and Devin for proofreading my grammar and sentences at various points throughout the years. Thank you to Yasmin for helping me find documents and texts that were unavailable to me, and to Arielle for listening and helping me think through various theoretical implications in my project. Thank you to Stephanie VC for the care packages and continued friendship. I appreciate all of you and the many more that are unnamed—including the community I was able to build within South Florida.

Last but not least, I would like to thank and dedicate this project to the Beloit College McNair Scholars program. I am in graduate school thanks to the guidance of these amazing people: Dra. Aurora Chang, Dr. Nicole Truesdell, and Kristin Frey. I would also like to especially thank these undergraduate advisors and mentors: Dr. Pablo Toral, Dr. Beatrice McKenzie, Dr. Rachel Ellett, and Daksha Joshi-Howard.

ACKNOWLEDGMENTS

I would like to extend many thanks to my amazing advisor and dissertation chair, Dr. Ronald W. Cox, whose intelligence, insight, and thoughtful comments and critiques helped the physical completion and the strength of my dissertation project in its many draft forms to completion. This work would not have been possible without the financial support of the Florida International University Dissertation Year Fellowship. I am grateful to Dr. Thomas Breslin, Dr. John Oates, and Dr. Cox for their letters of recommendation to this fellowship, which provided me with the opportunity to continue with writing and editing my dissertation project with less of a financial burden on me.

I would also like to acknowledge these professors that I have been able to work with and/or take classes with, that have made my time at FIU all the more worthwhile: Thank you to Dr. Naisy Sarduy, Dr. Marcie Washington, and Dr. Anjana Mishra that have helped me in tremendous ways both inside and outside of FIU. Thank you to Dr. Thomas Breslin, Dr. Mohiaddin Mesbahi, Dr. Danielle Clealand, and Dr. Félix Martin for their continuous academic support and insight in the beginning phases of my dissertation project. In addition, I would also like to extend thanks to Dr. Shlomi Dinar for helping me secure funding at a crucial moment in my graduate school career while completing my dissertation.

In closing, I would like to extend a big thank you to all of the members on my dissertation committee, whose commitment to seeing the strongest possible version of my dissertation has resulted in this final end product. Thank you to Dr. Ronald W. Cox, Dr. John Oates, Dr. Julie Zeng, Dr. Percy Hintzen, and Dr. Pablo Toral.

ABSTRACT OF THE DISSERTATION

CANADIAN BANKS AND IMPERIALISM IN THE ENGLISH-SPEAKING CARIBBEAN

by

Tamanisha Jennifer John

Florida International University, 2021

Miami, Florida

Professor Ronald W. Cox, Major Professor

Canadian banks have been important components of an imperialist system since at least the 19th century. However, their long and rich history of operating as purely exploitative entities in the English-speaking Caribbean region is often overlooked— leading to many incomplete and conflicting narratives about Canada's role within the global system. I argue that Canada is an imperial actor that exerts agency in supporting a Canadian banking oligopoly both within Canada and in the English-speaking Caribbean. Insufficient attention is given to these Canadian banks, especially considering the power they have wielded in the Caribbean over the centuries. By analyzing the relationship between Canadian banks and the Caribbean, this project helps compensate for a lack of attention given to the Caribbean region in international relations scholarship. The Caribbean region once informed the global political economy via the production of sugar using enslaved labor. In the present, Caribbean states provide incentives to foreign investors that maintain relationships of exploitation by foreign capital. My dissertation looks at how Canadian banks, in the context of global capitalism and structures of corporate power, have exploited their advantageous position in the Caribbean from the time of British colonialism to the present.

TABLE OF CONTENTS

CHAPTER PAGE

Chapter 1: Introduction 1
Canadian Banks and the Caribbean in Historical and Theoretical Context 3
Which Theory of Imperialism? 7
Liberal Perspectives on the Research Question 12
Critiquing Liberal Perspectives Using Theories of Imperialism 19
Process Tracing: Analyzing Canadian Imperialism 24
References 27

Chapter 2: The Financial Dominance of Canadian Banks in the English-Speaking Caribbean, 1837-1960 31
The British Imperial System that Emerges after the American Revolution, 1783-1837 34
British Imperialism and the Ascendancy of Canadian Banks, 1837-1914 39
Evolution of Canadian Chartered Banks, 1871-1926 49
Canadian Chartered Banks Overseas Caribbean Operations, 1920-1960 74
Conclusion 84
References 88

Chapter 3: The Financial Dominance of Canadian Banks in the English-Speaking Caribbean, 1960-1980 91
Context of Canadian Banking Expansion 93
Push Factors Contributing to the Expansion of Canadian Banks 103
Pull Factors Contributing to the Expansion of Canadian Banks in the Caribbean 111
Lending and Investment Activities of Canadian Banks: the English-Speaking Caribbean 119
Effects of Canadian Banks Lending and Investment Strategies in the Region 132
Conclusion 149
References 151
Appendix 161

Chapter 4: The Financial Dominance of Canadian Banks in the English-Speaking Caribbean, 1980-2000(/8) 165
IMF and the World Bank Structural Adjustment in the 1980s and 1990s: Canadian Banks, Financial Interests, and the Caribbean 178
Structural Adjustment as International Order: Canadian Banks, Financial Interests and the Caribbean 190
Renewed Investment Consolidation by Canadian Banks in the Caribbean: Characteristics of New Investments and Neoliberal Development Strategies 205
Conclusion 213
References 215
Appendix 225

Chapter 5: Theoretical Argument, Importance, and Significance 227
Canada: Dependent Junior Partner in Imperialism or an Actor Wielding Imperial Agency? 228

Why Canadian Banking Exploitation in the Caribbean is Important 238
Final Thoughts 244
References..247

Vita 250

LIST OF TABLES

TABLE PAGE

Table 3.1 Canadian Total Assets and Total Foreign Currency Assets (Canadian $ Billion).......110

Table 3.2 Number/Branches of Canadian Banks in the Caribbean 130

Table 3.3 Development of Caribbean Operations, 1960-1979 161

Table 3.4 CIBC Caribbean Banks Openings and Closings, 1960-1979 163

Table 4.1 Canadian Direct Investment Abroad: Number of Controlled Subsidiaries 186

Table 4.2 Canadian Acquisitions Abroad by Industry, 1987-1990 186

Table 4.3 Domestic Market Share of Canadian and Foreign Financial Institutions, 2000..........207

Table 4.4 Development of Caribbean Operations, 1990-2008 225

Table 5.1 Canadian Investments Abroad by Region, 2007 234

Table 5.2 Assets of Largest Banks in the Caribbean, 2008 236

Table 5.3 Largest Banking Mergers and Acquisitions, 2001-2008 240

LIST OF FIGURES

FIGURE PAGE

Figure 2.1 The Caribbean: Dominance of Regional Banks (% of Total Banking Assets) 77

ABBREVIATIONS AND ACRONYMS

ALCAN – Aluminum Company of Canada

BMO – Bank of Montreal

BNS – Bank of Nova Scotia / Scotiabank

CARIBCAN – Caribbean-Canada Trade Agreement

CARICOM – Caribbean Community

CBA – Canadian Bankers Association

CCBO – Canada-Caribbean Business Cooperation Office

CIBC – Canadian Imperial Bank of Commerce

CIBC FCIB – Canadian Imperial Bank of Commerce First Caribbean International Bank

CIDA – Canadian International Development Agency

DDF – Dominica Defense Force

DLP – Democratic Labor Party

ECC – Eastern Caribbean Community

ECLAC – Economic Commission for Latin America and the Caribbean

EDC – Export Development Corporation

EEC – European Economic Community

FDI – Foreign Direct Investment

G-7 – Group of Seven

GATT – General Agreement on Tariffs and Trade

GNI – Gross National Income

GNP – Gross National Product

GULP – Grenada United Labor Party

IFI – International Financial Institution

IMF – International Monetary Fund

JTEC – Joint Trade and Economic Committee

LDC – Less Developed Country

LIEO – Liberal International Economic Order

MNE – Multinational Enterprises

NAFTA – North American Free Trade Agreement

NDP – New Democratic Party

NJM – New Jewel Movement

ODA – Official Development Assistance

OWTU – Oilfield Worker's Trade Union

PMO – Prime Minister's Office

PNC – People's National Congress

PNM – People's National Movement

PNP – People's National Party

PPP – People's Progressive Party

PRG – People's Revolutionary Guard

RBC – Royal Bank of Canada

RBTT – Royal Bank of Trinidad and Tobago

SAP – Structural Adjustment Program

TD – Toronto Dominion

U.S – United States

USTC – United States Tariff Commission

UWI – The University of the West Indies

WTO – World Trade Organization

WWI – World War One

WWII – World War Two

Chapter 1: Introduction

Few scholars have written about the role of Canadian banks and investors in the Caribbean region (Baum 1974; Naylor 2006; Engler 2009; Gordon 2010; Tijerina 2012; Deneault 2015; Gordon & Webber 2016; Hudson 2017). Of the scholarly works that do exist, even fewer highlight the role of the Canadian state in facilitating a set of foreign policies that privilege Canadian banks and other corporations abroad (Baum 1974; Engler 2009; Gordon 2010; Gordon & Webber 2016). The shortage of literature on this topic contrasts with the fact that Canadian banks have been dominant financial players in the English-speaking Caribbean region for almost two centuries. British imperial policies allowed Canadian banks to exploit profit-making opportunities in its Caribbean colonies after the American Revolution, when Canada assumed the role of a 'middle man' in order to maintain trade within the Western Hemisphere. Thus, the presence of Canadian banks in the English-Speaking Caribbean dates back to the 19th century, following the American Revolution and the subsequent embargoes placed on America by Britain. The expansion of Canadian banks in the English-speaking Caribbean continued in the 20th and 21st centuries, with the Canadian state helping to facilitate their growth and consolidation via a chartered banking system within Canada, able to flex its power in the Caribbean region.

My dissertation examines the link between the Canadian state, Canadian banks, and the development of foreign policies that have contributed to the expansion of Canadian banks in the English-speaking Caribbean from the late 19th century to the present. I analyze the relationship between the Canadian state and Canadian banks in the larger context of their privileged location within imperial power structures, specifically examining the utility of imperialism for explaining these relationships. While the logic of Canadian expansion in the Caribbean region can be read

as linear at times, during the 20th century, their proliferation and growth in the Caribbean was not unchallenged. Independence movements, Black Power movements, and revolutions in the 1960s, 1970s, and 1980s mobilized in opposition to the presence of Canadian banking corporations, identifying them as manifestations of colonial power and privilege. It was understood then that Canadian banks did not contribute to (or invest in) the local economies in the region, but instead made profits there that were then repatriated back to Canada.

However, in the 21st century these social protest movements have mostly been quieted as the region became unevenly integrated into the global economic system. Now, discourses surrounding development insist that being able to attract foreign investment and capital are necessary for developing states to achieve economic growth. The consequences of outsized foreign ownership of capital and financial institutions in developing countries is hardly considered. I have argued in the past that Canadian ownership of financial institutions in the 21st century positively correlated with limited access to capital by Caribbean states, nationals, and small firms for development usage (John 2017, 25-27). In other words, Canadian banking practices contributed to underdevelopment in the Caribbean region. In addition, Canadian ownership of financial institutions led to increased foreign control of profitable sectors, with preferential treatment given to dependent sectors of society, most vulnerable to external shocks, like tourism (John 2017, 27-30, 54). Thus, I contended that Canadian banks in the Caribbean region should be scrutinized.

Missing from the literature is a critical examination of the foreign economic relationship between Canada and the Caribbean region that analyzes how the past imperial practices of Canadian banks are utilized in the present. An updated analysis of imperialism provides an

analytical framework to help explain the continuity of Canadian banks, and their banking practices, in the now independent states of the English-speaking Caribbean region.

Canadian Banks and the Caribbean in Historical and Theoretical Context

The dominance of Canadian banks in the English-speaking Caribbean region is a consequence of British imperialism, which linked Canadian banks to an imperial trading architecture in the Americas. Shortly thereafter, Canada was able to carve out its own space in imperialist relations— aiding in the concentration and development of Canadian banks within Canada and abroad. The imperial aspirations of Canada and its banks in the British West Indies, would lead to competition between British Colonial Banks and Canadian ones in the 20th century. Canada's ability to compete with Britain during the 20th century was due to the British imperial framework that situated Canada favorably in the Caribbean. Thus, in 1922, the United States Tariff Commission report on "Colonial Tariff Policies" noted that "Canada has been more influential in shaping the commercial policy of British empire than has any other British dependency," especially in the Americas (USTC 1922, 660).

This is not to say that Canada itself has ever been a hegemonic entity or a superpower in the region. It rather highlights, as Gordon (2010) does, the fact that Canada is "a power that benefits from and actively participates in the global system of domination in which the wealth and resources of the Third World are systematically plundered by capital of the Global North" (9). While the British imperial system, and assistance from the Canadian state allowed Canadian banks to establish themselves as financial power-brokers in the Caribbean, these relationships existed within a context of exploitation. A hierarchy that favored Canada in the Americas— especially in the Caribbean region— was done to the detriment of Caribbean societies plagued by underdevelopment.

A significant body of contemporary scholarship on Canada's relationship with the Caribbean tends to illuminate the Canadian liberal internationalist tradition. This tradition interprets Canadian actions in the Caribbean region as 'Canada's goodwill,' of its inclinations towards 'peacekeeping,' and its 'commitment to development' around the world. However, this interpretation hides Canada's imperial paternalism and self-interest in the region prior to WWII (Gorman 2017). Such assertions in the present are usually made to juxtapose Canadian dealings in the world with that of the United States. The common assumption being that "Canadians make peace, while Americans go to war" (Engler 2009). While some may view this assertion as common-sense, Yves Engler (2009) asks "do Canadian corporations act differently than American companies when it comes to their desire for maximizing profits on foreign investments?" (Engler 2009). The answer to Engler's question— he convincingly argues, is *no*. This is because Canada and Canadian capital, "just like the other major capitalist powers [, are] driven by a logic of expansion" (Gordon 2010, 10).

A theory of imperialism allows us to locate the relationship between the Canadian state and Canadian banks within a larger analytical framework that can explain the power, influence and expansion of Canadian banks in the Caribbean region. Using a theory of imperialism, we can also examine the international orientation of Canadian capital, and the "aggressive policies of the Canadian state" that help further the expansionary logic of Canadian capital via "aggressive penetration of the Third World" (Gordon 2010, 10-11). It is undeniable that as "one of the richest countries in the world, [Canada] is operating within a global system of imperialism that continues to systematically benefit capital from the Global North at the expense of the people and ecologies of the Global South" (Gordon & Webber 2016). This observation bares out when one examines Canadian investments prior to WWI, whereby outflows to the U.S. focused on

strengthening economic power through commodities; and in the Caribbean, Canadian investments "were devices for draining funds from these areas" for investors in the Global North (Naylor 2006, 218-220).

In essence, imperialism is a set of practices undertaken by a dominant state on behalf of its powerful corporations in order to facilitate the exploitation of developing country. These imperial practices establish the condition for the promotion of the interests of foreign investors in extracting wealth from host countries. The terms of this wealth extraction are conditioned by the political economy of the imperial relationship; whereby political and economic elites from the imperial country establish disproportionate power over the legal, political and economic terms of this relationship. This contributes to uneven development that is biased in favor of the imperial country. The relationship between Canadian banks and Canada has informed the systematic expansion of these Canadian banks in the Caribbean, given the market power of these banks, and the policies of the Canadian state. The Canadian government actively promotes policies in and for the Caribbean that would be favorable for Canadian investors— including structural adjustment— which is not usually beneficial to the Caribbean country.

Some scholars have noted that unlike the governments in the Caribbean region, it is Canada, and only Canada, which has the power to legislate on its bank's activities abroad (Baum 1974; Tijerina 2012; Deneault 2015).[1] At the same time, the Canadian state has been

[1] Daniel Baum writes: "The statutes of Canada become important for two reasons: (1) The Canadian banks are chartered, that is, incorporated under the Federal Bank Act of Canada; as a juristic entity they exist only because the Canadian government has chosen to allow them to exist. (2) The greater part of Canadian banking is conducted in Canada even though the banks are world enterprises. Thus, in a legal and a realistic sense, the federal government has the power to control banking behavior in the Commonwealth Caribbean. Indeed, it may well be that the Canadian government has greater capacity to bring about certain banking behavior than the governments of the Commonwealth Caribbean themselves" (Baum 1974, 29); Stefano Tijerina writes: "The Canadian federal government willingly supported Canadian financial investors abroad by providing them the flexibility to develop and implement new and sophisticated financial products that allowed them to compete effectively in the international market… The Canadian government was instrumental in creating a protected market in which banks could develop competitive strengths [abroad]...Canada was thus competitive in a region of low-cost business in a new and almost non-competitive field.

instrumental in facilitating an imperial foreign policy which privileges Canadian banks and investors, thus there is systematic under-regulation of Canadian banks in the region. While there is a growing body of critical literature which argues that increased integration of capital from different regions has decreased the role, or power, of states in the global system— I argue that this is not the case. As Gordon (2010) notes, "most multinational corporations are still headquartered in a specific country, have a network of minority or majority shareholders situated there, and rely on their particular state to facilitate their global expansion" (52). This has been true of Canadian banks and Canada since the 19th century, and as my dissertation will show, remains to be true in the 21st century.

Today, the proliferation of Canadian banks in the Caribbean region is at an all-time high.[2] This has been facilitated by Canadian state policies, various debt, commodity, and balance of payment crises in the Caribbean region, as well as the subsequent recommendations by

---

The Caribbean market was easily accessible...much less competition and business was unregulated… Canadian banks were able to successfully penetrate the Latin America and Caribbean markets for two main reasons: First, support they received from their federal government, and the knowledge of their leaders concerning the changing dynamics of geopolitical power in the region" (Tijerina 2012, 259-267); Alain Deneault writes: "...only the Canadian government could have regulated the banks... As a consequence, Canada was in a better position than local authorities in the Caribbean to regulate the banks... By default, it controlled the banking sector in the islands" (Deneault 2015, kindle loc 549).

[2] While I was in the process of writing this dissertation, in the Fall of 2018 rumors swirled that Canadian banks like the Royal Bank of Canada (RBC) and the Canadian Imperial Bank of Commerce (CIBC First Caribbean) were planning to pull out of the Caribbean region. These banks denied those rumors, only to blindside multiple governments in the region a year later announcing exits from specific states in the region during the latter part of 2019. As major financial institutions in the region, this shocked multiple governments who stated that the banks did not discuss plans to exit with them. This lack of discussion isn't surprising, given these banks power in the region. According to the Bahamas Financials Services Union President, Theresa Mortimer, "it seems to be the trend the Canada banks are taking on. They have made their profits and now they want out, not just out of The Bahamas but the Caribbean. It's seems to be [a] Caribbean thing. It's sad but that's the way it is. We have to wait and see" (McKenzie 2019). According to the ambassador of Antigua and Barbuda, Ronald Sanders, "the untidy and muddled way in which Canadian banks are withdrawing from the countries of the Commonwealth Caribbean is a direct result of insufficient attention being paid by governments to the terms of their entry at the time." Nonetheless, Sanders notes that because RBC was forced to sell its assets to local banks — given that Scotiabank (BNS) did not agree to its sale terms — the local banks acquiring Royal "will be in a better position than before" (Sanders 2019). While Mortimer shares concerns regarding uncertainty of two major Canadian banks exiting the region, Sanders sees an opportunity for Caribbean regional banks to become dominant in their own region.

international financial organizations— like the International Monetary Fund (IMF), World Bank, and World Trade Organization (WTO)— that follow crises in developing countries. According to Todd Gordon and Jeffery R. Webber (2016), “the expansion of Canadian capital… and contemporary expressions of Canadian foreign policy begs serious consideration of imperialist dynamics of the world system in the twenty-first century and the role of the Canadian state therein” (Gordon & Webber 2016, 4). By looking at the relationship between Canadian banks and Caribbean economies, I argue that Canada should not be excluded from our discussions of imperialism or imperialist state relations.

Which Theory of Imperialism?

A fundamental concern of my dissertation is making clear the relationship between Canadian imperialism and underdevelopment in the English-speaking Caribbean. The key features of this relationship, I hope, will shed light on the structural and instrumental power of Canadian banking corporations, in order to explain their persistent and ongoing presence in the Caribbean. Literature on corporations exacerbating underdevelopment and fueling inequality in the Third World became especially popular during the 1970s at the height of ‘dependencia’ style theories within Latin America. Dependency theory strategically utilized components of Marxist theory to explain chronic underdevelopment in former (largely racialized) colonies. Dependency theorists traced the continuity of imperialism from the colonial to the post-colonial period, identifying the structural continuities of imperial power relationships as central to explaining the continued exploitation of the Third World (the periphery) by the global North (the core).

The broader structural critique of dependency theory however, is that it is ill suited for focusing on specific agents of capital like Canada or Canadian banks. Dependency theory relegated all other states not formally (or unsuccessfully) engaged in territorial expansion as

belonging to a group in the middle (the semi-periphery). These states, dependency theorists argued, did engage in some exploitation of peripheral states— but were also exploited themselves. Thus, the complete monopolization of the economic and financial apparatuses by semi-peripheral states— for instance Canada in the Caribbean— received scant attention, as dependency theories focused on the more hegemonic powers. Canada's inclusion as a semi-peripheral state was also backed by the fact that it was once subject to British imperialism, just like the U.S. However, unlike the U.S., Canada was falsely understood within these theories to be a non-influential actor in the international system. This in spite of Canada's clearly imperial economic objectives already being established in Britain's West Indies colonies by the beginning of the 20th century (W.D. Taunton, 1912).

Although Canada became considerably richer in the aftermath of WWII, theorizing about Canada and its interactions with weaker states in the world still received little attention. This was the case even as Canada unsuccessfully tried to annex British territories in the Americas during the early 20th century, and even after WWII (Winks 1968; Hastings 2010). Dependency theories still failed to analyze Canada's penetration in the Caribbean region, or update Canada's positioning within its theory. This oversight was largely due to the fact that dependency theorizing on Canada focused almost exclusively on whether or not the Canadian economy was captured by U.S. interests (Naylor 1975; Levitt 2002). Potential U.S. capture of Canadian businesses, dependency theories surmised, made Canada incapable of being an imperial power. Because this was the position taken by many of these analyses, dependency theorizing on Canada often times prescribed Canadian nationalism as a remedy to break Canada out of the "dependent" imperialist role pushed onto it by the U.S. (Levitt 2002). While theories of Canada's

subservient role to the U.S. have remained popular, some scholars refute these dependent prescriptions of Canada utilizing critical Marxist and other classical imperial style theories.

Utilizing classical theories of imperialism, some scholars argued that bigger structural critiques— like those provided by world systems or dependency theory— ignored agency, internal and continental capital relations, as well as the economic integration of all imperialist countries with one other (Klassen 2009, 168-170). These oversights, they reckoned, is why dependency theory failed to account for the expansion of Canadian imperialism. In 1981, "McNally argued that dependency theory was guilty of "commodity fetishism," which meant that dependency theorists focused on "commodities in exchange instead of on social relations in production" (Klassen 2009,169). For McNally (1981) social relations in production in resource extraction "operated as an advanced form of industrial capital," and to ignore this, meant that dependency theorists were painting "a false picture of the industrial structure and power bloc in Canada" (Klassen 2009,169). It should be noted here that by the 1980s, Canadian interests in mining, banking, and energy in Latin America and the Caribbean were substantive. Kaufman (1984/5), Niosi (1985), and Carroll (1986) furthered McNally's argument, when they "revealed the existence of independent blocs of finance capital in Canada," not beholden or subject to U.S. interests (Klassen 2009, 169).

Thus, scholars utilizing classical imperialist theories in conjunction with Marxism found dependency theory to be "limited on [both] theoretical and empirical grounds" (Klassen 2009, 170). These scholars showed that "Canadian capital was not fragmented across the circuit of capital [nor] subservient to American branch plants [, but rather that,] Canadian capital had achieved dominance over [its] internal market, [it] had created an integrated network of financial and industrial firms, and [it] had accumulated enough capital for international expansion"

(Klassen 2009, 170). These facts were especially undeniable by the end of the 20th century for anyone seriously analyzing the political economy of Canada and the outward flow of Canadian investments.

For instance, in 2006 Naylor attempted to continue to place Canada within a sub-imperial framework, beholden to U.S. interests, as he did during the 1970s. However, Naylor's own findings accurately ascertained that Canadian investment in the Caribbean and South America was not only aggressive, but also uniquely Canadian (Naylor 2006, 219). He found that Canada's Caribbean investments focused on creating "domineering enterprises [in banking] representing substantial economic control," whereby Canadian banks "extracted funds for export back to Canada" (Naylor 2006, 462). However, Naylor still chose to conclude that Canada could only be described as a sub-imperial power, because of its southern neighbor. Thus, when one frequently analyses Canada in relation to the U.S., its verifiable imperial relationships can be downplayed or outright overlooked.

Dependency theory is thus insufficient for explaining Canada's positioning in the world or that of Canadian corporations. This, even as Canadian bankers have been more decisive in structuring banking laws in the English-Speaking Caribbean region. Within dependency theory, Canada's agency is always subsumed within a larger hegemonic framework that places Canadian actions as a mindless product of a system in which it is acting in U.S. (and before, British) interests. Critical theories of imperialism, by examining the relationship between capitalist firms that work through their own states to advance their profit interests abroad, is thus better suited for addressing the research question. It places agency at the forefront in addressing how Canadian financial interests work through the Canadian state— while competing with other capitalist firms— to advance their profit-making opportunities.

Theorists of imperialism, in looking at who benefits/profits argue that imperial powers never seek to serve those facing the brunt of exploitation. Instead, as has already been prefaced as true of Canadian banks in the Caribbean, the imperial corporation repatriates its profits away from the colonial or post-colonial territory where profits have been made. Following this theoretical tradition, this dissertation hypothesizes that Canadian banks have deprived English-Speaking Caribbean states of actual development by not contributing to the real (local) sector of those Caribbean economies. Thus, my interest is in delineating Canadian agency within imperialism versus just explaining underdevelopment (which is a consequence of imperial relations between states).

In 1902, J.A. Hobson's study on *Imperialism* was published setting the terms of the post-Marxian debate on imperialism— Marx having never utilized the term himself. According to Hobson, imperialism in immature markets overseas functioned as an outlet for surplus capital that was generated by capitalism. In this vein, it was the capitalists themselves who invented the idea that capitalism would benefit— not consume itself— from imperialism (Wolfe 1997, 390-391). According to David McNally, "capitalism has always been global in orientation" (McNally 2006, 28); and, as Vladimir Lenin would contend in 1916 after Hobson, imperialism extended the life of capitalism by enabling it to expand quantitatively. Scholars such as Colin Mooers noted that capitalism is "inevitably imperialist...in its search for new geographical sources of accumulation" (Mooers 2014, 74). Within these frameworks, "imperialism is the end, and the economic system (whether it be handicraft or capitalistic or socialistic) is the means" (Winslow 1931, 716). While there exist arguments surrounding the location of imperialism as atavistic or preceding capitalism, my dissertation, while mildly acknowledging the existence of these divergent interpretations of imperialism, does not intend to settle those conversations.

Rather, what is interesting about the debates surrounding imperialism and its relationship with capitalism, is the many definitions of imperialism which arise from these conversations. Thus, depending on how one defines imperialism there will be different implications for my dissertation project. However, Schumpeter's (1951) definition of imperialism encompasses the present feature within all definitions of imperialism— that it entails violent expansion. What does violent expansion look like in the Post-WWII period marked by the formal end of colonialism? According to Wolfe, dependency theorists "insist[ed] that economic backwardness in the Third World resulted from the presence rather than the absence of capitalism" (Wolfe 1997, 393). At the same time, within Marxist circles, theories of monopoly capitalism began to gain more prominence asserting that large-scale concentrations of corporate power suppressed economic development, and checked any sort of dynamism within the global capitalist system. Together, these theories explicitly make the case for the continued and increasing economic exploitation of former colonies as being the defining characteristic of the "new-style" imperialism. Violent expansion was to be observed within the economic and financial apparatuses of the newly independent colonies which make up the developing world.

Liberal Perspectives on the Research Question

Although I have been broadly theorizing about the conceptual merits of utilizing imperialism— and the justifications for categorizing Canada as an imperial state— Canada is usually theorized within liberal theories. In fact, most theorizing on Canada reject the notion that Canada is an imperialist power which contributes to underdevelopment in the developing world. Thus, from a more liberal theoretical perspective, the dissertation research question and hypothesis would be moot. Within these theories, Canada is understood to be a benevolent force in the world, including in the Caribbean region. Within my dissertation, scarcity of literature and

data becomes two-fold given the areas of investigation. Canada is scarcely understood as an independent international actor with its own self-interest, and the Caribbean is scarcely understood as a region deserving of singular investigation. In fact, within the broader category of 'Latin America and the Caribbean,' the Caribbean is usually subsumed to studies strictly on South and Central America. Meanwhile, to the extent that relations between states in the Caribbean region and other states are discussed, it's usually in relation to U.S. foreign policy and U.S. interests. Nonetheless, it is still useful to critique the liberal perspectives that do exist on the research topic, which addresses both regions, in order to strengthen the case for imperialism.

Before proceeding, I would like to make it explicitly clear that I am not making the claim that Canada causes underdevelopment in the English-Speaking Caribbean. Rather, as part of a larger imperial architecture, Canada is an important way that Caribbean states experience underdevelopment. Canadian banking exists within a larger structure of global accumulation, which can help us to understand some of the ways that underdevelopment is experienced in the Caribbean. However, if other countries were afforded the same opportunities as Canadian banks earlier on in the Caribbean region, as well as afforded the same kind of state protection from competition, the outcome would most likely be the same. Thus, in addressing liberal perspectives, prioritization is given to analyses which treat Canada as an actor with agency within the global system.

According to Kennair (2011), it is true that Canada has played a dominant role within the Caribbean Commonwealth, however, it's "leading role" has not been that of a "power-wielding hegemon, but as an intellectual, moral leader, preserving and shaping [the Commonwealth]." (Kennair 2011, loc 114). Canada's shaping of the Commonwealth has thus been to shift these association of states formerly colonized by Britain, away from "echoing old ideas of empire, to

an international organization, with Canada playing a part in this transition" (Kennair 2011, loc 138-142). As such, Kennair's work is mostly concerned with "the question of Canadian leadership within the Commonwealth" that he describes as primarily being focused on "bilateral aid," as "a means through which Canada [can] pursue its human rights ambitions" (Kennair 2011, loc 142-146; loc 118). In this regard, Kennair and other liberal theorist tend to focus on Canada not as an imperial actor, but as a "leading" actor in the Caribbean region (and developing world more broadly) that contributes positively to the development and wellbeing of those states.

The main criticism that Kennair (2011) holds is that the literature on Canada's international affairs has "concentrated on its relations with Britain or the United States, [only] juxtaposing Canada to the hegemons of recent history" (Kennair 2011, loc 133). Thus, for Kennair (2011) Canada's "leadership" is often forgotten, and when the literature does attempt to analyze Canada's foreign policy, it ends up being superficial and "descriptive in nature […] with little depth of political analysis (Kennair 2011, loc 127). The only area of agreement that my research shares with liberal theorists is that there is a paucity of scholarly approaches that treat Canada as an independent actor in foreign relations. Ironically, it is the liberal critiques of the Canadian foreign policy literature which more closely aligns to the critiques coming from critical and imperial perspectives on this exact topic. However, this is where the agreements between liberal theories and those more critical of Canada's agency end. In this section, I will look at how different theories, particularly older and newer variants of liberalism, would answer my question and understand the variables within my question.

According to liberal theorists and analysts, Canada is nothing more than a middle power. In 1966 John Holmes declared Canada a "Middle-Aged Power," citing its "disinclination to pay much for status or to maintain the requisite armed forces for an aspiring major power" (Holmes

1984, 366). Holmes would have to revisit his assertion in the 1980's, at the height of academic and journalistic writings on Canada as a "principle power," due to its economic prowess, its involvement in the G-7, and more generally, as belonging to a group of states which decided the fate of the international system. In his 1984 revisit of Canada as a middle power, Holmes notes that the "attack on classic middlepowerism came from two directions...those on the right who thought all Canada's energies should be directed to [trade]...[and] the more articulate critics on the left [who] did want Canada to play a grand peace-inducing role in the world but thought that [Canada was] hindered by [their] alignment" with the United States (Holmes 1984, 370). Holmes critiqued the critics on the left for implying that Canada "could not be regarded as [an] objective actor in world diplomacy" because they were "allied" with "one of the superpowers," which "assumes Canadian incompetence" (Holmes 1984, 370-371). Unsurprisingly, Holmes asserts again in his 1984 piece that Canada is in fact a middle power "not hereby proclaiming, as do our archaic Marxists, that Canada is a bound victim of American imperialism" because Canada has "considerably more room for manoeuvre than most middle powers" (Holmes 1984, 372). Holmes (1984) aligned Canadian "middlepowerism" to a "sensible and safer" option for Canada as per the Canadian "tradition" (Holmes 1984, 388). But more importantly, Holmes (1984) situated Canada within international affairs not as a puppet to U.S. interests but as an actor with agency that pursues its own interests in the world.

Furthering this line of thought, in 1989 Canada's Secretary of State for External Affairs Joe Clark, gave a speech in which he emphasized two points— first that Canada was a non-imperial state, and second, that Canada could best be described as a middle power. Clark's justification was simple: "there are foreign policy choices open to some countries which have never been open to Canada. [Canada] could never aspire to be a great power. [Canada's]

population and economy are too small. The choices of conquest, or of empire have never been open to Canada" (Clark 1989). However, scholars like Adam Chapnick (2000) point out that "Canada's status as a middle power is a myth" which hides "a tradition of Canadian rhetoric crafted to justify the attainment of disproportionate influence in international affairs" (Chapnick 2000, 188). With Chapnick's understanding of this myth, what Holmes gets right is Canadian agency to maneuver exceeds the capacity of most states which would identify as middle powers. However, what Holmes leaves out, according to Michael S. Neiberg (2012), is that Canadian "maneuvering" has involved, unequivocally, its ability to be "imperialists in order not to become colonials" (Neiberg 2012, 7). In other words, whether you analyze the foreign policy strategy of Canada utilizing an "imperial" model, a "middle power" model, or a "status quo power" model— what you're highlighting is Canada's willingness to "identify closely with empire...to derive benefits," its ability to " punch above its weight in military and international affairs," and the historical and present day understanding that "Canada's strategic interests overlap with those of Britain and the United States[,] most closely when stabilizing the global system is the goal" (Neiberg 2012, 7-10).

Thus, as an agent in its own foreign affairs, Canada arguably has its own delineated interests. Although liberal theories do not offer any explanations for the proliferation of Canadian banks and industries in the English-Speaking Caribbean, they do offer some insights on the issues, when discussing the relevance of ineffectual Canadian aid to the region. Discussions of Canadian aid in the Caribbean region is the closest liberal theories get to talking about Canadian banks and industry in the region. Recognizing Canada as a "middle power," liberal theories argue that "Canadian investment in the Commonwealth has been centered upon the Caribbean" and "though investment seemingly brings wealth into these states, and also

assists in developing the domestic industries, it [has] remove[d] local control over development" (Kennair 2011, loc 2175). Thus, there is this understanding within liberal literature that outside of simply giving ineffective aid to the region, Canadian aid takes away some of the ownership Caribbean states should have over their development.

Compounding these conversations, in the late 1960s and 1970s it was undeniable that Canada's interest and involvement in the Commonwealth Caribbean countries were opposed by Caribbean citizens. Caribbean populations were vocally opposed to Canada and Canadian banks, which they labelled as imperialist forces within their societies. In 1970 after a firebombing of a Canadian bank in Trinidad and Tobago, a Canadian External Affairs Official is quoted in *Macleans* saying "we're not colonialists by intent, but by circumstances. We've taken on a neocolonial aura there [in the Caribbean]" (Engler 2009). These events shocked people in Canada, because Canada does its best to "project an image abroad as a benign, non-ideological force; liberal, tolerant, politically disinterested, high-minded in its aims, if gamely naïve to its effects" (Hudson 2010, 34).

An IMF working paper on the "Financial Interconnectedness and Financial Sector Reforms in the Caribbean," reveals the degree to which Canadian banks are in the Caribbean by referencing their power and concentration there. The working paper states that "[w]hile the presence of Canadian banks has enabled the region to benefit from Canada's strong supervisory and regulatory framework, this high degree of interconnectedness with foreign banks suggests that if a large shock were to hit the source country (a core node), the shock may reverberate through the links to the rest of the network and could pose a risk to several Caribbean countries simultaneously" (IMF 2013, 12). However, the rest of the report is dedicated to what Caribbean governments could do to reform their respective financial sectors. The assumption being that

because Canada is a leader in regulating its financial sector, of concern are Caribbean governments being able to do the same in case of Canadian failure.

A common trend in the liberal (and neoliberal) literature is to place the onus on Caribbean governments for pursuing effective policies in relationship to foreign countries and corporations. Caribbean states are expected to foster close relations with foreign institutions and Western states— even if these relationships contribute negatively to development, given the inherent unevenness of these relations. For instance, Kennair (2011) asserts that Caribbean states have limited control over their development due to foreign investments made by Canada (loc 2175). He then abandons what could have been an otherwise critical argument, to talk about the other immaterial benefits that these states gain by simply having a relationship with Canada. After noting Canadian aid "removes local control over development" and that the "profits made within these [Canadian] industries are removed from the region [, with t]he result being a limited form of development as there is still no sharing of wealth" (Kennair 2011, loc 2175-2182); Kennair (2011) concludes the section by pivoting towards his main point of Canadian leadership. Thus, for Kennair, Canada's contribution to exploitation and underdevelopment in the Caribbean region is a non-issue, because "Canada maintains a diplomatic forum in which it can lead and compete with other First World states, and in which it is perceived to be a proponent of Third World issues" (Kennair 2011, loc 2184).

Thus, the negative consequences for the Caribbean, as written by both the IMF (2013) and Kennair (2011), become inconsequential or overshadowed by what is considered Canadian leadership. The proliferation of Canadian banks in the region, and the negative consequences stemming from Canadian dominance, are insignificant because Canadian management is 'better' than what governments in the region could provide; and ineffective aid is still better than none.

Notwithstanding the evidence, liberal theories relegate the proliferation of Canadian banks in the Caribbean as a non-issue. Further, if it is an issue, liberal scholars would most likely agree that it should be addressed by Caribbean states themselves— which they would argue are not well suited to the task. In this view Caribbean states are incapable of governing their own financial industries, and definitely not capable of developing their own economies without the knowledge of foreigners. Within this framework, the Canadian state is not an imperial actor— but rather a leader or dominant actor in the region which aims to help the region with development, even if it falls short in this endeavor. Canadian profits in the uneven relationship is thus saved from criticism, if any attention is given to it at all, because Canada is well meaning. Therefore, any assertion that Canada is an imperial actor, according to liberal scholars, fails to consider Canada's goodwill.

Critiquing Liberal Perspectives Using Theories of Imperialism

The neo-Marxian tradition of theories of imperialism have two currents which assert that: (1) imperialism without colonialism requires economically dependent participation of newly independent states in international economic relations; and (2) economically powerful states use the liberal international economic order (LIEO) to increase and legitimate their economic imperialism within poorer states. Together, these theories illuminate our understanding of economic imperialism as an unequal relationship of power between those that profit and those that are exploited. Local development is stifled and profits generated in the developing country gets repatriated, meanwhile local industry is restricted. Within this relationship, imperial (foreign-owned) industries are strengthened. Given this understanding, scholars of imperialism critique and interrogate liberal perspectives of Canadian goodwill.

When we examine the question 'why does Canadian aid fail?', liberal scholars would locate Caribbean development problems within the key political and economic structures of Caribbean states themselves. They would ultimately conclude that underdevelopment is a problem of poor choices made by Caribbean states. In contrast, scholars of imperialism would identify imperial structures which benefit the Canadian state to the detriment of the political and local economic structures within Caribbean states. Scholars of imperialism would examine the structural adjustment conditionalities that are a requirement prior to the disbursement of Canadian aid to see who benefits from these conditionalities. Canadian disbursement often requires the further liberalization of local markets in the Caribbean in a way that favors and strengthens foreign corporations and foreign ownership of capital— known to repatriate profits that could be used for local development. Thus, for these scholars, Canadian aid becomes one way in which Canada integrates weaker Caribbean states into a liberal international economic order to facilitate its economic imperialism.

When one investigates Canadian debt forgiveness, the picture for imperial theorists is also gloomy. Canada requires that developing countries endure austere policies for a lengthy period of time in order for a small portion of their debt to be forgiven. As part of the G-7, Canada has supported IMF plans to delay debt relief to developing countries (Social Justice Committee 2005). Scholars utilizing imperialism theory point out that this is hardly the image of a "goodwill" actor whose commitment to human rights and development simply falls short. When one looks at the tiny fraction of aid that Canada does give as part of its official development assistance (ODA), it almost exclusively goes towards infrastructural development which mostly supports its own foreign investments (Klassen & Albo 2013, 223). It is this understanding of

Canadian economic imperialism in the English-speaking Caribbean that theories of imperialism focus our attention on.

Although disagreements about Canada as an imperial actor exists within imperial literature, there is a tendency to downplay the role of Canada in participating in "new colonialisms" within a broader system of exploitation. First coined in the 1950's by anti-colonial leaders in Asia and Africa, "neocolonialism" demarcated neo-imperialism or control without (formal) colonialism. With this understanding, scholars in the developing world noted that imperialism without colonialism looks like "economic control, intellectual control, and actual physical control by a small but alien community, within a nation" (O'Connor 1974, 170). In 1961 at the Third All-African People's Conference in Cairo, African leaders defined neocolonialism as "the survival of the colonial system in spite of formal recognition of political independence in emerging countries" (O'Connor 1974, 170). Developing countries were thus "victims of an indirect and subtle form of domination by political, economic, social, military, or technical [forces,]" which they viewed as the "greatest threat" to their "newly won independence or [for states that were] approaching th[at] status" (O'Connor 1974, 170). In essence, imperialism without colonialism required economically dependent participation of newly independent states in international economic relations.

Thus, independence in the developing world was only achieved based on conditions which were "irrelevant to the basic needs of [their] societ[ies], and represent[ed] a part-denial of real sovereignty, and a part-continuation of disunity within the society" (O'Connor 1974, 171). There was simply a transfer of "power to the domestic ruling classes by their former colonial masters" in order to upkeep exploitative economic relationships (O'Connor 1974, 171). In this vein, Canada was excluded from the developing world, having achieved a status of development

that escaped the other noticeably non-white former colonies. However, even though this was the case, Canada was still not seen as one of the neo-colonial exploiters of the "Third World." James O'Connor (1974) argued that "the most important branch of the theory of neocolonialism is...the theory of economic imperialism" (O'Connor 1974, 171). Economic imperialism being defined by O'Connor as "the formal or informal control over local economic resources in a manner advantageous to the metropolitan power, and at the expense of the local economy" (O'Connor 1974, 171). Although O'Connor identified economic imperialism as the new form of colonialism which contributed to underdevelopment in the "Third World," O'Connor defined Canada as an underdeveloped country versus one engaging in economic imperialism.

In *Corporations and the State* (1974), O'Connor only mentions Canada four times to point out that in relation to international corporations from the U.S., Europe, and Japan "underdeveloped countries [of which he included Canada]," were being exploited (O'Connor 1974, 197). By not nuancing the analysis on the participation of newly independent states, or examining Canadian banking and mining corporations in the 1970s, critiques of Canada as an imperial actor did not happen— even amongst the mainstream scholarship on neocolonialism and imperialism. This remained the case prior to 1980s, as the more critical imperial literature focused on French-British divides within Canada— given varying power relationships between the groups and provinces. In spite of these shortcomings, imperial theorizing on economic imperialism and the obstacles it poses to the development of newly independent states, is still relevant. It provides us with a great framework for analyzing economic imperialism and Canadian banking dominance. Liberal theories, while certainly admitting Canadian dominance in the Caribbean, are ill suited to discussing Canada's economic imperialism even when they admit Canadian-owned banks in the region have outsized political and economic power.

Caribbean states have limited power in relation to foreign-owned banks in protecting their own domestic money supply and/or addressing their own economic crisis within their financial sectors. Government savings and loan borrowing in the English-Speaking Caribbean, overwhelmingly favors the interests of foreign capital over those within the domestic economy, which is a direct byproduct of foreign bank ownership and a switch to domestic debt buildup from foreign bank subsidiaries (John 2017). In 2008, Canadians controlled "the three largest banks in the English-speaking Caribbean [with] assets in [the] region four times what the approximately forty locally owned banks control[led]" (Economist 2008). In order to achieve this type of dominant expansion successfully, while competing with other rich nations, "Canadian foreign policy strategies" imposed "liberalized market relations" onto developing countries needing aid or seeking foreign investment (Klassen & Albo 2013, 220).

Canadian foreign policies with aims to benefit Canadian capital and investors abroad, has been intentional according to scholars of imperialism. Klassen and Albo (2013) write that it is clear that the Canadian state places a "premium on free market policies," which has allowed for continuous intervention by Canada on behalf of Canadian firms abroad, to protect their global interests (220). Accordingly, economically powerful states like Canada use the LIEO to increase and legitimate their economic imperialism within poorer states. "Free trade deals and investment treaties have been critical for securing Canadian capital's access to the Third World" by locking in market access for foreign capital which establishes a "strong investor rights regime" (Klassen & Albo 2013, 221). As has been alluded to before, Canadian "aid policy [also] represents another method by which the Canadian state facilitates economic expansion into developing countries (Klassen & Albo 2013, 221).

This trend is also not exclusive to conservative governments within Canada, as liberal governments also aim to facilitate Canadian economic imperialism abroad. While liberal theoretical perspectives may choose to "highlight foreign aid contributions as a sign of Canada's progressive internationalism [,] in reality the Canadian government commits a pitiful amount to aid, both absolutely and relatively in terms of the budget" (Klassen & Albo 2013, 221-222). This is not mere conjecture. In the 1980's and 1990s Canada's ratio ODA to its gross national income (GNI) was just 0.28% (Morrison 1998). To put this number into perspective, Canada spent more on its agricultural subsidies— protecting its own producers— against competition from developing countries (Tomlinson 2000-2001; Black 2005; CIDA 2009, Klassen & Albo 2013). Canadian aid is relevant when discussing Canadian economic imperialism because the "total investment income earned by Canadian capital in the Third World is nearly six times what Canada offers in aid" (Klassen & Albo 2013, 221-222). Aid is also tied to the adoption of policies that favors the economic and political interests of the lending country. Thus, Canadian aid doesn't "fail" as liberal theories would suggest, but rather paltry aid from Canada helps its image as it extracts wealth from poorer countries to its own benefit.[3] In sum, Canada participates as an independent actor serving Canadian interests within a broader system of capitalist accumulation— even if its role within the system receives little attention.

Process Tracing: Analyzing Canadian Imperialism

My dissertation looks at the explanatory power of traditional theories of imperialism for explaining continuity of Canadian banking practices in the English-Speaking Caribbean. Process tracing allows for an in-depth historical analysis of Canadian banks in the Caribbean region to explain the continuity and expansion of these corporations over time. As a method, process

[3] Aid is often tied to the adoption of policies that favor the economic and political interests of the lending country.

tracing allows social scientists to engage specifically with causal mechanisms for how we come to know (and how we are able to generalize about) change over time, in an informed (and sequenced) way. This method also allows us to make inferences based on the implications of historical observances of our hypothesized causal mechanisms in comparing cases. Given the historical trend I identify that emerges as a pattern over the course of three centuries, process tracing helps with mapping out long-term patterns that contributed to a socioeconomic and institutional legacy of Canadian banking domination in the English-speaking Caribbean. My aim is to show that this legacy was established over three main critical junctures, allowing further consolidation and power of Canadian banks in the Caribbean.

The first critical juncture began in the 19th century from 1837 to 1960 when Canadian banking presence in the English-Speaking Caribbean first became established. The presence of Canadian banks during the 19th century formally linked Canada to a colonial-imperial framework with the British West Indies— facilitated by a deal struck between Canadian bankers and the Colonial bank. These banks' presence was further facilitated by the Canadian Bank Act and its four subsequent amendments between 1891 and 1945. The second critical juncture takes place during the independence period of Caribbean states between 1960 and 1980. During this time, Canadian bankers used their already established influence in the region to create the first banking laws there. Canadian bankers also used the capital needs of the newly independent states as leverage for creating policies that were highly favorable to the interests of Canadian banks. These laws crafted by Canadian bankers would remain unchanged well into the later critical periods of expansion for Canadian banks. The third critical juncture covers the neoliberal period from 1980 to 2000 (with some insight into 2008)— although this period officially started in the Caribbean during the 1970s. The neoliberal period would further entrench Canadian

multinational corporations in the region well into the present given various international economic crises and the neoliberal policies that followed.

The downside to using process tracing as a method to survey a broad historical period is that there are significant gaps in the availability of primary documents. Of the three largest Canadian banks in the Caribbean, annual reports were not made widely available until after 1995. In some instances when the Caribbean is mentioned, individual states are hardly discussed, and there is a tendency to homogenize whole regions (e.g. Latin America and the Caribbean). From the Caribbean side, precise banking data of individual states from earlier periods prior to 1960 are hard to find, and in some instances, it is questionable whether or not the data even exists. Throughout the dissertation I have attempted to utilize a broad array of sources to make logical inferences when available. I also contacted archivists at the Canadian banks operating in the region to solicit information not available online or within texts.[4] However, data for later periods are available – specifically after 1980. With available data and written text, I gauged Canadian banking expansion, concentration, and asset wealth in particular states in the region by also examining various contexts, trends, and global changes.[5]

---

[4] A Scotiabank representative informed me that Scotiabank "regrettably do[es] not have all of that information [(regarding the history of Scotiabank's Central American and Caribbean operations during the 1960-1995 time-frame)] in one place" and apologized for being unable to "provide a better resource" on their banking institution. Similarly, an archivist at CIBC informed me that "[CIBCs] information about [their] Caribbean operations [are] limited" for that time as well.

[5] Canadian Banks and withdrawal from Cuba and skepticism for non-English speaking territories: Due to the Batista regime in Cuba and later on the Cuban Revolution Canadian bank expansion there was initially precarious and then limited; additionally, dictatorships within Haiti (Papa Doc) and the Dominican Republic (Rafael Trujillo)—during the 1960s and 1970s—Canadian expansion was more prominent in the English-speaking Caribbean. Although Canadian banks continued to operate in these countries, they recognized the areas as having more uncertainty. This is somewhat reminiscent of the international Great Depression years, where Canadian banks in the Spanish and French Caribbean saw less prosperous years, as their operations in the English-speaking Caribbean remained profitable due to Britain's emergency-powers legislation which meant that its colonies had a controlled market for their agricultural goods.

My dissertation contains five chapters. This introduction makes the case for why theories of imperialism may be better suited to understanding Canadian economic imperialism in the English-Speaking Caribbean region. The second chapter looks at Canadian bank dominance in the English-speaking Caribbean region and its outgrowth from British imperialism. The third chapter looks at the growth and expansion of Canadian banking in the English-speaking Caribbean region from the 1960s to the beginning of the 1980s, and prefaces the economic crisis of the mid to late 1970s. In the fourth chapter, I analyze the causes, characteristics and consequences of the new global international architecture of the 1980s to 2000s, and how it helped to revive competitive advantages for Canadian banks within the Caribbean region. My fifth chapter examines the implications of my case studies for our broader understanding of contemporary international relations, especially the extent to which theories of imperialism can help us explain patterns of imperial state policies that have contributed to underdevelopment. The final chapter also clears up misconceptions regarding Canada's status in the world and the broader implications of Canadian banking exploitation in the Caribbean.

References

Altamura, Carlo Edoardo. *European Banks and the Rise of International Finance: The Post-Bretton Woods Era*. London & New York: Taylor & Francis, 2016.

Practical Law. "Banking Regulation in Canada: Overview." Accessed April 20, 2019.

Baum, Daniel. *The Banks of Canada in the Commonwealth Caribbean, Economic Nationalism and Multinational Enterprises of a Medium Power*. iUniverse, Inc, 1974.

Bélanger, Claude. "Quebec History." Accessed September 25, 2019.

Beloff, Max. *Imperial Sunset Volume I: Britain's Liberal Empire, 1897-1921*. 1st ed. Alfred A. Knopf, 1970.

Bonham, Mark. S. "Chartered Banks in Canada." In *the Canadian Encyclopedia*, February 6, 2006.

Breckenridge, Roeliff Morton. “The Canadian Banking System 1817-1890.” *American Economic Association*, Publications of the American Economic Association, 10, no. 1/3 (n.d.): 13–476.

Callender, Charles Victor. “The Development of the Capital Market Institutions of Jamaica.” *Social and Economic Studies* 14, no. 3 (1965): 174.

Canadian Economic History, Classic and Contemporary Approaches. Carleton Library Series 176. Ottawa: Carleton University Press, 1993.

Chodos, Robert. *The Caribbean Connection*. Toronto: James Lorimer & Company, 1977.

Clarke, Laurence C., Donna E. Danns, and Caribbean Centre for Monetary Studies, eds. *The Financial Evolution of the Caribbean Community (1970 - 1996)*. St. Augustine, Trinidad, 1997.

Craton, Michael, and Gail Saunders. *Islanders in the Stream: A History of the Bahamian People, From Aboriginal Times to the End of Slavery*. Vol. 1. Athens, Georgia: University of Georgia Press, 1992.

Curtis, C.A. “Evolution of Canadian Banking.” *Sage Publications, Inc. in Association with the American Academy of Political and Social Science* 253 (1947): 115–24.

Deneault, Alain. *Canada: A New Tax Haven: How the Country That Shaped Caribbean Tax Havens Is Becoming One Itself*. Talonbooks, 2015.

Deneault, Alain, and William Sacher. *Imperial Canada Inc.: Legal Haven of Choice for the World’s Mining Industries.* Talonbooks, 2012.

Easterbrook, W.T., and M.H. Watkins, eds. *Approaches to Canadian Economic History*. The Carleton Library 31. Toronto: McClelland and Stewart Limited, 1969.

Edmonds, Kevin. “Canadian Banks and Economic Control in the Caribbean | NACLA.” The North American Congress on Latin America. Accessed April 17, 2019.

Engler, Yves. “Corrupt Canadian Banking Practices.” Accessed April 20, 2019.

Garcia, Gloria, Azucena Novelo, and Christine Vellos. “The Evolution of the Financial Sector in Belize (1996 -2007),” n.d., 30.

Girvan, Norman. *Corporate Imperialism: Conflict and Expropriation, Transnational Corporations and Economic Nationalism in the Third World*. New York: Monthly Review Press, 1976.

Gordon, Todd, and Jeffery Webber. *Blood of Extraction Canadian Imperialism in Latin America*. Fernwood Publishing, 2016.

Grady, Jo, and Chris Grocott, eds. *The Continuing Imperialism of Free Trade*. Routledge Frontiers of Political Economy 246. London & New York: Routledge, 2019.

GTIMES. “The History and Evolution of the Banking Industry in Guyana.” *Guyana Times* (blog), November 19, 2017.

Hastings, Paula. “Dreams of a Tropical Canada: Race, Nation, and Canadian Aspirations in the Caribbean Basin, 1883-1919.” Doctor of Philosophy in History, Duke University, 2010.

———. “The Limits of Brotherly Love: Rethinking Canada-Caribbean Relations in the Early Twentieth Century.” In *Dominion of Race: Rethinking Canada’s International History*, edited by Kaura Madokoro, Francine McKenzie, and David Meren, 333. Vancouver, Toronto: UBC Press, 2017.

Hudson, Peter. “Imperial Designs: The Royal Bank of Canada in the Caribbean.” *Race and Class* 52, no. 1 (2010): 33–48.

John, Tamanisha J. “Canada’s Financial Dominance in the Former English Caribbean Colonies (FECC).” *Council on Hemispheric Affairs (COHA)*, January 9, 2018.

Jones, Geoffrey. *The Evolution of International Business: An Introduction*. London: Routledge, 1996.

Kiladze, Tim. “Trouble in Paradise: Inside Canadian Banks’ Billion-Dollar Caribbean Struggle.” Accessed April 20, 2019.

Lowenthal, David, H.W. Springer, Gordon Merrill, and Douglas Anglin. *The West Indies Federation*. Edited by David Lowenthal. American Geographical Society 23. New York: Columbia University Press, 1961.

Marchildon, Gregory. *Profits and Politics: Beaverbrook and the Gilded Age of Canadian Finance*. Toronto: University of Toronto Press, 1996.

Naylor, R.T. *Canada in the European Age, 1453-1919*. 2nd ed. McGill-Queen’s University Press, 2006.

———. *The History of Canadian Business 1867-1914*. Vol. 1. The Banks and Finance Capital. Toronto: James Lorimer & Company, 1975.

———. “The Rise and Fall of the Private Banking System.” In *History of Canadian Business*, 156–84. McGill-Queen’s University Press, 2006.

Neufeld, E.P. “Establishing a Bank in the 1830’s.” In *Money and Banking in Canada*, 68–76. McGill-Queen’s University Press, 1964.

O'Connor, James. *The Corporations and the State: Essays in Theory of Capitalism and Imperialism*. New York: Harper & Row, 1974.

Orbell, John. *British Banking: A Guide to Historical Records*. Routledge, 2017.

Petras, James, and Henry Veltmeyer. *Imperialism and Capitalism in the Twenty-First Century, A System in Crisis*. Ashgate Publishing Limited, 2013.

Quigley, Neil C. "The Bank of Nova Scotia in the Caribbean, 1889-1940." *The President and Fellows of Harvard College*, The Business History Review, 63, no. 4 (n.d.): 797–838.

Sanders, Ronald. "World View – Withdrawal of Canadian Banks: Opportunity To Remedy Not Repeat Mistakes." *TheTribune*. December 16, 2019, sec. World View.

Scott-Keltie, J. *The Statesman's Year-Book*. 29th ed. The Stateman's Yearbook. UK: Palgrave Macmillan, 1892.

Smith, Andrew. "Continental Divide: The Canadian Banking and Currency Laws of 1871 in the Mirror of the United States." *Cambridge University Press* 13, no. 3 (2012): 455–503.

Sprague, Jeb. *Globalizing the Caribbean: Political Economy, Social Change, and the Transnational Capitalist Class*. 1st ed. Temple University Press, 2019.

Stewart, Walter. *Towers of Gold, Feet of Clay: The Canadian Banks*. Collins Publishers, 1982.

Sutherland, David. "Pryor, William (1775-1859)." In *Dictionary of Canadian Biography*. Vol. 8. University of Toronto, 1985.

Taunton, W.D. "Should Canada Annex the British West Indies." *The Canadian Magazine*, February 28, 1912.

Torontoist. "Historicist: The Home Bank's House of Cards." Torontoist, August 24, 2013.

Vigod, B.L. "Canada First." In *the Canadian Encyclopedia*, 2011.

Waite, P.B. "Treaty of Washington." In *the Canadian Encyclopedia*, 2010.

Winks, Robin. *Canadian-West Indian Union: A Forty-Year Minuet*. University of London: Athlone Press, 1968.

Young, Merwin. *The African Colonial State in Comparative Perspective*. Yale University Press, 1994.

Chapter 2: The Financial Dominance of Canadian Banks in the English-Speaking Caribbean, 1837-1960

Canadian banks have been the dominant financial institutions in the English-speaking Caribbean region for over two centuries, with some variation in their financial status visible across different Caribbean states. That there is variation in response to Canadian banks within individual states suggests that external forces, namely the 'nature of global capitalism,' is not the only factor at play when one considers why Canadian banking contributes to underdevelopment. There are specific sectors or agents of capital responding to different actions or incentives within Canada, and within states in the region. There is a tendency within the literature on the Caribbean region to focus more broadly on trends and patterns of underdevelopment, which often forgoes a more critical analysis of agency—not just of state actors, but other actors as well in the region. This leaves us with a situation whereby Canadian imperialism more broadly has been undertheorized, but especially in its relationship with the Caribbean—which is understood as a region perpetually haunted by underdevelopment. This in part explains why Canadian banks are the dominant financial players in the English-speaking Caribbean, yet their dominance is hardly spoken of or written about at all. In this chapter, I will examine the history that allowed Canadian banks to successfully situate themselves as dominant financial players within the English-speaking Caribbean region.

This chapter focuses on three key theoretical points: First, that the expansion of Canadian banks in the British Caribbean region is a direct outgrowth of British imperialism which helped Canadian financiers insert themselves within an imperial trading architecture in the early 1800s. Second, that just as the British Colonial Bank operated with the state (empire) to consolidate financial power within its colonies, the Canadian state has been a critical actor in promoting the consolidation, concentration, and domination of Canadian banks. This has been carried out

through a series of favorable laws that enlisted the most powerful Canadian chartered banks as partners in the expansion of a financial oligarchy. Third, this outgrowth and partnership with the state by Canadian banks have facilitated the banks' power within Canada and overseas, through a range of Caribbean states and territories.

Due to the aims of this chapter, what will be presented is a broad historical outline that is able to sufficiently situate Canadian financial investments in the English-speaking Caribbean. I begin the chapter with an overview of the period after the American Revolution in 1783, in order to provide context for understanding the timing of the expansion of Canadian banks in the region. The American Revolution occurred well after "England took Canada as a prize of war in 1763" (Lowenthal 1961, 23), and it was not until after the American Revolution that Canadian banking became a prominent feature of trade in the Americas. This prominence was due to the rivalry that the American Revolution set off between Britain and the United States. The American Revolution, and the ensuing colonial power competition afterwards, is what allowed Canadian merchants to assume an important role in business, trading, and banking in the Americas.

During the 18th century, the British empire witnessed booming years in the Americas that shifted by the 19th century. This is important to note before dissecting Canadian banking prominence in the Americas, because for over half of the 19th century, Canada itself was considered a "colony" with competing factions for (British and French) empire. This status of 'colony' allowed Canadian financial apparatuses, which would become dominant, to be linked into the British imperial framework that guided commercial relations in the Americas. Changed relationships that negatively impacted some avenues of profitability for Britain in the Americas during the 19th century, coupled with a white Canadian merchant class who had an affinity

towards British empire, gave Canada (and other white settler societies under British empire) more room in negotiating with the empire.

The latter half of the chapter dissects the important and lengthy historical relationship of Canadian banks in the British Caribbean— or what was then referred to as the “West Indies”— between 1837 and 1960. To review this time period of over one hundred years effectively, the chapter is divided into five sections. The first section looks at the British imperial system that emerges after the American revolution, particularly how Britain’s shift from a mercantile system to one of imperial free trade allowed Canadian merchants and trading houses to assume a role in trading and financial dealings in the Americas. The second section looks at British imperialism and the ascendancy of Canadian banks within Canada and in the Caribbean region. This section specifically outlines the agency of powerful Canadian banks in Canada, alongside these banks’ dependence on British imperial power for their growth and evolution. It will be in this section that makes it clear how British imperialism itself would come to inform Canadian banks power vis-a-vis its relationship with the new Canadian state.

The third section examines the role of the Canadian state in promoting banking consolidation and the evolution of Canadian chartered banks in Canada— as it is the chartered banks who are the most powerful in Canada and also within Caribbean states. This section ends with Canadian chartered banks overseas operations, which will then be the focus of the remainder of the dissertation. I contend that the overseas operations of Canadian chartered banks contribute to Caribbean underdevelopment. I conclude the chapter with the fourth and final section, which ends the discussion on the consolidation of the power of Canadian banks in the English-speaking Caribbean. I note that historically, Canadian banks’ power was illustrated through a set of specific economic interests that aligned with British imperialism and expanded

overseas within the English-speaking Caribbean. Today, the Canadian state actively supports capitalist imperialism— or more succinctly, the deep structural inequalities between itself and states in the Caribbean.

As will be emphasized throughout this chapter, the relationship between the Canadian state and Canadian banks is important, because this relationship directly informs Canadian bank expansion and concentration. This relationship is also markedly different than the financial relations which develop in the U.S. or in other former British territories like Australia, with their financial institutions.

The British Imperial System that Emerges after the American Revolution, 1783-1837

During the aftermath of the American Revolution (1765-1783), Britain, in order to punish a newly independent U.S. from breaking away from the empire, would set high tariffs, restrict trade, and engage in periodic conflicts with the free territory. These restrictions would allow Britain to elevate the role of its remaining colonial possessions in the Americas, in the management of its empire. During this period, imperial trading itself would also change from mere export and import calculations, which underpinned Great Britain's strategy in an imperial mercantilist system towards a system of imperial free trade. To ensure more opportunities for British capital overseas— at minimal cost to the empire— Britain would secure its trading advantages through reconfiguring its colonial economies. This reconfiguration would allow for greater collaboration between Britain and merchant houses within its pre-existing colonies to upkeep its imperial purpose – even as the empire itself searched to integrate new regions into its expanding economy (Grady & Grocott 2019). Collaborating merchant houses gladly obliged in this system, because they gained access to an ever-expanding imperial network. Essentially,

Canadian banks would come to play a crucial role in Britain's reliance on merchant houses to finance empire.

It is through this framework that the ascendancy of Canadian merchants within British empire should be analyzed. Their power came about due to imperial rivalry between the United States and Britain after the American Revolution which led to more strict reinforcements by Britain to grant mercantilist privileges to its existing colonies. This allowed Canadian merchants to successfully fill a vacuum previously filled by the colonial territories in the United States. In essence, the British empire came to rely on financial intermediaries, including those in its Canadas territory, to maintain and expand its profitable trading and investment relationships in its territories in the Americas. According to Callender (1965), "due to their role in trade, Canadian merchants soon found themselves in a precarious situation--not just dealing with the "normal duties of importing and exporting goods," but also of performing "the additional function of dealer in foreign exchange" (43). Competition between Britain and the United States allowed Canadian merchants to play a greater role, and also a new role, in facilitating trade in the Americas under the British empire. With a free United States, Canadian merchants and West Indian planters were given the opportunity to demand changes to the British imperial market, at a time when the empire was actively attempting to recreate and expand its markets, having lost the thirteen United States colonies.

The departure by the United States negatively impacted West Indian planters, who suffered a brief famine, due to the "loss of American supplies" in the 1780s (Naylor 2006, 157). Given the loss, West Indian planters demanded "strict rules" to govern imperial trade as Canadian merchants stressed their ability to fill trade gaps if permitted official "trading arrangement[s] with the newly independent states" (Naylor 2006, 157). To address these

concerns, British politicians in charge of the Americas allowed "Canadian witnesses [, in 1783, to go] before the [British] Committee on Trade [to] stress [their] potential as a supply base to replace the departed colonies" (Naylor 2006, 157). The committee itself was formed by Britain to address imperial trading between its markets, and in this instance, helped Britain to reconstruct its imperial arrangements, given the loss of the United States, which "had taken a third of the imperial merchant marine" base in the Americas (Naylor 2006, 157). Given the size of the United States market, British politicians recognized that allowing Canadian merchants to fill this role entirely, would disproportionately benefit Canadian traders (still under empire); and potentially allow the United States to influence Canada away from Britain's imperial market. For Britain, the ideal situation (and strategy pursued into the 1800s) was to exclude the United States from its imperial ports, even as some goods from the United States were crucial to its West Indian colonies (Naylor 2006, 157-159). Essentially Britain was prepared to suffer food and other shortages within its colonies, in order to negatively impact exports from and revenue to the United States (Naylor 2006, 157-159). This strategy pursued by Britain ultimately failed due to imperial rivalries with France and Spain, but particularly due to the growth of smuggling within and between the United States and Canada in getting goods into Britain's West Indies colonies (Naylor 2006, 159-160).

This situation led to a case where de facto, Canada assumed special privileges in Britain's imperial trading system, and these privileges were recognized by Britain. Outsized Canadian merchant influence was seen as a problem, because while calling the mercantile system into question, the American Revolution itself did not end that system. However, the recognition of the importance of trade with the departed colonies, allowed Canadian smuggling to continue. Smuggling in part, maintained the system of British imperial restrictions towards the United

States, kept strictly in place until around 1822-1823, which benefited Canadian financiers greatly. As the British imperial state sought to reconstitute itself in the aftermath of the American Revolution, Canadian merchants and financiers were able to strengthen their own positions vis-a-vis British colonialism and empire in the Americas. Laws on foreign trade became relaxed on Canadian ports— and to the extent that taxes were imposed on goods, there were little attempts to enforce them (Aitken 1970, 83-85). Canadian financiers both eagerly and readily accepted these new privileges, and their new role in mediating foreign imperial trade in the Americas, because the "old principles of mercantilism, which decreed that all trade should remain within the Empire, [allowed for] Britain to prevent any commerce between [its colonies in the Americas] and the new Republic" (Chodos 1977, 63). This meant that the intermediary role assumed by Canadian merchants and financiers linked them into a profitable imperial architecture within the Americas, where they were favored by the empire. Although some sectors of British capital suffered in the Americas— due to soured ties with formal trading in U.S. territories, and the abolition of the slave trade in 1807— Britain interests in Asia were much higher.[6] That they preferred any benefits on trade and investments stay within the empire by granting colonies privileges was not unusual, given that market size and privileges mattered for continued imperial growth.[7]

[6] Please note: "Slave deaths always outnumbered births," and thus, white planters depended upon the system of enslaved Africans and the slave trade to keep their labor force high to be better able to compete (Lowenthal 1961, 30). The abolition of the slave trade and subsequently the emancipation of enslaved Africans followed "a period of sharp economic decline," within the British West Indies, but neither abolition or emancipation should be seen as the "sole" or "chief cause" of this (Lowenthal 1961, 30). For the British West Indian colonies, competition from the larger colonies with better weather and environments for the production of sugar— like Spain (in Cuba) and the Portuguese (in Brazil) – also played a large part, along with soil erosion due to white settlement and over production on the land (Lowenthal 1961, 30-34).

[7] Please note that squabbles between Canadian financiers in Quebec and Montreal did exist at this time—with Montreal being upset that the majority of "free ports" existed in Quebec. However, Aitken (1970) reminds us that these grievances were not "the hardship that at first sight it appears to have been, since the bulk of Canadian trade was with Great Britain, and in respect of this trade Montreal enjoyed the same status as did Quebec" (85).

Ultimately, the French Revolution (1789-1799), and the ongoing and increasingly important Industrial Revolution of the late 1700s, would lead Britain to restructure its mercantile system allowing for more liberalized forms of trade. The British empire looked to financial intermediaries able to lend money to facilitate international trade, that had previously been structured around formal colonial institutions, to satisfy its financial debts and expanded colonial aspirations, in light of colonial losses in the States. Essentially, Britain was forced yet again to reconsolidate its imperial power, and this time, formally turned to Canadian merchants to do so. Canadian merchants were known for having gained experience in foreign trading and financial exchanges due to their intermediary role after the American Revolution. This readjustment to the British mercantile system during the French Revolution, would be marked by the need to establish formal financial structures capable of handling international exchange between free entities. The Napoleonic Wars allowed London to become the World Financial Center, of not just its own empire, but that of its European allies.

According to Naylor (2006), "one of London's first functions was to intermediate the flow of subsidies from the British government to its European allies[; And, t]o fulfill this task the British government turned to certain merchant houses who were used to international exchange and financial dealings, thus paving the way for the rise of merchant banks, of which the Baring Brothers, Glyn, Halifax, Mills and Company, and the Rothschilds were the most important" (163). As a reminder, by the early 1800s, Halifax was, de facto, "a thriving centre of West Indies trade based on smuggled American products," which was allowed because both the United States and Britain needed to exchange their goods (Naylor 2006, 159). Thus, it would be these same Canadian merchants from Halifax, that would establish early Maritime banking institutions.[8] The

[8] As first actualized via the creation of the Halifax Banking Company by former trade director and British empire loyalist, William Pryor

onslaught of the Napoleonic Wars (1803-1815) and the introduction of the gold standard in 1816, allowed for an official relationship between Britain and Canadian merchants (as well as other North American merchants) to exist de jure. This formal relationship between Canadian merchants and Britain was compounded by the fact that when the colonies in the States were lost, capital to finance development in Canada exploded. This capital was coming from London to finance transportation routes in Canada, including the development of new canals (having lost Florida and Vermont) to facilitate new trade routes in the Americas (Aitken 1970, 83-99). Thus, Canadian merchant houses became an official part of restructuring British imperial trading in the Americas to settle debts and finance new developments.

British Imperialism and the Ascendancy of Canadian Banks, 1837-1914

The aforementioned history of Canadian merchants gaining a foothold of power whilst under British empire is important for my discussion on the agency of powerful Canadian banks. The American Revolution would come to inform the role that British imperial power would play in helping the growth and evolution of Canadian banks. The imperial-colonial relationship between Britain and Canada would come to inform the relationship of Canadian banks with the state of Canada once it became independent. This provided an avenue through which Canadian banks would be able to expand their presence in the English-speaking Caribbean from the 19th century to the present. As a result, this history is intrinsic to understanding Canadian banking dominance in the English-speaking Caribbean today.

As I will attempt to show throughout this section, the relationship between Canadian banking and the Canadian government is critical for Canada's development as it starts to gain sovereignty—specifically economic sovereignty— from Britain. Great Britain's previous banking practices as carried out by its Colonial bank, would come to inform the relationship

between the Canadian government and its own growing banking apparatuses. Founded in 1836 by Royal Charter, the British Colonial bank was established in order to conduct trade in the British West Indies, that would assist British manufacturers expansion in Commonwealth territories (Altamura 2016, 40-41). Although the Colonial Bank financed trade and provided other local services in Britain's Caribbean colonies, its business was "closely linked with local commodity production in the colonies, especially sugar (Orbell 2017, 158).

This is important, because the bank was allowed to monopolize the most productive sector of British capital in its colonies. Regarded as the 'First Empire Bank,' the Colonial Bank was decreed by the state a special status, recognized as important to the development of Britain's imperial trading (Altamura 2016). Following this colonial banking model, an independent Canada would allow its big banks to intentionally concentrate banking power through protecting them from competition; a relic of British colonialism and the protections granted to its own Colonial banks, over the interests of the specific colonies from which they operated in.

From the 1830s onward, Canadian banks would benefit from inter-colonial forms of trade on an expanded international market, including in the English-speaking Caribbean region. Surprisingly, throughout the 19th century, British investments overseas in the Caribbean were low, in comparison to Canadian interests. Some historians note that outside of banks like the Colonial Bank and Barclays, "British merchant firms not previously associated with the West Indies were reluctant to invest there, being drawn to the more lucrative East" (Monteith 2008, 16). By 1846, although West Indian sugar no longer held a monopoly within the British market, it was clear that the plantation economy still remained intact. This meant that within the Caribbean colonies, "effective control of local legislatures remained firmly in the hands of white oligarchs, who were not disposed to relinquish it to the Negro majorities" (Lowenthal 1961, 36).

It also meant that given British disinterest, the “Canadian capitalist class” could embark on “the most expansive and optimistic period of its history,” “eager to extend its operations beyond the constricting boundaries” of the British empire (Chodos 1977, 66). Accordingly, Canada would succeed in doing so, specifically in the fields of banking, insurance, and utilities— both within the Caribbean Commonwealth and in mainland Latin America (Chodos 1977).

Canadian economic historians regard the period between 1837 and 1914 as the timeframe for which the economic foundations of Canada were laid (Naylor 1980). This time period most illuminates the relationship between an incipient Canadian state and an emerging set of economic interests within Canada that would help to shape the policies of this emerging state. Enshrined in an independent Canada has been the interest of its big banks. Legislatively, chartered banks in Canada have written their own rules— protecting themselves from competition, which has ensured that they are able to capture as many profits as possible. Today, the biggest five banks in Canada are all chartered, and have also been the dominant financial institutions within Canada since the 1820s. Meanwhile, of the five, three of them have been dominant financial players in the English-speaking Caribbean since the 1830s. Their positioning as chartered banks is important, because chartered banks are corporations which are licensed by the federal government to operate as a bank. Under government license, chartered banks subject themselves to government regulations which can influence the availability and distribution of their money supply, as well as the cost of accessing that money through specific interest rates.

The functions of chartered banks are to be distinguished from private banks*,* which have a different mandate and license. Private banks serve a specific type of clientele, and provide a limited set of services. For the time period in question (1837-1914), private banks would have typically provided services to seasonal farmers and laborers within Canada, and thus their money

supply would be tied to the clients they served. Although subject to regulations set by the state, not being licensed by the government meant that the status of private banks would be less protected than the chartered banks, and their influence on legislation would have also been smaller. This is because chartered banks operate on a larger scale due to being much more heavily capitalized and supported by the Canadian state, which allow chartered banks to expand their financial activities into more risky investments domestically and in foreign locations.

British Imperialism: Establishing a Canadian Banking presence in the British Caribbean

The role of the Canadian state in subsidizing the growth and heavy capitalization of Canadian chartered banks coincided with new trends associated with British imperialism during the mid 19th century. Britain prioritized maintaining its colonial control over the most lucrative British colonies. However, the British state sought to lower the costs associated with managing its smaller colonies, by shifting towards more liberal, yet still imperial, trading practices. This transition allowed British capitalists to both reorganize and limit their interests in Britain's smaller colonies. The pattern of British investors and financiers diversifying away from the Caribbean, allowed Canadian merchants and financiers to play an expanded role in the region.

In 1837, the Halifax Banking Company (later, Union Bank of Halifax) was the first Canadian bank to strike a deal with the (British) Colonial Bank, which allowed it to handle financing of Nova Scotian trade and to expand into the British Caribbean. The deal with Halifax in 1837 was designed specifically to "provide the commercial credit necessary for the growing volume of Canada/ West Indies/ United Kingdom trade" [sic] (Callender 1965, 43). It should be noted that at this time, the Halifax company was not yet registered in Toronto. Prior to 1837, the Halifax Banking Company operated as a "private partnership of wealthy merchants, well-established in the government of the colony, [who] had begun business in 1825," operating as a

monopoly (Neufeld 1964, 70). The deal between these two banks was possible because the individuals who made up the Halifax bank, had a positive relationship with prominent members of the Colonial Bank (Sutherland 1985). It also helped that the wealthy merchants who founded the Halifax Banking Company were, most notably, 'loyalists' to British empire (Sutherland 1985). During the 1830's and early 1900s', Halifax served as an important extension of Britain's colonial goals in the Americas, and as an example of successful overseas financial expansion, as Britain turned its imperial aspirations Eastward into Asia.

When Canadian banks, like the Halifax Banking Company, entered the West Indies in 1837, regulation of international financial institutions operating in the British colonies were virtually non-existent. Prior to 1837 British mercantilist philosophy, which viewed regulations as having the ability to decrease centralized unity and thus, harm the economy— made it so that financial entities overseas had more freedom to make profits. The British policy towards a more liberal, yet still imperial, regulatory regime made it so that "there were few prudential regulations and no exchange controls…over banks," including in its West Indian colonies (Monteith 2008, 18). Although the Imperial Act of 1833 would start the emancipation process of the formerly enslaved in both Canada and some West Indian colonies, at the end of 1838 the social-political situation within the colonies did not change much. However, already favorable investor conditions, along with increased capital in the region, would change the economic situation. In the 1830's British Caribbean territories were characterized as "imperial slum[s]," the "dung heap[s] of the empire" (Lowenthal et. al 1961, 17-18); which captured the essence of the plantation economy, that still dominated the social and political life of Caribbean colonies and the people within them. Although the formerly enslaved would still occupy the bottom of the socio-economic hierarchy in the post-emancipation period, white settlers within the colonies

themselves were also heavily indebted to British creditors. According to Young (1994), "lacking for the last colonial century any impelling dynamic of accumulation, the West Indian colonies became minimal and self-reproducing structures of domination protecting a small white planter minority and an allied mulatto elite against the large Afro-Caribbean majority of tenants and peasant cultivators" (256). In the midst of this depressive colonial situation, economic changes did occur, which may have incentivized multinational banks to enter the region.[9]

The first change was the call for higher wages, by those formerly enslaved Africans who now made up free plantation workers—if they chose to return to working on the plantation at all.[10] The second change was that the former white slaveholders were compensated lavishly by Britain during the post-emancipation period for losing their human properties. The strikes for higher wages, frequent amongst newly freed people in the colonies, led to the landowners responding with an importation of workers from East Asia and other British Colonies, as a strategy to keep wages low and facilitate the oppression of Africans in the West Indies.[11] However, the importation of other ethnic groups into the British Caribbean colonies in order to increase sugar productivity, failed to curb the economic decline tied to sugar that was being

---

[9] I am using the definition set forth by Geoffrey Jones (1996) of *multinational enterprises* which best describes the types of banks entering the Caribbean region in the 1830s. That definition is: a firm which controls income-generating assets in at least two countries, with the acquisition and control of such assets involving foreign direct investment (FDI) by the firm (34). As Kathleen Monteith (2008) notes, multinational banking is one of the oldest forms of multinational enterprise. Although the term itself was coined in 1960, and applied almost exclusively to the post World War II period, "modern definitions of FDI, with their emphasis on management and control" shows that "at least one-third of world investment" in the late 19th century and the start of the 20th century was "indeed FDI" (Monteith 2008, 11).

[10] "Emancipation was followed by a labor shortage," felt on the larger islands controlled by Britain, like Jamaica and Trinidad & Tobago (Lowenthal 1961, 32)

[11] Please note: prior to the emancipation of formerly enslaved Africans, within British Caribbean colonies, each plantation acted as a mini-state. After the abolition of slavery, a formal financial structure was not a priority. Instead, the "government of masters and servants" was supplanted by a "judiciary and police force," which was drastically expanded (Monteith). Additionally, a number of restrictive laws aimed at limiting where freed Africans could work also limited the African population to working under oppressive conditions for meager wages. According to Lowenthal (1961) "economic bonds replaced the legal bonds of slavery; emancipation from these did not come until more than a century later" (32).

experienced in the British colonies in the Americas (Lowenthal 1961, 33). Aptly put, the British colonial system in the Caribbean was suffering a prolonged crisis in the early decades of the 19th century, that was only exacerbated by Spanish competition (as enslavement was not yet outlawed in these colonies), labor unrest within the British colonies, and failed efforts to expand sugar productivity (with the goals of improving British competition). It was only when sugar production in the British West Indian colonies was artificially decreased, in order to raise prices for the producers dominating the sugar trade, that this situation would be alleviated.

The increased sugar prices of the 1830s witnessed an increase in savings and credit in Britain's Caribbean colonies, which led to an influx of multinational banking enterprises in 1837. The capitalist class in the Caribbean region at this time (white land-owner/planter) now had the funds to demand a greater loan capacity, than what was being offered by unorganized merchants (Monteith 2008, 16). As justification for its charter in the Caribbean, the British Colonial Bank noted that "demands for finance [were] becoming more and more extensive [that] it [was becoming] necessary to find financial organization[s] which could provide wider local facilities than the merchants were organized to give" (Monteith 2008, 15-16). Banks entering the Caribbean therefore were not only Canadian, but also British—of which the British Colonial Bank was the most prominent. The multinational banking phenomenon in the 1830s signaled Britain's importance in the imperial world economy. The financial corporations that arrived in 1837, did so to service a now credit-worthy white (and other foreign) clientele, as well as to expand investor opportunities in other types of manufacturing in Britain's overseas colonies. Some of the compensation granted to former slaveholders were also used to pay off their debts to British creditors, which in part explained British re-interest in the West Indian territories in the 1830s. More apparent, the compensation granted to former white slaveholders provided banks

from Great Britain and Canada the ability to accumulate profits by engaging in inter-colonial trade on an expanding foreign 'international' market— of which Great Britain dominated a large share. Additionally, smaller merchants from Britain seeking to expand their business were given newer and, in some instances, more lucrative opportunities in the East. Organized multinational banks, supported by the state (both Britain and Canada) would be allowed to prosper in the Caribbean.

Large-scale British colonial banks and Canadian merchant houses became the financial institutions best suited to meet the demand for bigger and more organized financial institutions in the British Caribbean colonies. The interest of these banks in the Caribbean region during the 1830s helped what were considered otherwise dislocated/ disoriented/ distorted economies, after decreased interest by the empire, expand. The strength of these financial institutions is largely attributed to the role played in helping to build up imperial systems of control. This included legal and police apparatuses aimed at keeping emancipated people in check. Organized financial institutions provided capital and loans to finance infrastructural development, and to better manage colonial rules and laws, making their role of central importance for the imperial system. The consumer base for the banks also expanded to a formerly under-serviced consumer base in the Caribbean: "subjects" who were non-white were given the opportunity to expand into the commercial and retail sectors in the region. Financial trading and exchange on an international market, coupled with a demand for financial services overseas, was becoming increasingly important by the late 1830s. This provided a role for multinational banks in the imperial world economy. Those smaller British merchants who chose to remain in the Caribbean colonies and opposed (through protesting and petitioning) "larger and more organized British institution[s]," saw an "early demise," as they were unable to compete (Monteith 2008, 18-19).

As is seen through the Colonial Bank's entrance in the Caribbean region in 1837, the early practice of banking in Canada reflected this "British heritage" which "valued bank stability over experimentation" (Government of Canada, 349). Thus, "the Colonial Office maintained close control on early practices in British North America" to ensure that 'financial needs' were being met (Government of Canada, 349). This meant two things: First, that the British Colonial Office was allowed to dictate the fundamental features of an increasingly centralized structure of (Canadian) banking, which privileged large-scale (Canadian) banking institutions over their smaller and more dispersed competitors. Second, it also made investments— including external ones— inseparable from the colonial state apparatus that it was intended to upkeep. As with the Colonial Bank, the introduction of Canadian banks in the West Indies in 1837 was solely due to imperial forms of trade, that was allowed by Britain. In 1837, the "chief concern of those white Canadians who were interested in the West Indies...was to promote closer communication for purposes of inter-colonial trade" (Winks 1968, 13). That almost no regulation existed within the British Caribbean colonies during this time, was compounded by the fact that these colonies were regarded as sites of accumulation based on profit, as well as commercial and resource exploitation, versus (colonial) state taxation.

While British mercantilist philosophy stressed fewer regulations to help create centralized unity to expand the economy; liberal (imperial) trading on an expanded market pushed this idea further. The new British imperial structure allowed banking apparatuses to consolidate both economic power and economic opportunities abroad within the British colonies, in order to integrate British capital in a 'world economy.' The shift to a British imperial trading structure involved relying on the consolidation of large-scale private financial institutions that would finance trade, commerce and production. This system, backed by British support for banking

consolidation and reliance on a greater role for Canadian banks, began to replace the mercantilist structure of British monopoly control over sugar production. The imperial trading system privileged large-scale banking institutions as the means to integrate British colonies within the dictates of a British empire at the center of global capitalism. Canadian banks benefited greatly from this shift, as they were favorably situated to conduct inter-colonial trade, expanded to an international market that included the Caribbean and America (U.S.). Britain already had a monopoly on trade in the Americas, and Canadian merchant houses— having organized and grown substantially after the American revolution— were able to partake in a small form of 'imperial economic monopoly.'

Benefitting from British imperial protections, and also learning from British expansion through monopolization, we would see Canadian banks develop in a similar fashion within Canada. During the 1850s banking legislation within Canada moved towards a general bank act, with the establishment of the chartered bank system. Chartered banks, or corporations licensed by the federal government, would be seen as not only superior, but also more stable in an independent Canada (Government of Canada, 349-350). This decision was undoubtedly due to the early advantages that Canadian merchants witnessed, afforded to the Colonial Bank in the British West Indies during the 1830s. Canadian banking thus evolved and grew under a system of "English tutelage, undisturbed by major disruptions," and later fully supported by an independent state (Government of Canada, 350). Combined, these factors laid the foundation for a bank branching structure within Canada whose relationship with the governing institutions were close and in favor of bank stability above all else. The relationship between the banks and the governing institutions within Canada— as set forth by British colonialism— would come to

inform Canadian banks' dominance in the Canadian market and their expansion into the English-speaking Caribbean.

Evolution of Canadian Chartered Banks, 1871-1926

The relationship between the Canadian state and the banks which have established themselves within Canada, is best described as a social relationship for profit extraction that suits Canadian development. This relationship involves Canadian banks and their overseas (multinational) banking enterprises using the Canadian state as a willing tool for promoting and solidifying their interests both at home (in Canada) and abroad (including in the Caribbean). In return, the state is guaranteed development for expanding and consolidating itself. At the same time, Canada's development has also relied on both a strong relationship between the big financial houses, and British (foreign) capital. This is where some theorization of the Canadian state is necessary.

Naylor (1980) writes that in Canada, the "tight interface of government and big business was based on their complementary objectives [...] Business sought to use the state as an instrument of financing business activity to restrict competition; government sought to use big business as a source of direct political support [...] and to generate the visible economic returns—growth, rapid industrialization, and job creation" (129). Bluntly stated, Naylor theorizes the Canadian state "as an instrument of capital accumulation," whereby prior to confederation, "business and government were identical, jointly embodied in the fabric of the monopoly-chartered trading and colonization company" (Naylor 1980, 129). Post confederation in 1867, Naylor surmises that it is not surprising that we see a continued partnership between these businesses and the government, because it would be these same businesses, which would have "dominant influence in the state structure itself" (Naylor 1980, 130). The functions of the

Canadian state were therefore directly influenced by British colonialism, especially the empire's propensity to defend its own monopoly as it diverted taxes for private purposes— a function that would be utilized by the new state of Canada, where private financial enterprises would be allowed to access mechanisms of the state to manipulate currency, competition, and banking law (Naylor 1980, 130-132).

It is the manipulation of banking law, alongside banking power in Canada, that Ryan (1912) criticizes when addressing the "members of the senate and commons of Canada." In his speech, retroactively entitled: *Reflections on the Canadian Banking Act and the Unparalleled Bank Powers and Privileges*, Ryan (1912) bemoans the fact that unlike other state's banks, including their foreign branches, there is less transparency for Canadian banks. Ryan (1912) asserts that the "banks of the United States pay substantially for the privilege of issuing notes which are furnished by the Treasury of the Republic [...] They are subjected to Government inspection without one moment's warning," which he contrasts to Canadian banks, noting that "Canadian bankers object to Government inspection for obvious reasons [...] except [when undertaken] by their own [bank] officials" (Ryan 1912, 8-10). Ryan continues on this track, noting that in Canada, there is a lack of transparency that exists on the part of Canadian banks to its own government; whereas in other countries like Belgium, Norway, Austria Hungary, France, Italy, Sicily and Naples, Holland, Switzerland, Spain, the Imperial Bank of Germany, Scotch banks, and the Bank of England— more transparency exists as their banks are held accountable to the state. Ryan's (1912) broader point being that the Canadian Bank Act allows the banks to legalize robbery, to forego paying a fair price to the state, and to make it so that "the rich may become richer," meanwhile "the Parliament of Canada continues [to act] as the consenting party to all the demands of the moneyed guilds" (Ryan 1912, 14-15). Ryan (1912) ends his speech

with a sentence, posed as a question: “where the power of wealth is so manifest as to astonish reflecting minds?”

This section focuses on the evolution of chartered banks: First as subsidized entities by the British empire to maintain its imperial prospects in the Americas. Second as entities with continued subsidization under a newfound British imperial project, which included an independent Canada within the British imperial sphere of influence in the Americas. And lastly, as full-fledged imperial allies with their own economic interests and outsized influence in an independent Canada— due to evolutionary phases which encouraged their growth, limited the competition they faced, and supplanted them into the political project of Canada itself.

It is through the history of British imperialism that Canadian banks should be theorized as corporate imperial entities. This is because Canadian banks were uplifted initially by empire, and then subsequently, through a state that remained loyal to the goals of empire. Therefore, any discussion regarding the power of Canadian banks, should be analyzed from an imperial lens when discussing their actions in the Caribbean region, as well as their state’s promotion of their behavior abroad (Baum 1974; Tijerina 2012; Deneault 2015).

British Imperialism: The Facilitation of Chartered Canadian Banks as Imperial Partners

From the 1840s to Canada’s eventual independence in 1867, we see two noticeable trends which allow Canadian banks to play an outsized role in Canadian development and trading. Those trends are (1) British subsidization of Canadian development for its imperial interests; and subsequently, (2) Canadian dependence on the British imperial system which gave Canadian banks access to British investors and territories in the Americas. In the late 1840s to 1860s, British colonial administrators in Canada recognized that “the independence of the British North American colonies from the United States depended ultimately upon their ability to maintain

economic prosperity (Cain & Hopkins 2002, 231). One attempt at staving off potential US expansion in the colonies was through the 1854 Reciprocity Treaty, which would allow for freer trade between the US and Britain's North American possessions. Ultimately however, British colonial administrators recognized that fostering a sense of "colonial unity" would be a better means of "encouraging a viable economy" (Cain & Hopkins 2002, 231). Thus, they supported a "united Canada [which] would have a good credit rating in London… recogni[zing] that lack of capital was [Canada's] crucial problem and that, initially, only government help could give Canadian enterprises the standing which would make them credit-worthy in the City of London" (Cain & Hopkins 2002, 231-232). The economic boom in the 1850s, due to gold, staved off conversations regarding a United Canada.

The boom of the early 1850s also allowed investments from Britain to pour into Canadian railroad development (thus, Canadian expansion), managed by various banking families, most notably, Barings and Glyn, Mills and other British contractors and managers. However, the financial crisis of 1857 renewed fears by British colonial administrators of US expansion into Canada, especially as the Reciprocity Treaty broke down. As a result, British "colonists turned to their only alternatives— unity and a concerted effort to develop the Canadian west before it was absorbed by their neighbour" (Cain & Hopkins 2002, 233). Britain found its largest support at upkeeping its colonial interests in an 'independent' and united Canada in the wealthiest provinces. This was because the "speculative and entrepreneurial business groups" composed of "railway promoters, banks, manufacturers, land companies, [and] contractors" in these areas, aiming to "install themselves in strategic position[s] of power" within an independent and 'free' Canada, supported British colonial initiatives at keeping Canada within a sphere of British imperial influence (Underhill 1964, 24-26). British colonists collaborated with these economic

elite— that were dependent on British capital and imperial power— to unite the provinces within Canada by 1867.

Ultimately, it would be economic integration which would form the basis of a truly independent Canada. Thus, the influence of bankers in Canadian independence is notable. The need to continue to attract British capital between the 1840s and 1870s— and well until the 1900s— ensured that Canadian development and the growth of Canadian banks only happened within the framework of British empire and the colonial partnerships which reigned profitable. Because empire relied on monopolies, private banks in Canada were disadvantaged even after Canada gained the right to self- governance. Chartered bank monopolies were not only supported by the state, but also super profitable because "comparative advantage and British regulation of colonial trade [prior to 1867] ensured that Britain was the main trading partner of the Canadas" (Redish 1984, 86).[12] Essentially capital flowing from Britain into Canada were intentionally directed into chartered banking institutions.

The wealth procured by Canadian merchant houses participating in overseas trading gave them greater ability to express their interests within Canadian banking legislation. As successful chartered banks, who already had preferential treatments under a colonial supervised system, they were given the power to "curb the activities of the myriad private banking operations that intermittently sprang up across Canada" (Naylor 2006, 157). What was established was a powerful banking oligopoly amongst the few chartered banks that existed within Canada from its founding as an independent state in 1867. Chartered banks legislated to protect themselves from competition, arguing that oligopoly would essentially ensure stability in the Canadian financial

[12] This included not only the Upper British half, but also the French Lower half, who needed access to the British ports

system. Guiding this assumption was the notion that private banks would bring uncertainty that would provoke the former empire (Britain) and thus discourage British capitalists from investing within Canada— which was not in the interest of Canadian financiers. To prove that they could be depended upon, chartered banks were strengthened by and within the new state of Canada, as a way to bring confidence to, and to maintain investments of, British investors. This provided a middle-ground for banks of increased profitability and investments from the former colonial ruler, with almost no competition.

The Canadian State and the Growth of Canadian Chartered Banks

The success of Canadian chartered banks cannot be explained without discussing the role of the Canadian state in consolidating their power. More aptly put, the Canadian federal government allowed financial control to reside in the banking industry; subjected only to federal jurisdiction in a single Bank Act (Baum 1974; Kaufman 1984). This is unique in that "banks are the only institution named in the Act" and the Act was "not the result of arbitrary legislation or the general enactment of settled principles" (Baum 1974, 17-18). As has been argued throughout this chapter, the role of the British empire, and then the new state of Canada, in encouraging the concentration of Canadian banks were critical to their success. This relationship developed with the aims of accomplishing common goals: bank profits, British imperial stability and monetary policy to help Canadian development. Accordingly, "banking has always been seen as a strategic sector by Canadian governments, and government regulation, sometimes at an informal level, has created barriers to entry that have resulted in one of the most concentrated banking systems in the world" (Darroch 1994, 5). Darroch (1994) points out "six clear policy objectives in [Canadian] legislation governing banking" that has resulted in this:

> 1: The financial sector should be stable, that is to provide a safe haven to depositors and investors in order to encourage the inward flow of capital.
> 2: Federally regulated chartered banks should be among the dominant financial institutions in Canada.
> 3: The industry should be Canadian controlled.
> 4: The industry should be able to facilitate trade.
> 5: An infrastructure should be developed to assist government financing.
> 6: An extensive system should provide services to the entire populace.
> (Darroch 1994, 5-6).

It is well documented amongst Canadian historians that the initial bank acts were "written by the very chartered banks who were supposed to be regulated by them" (Naylor 2006, 157). The first Bank Act of Canada was passed in 1871 and officially "integrated the financial systems of the previously separate colonies [... which] became crucial parts of the project of making the Canadian nation state" (Smith 2012, 456). In order to achieve such a lofty goal, the Bank Act itself "laid the foundations for oligopoly, branch banking, and relative stability" (Smith 2012, 457). The Bank Act "passed with little opposition" and was "largely [the] result of consultations between legislators and the bankers" (Baum 1974, 17). In other words, Canadian chartered banks became a protected entity— free from competition— as legislated into the state, with the passage of the first Bank Act that they helped to write. Since its passage in 1871, the general Bank Act of Canada still governs Canadian banking today. Prior to 1992, revisions were only allowed to occur every ten years, as part of a means to "maintain stability."[13] It should not come as a shock that today, the same banks having evolved from this embedded imperial history, remain the largest banks in Canada. Those banks are: the Bank of Montreal, Canadian Imperial Bank of Commerce (CIBC), the Royal Bank of Canada (RBC/ Royal Bank), and The Bank of Nova Scotia (BNS/Scotiabank).

[13] In 1992, the rule changed for updates or revisions to occur every five years.

Given the relationship between the state and chartered banks, the few private banks which did exist in Canada, ended up "evolv[ing] into chartered banks [themselves – although] the overwhelming majority [of these private banks] were simply appendages of the orthodox commercial banking system" (Naylor 2006, 158). When, in 1867, Canada became an official self-governing entity within the British empire, banking and political governance, were contentious issues— even as banking power was consolidating within Canada and acting as a powerful partner to British imperialism. Under a united Canada, British bans on issuing notes were lifted and "the federal government [the now united colonies of Nova Scotia, New Brunswick, Quebec, and Ontario] replaced the Colonial Office as the regulator of colonial (provincial) banks" (Naylor 2006, 157). This allowed the Canadian state to be a dependent stakeholder on the capital that Canadian banks held and raised, as this decision by Britain allowed Canadian banks to facilitate the inflow of capital into Canada (Darroch 1994, 5).

Unsurprisingly, this power position did not happen by mistake— but was rather a reward for bankers' loyalty towards Britain's continued imperial aspirations. It also was not by coincidence that many of the political power brokers in Canada during this time were also the bankers. Prior to Canada being united, there were "twenty-six banks operating in the various provinces under provincial charters," who were now under control by the confederation of the new federal government (Curtis 1947, 115). The Constitution Act of 1867 granted the new federal government the right to legislate, as established by the following legislation: "Banking, Incorporation of Banks, and the Issue of Paper Money, Currency and Coinage, Savings Banks, Bills of Exchange and Promissory Notes and Legal Tender" (Government of Canada, 350). This brought all of the banks in Canada, including the maritime ones, under the same taxation rules whilst also allowing them to operate in all parts of the Dominion. After confederation, there were

only "18 banks operating under province of Canada charters" with some having been merged or closed (Curtis 1947, 116).

Benefits accrued by chartered banks due to their favorable positioning and influence in the state of Canada is clear when we look at the declining role of private banks. At the time of its independence, Canada only had a population of about 200,000 settlers, or 'Canadians' in British Canada (Neufeld 1964, 68; Redish 1993, 86). This small population, outside of not having lavish amounts of capital, was also quite dispersed. How the settlers were distributed across the land, is why private banks were even allowed to operate in the minimal capacity left over for them, after federation. Not only were private banks overhead costs lower in disparate regions, but the temporary nature of their profits (during agricultural seasons) meant that they were unable to compete with the Canadian chartered banks conducting high business. The result was that the merchants operating the private banks, did so as a "part-time occupation" (Naylor 2006, 159). It became clear that the private banks functioned as agents of the chartered banks, and that when they no longer served that function, they would be gotten rid of (Neufeld 1964; Naylor 2006). Due to the geographic and population makeup of Canada at the time, private banks were only encouraged by chartered banks in the most disparate of places.

This changed during the late 1860s as the state of Canada started to expand its territory. The fears of Canadian nationalists, with the economic elite leading them, were two-fold. First was the understanding that if the imperial connection between Canada and Britain was lost, the ability of Canada to "harness" its "great economic potential" would also be gone (Vigod 2011). Second, if the connection with Britain was lost, Canada would be aligned with a less profitable, less Anglo-Saxon, and less Protestant U.S. (Vigod 2011). More specifically, Canadian nationalism was crafted along territorial calls for autonomy and self-reliance, while at the same

time, the economic strategy focused on fostering best relationships with Britain to continue on an upward economic path. The case was successfully made that however banking would be conducted, would be conducive to the nationalist goal. Unsurprisingly, Canadian financiers/ banking merchants played a huge role in the fight for a united British Canada, including within the nationalist movement.

During Canadian western expansion, it became profitable for chartered banks to move "capital from savers to areas of recent settlement where capital was needed" (Naylor 2006; Smith 2012). During this process, chartered banks set out to limit the number of private banks operating in these once classified disparate areas. The reasoning behind this was because as Canadian western expansion increased (1867-1914), the chartered banks started to view private banks as competitors in disparate areas— as these regions started to be understood as sources of profit within the expansionist project (Naylor 2006). That private banks in these disparate western locales were attaining bigger shares of savings during this period, served as testament to the gains to be made as the Canadian state consolidated (Naylor 2006). The response to this competition by the chartered banks was to swiftly buy up or destroy the credit lines of private banks, while moving into what was once disparate locations to drain out the savings in them (Naylor 2006, 160). At the same time, fervent nationalism was brewing in Canada for an imperial federation with Britain to form a Canadian identity.

From this history, there emerged a clear relationship between the Canadian state and the chartered banks of Canada. Effectively, what developed in Canada was a "chartered banking cartel" informed by a few large corporations whose mandate was to ensure "oligopolistic banking, adherence to the gold standard, and interest charges set by market forces rather than usary laws [; enshrined in] the belief that British, rather than domestic or American savings,

should remain the engine of growth in Canada" (Naylor 2006, 143; Smith 2012, 457). This strategy of chartered banks legislating out the competition with the help of the Canadian government proved successful. Under this relationship between the state and chartered banks, private banks which continued to operate as such, did so only in relation to the success of industries like "pioneer agriculture and the catching and curing of fish, [which] still formed the base of the [Canadian] economy," and "lumbering" which had "expanded rapidly" due to external demand (Neufeld 1964, 68). However, once these smaller industries grew and private banks became seen as competitors, they would again be phased out. According to Kaufman (1984), while such tight control in the banking system was a response to vested corporate interests, it was also seen as necessary for the new Canadian state, because banking oligopoly in Canada "stitched together a vast and somewhat artificial, transcontinental, political and economic unit in a sparsely populated territory" (62).

The 1880 revision to the Bank Act, which was again, written and regulated by chartered banks themselves, formally limited private banks and made banking within Canada more uniform and less beholden to extra state rules that governed other financial institutions (credit unions and insurance industries are governed by both the federal government and provincial bodies in Canada— banks are not, and will never be due to this 1880 revision). The most significant regulatory changes to the Bank Act in 1880 and in 1890 were meant to ensure that fewer bank failures would happen. In the 1880 revision, banks were forbidden to lend on bank stocks, due to loan abuses by some banks which led to some failures. In the 1890 revision, this was emphasized through the creation of securities for failed banks and bank specifications of minimum cash reserves.

Additionally, they made the criteria for creating new chartered banks more strict, in order to situate the already established chartered banks in a relatively stronger position— as it relates to state development and growth; and because newer charters were more likely to fail than older ones.[14] For instance, even though in 1890 there were 426 chartered banks and 179 private banks, by 1910, there were 2,363 recorded chartered banks and only 97 private banks (Naylor 2006, 160). That is a reduction of 54% for private banks, in just twenty years. During the 1890s "a few large corporations with branch networks extending from the Atlantic to the Pacific controlled Canadian banking" (Smith 2012, 457). Although aforementioned regulatory changes did occur to curb bank failures, the 1890 amendments to the Bank Act again displayed the power of the banks within Canada. Accordingly, "proposals for a fixed reserve ratio were brought forward but dropped" and "no Canadian bank note since 1881 ever lost a cent through the note's becoming worthless" (Curtis 1947, 117). The regulatory changes regarding failures sought to specifically allow for state funds to help failed banks.

The early 1900s in Canada became a period of further reduction in private banks as chartered banks could claim stability and were allowed to further absorb private banks or force them "to undertake only the high-risk type of banking – which itself carried a greater chance of failure" (Naylor 2006, 161). Those most hurt were the poor merchant private bankers. In 1902 wealthier private bankers that were not yet pushed out completely attempted to organize by forming the Canadian Private Bankers Association in response to the big banks bullying (Naylor 2006, 161). However, "the difficulties of [coordinating] the hundreds of banks scattered across the country, frequently in the most out-of-the-way areas, were apparently insuperable," as the organization did not get beyond simply forming (Naylor 2006, 161). More successful however,

---

[14] Given privileges bestowed on chartered banks, anyone entering the banking business wanted their banks to be chartered instead of private— given the precarious situation private banks faced.

was the association of chartered Canadian bankers, which gave them more legislative power and input into the rules they would be regulated by.

The Canadian Bankers Association (CBA) was organized in 1892 and formally recognized in 1900 in the revision of the Bank Act. Their main purpose at the 1900 revision, was to promote “the interests and efficiency of banks and bank officers, and of furthering the education and training of bank personnel” (Government of Canada, 351). At the revision, the CBA received “statutory duties in the supervision of failed banks,” which largely signaled the lack of private bank viability during the latter half of the 1900s, “and the handling of bank notes” (Curtis 1947, 117). As the revision also included yhe “powers to establish and operate a clearing system for the Canadian banking community” (Government of Canada, 351). This came about due to the increased importance of Canadian banking operations abroad “mainly in Newfoundland and the West Indies,” thus the need to distinguish between foreign and domestic operations (Curtis 1947,118). The important changes made to the Bank Act in 1900 could not be overstated. Not only was the CBA given inspection powers over their own banks, but for the first time since its creation in 1871, the 1900 Bank Act mentions reports of external business as mandatory, reflecting the growing importance of foreign business funds by Canadian banks.

Canadian Chartered Banks: Economic Interest and Power vis-a-vis the State

In 1905, under the political leadership of Wilfrid Laurier (Canadian PM, 1896-1911), Canada took steps to strengthen British empire— whilst remaining free from its dictates. Laurier stressed the importance of Canada being “a factor in world politics in alliance with the Motherland [Britain]. But [stressed] it w[ould] be an alliance not a merger” (Beloff 1970, 143). This is because his government recognized the “central role of foreign capital— to build infrastructure, finance staple extraction, and establish manufacturing capacity” (Naylor 1980,

129). However, to Laurier, what Canada was missing was autonomous nationalism. It should be remembered here that the majority of Canada's capital at this time still came from Britain. Essentially, Laurier had to balance between establishing a clear-cut version of Canadian independence, while at the same time safeguarding Canada's commercial dealings— which was still dependent on the British empire for Canadian development. Unfortunately for Laurier, as soon as independence projects threatened the banks' profits, banker's preference would override Canadian politics.

In a real sense, Canada exhibited an entrenched system of banking power, which at times would overwhelm the state, precisely because it was given the power to do so, following the stability model of Great Britain's Colonial Bank. While the state was focused on its independence from Britain and what a developed Canada would like outside of the British empire, there remained a continued focus by chartered banks on upkeeping the aspects of British empire that they benefited from. The chartered banks were mostly concerned with benefits associated to them under empire, in regards to trade, exports, access to British investments and colonies (markets), as well as protection from competition. The relationship between Canadian bankers and the Canadian state became heavily dependent upon bankers' interests and the ability of the state to properly legislate those interests into law. This meant that sometimes the banks' profits would contradict with independence-politics— and more often than not, the banks' profits would override Canadian politics. Given this context, Ryan's speech in the beginning of this section, which posed a question to the 1912 senate, is bemoaning banking power and influence over the state of Canada. This power and influence are what Canadian politicians like Ryan and Laurier felt came from the lack of autonomy Canada had, when it came to its former imperial lords in Britain.

By the 1910s, although Canada was formally “independent” from Britain “in international law, and by foreign powers, the empire,” including its former dominions, “were regarded as a single whole” (Beloff 1970, 144). Any international dealings would have to be signed off by a British minister, but for colonies like Canada, greater autonomy existed within the commercial field (Beloff 1970). In 1908, a quick and early revision to the Bank Act made it possible for banks, between the months of October to January, to issue notes in excess of their capital by up to 15 percent (Curtis 1947, 118). During the official revision date of 1910, revisions were further postponed until 1912 due to the need for a new general election (Curtis 1947, 118). This new election is actually a perfect illustration of the banks’ power. The early end of Laurier’s presidency in 1911— which is what stalled the revision to the 1910 Bank Act for three years until 1913—came about due to Laurier’s push for greater Canadian autonomy from Britain, which translated into his inability to appease empire for the banks’ profits. Although most famously known for his 1905 speech in Edmonton— after Alberta joined the confederation and Canadian western expansion had witnessed the growth of Canadian cities and other provinces joining Canada— Laurier was ousted from political leadership due to the sentiments expressed in that speech. During Laurier’s speech in Edmonton 1905, he laid out a vision for a growing Canada:

> “We want to share with them our lands, our laws, our civilization. Let them be British subjects, let them take their share in the life of this country, whether it be municipal, provincial or national. Let them be electors as well as citizens. We do not want nor wish that any individual[s] should forget the land of his origin. Let them look to the past, but let them still more look to the future. Let them look to the land of their ancestors, but let them look also to the land of their children. Let them become Canadians… and give their heart, their soul, their energy and all their power to Canada.” (Wilfrid Laurier, 1905)

Laurier’s vision was to instill a sense of Canadian nationalism, in spite of immigrational status of who would, in his estimation, become Canadians at the end of the day. Given Laurier’s assertion

of a uniquely Canadian nationalism during his tenure, in 1910 the British Secretary of State for the Colonies, Lewis Harcourt (1910-1915), predicted in a memorandum (that he did not share with the British government) that it would not be "unreasonable to contemplate the ultimate absorption of the West Indies by Canada" as separate from Britain (Beloff 1970, 145-6). This prediction by Harcourt came about due to increased commercial and economic interest of Canada within the Caribbean region, as well as increased Canadian nationalism. According to Harcourt, Canadian nationalism would lead to a desire of those in the dominion to want "hot houses for consumable luxuries and other purposes" (Beloff 1970, 146). However, while Harcourt was worried about the political implications of increased political independence of dominion states— with Canada's Laurier leading the effort (and New Zealand, Australia, and South Africa following), this fear was soothed when Laurier was ousted from leadership in 1911. What was then referred to as a "conflict" in Europe led to the Canadian industries and bankers kicking Laurier out, because instead of balancing empire and their profits, Laurier took a hard stance that called for greater Canadian military and navy autonomy— if Canada were to support wholeheartedly Britain's war efforts in Europe (Beloff 1970, 170).

To industry, Laurier failed to make the connection that fighting for Britain also meant fighting for the defense of Canada's profits (Beloff 1970, 193). Although Canadian industry wanted greater independence from empire, they recognized that the fight for greater autonomy did not come before the imperial system of which they benefited from, and of which governed their hemispheric relations (Beloff 1970, 178). Laurier ended his presidency by putting nationalism and growing independence from an international system of dominion markets above profits. Meanwhile, as WWI was happening, Canadian bankers were of the mindset that they (and Canada) were presented with a strategic imperial opportunity. Their desire for economic

profiteering, made Canadian bankers express a formal desire to form a political union with the British Caribbean during WWI (Winks 1968, 8). This proposal however, "foundered upon the three rocks of race, public indifference, and British opposition" (8). These events however, revealed the strength of the financiers in Canada, and also, an increasingly critical perspective towards the Canadian chartered banks by politicians whom were not affiliated with them.

However, critical positions against the outsized political influence of the banks were still unable to overcome the strength of the financial oligarchy. When Wilfrid Laurier was pushed out of the Presidency in 1911, he was replaced by Robert Borden (Prime Minister 1911-1920), who was friendly to business and banking. At the time, Borden sat on the boards of the Bank of Nova Scotia and Crown Life Insurance Company. The new government postponed revisions again until 1913 (Curtis 1947, 118). When the 1913 revisions to the Bank Act finally happened, there was a more 'rigorous' shareholders audit "and the establishment of the Central Gold Reserve, which was essentially a device to allow banks to [continue to] issue notes in excess of their paid-up capital" (Curtis 1947, 118). While the shareholders audit was seen as a victory by those in parliament who recognized the unchecked power of the banks, the audit itself was in fact a compromise. Although the 1913 revisions to the Bank Act included the shareholders audit which would require the banks to be inspected, the inspection process itself was flawed, as it was the bankers themselves who were given the power to inspect their own banks. For example, although the revision required an 'external' auditor, the auditor was "to be chosen from a panel selected by the Canadian Bankers' Association and approved by the Minister of Finance," who also belonged to the CBA (Government of Canada, 351).

It would not be until the 1920s revisions and amendments to the Bank Act that both the state and shareholder's power (public) towards the banks would increase. In 1923, it was again

introduced (as it was in 1913) as a more rigorous law to protect shareholder funds (the general public) which parliament passed. However, because there were no government checks on whether or not shareholder protections were actually safeguarded by the banks, over 60,000 depositors in Canada lost their life's savings during the Home Bank failure of 1923. This allowed for a rushed 1924 amendment, which became the "most important change of the century" for Canadian banking (Bélanger 2005). That change was the ability of government to inspect the banks— a true external auditor. As banking laws in Canada became friendlier towards protecting a 'Canadian public' from a parasitic financial structure, how these banks would interact in foreign territories— especially those that were still colonies— had yet to be ruled on. The exclusion of the banks overseas practices from all of the revisions thus far, would enable these entities to be unaccountable and non-transparent abroad. Thus, "there has been no interference by Canadian governmental authorities with the conduct of the world activities of Canadian banks" (Baum 1974, 5).

Growth of Canadian Chartered Banks: Relevance for the Caribbean

Throughout the imperial history laid out above, Canadian banks interests overseas were omnipresent, but initially received minor attention from the growing state of Canada. As traditional maritime entities, Canadian banks operating abroad during the 19th century were not yet automatically chartered. Although Canadian maritime banks were oriented internationally from their inception, Canada's position as a colony and later on as an entity gaining political independence, meant that "banks' development" mostly focused on banking developments within Canada, as partnered to Britain—which did not include Canadian banking developments overseas. It would not be until after gaining competitive advantages, specifically in the Caribbean region, that Canadian maritime banks would become chartered. This meant that the

privileges afforded to chartered banks within Canada, came to be extended to Canadian banks in the Caribbean. These banks, with the full backing of the Canadian state given their profitability abroad, became allowed to aid in legislation which would help their concentration and expansion in the Caribbean— which is how Canada preferred chartered banks to operate.

Trading in the Caribbean "provided a[n] opportunity for the maritime banks to occupy an area not taken by the then well-established [chartered] Canadian banks" in Canada (Baum 1974, 19). This lack of initial focus, followed by a lack of meaningful regulation afterwards, allowed Canadian overseas banks the ability to become dominant entities in the Caribbean region. There, Canadian investors and businessmen were mostly concentrated in industries like tourism, loans to governments in the region, insurance, and (high) monied deposits (given the high costs associated with owning a bank account).[15] Essentially, Canadian banks in the Caribbean had, for decades at this point, placed themselves in a favorable position to control finance in the Caribbean region. As a testament to their strength in the Caribbean, Canadian overseas bankers were the dominant voices lobbying to annex some of the British West Indies in the 19th century, and when their attempts at annexation failed, they attempted to purchase the British Colonial Bank in the 20th century. The only challenges raised against Canadian banking dominance in the region, up until this point was Great Britain.

Having initially gained a foothold in the Caribbean due to British imperialism and colonialism, Canadian banks filled in the trade gaps that British investors were largely unwilling or incapable of filling. While filling these gaps, the goals were never to contest British imperialism, as it was British imperialism that afforded them their expansion into British

[15] In regards to the effect of bank loans on local economies, Baum (1974) notes that "merchant banks operate as investment companies" using their own company funds and therefore "do not regularly report to governments about loans made" (13). This allowed them to remain largely unaccountable to the government and public, in the places that they operated in.

overseas colonies. In the 1870's, Canadian interest in the Caribbean was high enough for some of the merchant houses to push the idea of annexing the British West Indies during Canada's first Nationalist Movement. While their efforts did not succeed, Canadian merchant houses throughout the 1880's continued trading throughout British West Indies in agricultural goods and products like sugar, bananas, molasses, rum, and timber. Fueling growing trade in agriculture, Canadian overseas bank capital focused on developments which helped to foster growth in those arenas. Bank capital was heavily invested in roads and railways in the Caribbean—similar to what Canadian chartered banks in Canada were doing as part of the western expansion project—to facilitate the movement of those goods to be traded. While the banks in Canada that were being chartered by the state legislated their protection and monopolies into law in Canada, in the Caribbean region, the different Canadian merchant houses expanded largely unopposed to one another. Whether by intent or not, in effect, Canadian banks overseas were also protected from competition, by operating in different colonies where no other Canadian merchant house existed (and if it did, had a small presence).

For instance, the Bank of Nova Scotia "opened in Kingston in the summer of 1889" and in 1906 "became the Jamaican government's banker for the island," eventually opening up two more branches that same year in Jamaica (Baum 1974, 21). Meanwhile, the Royal Bank of Canada "moved into Cuba in 1889" and purchased that government's banks (Banco de Oriente Santigo and Banco del Comercio Havana) in 1904-05 and opened additional branches throughout the island (Baum 1974, 21). Given how profitable sugar was in Cuba for the Royal Bank, it was able to expand in Puerto Rico and in the Bahamas in 1907, before absorbing the first Canadian merchant house to do business in the Caribbean—the Union Bank of Halifax, in 1910 (Baum

1974, 21).[16] After acquiring the Union Bank of Halifax, the Royal Bank of Canada obtained its branches in Trinidad and in Puerto Rico. As should be observed, neither the Bank of Nova Scotia nor the Royal Bank operated on the same islands. To the extent that Canadian banks did encounter one another—as was the case in Puerto Rico with the Royal Bank and the Union Bank— mergers and acquisitions or other deals would be made. To further limit competition between each other, the banks coordinated. When the Bank of Nova Scotia entered Puerto Rico in 1913, the Royal Bank allowed it to gain advantages in certain sectors that it did not have high interests in, in order to limit the banks from having to compete between each other.

Understandably, the acquisition of the Union Bank of Halifax by the Royal Bank in 1910, made the Royal Bank one of the largest Canadian banks in the region at the time, with the Bank of Nova Scotia right behind it. Given the size and the reach of its operations in five island colonies— three of them belonging to Britain, and two in booming sugar colonies— in 1910 the Royal Bank attempted to buy the British Colonial Bank.[17] Though a bold move, in December of 1910, the British Colonial Bank had 600,000*l* of paid-up capital (total amount of shareholder money at the institution) in comparison to the Royal Bank of Canada who had 1,291,666*l* of paid up capital (Scott-Keltie 1892, 272). Shareholder confidence for returns at the Royal was at an all-

[16] The Halifax Banking Company is one of the oldest Canadian merchant banks operating overseas before becoming chartered in 1872. Upon receiving chartered status, Halifax aimed to solidify its early connection to overseas banking in British colonies. Following suit, was the Bank of Nova Scotia established in 1832 and chartered around the same time frame as the Halifax bank, also engaging in overseas banking in British colonies. The reason that these maritime banks could afford to be chartered at such a late date, is because they were not competing against already chartered banks in Canada, but rather, were able to become competitive engaging in trade in Britain's West Indies colonies, avoiding competition with Chartered Canadian banks western expansion (Baum 1974, 19) The only British Bank which competed with Canadian banks at this time, was the British Colonial Bank for deposits. However, Canadian overseas banks had clients within the various colonies (e.g. Spain) and also within America (U.S.) which gave them their edge.

[17] The only British Bank which competed with Canadian banks at this time, was the British Colonial Bank for deposits. However, Canadian overseas banks had clients within the various colonies (e.g. Spain) and also within America (U.S.) which gave them their edge.

time high, as Canadian investments seeking overseas markets flooded the Caribbean region, and so did British investments who still had interest in the Caribbean. Nonetheless, the Royal Bank continued expanding its operations in the British Caribbean, buying smaller British banks in some of its colonies. Between 1912 and 1914, the Royal Bank purchased the Bank of British Honduras and the Bank of British Guiana; meanwhile, it opened branches in the Dominican Republic and in Grenada (Baum 1974, 21).

According to Baum, "by World War I the Royal Bank of Canada and the Bank of Nova Scotia could be described as major financial institutions in the Caribbean," with the Bank of Nova Scotia having 12 branches in the region, and the Royal Bank having 37 (Baum 1974, 21). Having gained chartered status in Canada, the Bank of Nova Scotia focused on expanding its operations in the Canadian west to help with Canada's development during the first World War, whereas the Royal Bank used the pending first World War as a means to acquire more ground in the Caribbean. During the war, the Royal Bank established 32 more branches throughout the Caribbean, in colonies like Antigua, St. Kitts and Nevis, Tobago, Dominica, Montserrat, Guadeloupe, Martinique, and in Haiti (Baum 1974). At the end of the WWI[18], the Royal Bank of Canada had 57 branches in the Caribbean. At the end of WWI, the Bank of Nova Scotia continued its friendly expansion—not competing with the Royal Bank—in the Caribbean. Because of deals made between the Royal Bank and the Bank of Nova Scotia to ensure their monopolies in the Caribbean region, no other Canadian bank was allowed to establish itself there. For example, the Royal Bank and the Bank of Nova Scotia— first asserting their profitability abroad before becoming chartered in Canada— shunned the entrance of other Canadian banks into the region.

[18] Originally referred to as the "European Conflict" prior to 1945

The economic interests of Canadian financiers and other Canadian businessmen were so great, that leading up to and during WWI, they were able to successfully lobby the Canadian parliament to bring the annexation question of the British West Indies to Britain's attention. As allies of empire, their argument was that not only would annexation of the British West Indies be compensation for their defense of Britain during the war, but also, that annexation would serve to "pre-empt United States' influence in the region," given their newfound growth after the war (Hastings 2010,1). They hoped to successfully make the case to Britain that given that they had allies in Canada, with Laurier's ousting as proof, Canadian annexation of the British West Indies would further "consolidate British territory in the Western hemisphere" (Hastings 2010,1). In other words, they had hoped to situate Canadian annexation of the West Indies not in opposition to continued British imperialism and colonialism— but rather, to situate Canada as an international actor allied to the British empire in the region, lest those opposed to British dominance (the U.S.) gain an advantage.

The annexation question was analyzed in Canadian news as such: "The West Indies have long since lost their charm for English eyes…but they must be maintained as British colonies" (W.D. Taunton, 1912). The rhetoric around annexation, as was sold to the Canadian public, was that "by assuming control of the British West Indies, Canada would relieve Britain of its responsibility and at the same time could give the colonies to the South a better and cheaper form of government" (Hastings 2010, 1). To the Canadian parliament however, Canadian financiers and businessmen made it clear that annexation was to first and foremost "promote closer communication for purposes of inter-colonial trade," which, was "almost exclusively a commercial" interest, which would further develop Canada (Winks 1968, 13). However, for Canadian politicians and the public, "the idea of their country taking on a new contingent of

[B]lack citizens [were] unpalatable," no matter how many profits would be brought in to contribute to Canadian development (Chodos 1977, 67-68).

Although calls for annexing the British Caribbean failed, Canadian banks still used their legislative power within Canada to their benefit overseas, by failing to regulate on their overseas practices at all. The exclusion of Canadian banks overseas practices from all of the Bank Acts and its revisions thus far (1870- 1924), enabled Canadian banking entities in the Caribbean region to be unaccountable and non-transparent. While the 1924 amendment to the Bank Act is described as the "most important change of the century" for Canadian banking (Bélanger 2005), because it allowed for the external auditing of banks in Canada, how Canadian banks overseas practices would be made accountable had yet to be ruled on. The lack of attention paid towards implementing formal legislation on Canadian overseas banking practices, which would provide a level of transparency and accountability is very confusing. This is especially because during the Bank Act revision of 1900, these banks overseas profits were deemed significant enough that they needed to be distinguished from domestic profits. Of course, it did not help that bankers always had a hand in how banks would be legislated— but that overseas profits were significant enough and political leaders overlooked legislating or auditing overseas activity, is perplexing.

As should be clear, the Canadian imperial financial apparatus was able to take hold in the English-speaking Caribbean largely unregulated and unsupervised. This may have been intentional, as Canadian banking overseas was a largely profitable endeavor that was deemed important within Canada and to Canadian development. For example, despite the Royal Bank and the Bank of Nova Scotia's monopoly in the Caribbean, two other Canadian banks were allowed to enter into the Caribbean region in the 1920's. Those banks were the Canadian Bank

of Commerce and the Bank of Montreal.[19] Supported by the state (Canada) itself, these government-chartered Canadian banks were allowed to operate in the Caribbean region (Baum 1974, 22-23). During 1920 and 1921, the Canadian Imperial Bank of Commerce was allowed to move into Cuba, Jamaica, Barbados, and Trinidad. On the other hand, the Bank of Montreal, based on its connections at the British Colonial Bank, was allowed in 1920 to acquire a substantial interest in the Colonial Bank— of which the Royal Bank was earlier denied (Baum 1974, 22-23). The reach of the Colonial Bank, allowed the Bank of Montreal to de facto operate throughout multiple British Caribbean colonies. What was successfully established in the Caribbean region, was a Canadian banking oligopoly with four banks at the helm: The Royal Bank of Canada, the bank of Nova Scotia, the Canadian Bank of Commerce, and the Bank of Montreal. Today the former three are still dominant financial institutions in the Caribbean region, with variations in different countries.

By 1926, two-thirds of all Canadian foreign bank branches were located in the British West Indies (Quigley 1989, 798); and all of these banks were chartered banks that also existed within Canada. Quigley (1989) writes that the "U.S. banks were unable and British banks unwilling to emulate" the Canadian chartered banks, who "pioneered both the amalgamation of international branch banking with domestic operations and finance of international trade" (Quigley 1989, 799-780). This gave them a competitive advantage in the Caribbean region, whereby realistically only the British banks would have been able to compete with them. Whether or not that competition would have been won by Britain is another question, as British

[19] The Canadian Imperial Bank of Commerce and the Bank of Montreal did present the Royal Bank and the Bank of Nova Scotia (who had agreements with one another to not come into competing conflict) with some competition. The competition could not be avoided, given how they were allowed entrance into the Caribbean region. The competition between the banks however, was mainly in relation to deposits.

overseas banks were subject to British laws—and Canadian overseas banks were not subjected to any. British banks in its colonies were considered "free-standing" entities, subject to some domestic laws, and were expected to be engaged in specialized trading with the empire. As chartered banks with overseas operations, able to legislate their own rules, Canadian banks with foreign bank branches operated with freedom. As protections for Canadians in Canada were the subject of the Bank Acts of 1890, 1913, and 1923— protections for those in foreign territories did not factor into the equation. For instance, one competitive advantage that Canadian chartered banks continued to have overseas— which was scrapped in the revisions of 1890 and 1900— was their ability to circulate notes on favorable interest rates to the banks; especially in comparison to all other countries with foreign bank branches at the time (Breckenridge 1895, 16-18). The period between 1885 and 1910 by Canadian economic historians is regarded as the time when "the British West Indies became to Canada what China was to the United States: a source for constant visions of 'unrivaled trade opportunities" (Winks 1968, 21). By the time that the first World War came about, Canadian chartered banks were less dependent on British imperial policies in the Caribbean. They were already competitive standalone entities, successfully engaged in asymmetric relations of capitalism in the Caribbean.

Canadian Chartered Banks Overseas Caribbean Operations, 1920-1960

Lacking political union with Britain's Caribbean colonies, Canadian business sought other formal ways to strengthen their commercial ties with the British-West Indies between the 1880s and 1920s.[20] During the 1880s Canadian government officials began touring the British

[20] While this dissertation focuses on Canada's imperial relationship with Britain and how that relationship afforded Canada opportunities in British West Indies Colonies, Canada also gained access to French Colonies in the Caribbean for similar reasons, meanwhile US intervention and the Spanish-American War also aided Canadian banking expansion in other Caribbean colonies (Hastings 2010, 198). I am noting this here, because sometimes non-British colonies will factor in to the dissertation.

West Indies, establishing “special meetings to hear reports on West Indies trade” (Baum 1974, 20). By the time the 1890’s came around, Canadian stock in the Caribbean colonies were significant. Between the 1900s and into the 1920s, there were established economic conferences between Canada and West Indies settlers, with Canadian delegations to various British Caribbean colonies. Canadian chartered banks with overseas operations in the 1900s were also required to differentiate between capital acquired overseas in the West Indies and capital in Canada. Put together, the result of all of this was a plethora of reciprocity treaties, preferential treatments on trade, and trade committees of which the big players were included. Essentially, the groundwork for Canadian financial control in the Caribbean was laid.

During WWI, a formal union between Canada and the British West Indies was officially defeated. Although it was the financial oligarchy which ousted Prime Minister Laurier in 1911 and put Prime Minister Borden in power in 1913, Borden was unable to convince the broader Canadian public and Britain to allow for closer union with the West Indies. Borden made the argument that the “accession of territory” given “a just recognition of Canada’s sacrifices in the war” would be sufficient in invoking a sense of duty towards the “backward races” (Winks 1968, 38-39). However, this argument failed as the Canadian public was unconvinced by how the race question would be handled, and Britain did not want to relinquish its tangible economic interests in the region. Though pushing for banker’s preference of political union with the British West Indies, Borden’s presidency would end in a similar fashion to Laurier’s— displaying the political power that chartered Canadian banks, especially those with overseas operations in the British colonies, had. During WWI, Canadian chartered banks were so politically powerful that they could force Canadian leaders to take proper positions of deference to their political and economic interests in the West Indies, or suffer the consequences. Borden was ousted by bankers and their

industrial partners when he failed to negotiate proper tariffs and commercial agreements with some West Indian colonies after the war (Winks 1968, 39).[21] Incoming Prime Minister William Lyon Mackenzie King (1921-1930, 1935-1948) would win the post-war election, having run on a platform of being "a friend of the islands," thus a friend to Canadian business (Winks 1968, 39).

During the 1925 Canada-West Indies Trade Conference, Canadian Prime Minister MacKenzie King stated that "leading Banks of this country are doing very much to foster a community of interest between the West Indies and ourselves, and to promote trade […] The banks have shown a desire to cooperate with the government in furthering the country's interest, and I believe that their part in the promotion of the trade will be increasingly great as the years go on" (Callender 1965, 49).[22] This commitment to Canadian interests in the British Caribbean was again reaffirmed by the tight partnership of the state and business in Canada, when in 1925, a new preferential trade agreement was reached between Canada and the British Caribbean. This agreement would make Jamaica, British Guiana, and Trinidad the top third-customers of Canada. The title itself was not that great, seeing that the trade was mostly in agricultural products. On the surface, it appeared that Canada provided a favorable deal towards the British Caribbean. However, during the 1920s Canadian businesses were actually investing "heavily in West Indian public utilities [and] hotels" (Winks 1968, 40). Succinctly put, Canadian business profits were not tied to agricultural goods, but rather, to the growing trend of industrialization and what

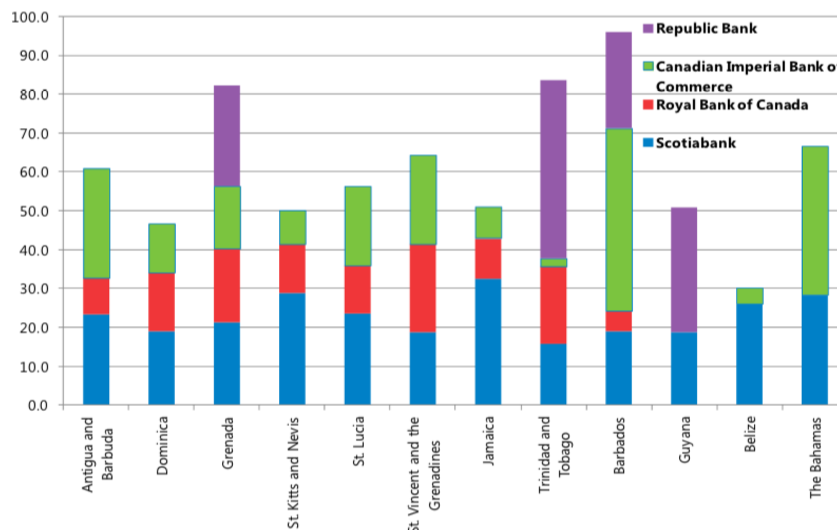
[21] Borden did successfully make Canada the primary trading partner with some island states—like St. Kitts— and in 1916 attempted to annex Turks and Caicos. Ultimately, Borden was perplexed by the color question, which negatively impacted his ability to pursue agreements with other islands.

[22] Although lauded by Canadians, those in the West Indies felt much differently, pointing out how asymmetrical the benefits of doing business with Canadian banks were: at the Canada-West Indies Conference of 1925, one attendee remarked: "When a country like Canada or the United States wants to build a big hotel, companies are formed and the money is supplied by either the banks or the insurance companies…in Jamaica, we can neither get the banks nor the insurance companies to loan us any money to put up hotels"

would become a growing tourism sector. At this same time, radical Caribbean thought was developing as the labor situation was changing and a call for rights by non-white people.

By 1926 there were 114 Canadian branches operating within the British West Indies (Quigley 1989, 800).[23] According to Stewart (1982), the West Indies was not only Canada's first area of expansion, but also "remains the only area of the world where Canadian banks play the lead role" (Stewart 1982, 187). This sentiment is first illustrated by Baum (1974) who essentially calls the West Indies an area of Canadian financial domination. Far from being an exaggeration, when one looks at the dominant financial players in the region almost one hundred years later, they have not changed that much. Of the five largest Canadian banks in Canada today, three of them—Royal Bank of Canada (RBC), Bank of Nova Scotia (Scotiabank), and Canadian Imperial Bank of Commerce (CBIC First Caribbean) have operated in the English-speaking Caribbean as dominant financial institutions with huge assets and subsidiary status since the 1830s (figure 2.1). Their founders having directly benefited from British colonialism.

Figure 2.1 The Caribbean: Dominance of Regional Banks (% of Total Banking Assets)



[23] This number continued to increase throughout the 20th century, reaching 211 (or more) Canadian branches in the region by 1972 (Callender 1973, fig. 311).

Source: Ogawa, Sumiko and Joonkyu Park and Diva Singh and Nita Thacker. 2013. "Financial Interconnectedness & Financial Sector Reforms in the Caribbean." IMF: Source: Bankscope and Fund staff calculations.

Note: ECCU (June 2011); Trinidad and Tobago (March-April 2011); Jamaica (December 2010); The Bahamas (April 2011); Barbados (2010); Belize (September 2011); and Guyana (Republic Bank: 2010; and Scotia Bank: October 2011).

Note: All banks listed, except for Republic Banks, are Canadian owned. I did email the authors of this document in 2018 and in 2019 to get precise numbered data in order to do a table, but never received a response.

Looking at the states who had preferential agreements with Canada in the 1920s and 1930s, one sees that Canadian banks dominated their financial apparatuses well before their independence. For instance, in British Guiana (Guyana) the first full use bank (meaning that those formerly enslaved could also conduct business with the bank) was created in 1836, called the British Guiana Bank. This bank started operating in 1837, and was officially taken over by the Royal Bank of Canada in 1913. Subsequently, during the same time period the Colonial Bank (Britain) was also established and its operations spearheaded by Barclays Bank (from 1925 onwards). This structure of the Guyanese financial system remained largely unchanged from 1913-1966 (when Guyana gained independence from Britain). By the end of 1966 the two dominant banks in Guyana were the Royal Bank of Canada and Barclays— with more than 25 branches and agencies in the country between them. Additionally, in 1968 after Guyana's independence, the Bank of Nova Scotia also came in as a dominant financial player. This was largely a result of British imperialism that facilitated their introduction, but also, during the 1950's, a push by the World Bank and the IMF to conceive of independent state development with these institutions playing a role there. Banks profits would also be secured in the 1950s, due to U.N. development goals which pushed Caribbean territories to focus on development through "sustained tourism," of which Canadian banks would have an early head start from the 1920s.

Although it is commonly known that the Great Depression rocked the world in the 1930's, during the latter part of the 1920s (1926-1930s), British Caribbean agriculture suffered

tremendously. Although this development hurt Canadian banks who were financing the production and exportation of sugar— it especially hurt those working in that industry. This is because between 1926 and 1939, the price of sugar fell by over 50%, and given protectionist policies, the British market, which was the main exporter of sugar at the time, suffered the most (Monteith 2008, 37). There were various instances of minor recoveries for the banks during the 1930s, but it would mostly come from their prior shift in the 1920s to utilities and tourism developments in the region, as well as help from government back home (in Canada). The result of the depression of the 1930s would include restrictive access to capital for agriculture in the region. The Great Depression of the 1930s, where poverty within the colonies was already high and radical Caribbean thought of colonized peoples were more blatantly expressed, engendered a sense of acute injustice, which flared up in the labor riots in the colonies.

Within Canada, restrictions on loans by the banks to Canadians also became a problem and in 1934, an amendment to the Bank Act allowed the Canadian government to establish its own central bank, which would issue money to attempt to remedy the problem. The establishment of a government owned bank in Canada would allow the Canadian state, by 1945, to have effective control over the size of Canadian banks, and the money supply. The Minister of Finance would also be separate from the CBA in order to approve notes. This would become the biggest change to Canadian banking in the 20th century. The change was also more easily implemented given the chartered banks unpopularity amongst Canadians, due to their strict handling of the Depression.

However, negligence was again displayed by the Canadian state, whose amendments to the Bank Act failed to tangibly reign in or even include stricter conditions for their banks' behaviors abroad. The English-speaking Caribbean colonies would then come to serve as the

playground for bad banking behavior on behalf of the Canadian banks. The banks would then point to Canadian domestic legislation as cover, for their overt racist and unjust policies for profits in the Caribbean region. This worked, because typically banks are constrained by their domestic laws. However, Canadian banking development evolved from a unique history, which has rarely been critically examined or situated within a 'global capital imperialism framework.' This is because Canada and Canadian finance is not seen as imperial, so its profit motive within global capital exploitation is rarely examined as exploitative.

Given their experience within Canada, regarding stricter regulations after the creation of a Canadian central bank, Canadian banks operating within the Caribbean would aggressively lobby throughout the 1950s, 1960s, and 1970s against the creation of central banks within different English-speaking Caribbean states. Their lobbying would also be formalized and regarded as 'expertise,' given Canadian bankers' participation in international organizations like the World Bank (WB), the International Monetary Fund (IMF), and the United Nations (UN).

For instance, Graham Towers (1897-1975) is often credited for creating the model of Caribbean banking laws (Baum 1974; Stewart 1982; Deneault 2016; Engler 2017). When one looks at who Towers himself was, he was a longtime executive at the Royal Bank of Canada, the first Governor of the Bank of Canada (1934-1954), a Chairman on the Foreign Exchange Control Board and the National War Finance Committee in Canada, and from 1946-1954, Towers served Canada at the IMF. It would be at the IMF that Towers would conduct the study, referred to as the *Towers Reports*, that aimed to inform the type of financial structure created in Jamaica during the 1960s at the height of its independence. The report defended the recommendations it pushed as having the ability to "encourage development" and "discourage capital flight," in an independent Jamaica (Towers 1955). The recommendations touted in the study included bank

secrecy and non-accountability, reduced-taxation for businesses, and above all, explicitly stated that countries like Jamaica should not develop central banks. Although this may sound ludicrous to those studying banking now, this is what the Towers report for the IMF stated:

> "…the banking system does not require inspection and control in the interests of solvency; and as regards the administration of exchange control, my view is that a central bank is better off if it keeps out of this field. I doubt whether the scope of activity of a central bank in Jamaica at the present time would be broad enough to justify the employment of various experienced and well-qualified men to occupy the senior positions." (Towers 1955, 19)

The recommendations by Towers study, are not only important, but relevant, as these same recommendations would come to inform banking laws "for the rest of the newly independent English Caribbean" (Engler 2017). Unsurprisingly, Towers recommendations and the implementation of them (although to varying degrees) "pleased Canadian banks" (Engler 2017). As a testament to this, during the 1950s and 1960s, Nova Scotia increased its number of branches and concentration in different Caribbean countries— growing its operations in Cuba, Jamaica, Puerto Rico, the Dominican Republic, Trinidad, the Bahamas, Barbados, Antigua, and Grenada (Baum 1974, 22). By 1963, the Bank of Nova Scotia increased its presence in the Caribbean by three times its presence in the 1910s. According to Deneault (2016), "at the instigation of Canadian financiers, lawyers, and policymakers these jurisdictions [in the Caribbean] changed to become some of the world's most frighteningly accommodating jurisdictions" (205).

Challenges Posed to Chartered Canadian Banks Overseas Expansion and Concentration

The documented power and influence afforded to Canadian chartered banks in the Caribbean region is not to suggest, or to imply, that Canadian bank concentration and dominance was not uncontested throughout this time. In fact, state and Black nationalism in the region frequently contested and challenged Canadian bank growth and financial power in their

territories— even as Western academic scholarship on Canada did not. It should be noted that historically and presently, nationalism and Black nationalism has typically arisen in the Caribbean region, as the counter-response to colonial and neocolonial exploitation. Both state and Black nationalism emerged as vehicles to articulate the following: (1) those doing the exploiting, (2) precisely pointing out the unequal social situation, and (3) challenging hegemonic and/or racial hierarchies that inform the social situation stemming from the initial exploitation. For instance, although Towers recommendation in Jamaica was implemented in 1960— in spite of the intense fights and protests that happened in Jamaica for the creation of a Bank of Jamaica—some gains were won by the Jamaican people, and across the Caribbean.

The protests that occurred during the 1960s and 1970s in Jamaica aimed to address Canada's monopoly on banking on the island, which was said to hurt regular Jamaicans at the benefit to big and already profitable businesses throughout the region; of which Canadian banks, insurance companies, and public works stood to gain the most.[24] In 1968, "unemployed Black youth attacked the Royal Bank's Kingston, Jamaica, branch and the offices of other foreign corporations and financial institutions— as part of the protests that spread from the University of the West Indies to the streets of West Kingston, following the debarring of Guyanese academic and revolutionary Walter Rodney from his post at Mona" (Hudson 2010, 34). As a result, the Royal Bank began to offer "25 percent of its Jamaican operation to residents in 1971/2" and promised to increase the percentage during the 1980s (Baum 1974, 23-25). The Bank of Montreal also made a commitment to "go public in Jamaica" (Baum 1974, 25).

[24] If not apparent in the wording of Towers report, due to racism and other unjust practices, it would not be until 1967 that Jamaicans would be able to participate in the ownership structure of these foreign banks that dominated in their country.

In 1970, “Canadian banks, in Trinidad [and Tobago], were targeted in demonstrations and even fire bombings” for them to leave the country and the region (Hudson 2010, 33-34). This became known in Trinidad and Tobago as the ‘February Revolution,’ which turned violent on April 26,1970 when protestors stormed the Royal bank of Canada’s Port of Spain headquarters. The Canadian manager of the bank was “startled” by the protests and what he and other Canadians saw as their new role in the Caribbean: that of the “colonialist under siege” (Hudson 2010). During this time period of national regional turmoil, a Canadian External Affairs Official is quoted as saying “we’re not colonialists by intent, but by circumstances. We’ve taken on a neocolonial aura there [in the Caribbean],” when asked to address the protests against Canadian banks in the region (Engler 2009). The protests in Trinidad were so powerful, that they prompted the independence government to make it clear that “no new banks were to be formed [in Trinidad and Tobago] without [the] expressed consent” of the government (Baum 1974, 26). This allowed the government of Trinidad and Tobago to form a locally owned bank—as they actively prevented the Bank of Montreal from establishing a branch there (Baum 1974, 25-26).

Canadian bankers took the challenges posed by Caribbean nationalisms very seriously, and took measures to respond to demands in ways that were not too hostile or too aggressive due to the aftermath of the Cuban revolution. Concessions were made in other Caribbean territories — whether they be going public or increasing local participation— because in 1960, Cuba “purchased all Canadian banks doing business there” (Baum 1974, 26). Cuba’s purchase was significant, because Canadian banks “ha[d] made deep penetration in Cuba,” only to then “find in 1960 that their investment potential was taken from them” (Baum 1974, 26).[25]

[25] Please note that after WWI, the Royal Bank had 32 branches in Cuba. While I’ve only’ been able to count that Nova Scotia had 4 branches in Cuba, it is also true that after WWI Nova Scotia “tended to concentrate in Cuba” (Baum 1974, 22). Meanwhile, the Canada Imperial Bank of Commerce first opened in Cuba. Given this, one can only assume that their interests in Cuba were significant.

Histories like the ones described above will be shared throughout the dissertation, as movements in the Caribbean region impacted different policy approaches pursued by states (e.g. policy flexibilization alluded to earlier on in the chapter). Understanding state specific events gets us closer to understanding both Canadian agency for continued expansion or decreases in some states in the region, as various state responses to intra-regional movements and foreign capital differed at certain points.

Conclusion

As has been documented, from the mid-19th century and into the 20th, the presence of large-scale Canadian banks in the English-speaking Caribbean have been on a steady rise. Canadian banks accumulated substantial profits in an environment devoid of regulation. The English-speaking Caribbean allowed Canadian bankers, and subsequently the state of Canada, to play a role in the imperial affairs of 'global' capital accumulation. During the 20th century, more Canadian businesses— banking, insurance, and extractive industries— had a stake in trade between Canada and the British Caribbean. Political union with the British Caribbean was pushed in the 1870s and 1910s, with the flow of Canadian capital and investments in mind. However, these attempts were rejected and dismissed by Britain and the British Colonial Bank.

Parliamentary members in Canada were also against any sort of confederation due to the race question, of which business argued "Canada would have her outlook broadened for the colour question', and that, in any case, "West Indians were superior to Negroes from the United States" (Winks 1968, 24-29). Towards the end of the 1920s, talks of confederation were permanently shut down. However, the important bank players in the British Caribbean remained the early chartered banks, including: Bank of Nova Scotia, Royal Bank (who absorbed the Union Bank of Halifax— which was the first Canadian bank to make a deal with the Colonial Bank in

1837), and the Canadian Bank of Commerce (whose owners had a relationship with the Colonial bank in 1837, so did not have to make a formal deal with the Colonial Bank when their operations in the region began during the 1830s).

Highlighted in this chapter, British empire and imperialism in the Americas helped to facilitate Canadian financial power in its Caribbean colonies throughout the 19th century. British imperialism within its colonies, including in Canada, would shape an independent Canada's relationship with its financial institutions, which the Canadian state sought to protect its chartered banks from competition and to incorporate their financial consolidation into a development policy for Canada. While getting a start in the British imperial framework, like Hastings (2010), I would like to make it clear that "Canadian expansionists," largely those within the banking and financing communities, "were not acting as agents of Britain (though they frequently framed their campaigns in terms that would be appealing to the imperial government." (19) Rather, Canadian financiers were content with utilizing empire for specific economic benefits that would continue to be afforded to them, as long as their access to Britain's colonies remained unquestioned, given their proclamations of loyalty.

During the 20th century entrenched economic interests within Canada often competed with the national goals of the state policymakers, who had differing attitudes towards concepts of "development" and "modernization" commercially. Due to the greed of Canadian banks during this time period, and the lack of accountability for that behavior, a third of the way through the century government regulation started to reign in Canadian banks' power within Canada. Protections for Canadians however, were not extended to colonial spaces or people abroad who continued to be exploited by Canadian banks' foreign operations, which remained unregulated by the state. Under the guise of "good governance," technocracies developed in service to

Canadian banks within international institutions, which made it possible for foreign corporations to legalize and formalize their plundering in the Caribbean region, utilizing development rhetoric. Canada's role in the international project of financial colonial exploitation remains undertheorized. Its financial institutions operate in the region largely unquestioned today.

Setting up the framework for my next chapter, it would not be until the very end of the 20th century that the Canadian Bank Act would decisively regulate its banks foreign operations abroad. This is troubling, because by the mid-1970s "Canadian banks controlled 60-90 per cent of banking in the Commonwealth Caribbean," that dominance only being challenged by Caribbean nationals (Engler 2010, 120). The 1970s saw Canadian banking become more covert in the region due to criticism from Caribbean nationals, but laws for how they operated were not changed. For instance, during the 1970s localization policies were implemented by these banks, but this did not change their power within states. Instead many of these institutions simply dropped 'Canada' from their name and added a regional moniker (e.g., Canadian Imperial Bank of Commerce (CIBC) became First Caribbean International Bank). This was not enough, given that Canadian dominance over the financial institutions in the region positively correlated with increasingly limited access to capital by Caribbean nationals and small firms for development usage, and increased foreign control of profitable sectors.

As should be clear, increased regulation in Canada paralleled a lack of regulation in the Caribbean. Although protests forced the hands of Canadian banks throughout the Caribbean region, when the revision to the Bank Act of 1970 happened in Canada, it still failed to include regulatory measures for Canadian banks operating abroad. Baum writes that the 1970 revision did not include any "specific provisions or features…[that] can be said to have an implied or tangential effect on [foreign] operations, [and thus,] the overall and firm impression with which

one is left after reading the [Canadian Bank] Act [of 1970] is that [it] did not intend to control the foreign operations of Canadian banks, or that if [it] intended to, [it] failed to do so, and in either event, Canadian banks [were] essentially free of interference by the Act in their conduct of such operations" (Baum 1974, 30). Looking at other laws and statues which exist in Canada regarding banks outside of the Bank Act, Baum (1974) finds "a total absence of any control, restriction, recommendation, or even comment on how they [Canadian banks] may or may not carry on their foreign operations" (31-32).

My next chapter will focus on the period between 1960 and 1980, as a period of continued Canadian financial domination. I will be identifying the specific relationships that have emerged from historical patterns of interaction between Caribbean peoples and Canadian financial institutions. This analysis will locate Canadian banks within a larger structure of global accumulation, which may offer a better framework for explaining underdevelopment, with particular attention paid to the consequences of outsized foreign ownership of capital in the region. Canadian monopolistic ownership of Caribbean finance has a very rich history. That history is largely undertheorized, but helps explain what Canadian concentration in the region looks like today. It also contributes to the literature on foreign capture of financial institutions and whether or not it harms or helps less powerful states. In the next chapter, various states will be examined through case studies, in order to analyze the effects of the political economy of resistance. An examination of the relationship between Caribbean nationals and Canadian banks may provide insights to circumvent their more harmful practices. My methods should more clearly be situated in the next chapter in order to provide some theoretical clarity on whether this phenomenon is unique to Canadian banks or to global capitalism— where Canadian banks are

merely actors. I hope to show that economic violence and imperialism is a choice that states make, which is alluded to in this chapter.

References

Aitken, Hugh, ed. *The Canadian Commercial Revolution 1845-1851*. The Carleton Library 19. Toronto: McClelland and Stewart Limited, 1970.

Altamura, Carlo Edoardo. *European Banks and the Rise of International Finance: The Post-Bretton Woods Era*. London & New York: Taylor & Francis, 2016.

Practical Law. "Banking Regulation in Canada: Overview." Accessed April 20, 2019.

Baum, Daniel. *The Banks of Canada in the Commonwealth Caribbean, Economic Nationalism and Multinational Enterprises of a Medium Power*. iUniverse, Inc, 1974.

Bélanger, Claude. "Quebec History." Accessed September 25, 2019.

Beloff, Max. *Imperial Sunset Volume I: Britain's Liberal Empire, 1897-1921*. 1st ed. Alfred A. Knopf, 1970.

Bonham, Mark. S. "Chartered Banks in Canada." In *The Canadian Encyclopedia*, 2006.

Breckenridge, Roeliff Morton. "The Canadian Banking System 1817-1890." *American Economic Association*, Publications of the American Economic Association, 10, no. 1/3: 13–476.

Burgess, William. "Canada's Location in the World System: Reworking the Debate in Canadian Political Economy." Doctor of Philosophy in Geography, University of British Columbia, 2002.

Callender, Charles Victor. "The Development of the Capital Market Institutions of Jamaica." *Social and Economic Studies* 14, no. 3 (1965): 174.

Canadian Economic History, Classic and Contemporary Approaches. Carleton Library Series 176. Ottawa: Carleton University Press, 1993.

Chodos, Robert. *The Caribbean Connection*. Toronto: James Lorimer & Company, 1977.

Clarke, Laurence C., Donna E. Danns, and Caribbean Centre for Monetary Studies, eds. *The Financial Evolution of the Caribbean Community (1970 - 1996)*. St. Augustine, 1997.

Craton, Michael, and Gail Saunders. *Islanders in the Stream: A History of the Bahamian People, From Aboriginal Times to the End of Slavery*. Vol. 1. Athens, Georgia: University of Georgia Press, 1992.

Curtis, C.A. “Evolution of Canadian Banking.” *Sage Publications, Inc. in Association with the American Academy of Political and Social Science* 253 (1947): 115–24.

Easterbrook, W.T., and M.H. Watkins, eds. *Approaches to Canadian Economic History*. The Carleton Library 31. Toronto: McClelland and Stewart Limited, 1969.

Edmonds, Kevin. “Canadian Banks and Economic Control in the Caribbean | NACLA.” The North American Congress on Latin America. Accessed April 17, 2019.

Engler, Yves. “Corrupt Canadian Banking Practices.” Accessed April 20, 2019.

Garcia, Gloria, Azucena Novelo, and Christine Vellos. “The Evolution of the Financial Sector in Belize (1996 -2007),” n.d., 30.

Girvan, Norman. *Corporate Imperialism: Conflict and Expropriation, Transnational Corporations and Economic Nationalism in the Third World*. New York: Monthly Review Press, 1976.

Gordon, Todd, and Jeffery Webber. *Blood of Extraction Canadian Imperialism in Latin America*. Fernwood Publishing, 2016.

GTIMES. “The History and Evolution of the Banking Industry in Guyana.” *Guyana Times* (blog), November 19, 2017.

Hastings, Paula. “Dreams of a Tropical Canada: Race, Nation, and Canadian Aspirations in the Caribbean Basin, 1883-1919.” Doctor of Philosophy in History, Duke University, 2010.

Hudson, Peter. “Imperial Designs: The Royal Bank of Canada in the Caribbean.” *Race and Class* 52, no. 1 (2010): 33–48.

Jones, Geoffrey. *The Evolution of International Business: An Introduction*. London: Routledge, 1996.

Kiladze, Tim. “Trouble in Paradise: Inside Canadian Banks’ Billion-Dollar Caribbean Struggle.”

Lowenthal, David, H.W. Springer, Gordon Merrill, and Douglas Anglin. *The West Indies Federation*. Edited by David Lowenthal. American Geographical Society 23. New York: Columbia University Press, 1961.

Marchildon, Gregory. *Profits and Politics: Beaverbrook and the Gilded Age of Canadian Finance*. Toronto: University of Toronto Press, 1996.

Naylor, R.T. *Canada in the European Age, 1453-1919*. 2nd ed. McGill-Queen’s University Press, 2006.

———. *The History of Canadian Business 1867-1914*. Vol. 1. The Banks and Finance Capital. Toronto: James Lorimer & Company, 1975.

———. "The Rise and Fall of the Private Banking System." In *History of Canadian Business*, 156–84. McGill-Queen's University Press, 2006.

Neufeld, E.P. "Establishing a Bank in the 1830's." In *Money and Banking in Canada*, 68–76. McGill-Queen's University Press, 1964.

O'Connor, James. *The Corporations and the State: Essays in Theory of Capitalism and Imperialism*. New York: Harper & Row, 1974.

Orbell, John. *British Banking: A Guide to Historical Records*. Routledge, 2017.

Petras, James, and Henry Veltmeyer. *Imperialism and Capitalism in the Twenty-First Century, A System in Crisis*. Ashgate Publishing Limited, 2013.

Quigley, Neil C. "The Bank of Nova Scotia in the Caribbean, 1889-1940." *The President and Fellows of Harvard College*, The Business History Review, 63, no. 4 (n.d.): 797–838.

Scott-Keltie, J. *The Statesman's Year-Book*. 29th ed. The Stateman's Yearbook. UK: Palgrave Macmillan, 1892.

Smith, Andrew. "Continental Divide: The Canadian Banking and Currency Laws of 1871 in the Mirror of the United States." *Cambridge University Press* 13, no. 3 (2012): 455–503.

Sprague, Jeb. *Globalizing the Caribbean: Political Economy, Social Change, and the Transnational Capitalist Class*. Philadelphia, Pennsylvania: Temple University Press, 2019.

Stewart, Walter. *Towers of Gold, Feet of Clay: The Canadian Banks*. Collins Publishers, 1982.

Sutherland, David. "Pryor, William (1775-1859)." In *Dictionary of Canadian Biography*. Vol. 8. University of Toronto, 1985.

Taunton, W.D. "Should Canada Annex the British West Indies." *The Canadian Magazine*, February 28, 1912.

Torontoist. "Historicist: The Home Bank's House of Cards." Torontoist, August 24, 2013.

Vigod, B.L. "Canada First." In *The Canadian Encyclopedia*, 2011.

Waite, P.B. "Treaty of Washington." In *The Canadian Encyclopedia*, 2010.

Winks, Robin. *Canadian-West Indian Union: A Forty-Year Minuet*. University of London: Athlone Press, 1968.

Young, Merwin. *The African Colonial State in Comparative Perspective*. Yale University Press, 1994.

Chapter 3: The Financial Dominance of Canadian Banks in the English-Speaking Caribbean, 1960-1980

This chapter covers the timeframe from 1960 through the early 1980s. This period encompasses the independence of Caribbean states who would participate in the global (and political) economy during the 1960s and 1970s. It also covers the period when Caribbean states would experience balance of payment problems in the 1970s and the1980s— which exacerbated the period of corporate neocolonialism in the region. Caribbean independence was fraught with social tensions due to colonialism and economic anxieties given the already deteriorated economic nature of these societies at the start of the independence period. This chapter addresses the effects of the Canadian banking oligarchy on Caribbean development. In this context, I focus attention on the consequences of outsized foreign ownership of capital in the region, maintaining that Canadian financial dominance in the region contributes to Caribbean underdevelopment. Examining the timeframe between 1960— when many English-speaking Caribbean states started to gain independence from Britain—and 1980, this chapter analyses the role of Canadian banks within the ownership structures of Caribbean financial systems.

The chapter also looks at how popular development discourses contributed to the dominance of Canadian banks in the Caribbean region. At the beginning of the 1980s, neocolonial actors like the IMF and World Bank were allowed to set the terms of Caribbean engagement in the global economy, assisted by Canadian banking technocrats who 'understood' the financial apparatus in these states given their financial dominance in the region leading up to the 1980s.Thus, how profits are made by Canadian banks in the Caribbean and how those profits are allocated and/or (re)distributed during the 1960s to early 1980s is also examined. By looking at the allocation and (re)distribution of Canadian banks' profits in the region, I analyze the contours of a larger imperial architecture. Bank Act revisions in Canada during the latter half of

the 20th century allowed Canadian financial institutions “to develop into financial conglomerates with involvement in a wide variety of financial areas,” given “the increasing recognition of the importance and the impact of internationalization and securitization” (Freedman 1998, 13-15). Foreign currency assets and liabilities were an important component of Canadian banks balance sheets during this time, reflecting “retail operations abroad, especially in the Caribbean area (Freedman 1998, 34-35).[26] The distribution of Canadian capital and loans to governments in the region matters for how states and citizens in the region experience underdevelopment in their relationship to disproportionate Canadian ownership of crucial financial assets.

The assertion here— and throughout my dissertation— is not that Canadian banks are the (sole) cause, for what some deem “perpetual” Caribbean underdevelopment. But rather, that Canadian banks do contribute to underdevelopment in the region, and in tangible ways that do not receive enough attention in the literature. Moreover, I would like to make it clear that my discussion is not that that there is something ‘unique’ about the way Canadian banks act in the Caribbean. It is my belief, that if the same imperial and state privileges were afforded to other banks early on, they would most likely operate in the same way that Canadian banks currently do. Instead, I am focused on the imperial agency wielded by Canada and its banks in the Caribbean, and how that agency is often overlooked, due to British imperialism and liberal theorizing on Canada. Canada’s agency is an important factor in this discussion, because since before WWII, Canadian capital penetration abroad “has not been accomplished on its own,” as has already been highlighted, but “has received the steadfast support of the Canadian state—from the Prime Minister’s Office (PMO) to Foreign Affairs” (Gordon & Weber 2016, 19).

[26] Freedman also notes that in the 1970s and the first half of the 1980s Canadian bank expansion into the Euro-market and increased lending to less-developed countries (LDCS) also contributed to the growth of Canadian dollar assets and foreign currency assets (Freedman 1998, 35)

Canada's support of its banks, echoes that of the early relationship between Canadian banks and Canadian state development that led to its independence from Britain. The period between 1960 and 2000 is marked by the growth of Canada's financial services sector. By 2000, the "financial services sector [was] a significant contributor to Canada's economic growth, employing over half a million Canadians" with "banks represent[ing] the largest portion of the Canadian financial services sector" (Department of Finance, Canada 2002). Additionally, the six biggest Canadian banks in 2000 "generated 45 per cent of their net income from foreign sources," highlighting their notable participation in international markets (Department of Finance, Canada 2002). This information is presented here to call attention to the fact that Canadian capital expansion and penetration into the Caribbean region is intentional, with the Canadian state providing support to its banks in the quest of profit accumulation to assist in Canadian development.

I argue that the conceptual framework of imperialism best explains the relationship of the Canadian state and Canadian banks to states and societies in the Caribbean region. In order to develop this framework, this chapter examines Canadian bank expansion in the Caribbean during the 1960s to early1980s— and the impact that Canadian expansion has had on the political economy of selected states in the region. I conclude by talking about the impact of Canadian banking in the region and what this has meant for Caribbean (under)development.

Context of Canadian Banking Expansion

The period between 1960-2000 was one of uncertainty and volatility for foreign banks in the Caribbean due to changing processes in globalization, the internationalization of finance, and crises in the developing world. In an attempt to frame these changes which occurred over four decades, I have pinpointed four distinct periods, grouping general trends which occurred in them.

This chapter examines the first two periods of Canadian bank investments in the Caribbean region, complete with ebbs and flows depending on international and domestic circumstances. The following chapter 4 in the dissertation, focuses on the third and fourth periods identified below:

(1) First, the 1960s to early 1970s can be understood as the time when Canadian banks controlled a large portion of financial capital in the Caribbean region, with hundreds of branches and massive offshore operations. Canadian bank dominance was contested during this time period by Caribbean people and some governments in the region—however, they continued to accumulate international and foreign currency assets[27] there.

(2) Second, midway into the 1970s to early 1980s, the region witnesses both an international economic crisis (related to their exports) and a debt crisis, that led to a decline in foreign bank investments to the region. However, there was an increase in neoliberal policy prescriptions, that reduced state spending and increased the level of privatization which would become important during the 1980s.

(3) Third, midway into the 1980s to the 1990s, there is a rise in 'indigenous banks'[28] in the region, that are able to successfully capture some of the market share. This was helped by Canadian banks selling interests to locals, and also due to an increase in foreign bank competition, as more developed countries banks expanded into the region.

---

[27] Foreign currency assets are assets that are valued based on a currency other than the firm's home country (typically applies to liquid assets, like cash)

[28] I actually dislike the term "indigenous bank(s)," however, this is the term used in the literature to describe both private and public banks, where the government has at least a 50% or more share of total equity in it

On the whole, foreign banks would see a marginal decline of 1-3% in market share in some states during the 1990s.

(4) Finally, in the late 1990s to early 2000s, there is yet again renewed interest by Canadian banks in the region. At this time, Canadian banks are able to successfully outcompete other foreign banks in the commercial and retail banking services sector.[29] Meanwhile, undercapitalization of 'indigenous banks,' would make them less profitable than foreign banks—even as public banks were considered to be more efficient (Juan-Ramón et.al. 2001, 28). Undercapitalization and lack of funds, would lead to additional mergers and acquisitions of indigenous and other private banks, to Canadian interests.

Of the five largest Canadian banks in Canada,[30] three of them—Royal Bank of Canada (RBC), Bank of Nova Scotia (BNS/Scotiabank), and the Canadian Imperial Bank of Commerce (CBIC/First Caribbean CIBC)— operate in the English-speaking Caribbean region as dominant financial institutions, controlling their own branches and subsidiaries (John 2017). Up until 1969, the rationale for Canadian bank expansion into the Caribbean was one solely based on their ability to gain asset wealth there. Owners of Canadian banks viewed the Caribbean as "a "surplus" area for the banks [because] deposits greatly outpaced loans within the region [and the] capital was funneled back into Canada, the United States, and Europe" (Kaufman 1985, 64). Thus, the ability to expand the assets of Canadian banks was a driving factor in these banks' decisions to remain in the region throughout this period.

---

[29] offshore banking is still highly competitive, with U.S. and European banks in the region

[30] The big banks in Canada are often referred to as "The Big Five": Scotiabank, The Bank of Montreal (BMO), Toronto Dominion (TD), Royal Bank of Canada (RBC), and the Canadian Imperial Bank of Commerce (CIBC).

Of the three largest Canadian banks in the Caribbean, Scotiabank is the most dominant amongst them, in terms of operations and assets in the region, followed by RBC and CIBC. Both RBC and Scotiabank operated out of Halifax as early traders between Britain's colonies and the newly departed U.S. RBC was the first Canadian bank to enter the Caribbean region in 1882, under the name "Merchants Bank." Scotiabank followed, entering the region in 1889, and has never closed a branch in its 129 years there.[31] Unlike RBC and CIBC, Scotiabank "is the only Canadian player to have developed through a branch system which it progressively incorporated locally in [Caribbean] jurisdictions where it held important operations" (Létourneau & Heidrich 2010, 16). How Scotiabank established itself is important, because today, Scotiabank is "the Canadian bank most well-established outside of North America, generat[ing] more than one-fifth of its profits from its extensive international investments, the majority of which are in the Americas" (Gordon & Weber 2016, 16).

Scotiabank's entrance into different state markets in the region happened mostly through "greenfield investments," which is a type of FDI whereby the company constructs new facilities from the ground up, and then grows those facilities (Chen 2019). According to Chen (2019) "these projects are foreign direct investments—known simply as direct investments—that provide the highest degree of control for the sponsoring company." Thus, Scotiabank has preferred to expand in the Caribbean region through setting up branches that allow them to assume the highest level of control over their banking operations in the region, although they do have some subsidiaries. Throughout the timeframe laid out in this chapter, Scotiabank had the largest international commitment relative to its total assets— meaning that lending made up a large part of Scotiabank's portfolio relative to its total assets, but on paper, contributed to an

[31] With the exception of selling its Cuba operations due to the revolutionary change in Cuba; Also in 2018, Scotiabank unexpectedly announced plans to "exit" nine Caribbean countries.

expanded assets base for the bank. Although RBC maintained a high amount of assets, as a percentage of its total assets, its lending (thus loan portfolio) was lower than Scotia's (Kaufman 1985, 67).

On a different trajectory, both RBC and CIBC have acquired their massive subsidiary networks through mergers and acquisitions in the region—even though both also have some branch operations. The Canadian Bank of Commerce entered the region in 1920, following a similar route as RBC—setting up subsidiaries through mergers and acquisitions. It is important to note that the CIBC as we know it today, came about due to a merger between the Canadian Bank of Commerce and the Imperial Bank of Canada in 1961, to form the Canadian Imperial Bank of Commerce. At the time, it was largest merger in Canadian history. However, CIBC in the Caribbean would become an ever more important force when, in 2001, CIBC finalized its merger with Barclay's Bank (which has operated in the Caribbean region since 1837), creating what is referred to as "First Caribbean International Bank" (Weber 2001). That these Canadian banks chose to expand in the Caribbean utilizing a mixture of establishing branches and subsidiaries are important, even as variation exists in their preferences.

When discussing banking expansion, it is important to discuss the ways in which a bank can set up its operations abroad. According to Létourneau and Heidrich (2010), there are essentially three ways that a foreign banking operation can be established abroad: (1) through a foreign branch, (2) through acquiring shareholdings in a foreign bank, or (3) through direct cross border lending. A foreign branch is "controlled by the parent bank and suited to serve personal and commercial banking…this type of expansion has been limited to the Caribbean for Canadian banks" (Létourneau & Heidrich 2010, 3). Acquiring shareholdings in a foreign bank can be done through a "merger and result in a foreign subsidiary," with subsidiaries having "identical banking

powers as domestic banks," and also usually operating in the "personal and commercial banking sector" (Létourneau & Heidrich 2010, 3). Direct cross border lending "is typically offered to large borrowers such as multinational companies and foreign banks and is often operated out of a representative office which has a foothold in a given country to offer services to home country clients" (Létourneau & Heidrich 2010, 3).

As has been revealed regarding the relationship between Canadian banks and states in the Caribbean, only the first two ways of establishing a bank— through a foreign branch and through acquiring shareholdings in a foreign bank (subsidiary)— are relevant. Through establishing a foreign branch and/or setting up a subsidiary, Canadian bankers (and bankers more generally) are allowed to assume the highest levels of control over their banking operations abroad in other states. There is one distinction to be made however: acquiring access through shareholdings and mergers of foreign banks (essentially establishing a subsidiary) gives bankers the least amount of control in comparison to setting up a foreign bank branch, because acquisitions are still subject to some rules that are pre-existing. As highlighted in the previous chapter, Canadian banks financial consolidation happened early on during the late 1860s through the 1890s, which allowed Canadian banks to "operate at [the] international level in a capacity disproportionate to the degree of [Canada's]" internal economic development (Di Sanza 1978, 11). Thus, increased Canadian banking expansion in the Caribbean happened through one of two ways: (1) banking merchants who had a lot of start-up capital and trading networks to create branches abroad, and/or (2) banking merchants able to acquire small colonial entities through acquisitions and mergers.

As previously mentioned, subsidiary banks, unlike foreign bank branches, are subject to financial regulations and legislations that govern the terms of acquisitions.[32] However, banking law in the Caribbean region has always been lenient towards foreign capital—due to the colonial history in those societies which made foreign capture of financial institutions and structures the norm. Thus, foreign subsidiary banks in the Caribbean have always—like their foreign branch counterparts—occupied a privileged status. Just like the foreign branch counterparts, subsidiary banks' contribution to local host governments in the region mattered little both during and after colonialism. As has always been more important are the returns on investment and profits to their parent company and foreign shareholders. Addressing the Toronto Society of Financial Analysts in 1966, Eric Kierans elucidates the relationship between Canadian banks and their overseas subsidiaries, mostly in the Caribbean:

> "In the parent-affiliate relationship, a profit on inter-company transactions may be taken at either end, but is normally taken by the parent. Thus, a subsidiary could lose money and still make a net contribution to the parent company's income by the profit on purchases of raw materials and component parts from the parent, by patents, royalties, and fees for management, advertising and research services. In fact, the primary purpose of investment in overseas markets is to earn a profit for the parent by the control of markets for the export of parts, components and raw material concentrates. It is not essential that the affiliate show a profit." (Levitt 2002, 86)

Essentially, Canadian bank subsidiaries act as extraction sites, through which profits are repatriated for the benefit of the parent company. In this relationship, the negative effects are felt on the host economy (Caribbean states) where the subsidiary resides—especially if the "subsidiary is large, powerful, and can impact policy" in the hosting country (Red State

---

[32] Focarelli & Pozzolo (2005) find that strong rule of law in less developed countries actually increases the likelihood of them hosting foreign subsidiaries, and that these subsidiaries end up having a large involvement with 'helping' to regulate local laws. Buch & DeLong (2004) corroborates this, in that less developed countries with strong rule of law actually makes their banks more attractive targets for foreign banks to "take over." The parallel to this, is that restrictions in banking activities (thus, laws unfriendly towards foreign takeovers) reduces the likelihood of foreign bank subsidiaries opening up in less developed countries. This in part explains why Canadian banks, looking to expand in Asia (e.g. China, Malaysia, Thailand, India), have had a harder time—due to regulations which exist there regarding foreign control.

Collective 1977, 43). About two-thirds of the way into the 20th century, the internationalization of Canadian banks included the control and exploitation of a large portion of financial capital in the Caribbean region. Canadian control was maintained through the banking (insurance, utility, mining, and transport) operations they had set up throughout the region. The timeframe between 1960-2000 highlights that the majority of Canadian investment in the region as seen through the three aforementioned Canadian banks. Scotiabank, RBC, and CIBC "have been important factors in the financing of primary exports and in providing general banking and insurance facilities" that comprised the majority of English-speaking Caribbean states' economic conditions at the time (Baum 1974, 10).

The end of WWII marked an increase in Canadian banking concentration within Canada and an expansion of Canadian banks in the Caribbean region. Canadian banking concentration within Canada was seen as a national security issue, whereby "Canada moved to exclude foreign investment in certain key or sensitive areas of the Canadian economy [, given the growing global importance of its neighbour, the U.S., and as such, areas] such as broadcasting and banking" were protected, being deemed as too important to go under foreign control and influence (Malminen 1997, 48). By 1961 the population in Canada had grown to some 18.2 million Canadians, with a GNP of $39.6 billion, and an increased demand for both consumer and commercial credits (McDowall 1993, 324-325). Competition within Canada was high between the chartered banks and non-bank financial institutions looking to secure deposits—until the 1967 Bank Act revision that would give the chartered banks an advantage over non-bank financial institutions.[33] Meanwhile, continued Canadian bank expansion into the Caribbean

[33] The 1967 Bank Act would further blur the lines between Canadian chartered banks and non-bank financial institutions, by lowering reserve requirements for chartered banks and getting rid of restrictive regulations to allow chartered banks to expand the kinds of financial activity they could be engaged in. This would place non-bank

would give these chartered banks access to more deposits than what was available in the domestic market— given a less regulated environment and good commodity prices in the 1960s. As is a common theme during the post-war period, "the legislative structure of Canadian banking had been shared by a discreetly formed banker-political consensus," and thus, "change took place by mutual consent, along lines usually laid out by the bankers" (McDowall 1993, 334). The relationship between the state and Canadian banks continued to remain important, even as tensions sometimes would arise between the Canadian government and bankers (and vice versa).

The following sections take an in-depth look at the shift in the patterns and trends of Canadian bank investments, expansion, and growth in the Caribbean region. While divided into separate periods, spanning two chapters in the dissertation, these timeframes are not to be seen as wholly divorced from one another. Instead, these periods encompass different junctures throughout time, which would come to inform the varying trends of Canadian bank investments and banking expansion in the independent English-speaking Caribbean region. Canadian market power in the Caribbean has scarcely received any attention at all in the literature. Data collection regarding Canadian market share in the region is scarce as well. Some may say that this oversight is due to the fact that the Caribbean region itself is small. However, this is not a convincing argument given that "the standing of Canadian banks [are] among[st] [those of the] the largest banking institutions in the world [,] [which] is [also] disproportionate to the size of the Canadian economy or the importance of Canadian multinational firms in general" (Kaufman 1985, 65-66).

The Canadian banking tradition of growth has been fostered via imperialism and capitalism that was initially facilitated by British colonialism; and then maintained through

---

financial institutions in direct competition with the chartered banks, who would have regulatory and policy advantages in securing deposits away from non-bank financial institutions

support by the Canadian state, seen via favorable legislation for Canadian banks expansion and concentration, both domestically and abroad. Canada's influence within global financial institutions to inform policy in the 'Global South,' has also allowed Canadian banks' and financiers to play an instructive role in perpetuating Caribbean dependence on foreign industries and investments (Callander, 1965; Baum, 1974; Girvan, 1978; Kowalewski, 1982; Stewart, 1982; Quigley, 1989; Engler, 2009; Edmonds, 2012; Deneault 2015; Hudson, 2017). Put together, Canadian banks have been able to carve out a space for their success, endorsed and supported by Canada, global financial institutions, and the solutions that flow from development discourses towards less powerful states in the world/global economy.

The rest of the sections in this chapter will show that "Canada's external policies, like those of other countries, are framed by the rhythms of capitalist accumulation, with all its economic and political demands, contradictions, and ecological limits" (Gordon & Weber 2016, 20). As other Western countries, Canada is no different in its "protection of the rights of global capital…and Canadian capital in particular" (Gordon & Weber 2016, 20). Canadian investors, backed by the state of Canada, "promote market liberalization, strong private property right[s], and the weakening of any institutions that could challenge this paradigm" in 'Global South' countries (Gordon & Weber 2016, 20-21). Canadian banks operating in the English-speaking Caribbean aim first to maximize profits, increase the market share of their businesses, and increase shareholder profits. For Canadian banks, the Caribbean region has always been viewed as a space that was not only easily accessible, but also as one with minimal competition and an unregulated financial environment conducive to maximizing profits.

Push Factors Contributing to the Expansion of Canadian Banks'

The 1960s to mid-1980s are informative years for understanding modern Canadian bank expansion and Caribbean dependency on foreign investments and foreign banks. There are three factors which helped Canadian bank expansion abroad during the 1960s and 1970s. First, Canadian chartered banks were able to use the political power that they had, due to decades of support from the Canadian government, to further expand their global operations. Favorable policies from the Canadian state, and the already large-scale market size and concentration of Canadian chartered banks, placed these banks in a favorable position to continue growing during the 1960s to mid-1970s. Second, lobbying pressure on the Canadian government by the banking industry during the latter part of the 1960s led to further liberalization of the regulatory environment for Canadian banks both domestically and internationally, which aided the increased globalization of Canadian banking. Canadian regulatory liberalization occurred in tandem with heightened global competition amongst foreign banks more generally. Third, heightened competition would provide even more incentives for Canadian banks to continue their expansion in foreign markets, which became even more lucrative due to the emergence of the Eurodollar market. The Eurodollar market would allow Canadian (and other foreign) banks to access foreign deposits at an even lower costs; and by the time the debt crises would shock developing countries towards the end of the 1970s—but especially during the 1980s— neoliberal policy prescriptions would allow foreign corporations to dominate the push for privatization in developing states.

By the 1960s, Canada was home to some of the largest international commercial banks, whose market power derived from being "highly concentrated and centralized" (Kaufman 1985, 61). This status was helped by the Canadian state's extension and application of regulatory

benefits that directly impacted the global expansion and activities of Canadian chartered banks operating abroad. Canadian banks benefited from their chartered status, which allowed them to operate with fewer restrictions and regulations in comparison to other Canadian non-bank financial institutions. Canadian chartered banks "are deposit and loan institutions without major trust operations and with extensive savings deposits that constitute a rising segment of resources" (Leach 1969, 134).[34] Trust operations ensure that rules and compliance are being followed, and that there is record keeping being done for that compliance. In other words, these operations are meant to ensure that financial institutions that receive deposits are accountable in following financial laws that exist. By not having major trust operations as big financial institutions, Canadian chartered banks in the 1960s were securing deposits and recording record profits without any accountability towards rules compliance. Deposits are important because they serve as the foundation for a bank's asset base, increasing a bank's ability to lend to both consumers and other corporations (McDowall 1993, 325). Carroll (1986) notes that Canada's banks do not disclose the proportion of their loan capital that they allocate to their own directors" highlighting bank secrecy (Carroll 1986, 175). This lack of accountability and transparency was allowed to happen given favorable Canadian government policies towards these banks— as Canadian banks expanded their global investment portfolios alongside the "tremendous broadening of world trade and financial relationships, the spread of international corporate activities [and] the rapid growth of the Euro-dollar market" in London (Baum1974, 9).

Canadian chartered banks' international success was largely attributed to bankers' influence on the Canadian government. Almost two decades after WWII, Canadian "bankers

[34] Trust operations provides the services needed to process record keeping, confirmation requirements, tax reporting, income collecting, disbursement processing, asset movements, statements, and customer service. Trust operations create and follow rules, as well as policy and procedures in relation to these services. These departments are subject to compliance, internal audit, external audit, and regulatory exams.

convinced the [Canadian] government to expand the scope of [the banks] domestic operations and to leave the broad scope of [the] international untouched" (Darroch 1994, 257). Effectively, this meant that Canadian chartered banks would be able to compete with other non-bank financial institutions within Canada, and that their foreign operations were not to be regulated at all. Unlike other international banks at the time, these Canadian chartered banks operated with the "absence of any ceilings on interest rates on deposits or [in 1967] on loans" (Freedman 1998, 2). It is true that the Canadian government has greater capacity than leaders in the English-speaking Caribbean to regulate certain banking behavior in the region, but it is also true that Canada's government has chosen not to (Stewart 1982, Engler 2009, Deneault 2015). Whether by design or intent, according to Baum (1974), the drafters of Canada's Bank Act "did not intend to control the foreign operations of Canadian banks [,]" and "if they intended to, they failed to do so" (Baum 1974, 30).

To illustrate how unregulated these Canadian banks' operations abroad were, when Canadian banks repatriated profits back into Canada, that money was untaxed due to lack of regulation regulating profits made abroad and allowed back into the Canadian economy (Engler 2010, 120; ECLAC 2011). As Canadian banks' overseas operations grew in importance for banks' profits, the different banks established official international offices and departments to manage international operations. Support from the Canadian government has long made it that Canada is one of the most liberal countries when it comes to tax law and other legislations regarding the movement of capital. Thus, Canadian companies "investing in foreign countries escape the risk of double taxation because income taxes paid to a foreign government are deductible from Canadian income tax," and "this provision along with other complementary ones guarantees favorable tax treatment of foreign direct investment" (Niosi 1985, 52). Not

surprisingly, favorable legislations by the Canadian government encouraged Canadian banks' (and other Canadian corporations) expansion abroad, giving Canadian "banks a competitive advantage over other foreign banks from imperialist powers in many host countries" (Darroch 1994, 257). Not subjected to regulations in the banks' overseas activities, Canadian chartered banks with overseas networks were allowed to expand immensely from during the 1960s and 1970s.

The expanded operations of Canadian banks overseas— in regards to trade, financing and lending, and natural resources— and within Canada as it regarded lending and acquiring deposits were due to the revision of the 1967 Bank Act. The 1967 Bank Act in Canada made it so that near-bank financial entities (e.g. trust companies) within Canada were pushed to unevenly compete with the bigger Canadian chartered banks that would now have lower reserve requirements and no longer the 6 percent ceiling interest on bank lending (Darroch 1994, 278; McDowall 1993, 357). The 1967 revision to the Bank Act also alleviated regulations and/or made regulations less restrictive, regarding the kinds of financial activity that the banks could engage in. Essentially, the 1967 revision increased Canadian banks competitiveness for bank deposits and personal savings within Canada, because it allowed banks to generate a "financial services product" that could "woo away savings deposits from near-bank institutions" (Leach 1969, 134-135). The 1967 revision was "praised by bankers as being "market-freeing"" given the pure number of new banking products and services that the banks could offer (McDowall 1993, 357). Given the aforementioned, it is not an understatement to state that the Canadian government played a significant role in further incentivizing the international expansion of large Canadian corporations, especially towards the end of the 1960s (Niosi 1985, 33, 50-52). Favorable policies for Canadian corporate expansion abroad were also backed by Canadian

government investment insurance programs in the Third World and by CIDA starting in the 1970s.[35]

Given the already dominating position of Canadian chartered banks in Canada, the 1967 revision afforded Canadian banks an even greater role and significance in financing the Canadian economy. Thus, entering into the 1970s, Canadian chartered banks assets would be doubled that of all other non-bank financial institutions within Canada combined.[36] This is important because it meant that these banks ability to finance major projects (thus hold long-term debts), including their own expansion, was significant. Therefore, by 1973, "nearly a quarter of Canadian bank assets were in the form of industrial loans and securities: a greater proportion than that found in American banks" (Carroll 1986, 175). It should be noted that although oligopolistic competition did exist between the big chartered Canadian banks— at the national policy level within Canada, there was a recognized understanding that it was in the banks "common interest to shape public policy so that it would benefit [the banking] industry" (Darroch 1994, 255). Thus, collaboration between the big banks in constructing the kinds of Bank Act revisions as we saw in 1967— through institutions like the CBA— were common.

Between 1971 and 1981, the "international assets of Canadian banks with international operations grew at an average annual rate of 24 percent, compared to a 19 percent per annum

[35] Canada's Export Development Corporation (EDC) provided millions of dollars in guarantees for Canadian investors abroad. Niosi (1985) highlights the $25 million guarantee for Canadian companies and corporations against "political risks incurred in oil production and exploration" of which 26 countries had signed—with 11 being in the Caribbean, and 9 in the English-speaking Caribbean in particular (51). Additionally, CIDA's Business and Industry Division that encouraged Canadian companies and corporations to invest abroad provided thousands of dollars to *Canadian* corporations that did so. Emphasis on Canadian, because CIDA's assistances "was limited to companies whose stock was at least 51 per cent owned by Canadians" (52).

[36] Combined, these include: Savings Banks, Trust Companies, Mortgage Loan Companies, Sales Finance and Consumer Loan Companies, and Credit Unions (including Caisses Populaires Dejardins)

growth in domestic assets." (Kaufman 1985, 67).[37] Interestingly enough, Canadian banks blamed the lag in domestic growth on the Canadian government not running the country in a more "businesslike fashion" (Darroch 1994, 261). Scotiabank in particular, raised concerns that the Canadian government "was intervening excessively in the economy" (Darroch 1994, 97). These gripes were due to a general decline in profitability starting in 1970s, that led to wealthier, capital intensive corporations advocating against governmental social spending as they lobbied for assistance in their own capital-intensive sectors (Casey 1988, 86).

However, these gripes by the big Canadian banks were quite contradictory, given that the domestic situation within Canada was far from 'illiberal,' as there was more (liberal) competition for the banks within Canada than abroad— given favorable legislation for the activities of the banks' abroad— which is why the banks' had to frequently lobby for (illiberal) legislation within Canada, to protect and aid in Chartered bank expansion and advantage within Canada (e.g. the 1967 Bank Act revision which decreased how competitive non-bank financial institutions were against the big Chartered banks for getting deposits). It was also the case that unlike their domestic operations, their operations abroad in the Caribbean did not have ceilings on loan interest (McDowall 1993, 343). Additionally, participation within Eurodollar markets abroad helped these banks' further, as lack of overseas regulations meant they could amass huge amounts of foreign currency assets (see Table 3.1)—beneath levels of domestic competitiveness—which meant that banks (and other financial institutions operating overseas) generally accrued more wealth/assets.

[37] Like all other major Fortune 500 companies at the time, Canadian banks were also facing a squeeze on profit rates, and sought to address this squeeze by utilizing access to petrodollars (euro dollar market) as a source of new profits. Given this background, the growth in international assets is not surprising.

Canadian banks took full advantage of the Eurodollar market, and by the time that the 1970s came around, Canadian banks were among the predominant international banks in the Caribbean region, with "more than 300 branches, massive offshore and merchant banking operations, and [in their] private lending to governments" which would place them amongst the top managers of syndicated loans in the late 1970s and [later on, during the] early 1980s in the region (Kaufman 1985, 61-66). By the late 1970s Canadian banks' international assets would increase at roughly 30 percent a year—only stalling during the early 1980s (Kaufman 1985, 67). In just the span of a decade (1960-1971), Canadian chartered bank assets almost "quintupled, rising from $2.7 billion to $13.5 billion U.S." (Baum 1974, 9). The banks success was in large part due to internalization and, according to RBC's 1970 annual report, the ability to provide multicurrency loans (Darroch 1994, 136). Canadian banks focus on increasing the services they offered, with special attention paid to the international operations of these banks, grew in the 1970s. This was due to discontent between bankers and the Canadian government, with bankers viewing the Canadian government as having too much strength in regulating domestic capital. Thus, the international arena was attractive and less regulated for Canadian banks' profits and growth. Domestically within Canada, bankers bemoaned the lack of productivity of Canadians and an ineffective government running a high deficit (Darroch 1995, 98). Canadian banks encouraged the Canadian government to allow foreign bank entry into Canada in order to force change (Darroch 1994, 137).

With already established competitive advantages, Canadian banks would not have been worried about foreign competition within Canada. In fact, by allowing foreign entry into Canada, Canadian banks all but ensured reciprocity to establish themselves in other Western states markets. This in part due to international agreements surrounding barriers to trade and movement

of capital. At the time, the Royal Bank's president, Earle Mclaughlin (1961-1979), argued that Canada "must not fall into the "banana republic syndrome" of economic nationalism" because "foreign direct investment had *built* Canada, not enslaved it," praising the benefits of economic liberalism (McDowall 1993, 398). Within Canada at the time, the banks were viewed as being greedy—thus, Mclaughlin was always apt to stress— in his talks on economic liberalism—the additional factor of businesses being "socially responsible" (McDowall 1993, 398). Questions regarding national unity all but ensured that foreign entry would bring the Canadian government closer to its Chartered bankers demands, to soothe national anxieties. After all, Canadian banks played a substantial role in the growth and development of the Canadian economy. This relationship remained beneficial for both the Canadian government and Canadian bankers, because the "national banking system reaped its efficiencies on a coast-to-coast basis" within Canada, and "any sundering of the nation would in turn incapacitate the [Canadian] banking system" (McDowall 1993, 398). This information is important, especially heading into the 1980s according to McDowall (1993), because it shows that while the shape of international banking was changing (366), it revealed the extent of how little the banking system within Canada had changed (the state-bank and bank expansion (abroad) relationship) "since it hit its national stride at the turn of the century" (404).

Table 3.1 Canadian Total Assets and Total Foreign Currency Assets (Canadian $ billion)

Year	Total Foreign $	Total Assets $	% Foreign
1965	5.0	26.2	19.2
1966	5.6	28.2	20.0
1967	6.3	31.7	20.0
1968	7.7	36.7	20.9
1969	11.5	42.6	27.0
1970	13.7	47.3	28.9
1971	14.5	54.4	26.6
1972	16.6	63.2	26.2
1973	23.3	79.8	29.2

1974	28.5	97.0	29.4
1975	31.2	108.4	28.8
1976	37.6	126.4	29.8
1977	47.7	150.4	31.7
1978	67.0	189.1	35.4
1979	81.9	229.4	35.7
1980	109.9	281.2	39.1
1981	147.4	349.9	42.1
1982	156.5	369.1	42.5
1983	156.8	368.6	42.5

Source: Reprinted Kaufman 1985, Bank of Canada Review, November 1982; Canada, Bank of Canada, Statistical Summary 1970

Pull Factors Contributing to the Expansion of Canadian Banks' in the Caribbean

While the previous section spoke about the factors informing Canadian banking expansion abroad more generally during the 1960s and 1970s, this section discusses the three factors that made the English-speaking Caribbean region attractive to Canadian banks after the end of formal British colonialism in those countries. First, the legacy of colonialism made it so that the states which would become independent in the English-speaking Caribbean between 1960-1975— Jamaica (1962), Trinidad and Tobago (1962), Guyana (1966), Barbados (1966), the Bahamas (1973) and Grenada (1974)— were faced with outstanding financial needs and were starved of internal (development) financing. Thus, the need to attract financial capital to meet their obligations as newly independent states, created further opportunities for large-scale Canadian banks to expand there— given the already advantageous position that these Canadian banks occupied in the region. Additionally, the legacy of extractive colonialism coupled with the global political economy of the 1960s and 1970s contributed to a broader insertion of the English-speaking Caribbean into a system of dependent development, that was reliant on external financing. Lastly, foreign capital for development was legitimized by the decisions of the governing elite in the region— per the development strategies pursued— which gave foreign

capital an outsized role in the region's development. These factors together created a situation in the post-independence period whereby state's banking systems in the English-speaking Caribbean were "dominated by metropolitan financial intermediaries" during the 1960s, 1970s, and 1980s (Best & Levitt 2009, 20). Nonetheless, foreign ownership and control— specifically Canadian banks role in the region— would come to be identified as imperialistic, given the banks disproportionate power in allocating (or not allocating) loans to key sectors in states by the early 1970s.

When thinking about increased Caribbean dependence, the post-independence context reveals that "since the 1960s, West Indian leaders [have]had to develop wider investment and trade contacts with other capital importing countries and multilateral institutions" (Larcher 1973, 2; Bishop 2013, 27). This need became clear once the large states—Jamaica, Trinidad and Tobago, Barbados, and Guyana— gained independence during the 1960s. During the colonial period, British imperialism in the Caribbean extracted surplus from the region that was not reinvested, creating a lasting legacy of dependency. English-speaking Caribbean independence came about through this reality, where a fundamental social change would be necessary, and that change would require vast economic expenditure (of which Britain did not provide). As a result, after colonialism, newly independent states turned to foreign investors to fill the gap. The result was that Canadian banks were able to take on the role of being a dominant, and largely unchallenged, financier in the English-speaking Caribbean region. Britain's disinterest in opposing Canadian banks at the time, was because it was actively lobbying to join the European Economic Community (EEC) in the late 1960s, which also guaranteed that its Commonwealth preferences would change. Caribbean exports would be impacted with the loss of trading preferences from Britain, which is another reason Canada—which was seen as a non-colonial,

yet industrialized nation—was able to position itself as the alternative for trade and investments in the English-speaking Caribbean, while also becoming a mass provider of (tied) aid.

During the 1960s the Caribbean region was the highest per capita recipient of Canadian development assistance, even when taking broader Latin America into account. However, that aid was not to help countries develop their own manufacturing sectors or industries. According to the Canadian International Development Agency (CIDA) the "Anglophone Caribbean received approximately $2 billion [in aid] since 1963" (Chaitoo 2013, 43); While that aid amount seems high, agriculture was low on the list for CIDA aid priorities to the Caribbean—even though agriculture remained an important sector within Caribbean states. The majority of Canadian aid to the region during the 1960s-1970s would focus on large infrastructural projects—with the energy and natural resources sectors coming in second and third for aid received— which disproportionately supported foreign owned businesses and foreign dominated sectors of Caribbean societies. It is within this context that Canadian banks would continue expanding and growing in the Caribbean region during the 1960s to mid-1970s. By 1969, Canada invested over $8 billion in 61 countries in the developing world, of which 82% "was put into Latin America and Caribbean countries," with the Caribbean region comprising a large portion of the share (Workers Unity 1975, 11). While this relationship with the Canadian banks and the English-speaking Caribbean was one of asymmetrical dependence, it was viewed by many of the independence leaders—even those more critical of both colonial dependence and post-colonial dependence—as necessary.

Eric Williams, most famously known for his prolific works on *Capitalism and Slavery*, as well as the independence leader of Trinidad and Tobago, pushed for and later pursued industrialization by invitation policies for development in Trinidad and Tobago in the late 1950s

and 1960s (Selwyn 2012). The argument was that, this was due to the lack of economic growth in their countries, the high unemployment rates in their societies, and the chronically low savings level that “required [foreign investment] to stimulate capital investment and thus growth” (Bishop 2013, 38). Industrialization by invitation was a strategy aimed at quickly industrializing the states which comprised the newly independent English-speaking Caribbean during the late 1960s and 1970s, that would require foreign corporations and businesses to invest capital into the region. This strategy led independence governments to grant tax and other beneficial financial concessions to foreign industries which decided to operate in the Caribbean region. (Best & Levitt 2009, 30-1). Simply put, these policy concessions were meant to “increase the available stock of capital” in order to facilitate internal development and economic growth (Bishop 2013, 39). Foreign investment in the Caribbean during the 1960s was thought, by independence leaders and English-speaking Caribbean intellectuals, as the means to “provide the requisite inflows of money, technology and expertise” necessary for stimulating forms of manufacturing that would support the development and expansion of Caribbean industries within individual Caribbean states (Bishop 2013, 39-40).

In other words, English-speaking Caribbean modernizing and industrializing in the 1960s followed a sort of ‘trickle-down’ logic, whereby although it was recognized that foreign investments and developments in the region would mostly help foreign corporations; it was also hoped that some of these benefits would accrue to the hosting Caribbean state. Foreign corporations were expected to improve the issues of unemployment within the independent English-speaking Caribbean states. It was also hoped that foreign investment would grow domestic industries and localize Caribbean economic growth in order to move away from a dependent framework. However, as states like the Bahamas and Grenada gained independence in

the early 1970s, not only was it clear that industrialization by invitation policies did not work—but also policies which favored foreign capital continued to benefit foreign capital and foreign capital repatriation over internal development. Nonetheless, popular international discourse on development and poverty alleviation continued to favor foreign investment, reinforcing patterns of dependent development that were maintained via the close relationships between foreign colonial interests and state leaders of these newly independent states.

Popular development discourse, which was neocolonial in nature, provided more opportunities for further Canadian bank expansion given the already established and successful internationalized operations they had in the Caribbean region (and increasingly in Latin America). Canadian banks joined other multinational corporations that sought to expand their market share, size and power in the midst of intensified global competition during the 1960s and 1970s. As a byproduct of this global competition, dominant political and economic elites in the Caribbean also competed for investments from these foreign corporations, tying their state's developments to openness to foreign investment. This led to more foreign and corporate-friendly policies. Essentially, "leaders of the [Caribbean] territories embraced this proposition [, of development] conceived by the "developed" nations and [we]re busy begging for financial aid, trade preferences, or opportunities for emigration" (Larcher 1973, ii). Together, these conditions helped Canadian banking in the Caribbean region grow exponentially at a time where the world witnessed a "massive expansion of international banking" (Kaufman 1985, 61). For Canadian banks, this expansion included an "increase in international trade financing, bullion trade, currency speculation, and project financing. The most dramatic development being the surge in direct lending to countries and to corporations, and interbank loans," in the Caribbean region and elsewhere, given the expanded scope of banking (Kaufman 1984, 64-65).

Contributing to Canadian bank expansion in the region during the early 1980s, after multiple setbacks related to protests against the banks and overall declining profits in the region, were debt crises that furthered the need for foreign capital. Setting itself up as a "friendly" giver of aid and debtor to the region in the 1960s and 1970, would allow Canada and Canadian financiers to lead IMF and World Bank groups in the 1980s aimed at ensuring states in the region were clearing their external debts and adhering to structural adjustment measures (Haar & Bryan 1999, 200-206). This even as structural adjustment became pushed on states precisely because banks, like the ones from Canada, would shut their credit windows. While the early 1970s witnessed a politically stronger English-speaking Caribbean region (of the states that had gained independence) than the 1960s—with the majority of states nationalizing whole sectors, corporations, and enterprises in order to localize developments, redistribute wealth, and gain preferable access to trading agreements— by the mid-to-late 1970s, the strength of these government-led initiatives would be called into question as these states faced crises.

By the time that Guyana and Jamaica would experience balance of payments problems in the 1975-1976 period, due to a decline in commodity prices, and a regional decline in investments – given U.S. retaliatory measures that saw independent English-speaking Caribbean states lose market access and development assistance for what the U.S. deemed radical governments – CIDA would begin to extend lines of credit to Caribbean states' agricultural and manufacturing sectors.[38] Canadian aid to the region during the mid and late 1970s was seen as beneficial and more reason for governments to allow Canadian businesses to operate there—no matter how little they contributed to states' economies in relation to capital and asset wealth

[38] This was in part attributable to the U.S. embargo on Cuba, which contributed to an overall increase in sugar prices. This led to a demand for Caribbean sugar from other countries (less revolutionary than Cuba) as a substitute, whose production and expansion in these states Canadian interests helped to finance.

amassed in the region. Canada in fact, "use[d its] aid programme[s] to promote Canadian business abroad" as part of initiatives that called for "Strengthening Canada Abroad" by ensuring Canadian businesses would have access to overseas markets in the poorest countries (Haar & Bryan 1999, 195). Setting itself up as a "friendly" giver of aid and debtor to the region, would allow Canada and Canadian financiers to lead IMF and World Bank groups in the 1980s aimed at ensuring states in the region were clearing their external debts and adhering to structural adjustment measures (Haar & Bryan 1999, 200-206). This is hardly surprising, given that Canadian financiers were the major creditors that needed to be repaid with the foreign exchange loans that states would receive from these IFIs.

Canadian aid and extension of debt to the region would remain consistent, regardless of the types of political governance that individual states in the English-speaking Caribbean region would pursue—which would be important by the late 1970s. Needless to say, Canadian aid to the region allowed Canadian corporations in bauxite mining and aluminum industries, as well as Canadian banks— which held the majority assets there— to continue to remain profitable during the mid-1970s, and regain strength during the privatization push in the 1980s. Of course, a disclaimer is necessary here, as Guyana was an exception to this rule, given its nationalization of big Canadian (and other foreign) corporations within these industries after 1972. CIDA aid required that "80% of all aid be spent on the purchase of goods and services in Canada" (Ambursley 1985, 244). Thus, private sector capital formation allowed for the growth of more foreign industries and foreign economies, like Canada's, while giving the illusion of real economic development for states.

To put the global context into perspective, Kaufman (1985) notes that "the gross external assets of the large banks in the twelve major capitalist countries," which included Canada,

"swelled from US $29 billion in 1975 to US $964 billion in 1979" (65). Given the environment, Canadian banks were proud of their growth prospects given the expansion of Eurocurrency markets, the expansion of world trade, the growth of multinational corporations, and more generally, the growth of a world capitalist economy. Royal Bank executive Geoff Styles noted that "if you wanted to sum up international banking in one sentence, you could say that Canadian banks have changed from banks with international departments to international banks which happen to have their head offices in Canada" (quoted in Kaufman 1985, 65). The commodity price booms of the early 1970s boded well for Canadian banks expansion abroad. Meanwhile by the late 1970s World Bank and IMF structural adjustment policies towards developing states in crisis would further strengthen the standing of foreign investors and capital abroad as gatekeepers to austere development— with the alleged aims of restructuring developing economies towards economic growth.

Canada and Canadian financiers were supportive of structural adjustment programs and packages that forced an accepted neoliberal doctrine on independent states in the English-speaking Caribbean region by the 1980s. While Canadian banks witnessed some decline during the mid 1970s, these banks remained involved in— via investments, profitable commodity businesses, loans to governments, and their large asset holdings— the Caribbean region. Structural adjustment programs which stressed privatization helped Canadian banks continue to expand in the Caribbean region, whereby they were able to 'help' in the privatization of whole sectors. Additionally, privatization would lead to an increase in private capital— while used to finance energy initiatives, public utility initiatives, and transport initiatives abroad— to the region where Canadian banks were uniquely positioned to finance energy, public utilities and transport initiatives. Additionally, help from international financial institutions would assist the

banks with refinancing older loans to make up for losses they incurred during the 1970s. Popular incentives for Canadian bank expansion into the Caribbean region, while different during the 1960s versus the early 1980s, all had in common the need for foreign capital and investments as well as popular development discourses which elevated foreign corporations and banks.

Lending and Investment Activities of Canadian Banks: the English-Speaking Caribbean

The lending and investment activities of Canadian banks in the English-speaking Caribbean is unequal, as Canadian investments largely serve to aid in the spread of foreign ownership and foreign penetration of capital in the region. Canadian foreign investment to the region during the 1960s and 1970s was not integrated with the local economies, but rather helped to facilitate Canadian (and other North American) commercial interests in the region. As such, although benefits were gained by both parties— Caribbean states and Canadian investors to the region, "the distribution of [foreign direct investment] benefits [were] far from equitable" (Brizan 1975, xiii). The unevenness of this relationship contributed to the nationalization of Canadian (and other foreign businesses) in the region during the early part of the 1970s, and although Canadian banks were spared from initial waves of nationalization, Canadian banks were forced to extend some of their shares to locals during this time. Given the historical situation in the Caribbean region that contributed to low savings and limited amounts of capital, it could be argued that any amount of foreign investment from Canada and Canadian corporations would have been understood as bestowing some benefits to the region. However, as will be highlighted in this section, the relationship between Canadian aid, Canadian banks, and other Canadian investors to the Caribbean region is a lot more complicated. Canadian aid has been strategically utilized by Canada to further Canadian corporate interests within states that

would be mediated by Canadian banks. Thus, Canadian aid is highest in states with larger concentrations of Canadian corporations and investments— not based on states' needs.

Due to the need for capital and the existence of really low savings in the Caribbean region during the 1960s and 1970s, investments from Canadian sources of capital was seen as 'helpful,' in their ability to attract foreign investments and business to the region. Foreign dominated industries like mining, finance, tourism and manufacturing would be serviced by Canadian banks with a history of facilitating trade and lending there. To the extent that Canadian bank lending reached local populations in the region, it was largely to finance short term consumer-credits (e.g. personal spending on things like vehicles and housing) versus financing reproductive and/or local innovative forms of capital (e.g. local businesses). And to the extent that the Canadian banks benefited local capital markets directly, it was through the provisions of loans/credits to governments there. As financiers to the region with a huge market share, Canadian banks actively lobbied for Canadian and other foreign businesses to invest into the Caribbean, taking advantage of their position to handle and conduct transactions as successful multinational banks. Part of Canadian banks' growth strategies in the region during the 1960s and 1970s depended on foreign private businesses conducting business there. The rationale for this was clear, as citizens within individual Caribbean states did not have large amounts of purchasing power, given the very recent history of colonialism and newfound independence, which made savings and deposits low amongst the local populations.

Canadian bank's ability to remain profitable in the Caribbean region depended on three things: (1) the banks' ability to conduct business with the newly independent governments, (2) the banks' ability to service foreign businesses that already existed in the region or utilized ports there, and (3) the bank's ability to attract foreign businesses (including tourists) and capital into

the region. And in this vein, their near monopoly in the domestic financial markets and services within states in the region. While this may sound like an arduous task, Canadian banks ability to collaborate with the Canadian state proved very beneficial, as Canada itself would help the banks make business in the region via state provisions of loans and grants from the Canadian government and influence through various IFIs. Canada would also provide insurance to Canadian businesses who decided to conduct business in the Caribbean region, while supporting banks in their marketing of tourism in the region, geared toward Canadians and North Americans more generally. These initiatives by Canada undoubtedly increased the expected returns on capital for Canadian banks operating there.

These examples are further evidence of the continued strong linkages between the Canadian government and Canadian businesses that defined the relationship with the Caribbean region (Lemco 1994, 178-9). Thus, between 1958 to 1978, Canada extended grants and loans of over $230 million to the region— with the majority of that money going to transportation sectors (Paragg 1980, 630). Other sectors included education, water, energy, natural resources, and agriculture. Canadian development assistance, while not contributing significantly to economic growth in the region, did help to expand the scope of Canadian banks' activities by helping the banks with trade integration there (ECLAC 2005). Canadian development assistance, namely to foreign dominated sectors like transportation and natural resources, would also help Caribbean states develop a new avenue of revenue in the region via tourism.

Deep investments in transportation aided Canadian corporations and Canadian private investment[39] through the Canadian banking houses (and insurance companies) set up in different

[39] Some of the private incorporated companies from Canada in the 1950s-1970s included: ALCAN (bauxite and aluminum), Holiday Inns of Canada, Marigot Investments, The Maple Leaf Milling Company, Pickford and Black, Bata, Cooper, Micro Enterprises, W.C. Smith and Company and Mitchell and Sons of Halifax

states (Basdeo 1992, 190). Due to heavy investments in transportation (which included airports, harbors, bridges, reservoirs, etc.), "Canada [became] heavily involved in [tourisms] development," not just infrastructurally, but also in "the flows of people during the winter months as well as investments in the local hospitality industry" (Basdeo 1992, 190). Given that Canadian investments in transportation aided in developing vast networks for tourism and thus employment opportunities within Caribbean countries, this was seen as a 'good' development. Notably, investments in transportation aided in Canadian corporate expansion and Canadian lending in the region (helping foreign capital and corporations), while relegating local Caribbean populations in service to the tourism industry. According to Leach (1969) "[Canadian] bank prominence include[d] long lines of geographic communication between Canadian communities and the great network of over 5,100 branches [in the late 1960s] that five of the nine chartered banks maintain[ed] in Canada and abroad" (133). Canadian "widely distributed foreign branches provide[d] "staging post" facilities for Canadian foreign trade in many parts of the world," including in the Americas (Leach 1969, 134). As dominant financial institutions in the Caribbean handling the majority of transactions conducted there, the tourism industry also helped Canadian banks as tourists utilized these institutions. Back in Canada, Canadian banks in the Caribbean became a selling point by the banks to a Canadian tourist population wanting to vacation there.

As with transportation, much of Canada's educational commitment to the region helped to facilitate Canadian corporate expansion and to increase the market power of Canadian corporations. As scholars have documented, spending in "educational training of Caribbean students [namely for use] at Canadian universities" happened in order to "increase the availability of skilled managers and trainers in public administration, agriculture, industry and tourism" (Basedeo 1992, 191). Thus, "Canadian technical and educational assistance "was

designed chiefly to supply personnel with varying degrees of skill for the economic prospects of Canadian industrial and commercial concerns," with the Caribbean people who studied within Canada, being able to freely migrate to Canada when conditions (like nationalization or dictatorship) in their own countries were of concern (Lakhan & Lakhan & Singh 1990, 73). Thus, Canadian aid and investments to the region, have always been rationalized/justified to the extent that it could aid in Canadian capital penetration, influence and power in the region—while receiving minimal pushback due to the general consensus on 'benefits' that would also be accrued to Caribbean societies.

In contrast Canadian investments have been more negligent in sectors like agriculture or health, which would reach the poor and working-class members of Caribbean societies (Lakhan & Lakhan & Singh 1990, 73). This negligence is compounded by the fact that aid to sectors like agriculture could help to increase Caribbean exports to Canada. Nonetheless, Canadian aid and investments to 'less developed countries' more generally has allowed for increased trade between Canada and said states receiving Canadian development assistance. In the Caribbean region, while Canadian banks have more than a century of experience in facilitating trade and other transactions for businesses in the region, massive aid and investments flowed from Canada and Canadian corporations to the Caribbean during the 1960s and 1970s saw "no substantial expansion in trade" from the Caribbean to Canada (Burke 1975, 4). This is in part due to Canadian banks lack of willingness to extend long-term credits to Caribbean consumers. Long term credits to consumers would be necessary for sectors which take time to yield results, like agriculture and other long-term and local (entrepreneurial) industrializations. Additionally, the repatriation of Canadian bank profits from the Caribbean— which arrives in Canada as a kind of

untaxed remittance— leaves the region bereft of needed capital for internal growth and development of local economic sectors.

In regards to Canadian bank repatriation of profits, Birzan (1975) notes that unwillingness of Canadian MNE's in the Caribbean region to release "figures on the financial position of their Caribbean concerns [makes it] difficult to assess the true nature of these remittances" (87). According to Birzan (1975) a more "speculative" approach, would have to "assume that about 50 percent of [banks] profits after taxes are remitted" (87). During the 1970s, repatriation of profit by Canadian banks was a big enough issue in Jamaica that it was widely documented that "local and foreign capitalists not only curtail[ed] their investments, but, more important, indulged in massive export of capital by illegal means" (Wong 1984, 138); even in the presence of already favorable laws.

While precise figures for the 1960-1970s period are hard and scarce to come by, this period was a period of prosperity for Canadian banks, given the lending and investments to the region, as well as changed structures in the banks. Canadian aid and loans to the region peaked during the late 1960s and early 1970s. This was in part because of the high commodity prices, high demand for development investments in the region, preferential quotas and tariffs to Britain, and a significantly expanding tourism industry and sector (in which Canadian finance played a big part in growing and advertising).[40] Due to massive gains in the English-speaking Caribbean, Canadian banks started to create official overseas departments to handle the financial international affairs there. Although Canadian bank expansion in the Caribbean during the late 1960s was not surprising or unique, given the already established presence of these banks there, the need for capital in the region and the growth of development projects that required massive

[40] This allure of prosperity would swiftly change approaching the mid 1970s.

infrastructure spending was. The uniqueness of the situation was that Canada and Canadians, versus the former British colonial offices, were the ones handling the majority of transactions there. In 1955, the Royal Bank officially appointed an "assistant general manager for non-domestic" operations (Darroch 1994, 258). Scotiabank extended its operations into six new Caribbean markets in the 1960s, and between 1957 and 1962, increased its Jamaican deposits by more than 50%, and saw its "funds for loans advanced more than doubled" (Baum 1974, 23). By the end of the 1960s Scotiabank would have a "stronger international presence and a developing retail franchise" (Darroch 1994, 258). CIBC would also expand its international operations, going into natural resources (oil and gas) and e-commerce (Darroch 1994, 258).

The expanded scope of operations followed the logic of Canadian quid pro quo niceties, given investments by other Canadian businesses, such as insurance, mining, and oil which supported the expansion of Canadian banking activity in the region. Canadian banks would be the institutions of choice for Western corporations in the region, seeking to avoid capital requirements necessary of local banks. Investments by other Canadian companies were also complemented by a "high per capita concentration of Canadian development assistance in the region" which was often times utilized as important sources of capital for its own banks and other Canadian investments (Berry 1977, 51; Larcher 1973, 113-119; Di Sanza 1978, 12; Gordon & Webber 2016, 19-21). During the early 1970s, "nineteen Canadian companies were operating factories in Jamaica; at least eight had branches and subsidiaries in Trinidad; there were at least ten Canadian insurance companies in the area and a number of hotels, some built largely with Canadian capital, others owned either partially of fully by Canadians" (Brizan 1975, 22). This decade witnessed new opportunities for Canadian investment in the tourism, industrial and mineral affairs of Caribbean states led by Canada and Canadian corporations. According to

Burke (1975) “the exact amount of this private investment was one of the questions to which the 1970 [Canadian] Senate Committee investigating Canada’s relations with the Caribbean could find no answer,” as allegations of neocolonialism by Caribbean peoples started to brew (5).

Due to changing global dynamics within corporate structures that extended throughout the world, companies were importing materials and other component parts from smaller affiliates they owned and subcontractors abroad to cut costs. Within Canada, this meant that Canadian businesses that chose to operate in the Caribbean could “exploit lower production costs” and export goods back to Canada— reducing their own costs as they competed with cheaper products from Asia within Canada (Birzan 1975, 24). While production costs were lower, these corporations within the Caribbean were not sourcing or tangibly developing resources locally from or within the Caribbean. This contributed to a broader status of high import content in the region, which furthered inequality, as “luxury consumption [was] encouraged [and] balance of payment deficits [were] exacerbated. [Meanwhile,] loans to manufacturers often favour[ed] multinational corporations, while loans to agriculture failed to meet the capital needs of the rural population[s]” (Kaufman 1985, 74).[41]

In essence, tied aid from Canada encouraged expensive import content into the region, sometimes stipulating that “sixty-six[42] percent of Canadian aid given to states had to be utilized to acquire goods and services from Canada” (Lakhan & Lakhan & Singh 1990, 73). Not only was this beneficial to Canadian corporations whose goods would be bought by Caribbean governments using aid from Canada, but also, kept up a façade of trade between Canada and the

[41] There was one exception during the mid 1970s in Jamaica, where lending to agriculture increased by over 7% of total bank loans (Bernal 1980, 21), although unconfirmed, at the time it was rumored that Canadian banks were lending to finance the illegal growing of marijuana—as the loans did not lead to needed increases in local food output, and ganja farming was a “safe” loan to make (Kaufman 1985, 73).

[42] Prior to 1990, in some instances the number was 80% according to Singh (1990).

Caribbean— even as Canada was the main beneficiary of said trade. Canadians and Canadian corporations were allowed to take advantage of a cheaper Caribbean market that was not reciprocated back. Given the aforementioned dynamics, the late 1960s and the 1970s were prosperous years for Canadian banks and corporations in the independent English-speaking Caribbean countries, even as for the majority of the populations there, the situation was quite depressed.

Although the depressed social and economic situation of Caribbean people in the 1970s would have raised alarms for some businesses, as it regarded currency and inflation, the newly independent states still had their currencies pegged to the pound and/or utilized it. This made conducting international business in the region 'easier' for foreign capital and corporations, because it meant that the otherwise depressed market situation would not have an impact on doing international business there (e.g. inflation would not be an issue). To put it plainly, foreign financial assets were not subject to inflation-related currency devaluations in Caribbean countries where the currencies were fixed to the pound. Thus, Canadian entrepreneurial and private penetration to/in the region remained something that was encouraged— as lax conditions allowed for the maximum repatriation of profits, which could still be made, in spite of stagnant local development and growth. A Monetary Times "inducement to Canadian investors" described conditions for Canadian investments in the Caribbean this way: "The Canadian investor will find incentive legislation already in operation with more incentives soon to be added and with the repatriation of capital and profits one of our basic policies" (Birzan 1975, 29). Ease of repatriation abroad, was one of the incentives that were offered by independent Caribbean governments as a selling point to capture foreign investments and capital. The sentiment expressed in the Monetary Times capture Canadian investors power when interacting

with Caribbean states, Caribbean states need for capital which gave Canadian investors power via extremely favorable incentives, and Canadian banks leverage overall within Caribbean financial systems that aided in Canadian business growth throughout the region.

According to a report submitted by RBC to the Canadian Committee on Foreign Affairs in January of 1970, RBC wanted to grant any "assistance possible to Canadian and other [foreign] businessmen wishing to establish in the [Caribbean] area" (5). The RBC report noted that the region was also integrated into foreign markets because of the currency utilized, and the success of Canadian banks there. This report was meant to signal to other Canadian businesses expanding their foreign operations that Canadian banks would be able to service them abroad, in the Caribbean region specifically. At the time, both the RBC and Scotiabank were recognized as being some of the most international and successful banks; while overall, Canadian banks "accounted for about 15 per cent of the international market in foreign currencies" and of the 12 largest banks in the world at the time, three of them were Canadian (Darroch 1994, 260). Needless to say, Canadian bankers' intentions to draw additional Canadian investment capital that would be serviced by their banks into the Caribbean region was very successful. In 1970, private direct investment from Canada to the Caribbean "was estimated to be $435 million, more than any other developing region," and this investment was "concentrated in banking, insurance, and bauxite-aluminum production" (Litvak & Maule 1975, 44). In 1970, Canadian aid and investments to the Caribbean remained the largest of all of its investments in the developing world, totaling $500 million (Berry 1977, 54).

During the 1970s, RBC, Scotiabank, and CIBC were growing due to their overseas activities and expansion into other services within Canada and abroad. The banks benefitted from their protected status within Canada, which ensured that the banks would be domestically owned

and controlled, via government regulations limiting foreign ownership, acquisitions and control of Canadian banking institutions (Létourneau & Heidrich 2010, 6). In 1971, Forrest L. Rogers, Economic Adviser to the Bank of Nova Scotia, noted that bank growth during the beginning of the 1970s was attributable to "the long-established ties between the larger Canadian banks and…the West Indies" as well as "the tremendous broadening of world trade and financial relationships, the spread of international corporate activities, and above all, the rapid growth of the Euro-dollar market" (Baum 1974, 9). Donald Flemming, Canada's former Minister of Finance and Managing Director of the Bank of Nova Scotia Trust Company (Bahamas) in 1971 stated that:

> "much of Canadian investment in the Caribbean is represented by Canadian commercial banks. They have been important factors in the financing of primary exports and in providing general banking and insurance facilities upon which the economic life of the region has been based. The contribution of Canadian banks and insurance companies and other financial institutions to the Caribbean economy for a century has been of enormous proportions."

This growth can be seen in the expansion of branches from the early 1960s to the early 1970s (see Table 3.2). Given the clients of these Canadian banks— which were mostly Canadian (and other foreign) corporations operating in the extractive sectors of Caribbean economies— Canadian banking concentration followed those aspirations. For instance, in Jamaica where Canadian mining company ALCAN had high interests, Canadian banks— in order to facilitate those interests— drastically expanded their operations there. In 1961 Scotiabank had 25 branches in Jamaica, and by 1973 they had 51; CIBC on the other had 6 branches in Jamaica in 1961, and by 1973 it had 12 (Birzan 1975, 65). Thus, during the 1960s and early 1970s Canadian banking concentration, concentrated in states with high Canadian interests from other Canadian businesses— although they had at least 1-2 branches in almost all states in the English-speaking Caribbean region.

Table 3.2 Number/Branches of Canadian Banks in the Caribbean

	1961	1972	1983
Royal Bank of Canada (RBC)	46	86	118
Bank of Nova Scotia (Scotiabank/ BNS)	35	88	147
Canadian Imperial Bank of Commerce (CIBC/ First Caribbean)	12	37	61

Sources: 1961, Historical Atlas of Canada; 1972, Canada Year Book 1970-71, Dominion Bureau of Statistics Ottawa; 1983: Michael Kaufman 1985 (72)

While I have not been able to find the exact contributions of the individual Canadian bank's Caribbean operations to their overall international earnings and profitability—what I do know is that between 1964 and 1973 Canadian banks deposits in Barbados grew from $26.4 million (USD) to $89.9 million (USD) (Birzan 1975, 68). This trend of tremendous deposit and savings growth held in Antigua and Barbuda and St. Kitts and Nevis where it grew six times; and in Dominica, St. Lucia, St. Vincent, and Grenada where it more than doubled— all during the same time period (Birzan 1975, 68). The majority of these assets came from loans and other investments happening in the region. Another way to gauge profitability is to look at the total number of overseas operations of these banks, and how much of their operations were in the Caribbean region as they expanded throughout the world. During the 1973-1974 period, about 93% of CIBC's overseas branches were in the Caribbean region, 70% of Scotiabank's overseas branches were in the Caribbean region, and about 14% of the Royal's overseas branches were in the Caribbean region (Birzan 1975, 66).

Effectively, between the 1960s to early 1970s, Canadian banks conducted the majority of banking in the Caribbean region, "dominat[ing] the mobilization of savings and the disbursement

of funds" in the region (Birzan 1975, 69).[43] The outcome of this, was that Canadian banks "affect[ed] development to a large extent through their credit policy which limited loans to well-established firms," credit-worthy borrowers, and the government (Pool 1979, 62). Canadian banks derived advantages from having been well-established in the region by the time that the 1960s and 1970s came around. While Canadian banks growth depended on foreign business, they would also start to become more concerned about the small market size in the region and the weak purchasing power more generally amongst the local populations given incoming competition from U.S. and other firms entering the English-speaking Caribbean (Lemco 1994, 176).

For a short while, the lending and investment strategies of Canadian banks would be the same entering the 1970s, but with populations actively contesting the status quo, Canadian banks would start to make some changes, not wanting to be seen as an imperial force by the mid 1970s. By the end of the 1970s the "relative importance" of the Caribbean for Canadian "banks' investment strategies" declined, due to "the continuation of the international economic crisis and the debt crisis in the Third World" (Kaufman 1985, 61). These crises led to a decline in the growth of profits for Canadian banks in the region, but also impacted market conditions more generally, with an increased focus on credit and fee-based products (Kaufman 1985, 61; Darroch 1994, 11). This will be discussed in depth during the next the chapter. The next section focuses on the effects of outsized Canadian dominance in the financial sectors of Caribbean states during the 1970s, as well as the responses to that dominance.

---

[43] While Birzan's work is very insightful, he reveals that fully gauging Canadian direct investment in the post-1966 period is extremely difficult given (1) the unavailability and/or lack of material on the subject outside of "aid," (2) the existence of the Secrecy Act which means that neither the Canadian government nor Caribbean governments can put out this sort of information/numbered data without companies consenting, (3) the consolidated nature of the financial statements of MNE's, and (4) lack of response to questionnaires.

Effects of Canadian Banks Lending and Investment Strategies in the Region

Given the failures of the post-independence industrialization by invitation policies, those critical of foreign economic domination in the English-speaking Caribbean gained popularity at the beginning of the 1970s. At this time, the nationalization of foreign industries occurred within individual states backed not only by critical theories on the political economy of the Caribbean coming out of University of the West Indies (UWI), but also by popular movements in the region which spoke to Caribbean people's experience of racist domination by Western foreign corporations. In 1968 in Canada, Caribbean students at Montreal's Sir George Williams University filed charges of racism against specific university departments and staged various sit-ins due to the University's mishandling of racism on campus (Hébert 2015).[44] The students themselves were then put on trial charged with serious crimes of property damage, which would spark the flames of Black Power Revolution in countries like Trinidad and Tobago (Hébert 2015). In Trinidad, University students at UWI made the connections between racist capitalism both at home and abroad— of which they identified Canada as a perpetrator. Thus, Black power in the Caribbean came to challenge the fact that "independence had not changed an economic system in which skin color still dictated a person's employment opportunities," or the fact that the "commanding heights of [Caribbean] econom[ies]" were "controlled by local whites or foreign whites" (Hébert 2015). To make this point, UWI students focused in on the "hiring practices at banks" that were not only largely Canadian, but who, a decade after independence only hired Black people to serve tea (Hébert 2015). To gain popular support, UWI students stuck to the radical Caribbean tradition of university intellectuals preaching and reading in poorer

[44] Inspiration for movements in the Caribbean during the late 1960s were dependency school theorists in Latin America, the success of the Cuban Revolution, Black Power Movements, and anti-Vietnam War movements in Europe and North America.

urban areas to bridge the gap between the university and regular people in order to build a societal consciousness.

Critical theories stemming from UWI posited that the structure of the world economy itself was one that lent itself to persistent racialized poverty in former colonial countries, including in the Caribbean. For the Caribbean, where colonial structures endured even after formal colonialism ended, it was how the world was structured that would keep the Caribbean dependent and subservient to metropolitan countries. In the Caribbean, plantation theory (influenced by dependency theory) focused on corporate entities and colonial families in order to talk about the outsized and increasing foreign ownership in their societies. They blamed these trends on the limited amounts of local and national developments. Caribbean Plantation theorists maintained that the regions' colonial economies were [being] incorporated into a larger transnational network/economy during independence; and that this incorporation was both maintained and facilitated by national capitalists and the rise of political elites who played a role in preserving institutions that benefit their own economic interest—as well as the economic interests of international capitalists who promote institutions and policies externally in the Caribbean (Edwards 2016, 11). The economic interests of national capitalists, international capitalists, and political elites, was thus understood as carried out at the expense of the economic well-being of the Caribbean region's individual states national interests (Best 1967; Sprague 2019). This fervor, while coming from the university, gained traction amongst the general Caribbean populace throughout independent states in the region who oftentimes interacted with foreign institutions daily.

In a real sense, uneven developments within Caribbean states reached a boiling point as the contradictions inherent in societies with two-tiered economic structures became

irreconcilable. In the region, you had a financial structure that was dominated by Canadian banks, foreign investors tied to those banks, and the activities around which those banks made profits. If we use tourism or banking as an example of specific activities that banks made profits, racial discrimination within those sectors were rampant in the 1960s and 1970s which would have excluded huge segments of Caribbean societies. This financial structure dominated by foreign interests existed in parallel to the localized circumstances of Caribbean citizens who would have wanted more opportunities. As independent states, Caribbean citizens still found themselves faced with an artificial ceiling that they could not overcome— whether it be due to racial discrimination, or the repatriation of corporate profits that depressed domestic investments/ development that would lead to fulfilling employment opportunities. Part of the reason why industrialization by invitation was seen as a failure, was because although it increased the amount of foreign interests and investments into states, it did not increase employment or local developments for employment. This would have been especially felt first by universities, whose students and faculty would have had middle class aspirations that would be unmet by the realities of foreign domination (imperialism), which laid bare the inequalities that existed within Caribbean states. Of course, states attempted to compensate on low unemployment by expanding employment within state sectors –specifically for middle classes who supported the ruling party at the time. However, the capacity for absorption of human capital was low, and so were the wages and salaries in many of the public sector positions. Failure to allocate sufficient funds to agro-sectors also pushed towards increased urbanization, even as unemployment was a pressing issue. In stark contrast to this, it was the case that national capitalists and more managerial classes operating within private sectors were (visibly) becoming richer.

Given the lending and investment strategies of Canadian banks in the English-speaking Caribbean region, by the early 1970s it was undeniable that not only were Canadian banks discriminatory, but also that they have facilitated the profits and business of foreign corporations at the expense of Caribbean societies. Bigger states like Guyana, Jamaica, and Trinidad and Tobago within the lending and investment schemes of Canadian banks, were pushed to develop extractive sectors in their societies that were dominated by foreign interests. Meanwhile, Barbados and other smaller states were led to give greater importance to things like tourism. What became apparent was that unlike the Canadian corporations which came into the region to exploit cheap labor— thus employing some parts of the populations— financial service industries did not help the unemployment situation. Their tendency to disproportionately lend to the most profitable sectors such as tourism, as opposed to agriculture, was a manifestation of their own profit motive: seeking the largest return on investment with the biggest potential for lucrative repatriation. Thus, while industrialization by invitation policies did attract foreign capital to the Caribbean region, profits were not retained locally and the amount of labor-intensive industries that came from said capital did not help improve unemployment or decrease poverty (Pool 1979, 55-6).

When one examines the finance sector, Canadian banks and companies in the English-speaking Caribbean region actively worked to restrict the entry of Caribbean owned banks and other companies (e.g. insurance) from developing and/or succeeding (Pool 1979, 63). There are some exceptions to this, like Barbados, which will be discussed later. Unsurprisingly, local initiatives forced to compete with already established foreign businesses were hardly ever

successful during the 1960s and early 1970s.[45] Canadian banks "had a tremendous effect on the location of capital investments shifting funds in or out of [the Caribbean region] as they saw it, which affected the nature and growth of [economies there]" (Pool 1979, 63). The lending and investment strategies of Canadian banks thus worked as a traditional imperial actor in its quest to extract capital from the English-speaking Caribbean region; or, as others have pointed out, to finance FDI through the use of domestic Caribbean savings under conditions of high profitability (Sanders 2019).

Put together, Canadian banks controlled the region's savings and facilitated a Caribbean regional demand for foreign products that failed to help with local developments within states (Pool 1979, 65-7). The foreign orientation of foreign businesses in the region did not improve living standards, their presence and operations did increase inequality and per capita GDP in states. Tied Canadian aid did not help with needed local developments (outside of education). Additionally, while most people think about 'aid' as being synonymous with 'development,' Canadian aid increased the amount of local capital available for investment in the region, but made investors less accountable to local Caribbean worker demands (e.g. increased wages). Canadian aid also allowed "foreign investors to repatriate more capital without repercussions," furthering foreign control at the expense of local developments (Harper 1988, 8). As will be discussed in the next chapter, this was especially true after the 1980s given the structural adjustment policies implemented in states during (and in the aftermath of) the debt crisis.

Making matters worse was this recognition of Canada as a 'white country' and the Caribbean region as a 'Black space' in service, yet again, to white foreign dominance. As the

---

[45] Pool (1979) provides an example of a Jamaican paint company which started up using local capital to produce and distribute paint products— but ended up having to sell its business to a British company, which had market connections and was thus able to sell paint to both the local markets and for export (56).

Black Caribbean diaspora from Trinidad living in Canada wrote about systemic racism they experienced in Canada (migration to Canada being a product of the production schemes in the Caribbean that made living hard); those living in Trinidad were writing and protesting against Canadian banks stranglehold on their economies preventing economic sovereignty and self-determination, as well as about the racist Canadian tourists visiting the island (Hébert 2015). Observed foreign domination of strategic industries in the region would lead the independent countries of Jamaica, Trinidad and Tobago, Guyana and Barbados to put forth different development strategies based on level of resource wealth, of which government involvement was seen as necessary. In Guyana, the state nationalized a majority of industries. In Trinidad and Tobago, the state nationalized the oil industry and invested heavily in energy producing industries, given the increase in oil prices at the time. In Jamaica, fiscal policies that centered taxation of foreign dominated industries, like bauxite, were pursued. And in Barbados, wealthy national capitalists were able to protect themselves from international capital given circumstances there earlier on.

Given the aforementioned, it is not surprising that in the 1970s, critical theories which advocated for "structural transformation" of Caribbean economies and societies' became popular. Imposed structural adjustment and forced austerity measures pushed on states for economic stabilization rightfully soured Caribbean governments and people. Critical theories pushed for governments to have more regulatory control over foreign financial entities within their territories and to expand Caribbean people's decision-making power over external interests (Edwards 2016, 5-6). [46] This would lead to many of the independent states pursuing policies like

[46] It should be noted that uniformity of thought did not exist within the plantation school. More radical voices— like Clive Thomas, Walter Rodney, and Carl Stone— advocated for an even more explicitly historical-materialist Marxist position, in order "to highlight the ways in which the West Indian planter elite gained from existing neo-

foreign exchange controls to prevent excessive repatriation of profits. All in all, it was clear that English-speaking Caribbean governments believed various state nationalization and localization projects (versus revolution) was what would be imperative for the development of employment and increased local capital in the Caribbean region.[47] Governments internalized the anger stemming from popular movements, however rejected "the merits of the neo-Marxist path as applied to the West Indies […] on theoretical grounds" (Bishop 2013, 46).[48] Beyond theoretical debates however, state control in the region was always more amenable to neoliberalism (over revolution) given the conditions for having received access to structural adjustment loans (which states like the U.S. forcefully ensured Caribbean states adhered to via the Washington Consensus).[49] Instead, politicians and their favored English-speaking Caribbean intellectuals stressed the need for localization, sometimes in opposition to nationalization of businesses, to ensure profits remained and were reinvested back into the hosting Caribbean state. Those in favor of nationalization, advocated in particular to nationalizing businesses which employed a good number of Caribbean peoples and could bring income to the countries. Both localization and nationalizations were advanced as strategies to empower Caribbean people, even as protests

---

colonial underdevelopment patterns and perpetuated them in lieu of engendering local development (Bishop 2013, 43-45).

[47] The military coup against Eric Williams in Trinidad by those affiliated with the Black Power Movements protesting against Canadian banks would be unsuccessful. Canada also supplied arms to Trinidad at this time.

[48] Most Caribbean scholars, including those from the plantation school, maintain that in the direct aftermath of independence, English-speaking Caribbean states did have greater capacity to maneuver and/or utilize different state action which could have changed the fundamental structures of the plantation society. They neglect the idea that there was a "smooth transition from plantation colony to neocolony" (Bishop 2013, 46). Additionally, one of the most prolific, and founding members of the plantation school, Lloyd Best (1971) admitted at the time that "Marxist class analysis was distilled from the particular experience of 19th Century Europe, and, as a consequence, was inappropriate to a region where ethnic cleavages (amongst others) were considerably more pronounced" (Bishop 2013, 46). The inability of revolutionary style Marxism to function in the region was further compounded when, in the 1970s, the US invaded Grenada during its revolutionary socialist experiment.

[49] In other words, debt to IFIs placed a barrier to the strength of government responses in the region to foreign domination – and when the government response would be at odds with conditionalities imposed on states, intervention, sanctions, and credit-cutoffs would ensue.

in the Caribbean region proved that the localization and nationalization of some industries would be inadequate at breaking the foreign-corporate imperial strangleholds.

In fact, brewing protests in Trinidad would lead to the Trinidadian government in 1969 "nationalis[ing] the assets of British Petroleum… [and establishing] Trintoc, the state national oil company… to manage the nationalised assets and to play an active role in Trinidad and Tobago's oil and gas industry" (Fee 1985, 127). This decision was made after some oil corporations left the country due to profit declines, however, greater government participation in the industry was seen as vital to addressing worker's needs. The rationale was that nationalization would "protect the income and employment of workers who would be displaced by these companies' [,]" if they were to withdraw, and also stave off criticisms against the governments hand in foreign domination (Bernal & Leslie 1999, 3). However, displacement and withdrawals by foreign companies continued to occur, as companies wrote off their exploration and development costs against profits. This sparked the 'February Revolution' of 1970 in the country, given the already high rates of unemployment, and aided in the further radicalization of the Oilfield Workers Trade Union (OWTU). The 1970 February Revolution identified Canadian financial practices as being uniquely violent, and the protests "began with a march on the Canadian High Commission[er's office] and the head office of the Royal Bank of Canada in Port of Spain, revealing the extent to which Canada and Canadian corporations were seen as part of the problems facing marginalized West Indians" (Hébert 2017). Public resentment at both the economic and racial situation within Trinidad was also well documented, when a 1970 survey found that in Trinidad "86% of business leaders were white" and the staff at the foreign Canadian banks "tended to employ only light-skinned persons" (Teelucksingh 2014, 178). In Trinidad, recovery was possible after 1973 given increased government participation and varying degrees of government ownership in the

oil and energy industries. Trinidad was able to shift to a world market price for calculating oil profits, and given the increase in oil and gas prices until 1979, experienced economic growth.

In 1971, Guyana nationalized the ALCAN subsidiary— the Demerara Bauxite Company—and along with the other independent bauxite producing countries, like Jamaica and Trinidad and Tobago, sought to create a jointly owned aluminum smelter in the English-speaking Caribbean (which ultimately failed after heavy investments by these states for the project). Canada did not object to this, even though ALCAN was viewed as a Canadian company, given that the majority shareholders in ALCAN at the time were from the U.S. and charges of neocolonialism in the Caribbean would not bode well for aggressive posturing from Canada. Surprisingly, Canada also did not object when Guyana nationalized the banks. Instead, Guyana was cut off from market access for its bauxite. These actions would see Jamaica made the decision not to nationalize, but to instead, put tax production levies on foreign owned and operated bauxite companies that it hosted. Of the four English-speaking Caribbean countries who gained independence during the 1960s, Barbados stands out clearly as a country which did not follow the trend nationalization of extractive industries or "heavy state ownership of commercial ventures [in the] early 1970s," given its diversification to tourism and other industries much sooner, due to its lack of expansive resource wealth (Howard 1992, 58). Barbados acceptance of foreign corporate control within its society was weighed alongside its protection of Bajan capitalists, which led to its government promoting its state as an offshore banking hub. Given the compromises Barbados made early on to accommodate its capitalist classes as well as foreign interests within its state, the Bajan government was the only independent Caribbean country at the time which "[chose] to facilitate even more banking activity, by stating that there will be no requirement to hire native staff" (Harper 1988, 55). Part of the Bajan comprise in the 1970s

included active discriminatory policies, and like the other independent states at the time, it also saw foreign banks dominate its finance sector. By the late 1970s, the Bajan government also did not strive "to avoid accumulating large debts" from the Canadian banks (Harper 1988, 62), to finance different projects, most importantly, infrastructure. Of course, unlike Guyana, Jamaica, and Trinidad and Tobago— the Bajan government in its support and aid of foreign corporate dominance in banking, finance, and telecommunications was quite repressive. Additionally, unlike the three aforementioned countries, because Barbados did protect a Bajan capitalist class, that class were involved in creating financial alternatives in Barbados and being active in some aspects of Barbados tourism industry.

For instance, the Bajan government had a strict hand when it came to the Black Power movement that reached other islands, violently crushing revolutions before they could even gain traction within Barbados. During the early 1970s, the Bajan government made no moves to address distribution within the society, and thus protests movements were not as strong. Additionally, because local investors in Barbados were given tax incentives and access to specific types of financial activity, Bajan capitalists were involved in financial sectors such as insurance and credit unions which provided low interest loans to Bajans. The protection of a Bajan capitalist class would also see this class establish small guest houses for tourism. Nonetheless, as in other independent English-speaking Caribbean states, massive inequality existed in Barbados. This inequality would reach a tipping point and lead to the Bajan government unsuccessfully attempting to acquire more state control in the late 1970s and in the 1980s, but ultimately the government would not hold a major share of economic activity. Unlike Guyana, Jamaica, and Trinidad and Tobago which had massive foreign investments in their extractive industries— and not just sugar— with clear planter classes, within Barbados a decline

in sugar pushed elites in that country to diversify the economy earlier towards tourism and manufacturing. Thus, as early as the 1950s the elite in Barbados oversaw “income tax holidays and customs duty relief” which helped to attract foreign investors and change the “local ownership and control in Barbados through a [gradual] process of corporatization” (Barrow 1983, 102). Given the awareness of Black Power Movements on the other islands, and fear surrounding said movements in Barbados, local elite corporations within Barbados aimed to “involve as many [B]lacks as possible in the lucrative aspects of the tourist industry, including hotel ownership and employment at [the] managerial level” (Trumbull 1974). Additionally, given the inability of the Bajan government to reign in local elite, it positioned itself as almost ‘powerless’ when it came to the state being able to nationalize or control foreign entities. The Bajan independence party— the Democratic Labour Party (DLP)— during the 1970s purported that state ownership would incur too much expense for the government, to do what financiers in Barbados were already doing. The DLP reasoned that the “public sector [only] had to intervene in the economy during recessionary conditions to prop up the private sector,” thus the Bajan government favored a “limited form of direct state participation” (Howard 1992, 58-9). Instead, aiming to give help— when possible or necessary — to the foreign owned-private sector within Barbados, and ensuring a Bajan capitalist class could also be successful within Barbados.

Nonetheless, the era did witness Caribbean governments respond to protests that questioned the legitimacy of their governance. Given the protests in Trinidad and Tobago, the People’s National Movement (PNM) created a Five-Year-Plan centered around nationalizing industries which were unreliable and unable “to be the engine of growth needed to safeguard the country’s independence, stimulate economic growth, increase employment, and create equitable distribution of income” (Bernal & Leslie 1999, 3). This plan, coupled with the oil price increase

in the early 1970s would allow Trinidad and Tobago's government to expand the public sector, acquire profitable enterprises, invest within Trinidad's local economy, but most importantly, establish a competitive stake in Trinidad and Tobago's financial sector able to compete with the foreign Canadian banks. These positive developments, which included oil revenues and new employment opportunities surrounding oil production and distribution, allowed for better monetary redistribution in Trinidad. The broadening of employment opportunities and an expanded public sector able to thrive off of oil revenues, effectively calmed protests against foreign corporations in Trinidad and Tobago; and in the present, has allowed Trinidad to have a competitive regional bank in the Caribbean (Republic Bank).

Over in Guyana, leading political voices in the early 1970s stressed the need for either communism or state-socialism to rectify the post-colonial situation of foreign economic dominance and the snubbing of Guyanese access to markets in the 1970s. Guyanese goods were not given access to some markets because Guyana chose to nationalize extractive industries and foreign banks in the country. Guyanese nationalization received a negative reaction and response from North America. For a short time, access to Eurodollars and an increase in commodity prices kept Guyana afloat. However, by the mid-1970s the situation in Guyana was untenable. Guyana became one of the poorest countries in the Western hemisphere, it saw mass out-migration, and the government could only hope to seek help from other communist (and/or Marxist-Leninist aligned) countries like Cuba and the Soviet Union.

In 1966, prior the aforementioned nationalizations which took place in Guyana, the Student Society at the University of Guyana protested in front of ALCAN's office, the Canadian High Commissioner's office, and the Royal Bank's office (Engler 2020). These university

students were a part of the Progressive Youth Organization of Guyana (PYO) and expresses Canadian interests in their country this way:[50]

> "the whole imperialist machinery c[an] be clearly seen: the extraction of the ore, the processing and added value, the shipping away of wealth, the importation of raw chemicals, the small group of expatriate decision-makers, the tokenism, the social gaps, the misery of the poorer districts, the hilltop luxury of the white population, the buying out of leaders, the divide and rule tactics, the process of exploitation which they could feel" – The African Society for Cultural Relations with Independent Africa, quoted by Engler 2020

Thus prior to the nationalizations which occurred in Guyana, Canada had considerable financial interests in Guyana. High U.S. interests within the Canadian company ALCAN made U.S. financiers upset by the decision of the Guyanese government to nationalize in 1971. US investors lamented that Canada's overall relaxed attitude towards the nationalization of ALCAN, meant that they couldn't effectively lobby the U.S. to intervene as they may have wanted it to. It was not until the nationalization of the banks that Canada's stance towards nationalization in Guyana would change. A big part of the rationale for Guyana's nationalization of ALCAN was its practices of transfer pricing and for its banks, similar schemes which ultimately led to repatriation or profit draining from Guyana. The Guyanese government believed that the export of surpluses from foreign owned industries were responsible for Guyana's underdevelopment, and that nationalization would retain profits for local development. Guyana thus nationalized banking entities— including Canadian owned banking entities— although only for a short period of time, as Canadian interests would be heavily involved in the neoliberal restructuring of that country— as will be discussed in chapter four.

In Jamaica, the People's National Party (PNP) came into power in 1972 and by 1974 "adopted a democratic socialist platform" with the stated principles and objectives noting that "in

[50] According to Dr. Percy Hintzen, this quote was initially from Eusi Kwayana, who was then aligned with the Ratoon which was the precursor to Walter Rodney's the Working People's Alliance (WPA)

the economic sphere, socialism requires social ownership and/or controls of the means of production, distribution, and exchange, which must begin with a dominant public sector which owns and/or controls the commanding heights of the economy" (Bernal & Leslie 1999, 4). Of first business, the Jamaican "government targeted the banking system, public utilities, the sugar industry, and bauxite companies for public ownership" (Bernal & Leslie 1999, 4). The PNP reasoned that it could target foreign corporations and Canadian banks, as it had already incurred risks due to Canadian banks that loaned to "short-term and low risk investments in trade or in the secure foreign-owned industrial sector," showing "no interest in loans for agricultural development or factory construction" which "could [have] relieve[d] chronic unemployment" (Riddell 2020). According to Jamaican economist Owen Jefferson, "the foreign companies get the profits, we bear the risks" (Riddell 2020). Radical decisions made on the part of the PNP were possible only because the majority of people rallied behind these ideas. Once in power, Jamaica's PNP platform grew within the context of political and economic protests that rocked the country in the late 1960s.[51] Of particular interest is the understanding that foreign corporations and Canadian banks were said to be hurting regular Jamaicans, given "the failure of liberal policies to bridge the equity gap and to promote balanced growth" (ECLAC 2001, 5). While radical in its vision however, the Jamaican government never nationalized its industry due to declining support for government radicalism in Jamaica. This was due to foreign interventions by the US Central Intelligence Agency (CIA), which led to increased support for right-wing opposition in Jamaica led by Edward Seaga; and crushing debt due to a decline in bauxite and

[51] In 1968, "unemployed Black youth attacked the Royal Bank's Kingston, Jamaica, branch and the offices of other foreign corporations and financial institutions— as part of the protests that spread from the University of the West Indies to the streets of West Kingston, following the debarring of Guyanese academic and revolutionary Walter Rodney from his post at Mona" (Hudson 2010, 34).

other commodity revenues, alongside declining tourism. The latter causes ultimately being what caused the PNP to lose power.

While sharing differences between the states that had gained independence during the 1960s, it should be reiterated strongly here that state nationalizations occurred in Guyana and Trinidad because of pressure from popular movements. But overall, localization was pushed as more feasible or attainable, given what happened to Guyana. However, these nationalizations should not be seen as wholly sufficient. In fact, incentives for foreign corporations remained within all of these Caribbean countries. While Caribbean nationalisms and protests aimed to fundamentally restructure independent Caribbean societies, independence governments were 'propped up' based on their ability to remain committed to external visions of a liberal and capitalist international order.[52]

For instance, in Trinidad and Tobago the PNM government led by Eric Williams came to power because OWTU was "successfully threatened" by employers to "terminate the check-off system of union dues collection unless the unions withdrew from the party" (Abullah 2006,18). In Trinidad at the time, multi-racial party politics became fractured, the power of the white business class in Trinidad grew, and so was Black consciousness in light of North American imperialism in the region and inequality. OWTU's leadership was composed of the two major trade unions at the time, so when they withdrew from the running a "radical political option, rooted in the workers' movement, was strangled, opening the door for the middle-class led, [and] reformist" PNM (Abullah 2006, 18). Given opposition to North American imperialism (mainly form the US) and inequality in Trinidad, OWTU eventually joined the PNM— even though it

[52] U.S. corporate interests and anti-communist initiatives (given what was seen as a failure of preventing communism in Cuba) played a big role in post-independence acceptable governance in the Caribbean region. Thus, the only exceptions in the 1970s and 1980s which stand out are Guyana – which nationalized – and Grenada (discussed later on) which went the revolutionary path.

continued to agitate within the party for more progressive politics (even at times joining protests against the party). Given the fragmented nature of politics in Trinidad, the PNM, while nationalizing some parts of the economy, continued to subsidize foreign industries and investments that did not develop local resources and continued to strain the government's budget for foreign beneficiaries (Riddell 2020).

In Guyana, prior to the PNC government, the People's Progressive Party (PPP) were the actual independence party that had risen to power under socialist Cheddi Jagan's leadership. However, labelled "communist" in orientation and unfriendly to foreign business, both the U.S. and Britain squashed the PPP's rise to power by sending troops to Guyana, suspended the Guyanese constitution, and vocally expressed that Guyana was still under colonial rule (Abullah 2006,18)— until a friendlier government could be placed in power for Guyana to continue to exercise its limited self-rule in the 1950s and 1960s. In Jamaica, the PNP was initially deemed "communist" in orientation by U.S. and British interests who wanted leadership to be directly in the hands of a more elite and "sophisticated" class of persons. This, even though the PNP wanted to fashion themselves after labor parties in Europe. Thus, under Norman Manley, those deemed "radical" were expelled from government, along with the trade unionists, and only after was the PNP allowed to claim power (Abullah 2006,18).

Nonetheless, while Canada was more indifferent to its non-financial institutions being nationalized in Guyana, given shareholder interests that were majority non-Canadian, and seemed to consent to opening up shares for local shareholders— the response in Canada and by Canadian financiers to its financial corporations being nationalized was less friendly. Canada bemoaned Black Power Movements in the Caribbean and worked with governments there to quiet them through the training of police and provision of arms (Seed 2020). In Canada,

Canadians wrote that the biggest threat to Canada was "political instability" in the Caribbean which "threatened" its banks (Turley-Ewart & Mills 2001, 2). Accordingly, Caribbean protests in the 1970s were described in this way:

> "A nationalist wave swept over [the Caribbean in] 1970, and Canada's banks were harangued as harbingers of "Canadian imperialism," an accusation fueled by socialist agitators who said our banks were milking the region and undermining local economies. Canada's banks were also hurt by black power activists claiming that many who worked in their offices were not black enough." (Turley-Ewart & Mills 2001, 2)

However, while Canadians found the claims that they were 'imperial actors' ludicrous, Canadian diplomats recommended "that present or potential investors [to and/or within the region] accept current trends to local participation in foreign-owned enterprises and establish their businesses on a joint-venture basis" (Berry 1977, 55; Sharp 1991, 6). The Canadian state response to be inclusive in addressing accusations of imperialism were taken seriously, given popular perceptions of Canadian banks in the Caribbean region. For instance, in 1974/5 a "mail survey of 484 Caribbean senators, legislators, cabinet members, and newspaper editors" across the independent states was conducted around the question of Canadian investment in the region (Berry 1977, 54). In particular, the survey wanted respondents' insights on the policy Caribbean governments should pursue in regards to Canadian investments. Although only 16 per cent of survey's were returned, the majority of respondents wanted either more controls or complete takeover of Canadian interests (Berry 1977, 54-5). Nationalization was very popular amongst younger Caribbean people— who notably led the protests against the banks in 1970, with "a majority of respondents under forty-five years of age support[ing] more government intervention" in "the largest independent territories, which account[ed] for the bulk of Canadian investment" (Berry 1977, 55). Thus, the challenges posed to Canadian corporations by Caribbean nationalisms were very serious, and Canada took measures to respond in kind to avoid a sort of

Cuban revolution. It was also helped that thus far, English-speaking Caribbean governments—even after nationalizing certain businesses remained committed to working with, and providing lucrative incentives to, foreign corporations.[53]

Thus, concessions by Canadian banks were made, although they would not fundamentally change the problem of low-incorporation within the local economies. One such concession included "the Royal Bank of Canada ma[king] a public offering of 25 percent of the equity of its local operations" during the early 1970s in Jamaica (Di Sanza 1978, 18). However, given the regulatory incentives and lax laws there, the banks were allowed to repatriate "the entire profits earned for the operating period prior to going public" (Di Sanza 1978, 18). Additionally, given the low purchasing power of ordinary Caribbean citizens, allowing public access did not fundamentally change or rectify issues of redistribution, although it allowed more ownership of already elite Caribbean classes into these corporations. Thus, control within these institutions did not fundamentally change, and according to Berry (1977), may have been "merely political[ly] motivated holding operations," given who would have been able to even acquire local shares via these concessions in the first place (55).

Conclusion

The foreign corporations operating in the English-speaking Caribbean during the 1960s and 1970s were characterized by "capital-intensive production, little local purchasing, high wage rates [(only for the labor aristocracy and middle class party loyalists as the wage rates for local labor was still really low)], and the repatriation of profits abroad or reinvestment" back into their industry and/or corporation with minimal integration into the local economies in the region (Berry 1977, 53-4). Despite the negligent contribution of foreign corporations in the region, the

[53] The Canadian banks in Cuba, the Royal bank and Scotiabank, sold assets to the revolutionary government in 1960, versus being expropriated like the U.S. banks were (McDowall 1993, 364-5).

commitment of governments to capitalist forms of development allowed these relationships to not only exist—but to also thrive during the post-independence period. Backing these development models, which produced GDP growth but intensified inequality in states, were international organizations and the more developed states. Canada, whose banks in the region provided a large portion of the financial base for foreign ownership in productive sectors and commercial enterprises engaged in trade, was no exception.

The relationship between Canada and Canadian businesses helped to push Canadian businesses overseas via friendly incentives that would aid Canadian capital abroad. The exclusiveness of these foreign corporations reached a tipping point when, in the 1970s, national protests against foreign corporations—especially Canadian banks and businesses— led to nationalization (in states like Guyana and Trinidad) and localization processes in other states (like Jamaica and Barbados) which sought to create equity partnerships. However, this did not address outsized foreign dominance or ownership due to business-political interests both in Canada and in the Caribbean itself. Due to the extent that governments attempted to localize development and capital, power asymmetries and "intra-company accounting practices cause[d] serious problems for governmental tax measures" making such initiatives hard (Berry 1977, 53). Thus, Canadian banks and insurance industries during the 1960s and early1970s, while understood as being directly tied into the exploitative and extractive structure in the region, not only remained dominant, but became central components in the pushed development projects which required external financing.

In the broader scheme of foreign investment to the region, Canadian banks bought "the stock of large corporations and other foreign-owned enterprises [,] and extend[ed] loans to them," when it was known that "in all of these cases, a substantial repatriation of profits t[ook]

place and vital policy decisions [we]re made externally" (Berry 1977, 53). While Canadian bank expansion and power remained high during the 1960s to mid-1970s, that power started to decline in some areas and remain stagnant given the debt crisis of the late 1970s which is expanded upon more in chapter 4. Covering the period from the 1980s to 2000s, chapter 4 looks at how international financial institutions (IFIs) would help to facilitate a second wave of Canadian bank expansion into the English-speaking Caribbean in light of the debt crisis there.

References

Abdulah, David. "Caribbean Movements Then and Now: A Labor View." *NACLA Report on the Americas*, Our Caribbean, 39, no. 6 (2006): 16–21.

"Accelerating Trade and Integration in the Caribbean: Policy Options for Sustained Growth, Job Creation, and Poverty Reduction." World Bank, July 17, 2009.

Alleyne, Antonio, and Kimberly Waithe. "Financial Development and Market Structure," 44. Bridgetown, Barbados: University of West Indies, Cavehill, 2011.

Ambursley, Fitzroy. "The Grenadian Revolution, 1979-1983: The Political Economy of an Attempt at Revolutionary Transformation in a Caribbean Mini-State." Doctor of Philosophy in Sociology, University of Warwick, 1985.

Ayub, Mahmood, and Eric Cruikshank. "The Political Economy of the Caribbean." *IMF*, 1977.

Bank of Nova Scotia. "Scotiabank: 1997 Annual Report." The Scotiabank Group, 1997.
———. "Scotiabank: 1998 Annual Report." The Scotiabank Group, 1998.
———. "Scotiabank: 1999 Annual Report." The Scotiabank Group, 1999.
———. "Scotiabank: 2000 Annual Report." The Scotiabank Group, 2000.

Barrow, Christine. "Ownership and Control of Resources in Barbados: 1834 to the Present." *Social and Economic Studies* 32, no. 3 (September 1983): 83–120.

Basdeo, Sahadeo. "Caribcan: A Continuum in Canada-CARICOM Economic Relations." *Institute of Caribbean Studies*, Caribbean Studies, 25, no. 3/4 (1992): 189–220.

Baum, Daniel. *The Banks of Canada in the Commonwealth Caribbean, Economic Nationalism and Multinational Enterprises of a Medium Power*. iUniverse, Inc, 1974.

Bernal, Richard, and Winsome Leslie. "Privatization in the English-Speaking Caribbean: An Assessment." The Center for Strategic and International Studies (CSIS), October 28, 1999.

Berry, Glyn. “The West Indies in Canadian External Relations: Present Trends and Future Prospects.” *University of Toronto Press on Behalf of Canadian Public Policy*, Canadian Public Policy, 3, no. 1 (1977): 50–62.

Best, Lloyd, and Kari Polanyi Levitt. *The Theory of Plantation Economy: A Historical and Institutional Approach to Caribbean Economic Development*. University of the West Indies Press, 2009.

Bishop, Matthew Louis. *The Political Economy of Caribbean Development*. International Political Economy. London & New York: Palgrave Macmillan, 2013.

Brierley, John S. “A Review of Development Strategies and Programmes of the People’s Revolutionary Government in Grenada, 1979-1983.” *The Geographical Journal* 151, no. 1 (March 1985): 40–52.

Brizan, George. “Canada and the Commonwealth Caribbean Economic Relations 1966-74: An Analysis of Capital and Commodity Flows.” Masters of Arts in International Affairs, Carleton University, 1975.

Buch, C, and DeLong. “Cross Border Bank Mergers: What Lures the Rare Animal?” *Journal of Banking and Finance*, no. 28 (2004): 2077–2702.

Bulmer-Thomas, Victor. “New and Future States of the Commonwealth: The Viability after Independence of Small Dependent Territories - The Case of Belize.” *Institut de Sociologie de l’Université de Bruxelles*, Civilisations, 26, no. 3/4 (1976) : 362–67.

Burgess, William. “Canada’s Location in the World System: Reworking the Debate in Canadian Political Economy.” Doctor of Philosophy in Geography, University of British Columbia, 2002.

Burke, Mavis. “An Analysis of Canadian Educational Assistance to the Commonwealth Caribbean Leeward and Windward Islands, 1960-1970.” Doctor of Philosophy, University of Ottawa, 1975.

Bynoe, Anne J. “The Financial Sector of Trinidad and Tobago: Pre- and Post-Liberalization.” *Giordano Dell-Amore Foundation*, Savings and Development, 27, no. 1 (2003): 39–62.

“Canada: Imperialist Power or Economic Colony?” Pamphlet. Red Star Collective, March 1977.

Canadian Imperial Bank of Commerce. “CIBC: 1998 Annual Report.” CIBC, 1998.
———. “CIBC: 1999 Annual Report.” CIBC, 1999.
———. “CIBC: 2000 Annual Report.” CIBC, 2000.

Carroll, William. *Corporate Power and Canadian Capitalism*. Vancouver: The University of British Columbia Press, 1986.

Casey, John. “Corporate Crime and the Canadian State: The Case of Post-War Anti-Combines Legislation.” Doctor of Philosophy in Sociology, The University of Alberta, 1988.

Chaitoo, Ramesh. “Time to Rethink and Re-Energize Canada-CARICOM Relations.” *Caribbean Journal of International Relations & Diplomacy* 1, no. 1 (February 2013): 39–67.

Chen, James. “Green-Field Investment.” In *Investopedia*, September 2, 2019.

Claessens, Stijn, and Neeltje van Horen. “Impact of Foreign Banks.” *Journal of Financial Perspectives*, 2013, 17.

Clarke, Laurence, and Donna Danns, eds. *The Financial Evolution of the Caribbean Community (1970-1996)*. University of the West Indies, St. Augustine Republic of Trinidad and Tobago: Caribbean Centre for Monetary Studies, 1997.

Cortinas, Stephanie. “What Is Trust Operations?” Plains Capital Bank, October 26, 2015.

Critchley, Barry. “Twenty Years of Bank Success Show Folly of Mega-Merger.” *Financial Post*, January 23, 2018.

Darroch, James. “Appendix Two a Short History of the Bank Act and Related Events.” In *Canadian Banks and Global Competitiveness*, 277–80. McGill-Queen’s University Press, 1994.

———. “Chapter Seven: Changing Markets, Changing Strategies.” In *Canadian Banks and Global Competitiveness*, 248–69. McGill-Queen’s University Press, 1994.

———. “Strategic Management and Multinational Banking: The Case of the Canadian Banks.” Doctor of Philosophy, York University, 1989.

———. “The Strategies of Canadian Multinational Banks.” In *Canadian Banks and Global Competitiveness*, 3–28. McGill-Queen’s University Press, 1994.

Desrosiers, Richard, and Julian Sher. “U.S. or Canadian Monopolies: Who Owns Canada?” October, 1980.

Di Sanza, Emile. “Canadian Relations with the Caribbean and Latin America: Perspectives on Canada’s Role in the World System.” Master of Arts in Sociology, McMaster University, 1978.

ECLAC. “Foreign Direct Investment: Latin America and the Caribbean.” *United Nations*, Investment and Corporate Strategies of the Division of Production, Productivity and Management of the Economic Commission for Latin America and the Caribbean (ECLAC), 2012, 178.

Edson, Lee. “Barbados Keeps Its Distance to Resist Change.” *The New York Times*, February 7, 1971.

Edwards, Duane. “The Renewed Relevance of the Caribbean Plantation School,” 22. Bridgetown, Barbados, 2016.

Engler, Yves. “Corrupt Canadian Banking Practices.” Accessed April 20, 2019.

———. “The Hidden History of Canada’s Influence and Interference in Guyana: Canadian Corporations Have Played a Role in Neoliberal Economic Restructuring in the Small South American Country.” *Canadian Dimension*, September 9, 2020.

Fee, Derek. *Oil & Gas Databook for Developing Countries: With the Special Reference to the ACP Countries*. 1st ed. London: Graham & Trotman, 1985.

Ferguson, James. “Chapter 5: Small Island, Big Issues.” In *Grenada: Revolution in Reverse*, 113–27. Latin American Bureau, 1990.

Focarelli, D, and A Pozzolo. “Where Do Banks Expand Abroad? An Empirical Analysis.” *Journal of Business* 78, no. 6 (2005): 2435–63.

Francis, Carlene. “The Offshore Banking Sector in the Bahamas.” *Social and Economic Studies*, Memory of Dr. Adlith Brown. Coordinator, Regional Programme of Monetary Studies 1980-1984, 34, no. 4 (December 1985): 91–110.

Freedman, Charles. “The Canadian Banking System*,” 38. The Jerome Levy Economics Institute of Bard College: Bank of Canada, 1998.

Garrod, Joel Zackary. “From the National to the Global; The Transformation of the Royal Bank of Canada, 1864-2014.” Doctor of Philosophy in Sociology, Carleton University, 2018.

Girvan, Norman, and Owen Jefferson, eds. *Readings in the Political Economy of the Caribbean*. Kingston, Jamaica: New World Group, 1971.

Gordon, Todd, and Jeffery Webber. *Blood of Extraction Canadian Imperialism in Latin America*. Fernwood Publishing, 2016.

Grady, Jo, and Chris Grocott, eds. *The Continuing Imperialism of Free Trade*. Routledge Frontiers of Political Economy 246. London & New York: Routledge, 2019.

Greenwood, John. “Canadian Banks’ Caribbean Mystery: Little Known about How Giants Make Money in Paradise.” *Financial Post*. December 13, 2013, sec. Business.

Grenade, Wendy C. “Retrospect: A View from Richmond Hill Prison: An Interview with Bernard Coard.” *Journal of Eastern Caribbean Studies* 35, no. 3 & 4 (December 2010): 145–82.

“Guyana Now Ranked below Haiti.” *Stabroek News*. 2016, Stabroek News’ ongoing observances to mark its 30th Anniversary edition.

Gwynne, Robert N., Thomas Klak, and Denis J.B. Shaw. *Alternative Capitalisms: Geographies of Emerging Regions*. New York: Oxford University Press, 2003.

Haar, Jerry, and Anthony Bryan, eds. *Canadian-Caribbean Relations in Transition: Trade, Sustainable Development and Security*. International Political Economy. Macmillan Press LTD, 1999.

Harper, Diane. "Canadian Foreign Aid and the Commonwealth Caribbean; Issues of Local Control." Master of Arts in Political Science, University of Ottawa, 1988.

Hastings, Paula. "Dreams of a Tropical Canada: Race, Nation, and Canadian Aspirations in the Caribbean Basin, 1883-1919." Doctor of Philosophy in History, Duke University, 2010.
———. "The Limits of Brotherly Love: Rethinking Canada-Caribbean Relations in the Early Twentieth Century." In *Dominion of Race: Rethinking Canada's International History*, edited by Kaura Madokoro, Francine McKenzie, and David Meren, 333. Vancouver, Toronto: UBC Press, 2017.

Hébert, Paul. "'70: Remembering a Revolution' in Trinidad and Tobago." African American Intellectual History. *Black Perspectives* (blog), September 30, 2016.
———. "Race and Imperialism in Canada in the 1960s." *African American Intellectual History Society (AAIHS)* (blog), March 3, 2017.

Henry, Paget. *Caliban's Reason: Introducing Afro-Caribbean Philosophy*. Africana Thought. New York & London: Routledge, 2000.
———. *Journeys In Caribbean Thought: The Paget Henry Reader*. Edited by Jane Gordon, Lewis Gordon, Aaron Kamugisha, and Neil Roberts. Creolizing the Canon. London: Rowman & Littlefield International, Ltd., 2016.

Henry, Paget, and Paul Buhle. *C.L.R James Caribbean*. Duke University Press, 1992.

Howard, Michael. *Public Finance in Small Open Economies: The Caribbean Experience*. Greenwood Publishing, 1992.

Howard, Michael, and Cleviston Haynes. "Commercial Bank Efficiency in Barbados." *Giordano Dell-Amore Foundation*, Savings and Development, 25, no. 3 (2001): 293–312.

Hubbell, Larry. "Rethinking Dependency Theory: The Case of Dominica, the Rascal State." *Journal of Third World Studies*, Development Strategies: Struggles for Peace, Justice, and Democracy, 25, no. 1 (Spring 2008): 95–109.

Hudson, Peter. "Imperial Designs: The Royal Bank of Canada in the Caribbean." *Race and Class* 52 (2010): 33–48.

Institute of Commonwealth Studies. "Grenada: Political Parties Material." Institute of Commonwealth Studies Library, University of London, 1957. GB 101. PP. GD.

"Jamaica- Banking, Financial Services, and Currency." In *Caribbean Islands: A Country Study*, 816. Area Handbook Series. U.S. Library of Congress, 1987.

John, Tamanisha. "Canada's Financial Dominance in the Former English Caribbean Colonies (FECC)." Council on Hemispheric Affairs, January 9, 2018.

Juan-Ramón, V. Hugo, Ruby Randall, and Oral Williams. "A Statistical Analysis of Banking Performance in the Eastern Caribbean Currency Union in the 1990s." *IMF Working Papers*, 2001, 42.

Kammel, Armin. "Canada." In *the Law of International Banking Institutions: A Comparative Analysis*, 127–92. Hollitzer Verlag, 2005.

Kaufman, Michael. "The Internationalization of Canadian Bank Capital (With a Look at Bank Activity in the Caribbean and Central America)." *Journal of Canadian Studies* 19, no. 4 (Winter -1985 1984): 61–81.

Kerr, Donald, Deryck Holdsworth, and Susan Laskin, eds. "The Second World War and the Post-War Period." In *Historical Atlas of Canada: Addressing the Twentieth Century, 1891-1961*. University of Toronto Press, 1990.

Kiladze, Tim. "Trouble in Paradise: Inside Canadian Banks' Billion-Dollar Caribbean Struggle." *The Globe and Mail*, February 26, 2015.

Kirton, Claremont D. "Development Planning in the Grenada Revolution: Applying AFROSIBER." *Social and Economic Studies* 38, no. 3 (September 1989): 1–52.

Klak, Thomas, ed. *Globalization and Neoliberalism: The Caribbean Context*. Maryland: Rowman & Littlefield Publishers, Inc., 1998.

———. "Is the Neoliberal Industrial Export Model Working? An Assessment from the Eastern Caribbean." *Centrum Voor Studie En Documentatie van Latijns Amerika (CEDLA)*, European Review of Latin American and Caribbean Studies, 64 (December 1998): 67–90.

Lakhan, Sridatt, Chris Lakhan, and J.B Singh. "The Use of Canadian Aid to Sustain Guyana's Administrative Dictatorship." *Institute of Caribbean Studies*, Caribbean Studies, 23, no. 3/4 (1990): 69–84.

Larcher, Oswald. "The Politics of Canadian Aid to Commonwealth Caribbean." Master of Arts in Political Science, University of Waterloo, 1973.

Leach, H. Derrick. "Canadian Chartered Banks." *Financial Analysts Journal* 25, no. 2 (1969): 133–40.

Leacock, Stephen, and Errol Thomas. "Multinational Corporation and National Interests in the Commonwealth Caribbean." *Journal of International Law and Commercial Regulation*, Political Restraints on Investment in Canada and the Caribbean, 3, no. 1 (1978): 133–61.

Ledgister, F.S.J. "Journey's in Caribbean Thought: The Paget Henry Reader." *Caribbean Quarterly* 65, no. 1 (2019): 166–68.

Lemco, Jonathan. "Canada and the Crisis in Central America." *Journal of Canadian Studies* 29, no. 2 (Summer 1994): 176–88.

Létourneau, Hugues, and Pablo Heidrich. "Canadian Banks Abroad: Expansion and Exposure to the 2008-2009 Financial Crisis." Global Financial Markets and Regulations. The North-South Institute, May 2010.

Levitt, Kari. *Silent Surrender: The Multinational Corporation in Canada*. McGill-Queen's University Press, 2002.

Lewis, Patsy. "Revisiting the Grenada Invasion: The OECS' Role, and Its Impact on Regional and International Politics." *Social and Economic Studies* 48, no. 3 (September 1999): 85–120.

Litvak, Isaiah A., and Christopher J. Maule. "Nationalisation in the Caribbean Bauxite Industry." *Oxford University Press on Behalf of the Royal Institute of International Affairs*, International Affairs, 51, no. 1 (1975): 43–59.

Malminen, Johannes. "Canadian Policy Toward Foreign Direct Investment in an Age of Globalization." Master of Arts in Political Science, The University of British Columbia, 1997.

Marshall, Don D. *Caribbean Political Economy at the Crossroads: NAFTA and Regional Developmentalism*. International Political Economy. Palgrave Macmillan, 1998.

McIntosh, James. "A Welfare Analysis of Canadian Chartered Bank Mergers." *Wilet* 35, no. 3 (August 2002): 457–75.

McKeown, Robert. "An Overview of the Canadian Banking System: 1996 to 2015." *Queen's Economics Department* Working Paper No. 1379 (April 17, 2017): 57.

McPeanne, Jeffrey K.L. "Dependency as the Basis for Political Control in Trinidad: 1956-1981." Master of Arts in Political Science, Simon Fraser University, 1991.

Melville, Juliet A. "The Impact of Structural Adjustment on the Poor," 12. Basseterre, St. Kitts and Nevis, 2002.

Miles, Barbara. *The Canadian Financial System*. Hauppauge, New York: Novinka Books, 2003.

Neigh, Scott. "Review: The Caribbean Connection." Blogspot. *A Canadian Lefty in Occupied Land* (blog), February 13, 2007.

Neufeld, Edward. "Adjusting to Globalization: Challenges for the Canadian Banking System." *The State of Economics in Canada: Festschrift in Honour of David Slater*, edited by Patrick Grady and Andrew Sharpe, 325–51. Ottawa: Center for the Study of Living Standards, 2000.

Nichols, Mark, and Jill Hendrickson. "Profit Differentials Between Canadian and U.S. Commercial Banks: The Role of Regulation." *The Journal of Economic History* 57, no. 3 (1997): 674–96.

Niosi, Jorge. "The International Expansion of the Canadian Economy." In *Canadian Multinationals*, 33–60. University of Toronto, 1985.

Ogawa, Sumiko, Joonkyu Park, Diva Singh, and Nita Thacker. "Financial Interconnectedness and Financial Sector Reforms in the Caribbean." *IMF Working Papers* 13, no. 175 (2013): 1.

Paragg, Ralph R. "Canadian Aid in the Commonwealth Caribbean- Neo-Colonialism or Development?" *Canadian Public Policy* 6, no. 4 (1980): 628–41.
———. "Commercial Banks and Dependency Theory: The Case of the Commonwealth Caribbean MDCS." *Social and Economic Studies* 30, no. 2 (June 1981): 110–39.

Partridge, John. "CIBC, Barclays Combine in Caribbean." *The Globe and Mail*, April 12, 2018.

Paxton, J. *The Stateman's Year-Book 1980-1981*. Springer, 2016.

Pearce, Douglas. "Planning for Tourism in Belize." *Taylor & Francis, Ltd.*, Geographical Review, 74, no. 3 (July 1984): 291–303.

Persaud, Thakoor. "Conflicts between Multinational Corporations and Less Developed Countries: The Case of Bauxite Mining in the Caribbean with Special Reference to Guyana." Doctor of Philosophy in Economics, Texas Tech University, 1976.

Phillips, Dion. "The Defunct Dominica Defense Force and Two Attempted Coups on the Nature Island." *Institute of Caribbean Studies, UPR, Rio Piedras*, Caribbean Studies, 30, no. 1 (June 2002): 52–81.

Pool, Gail Richard. "Development in the West Indies and Migration to Canada." Doctor of Philosophy in Anthropology, McGill University, 1979.

Quigley, Neil C. "The Bank of Nova Scotia in the Caribbean, 1889-1940." *The President and Fellows of Harvard College*, The Business History Review, 63, no. 4 (n.d.): 797–838.

Ramsaran, Dave, ed. *Contradictory Existence: Neoliberalism and Democracy in the Caribbean*. Kingston & Miami: Ian Randle Publishers, 2016.

Ramsaran, Ramesh. *The Challenge of Structural Adjustment in the Commonwealth Caribbean*. Praeger Publishers, 1992.

Riddell, John. "The Deep Roots of Canadian Imperialism in the West Indies." *John Riddell: Marxist Essays and Commentary* (blog), March 31, 2020.

Roberts, Richard, and Christopher Arnander. *Take Your Partners: Orion, the Consortium Banks and the Transformation of the Euromarkets*. New York: Palgrave Publishers, 2001.

Royal Bank of Canada. "RBC: 2000 Annual Report." RBC, 2000.

Ryan, Selwyn. "Black Entrepreneurship in Post-Independence Trinidad and Tobago: The Eric Williams Legacy." *First Forum*, 2012.

"Saint Vincent and the Grenadines." In *Encyclopædia Britannica*. Encyclopædia Britannica, inc., October 21, 2019.

Sanders, Ronald. "World View – Withdrawal of Canadian Banks: Opportunity to Remedy Not Repeat Mistakes." *TheTribune*. December 16, 2019, sec. World View.

Sanza, Emile. *Canadian Relations with the Caribbean and Latin America: Perspectives on Canada's Role in the World System*. McMaster University, 1978.

Seed, Tony. "Canada's Relation with CARICOM: Self-Serving Definition of What It Means to Be a 'Vital Partner.'" *TML WEEKLY Information Project* (blog), February 23, 2020.

Sharp, Mitchell. *Foreign Policy for Canadians*. Canada: Department of External Affairs, 1991.

Simmonds, Keith. "Political and Economic Factors Influencing the St. Kitts-Nevis Polity: An Historical Perspective." *Phylon: Clark Atlanta University* 48, no. 4 (1987): 277–86.

Sprague, Jeb. *Globalizing the Caribbean: Political Economy, Social Change, and the Transnational Capitalist Class*. 1st ed. Temple University Press, 2019.

Steed, Nicholas. "The Caribbean: Our Sunny New Frontier." *Macleans*, February 1, 1967.

Sutton, Paul, ed. *Dependency Under Challenge: The Political Economy of the Commonwealth Caribbean*. Manchester University Press, 1984.

Swift, Jamie, and Brian Tomlinson. "The Debt Crisis: A Case of Global Usary." In *Conflicts of Interest: Canada and the Third World*. Between the Lines, 1991.

Teelucksingh, Jerome. "The Black Power Movement in Trinidad and Tobago." *Black Diaspora Review* 4, no. 1 (2014): 157–86.

"The Bahamas." In *Encyclopædia Britannica*. Encyclopædia Britannica, inc., March 18, 2020.

"The Canadian Connection: Providing Banking, Business and Policemen." *The Economist*, March 27, 2008, The Americas edition, sec. The Caribbean.

"The Canadian Financial Services Sector." Department of Finance, June 2002.

"The Impact of Privatisation on the Banking Sector in the Caribbean." Caribbean Development and Cooperation. Subregional Headquarters for the Caribbean: Economic Commission for Latin America and the Caribbean (ECLAC), November 30, 2001.

"Trinidad and Tobago- Banking, Financial Services, and Currency." In *Caribbean Islands: A Country Study*, 816. Area Handbook Series. U.S. Library of Congress, 1987.

Trumbull, Robert. "Barbados Enlarging Blacks' Role in Tourist Business." *New York Times*, December 30, 1974, Special to The New York Times edition.

Watson, Hilbourne A. "Democracy without Social Content and Capital Accumulation versus Development: Barbados in Crisis." In *Contradictory Existence: Neoliberalism and Democracy in the Caribbean*, 35–67. Ian Randle Publishers, 2016.
———, ed. *The Caribbean in the Global Political Economy*. Boulder & London: Lynne Rienner Publishers, 1994.

Weber, Terry. "CIBC, Barclays Finalize Caribbean Deal." *Globe and Mail*, October 31, 2001.

Wiley, James. "Dominica, Grenada, and the NTAE Imperative." *University of Texas Press*, Conference of Latin Americanist Geographers, 25 (1999): 77–87.

Williams, Marion. *Managing Public Finances in a Small Developing Economy: The Case of Barbados*. Greenwood Publishing, 2001.
———. "Regulation of Financial Institutions in the Caribbean: Implications for Growth and Development." *Social and Economic Studies* 38, no. 4 (December 1989): 181–99.

Wong, David C. "A Review of Caribbean Political Economy." *Sage Publications, Inc.*, Destabilization and Intervention in the Caribbean, 11, no. 3 (1984): 125–40.

Wood, Anthony, and Trevor Wood. "Emera's Takeover of Light & Power Holdings LTD: A Case Study in Corporate Governance and Takeovers in the Caribbean." *International Journal of Arts and Commerce* 2, no. 1 (January 2013): 27–48.

Workers Unity. "Imperialism and Canadian Political Economy - Part I." Edited by Malcolm Saba and Paul Saba. Encyclopedia of Anti-Revisionism On-Line, May 1975.
———. "Imperialism and Canadian Political Economy - Part II." Edited by Malcolm Saba and Paul Saba. Encyclopedia of Anti-Revisionism On-Line, September 1975.

Worrell, Delisle. “Bank Behaviour and Monetary Policy in Small Open Economies with Reference to the Caribbean.” *Social and Economic Studies*, Special Monetary Studies Issue, 46, no. 2/3 (1997): 59–74.

Worrell, DeLisle, Desiree Cherebin, and Tracy Polius-Mounsey. “Financial System Soundness in the Caribbean: An Initial Assessment.” *IMF Working Papers*, 2001, 37.

Appendix

A challenge for this chapter which focuses on the 1960s and 1970s has been the data gaps in the early historical records of Canadian banks, in part due to annual reports by banks not being made widely available until after 1995, and the tendency to homogenize regions (e.g. United States and Canada, Latin America and the Caribbean). Precise banking data for independent English-speaking Caribbean countries for earlier periods are thus hard to find and, in some instances, it is questionable whether or not the data exists. Please note that data for Table 3.4 was given to me by an archivist at CIBC whose insistence on finding out this information, allowed me to present this data, unavailable online, for CIBC’s Caribbean operations.

Table 3.3 Development of Caribbean Operations, 1960-1979

	RBC	CIBC	Scotiabank
1960		Opens branch and sub branch in Trinidad and Tobago Opens branch in Jamaica	
1961		Opens branch in Barbados	Opens branch in Antigua
1962		Opens three branches in Bahamas (two closed: one in 1963 and the other in 1986)	
1963		Opens branch in Trinidad and Tobago Expands branches in Jamaica	Opens branch in Grenada Has 27 branches in Jamaica

		Closed branch in Bahamas and opens a new one (that closes in 1976) Opens branch in Grenada (closes in 1980) Opens branch in Barbados	
1964		Opens branch in Trinidad and Tobago Opens branch in Jamaica	
1966			After operating for 75+ years in Jamaica, becomes incorporated with authorized capital of £5 million and selling 25% of shares to Jamaica
1967			In late 1960s, has 13 branches in Trinidad and Tobago
1968		Opens 7 more branches in Trinidad and Tobago	Opens branch in Belize Opens branch in Guyana
1972	Opens branch (RBTT) in Trinidad & Tobago		
1976		Closed branch in Bahamas	

Sources: Létourneau & Heidrich 2010; Baum 1974; Scotiabank 2020; Royal Bank 2020 ; Garrod 2018; CIBC 1995; Bank of Commerce Profile in Trinidad

Table 3.4 CIBC Caribbean Bank Openings & Closings, 1960-1979

Location	Opening Date
Montego Bay, Jamaica	1960, Feb. 12

Table 3.4 CIBC Caribbean Bank Openings & Closings, 1960-1979

Location	Opening Date
Churchill Square, Freeport, Barbados	1961, Oct. 9
Elbow Cay, Bahamas [closed April 23 1963]	1962, May 8
Man of War Cay, Bahamas	1962, May 10
Nassau Beach Hotel, Nassau, Bahamas [closed Aug. 29 1986]	1962, June 12
St. George's, Grenada [closed Feb. 29 1980]	1963, May 13
Queen and Chapel St., Speightstown, Barbados	1963, May 27
Bahama Cement Site, Freeport, Bahamas [closed Oct. 29 1976]	1963, July 5
Eastern Main Rd., Tunapuna, Trinidad	1963, Sept. 2
Mandeville, Jamaica	1964, Jan. 2
Kingstown, St. Vincent	1964, March 9
Princess and West Queen Sts., Kingston, Jamaica [closed July 18 1980]	1964, March 31
51-53 Frederick St., Port of Spain, Trinidad	1964, June 1
Worthing, Barbados	1964, Aug. 4
Hagley Park and Spanish Town Rds., Kingston, Jamaica [closed Sept. 18 1970]	1964, Oct. 5
Lludas Vale, Jamaica	1965, Jan. 7
Guana Cay, Abaco Island, Bahamas [closed June 30 1966]	1965, Jan. 7
Cooperstown, Abaco Island, Bahamas [closed Jan. 19 1966]	1965, Jan. 13
Edward St., George Town, Grand Cayman	1965, March 1
Potters Cay, Nassau	1965, July 6
Antigua	1965, Oct. 20
Queens Highway and Mango Rd., Freeport, Bahamas	1967, Jan. 4
Madeira Shopping Centre, Nassau	1968, March 20
84/88 Eastern Main Rd., San Juan, Trinidad	1968, May 31
Sunset Crest Shopping Centre, Holetown, Barbados	1968, July 1
Aripita Ave. at Murray St., Port of Spain, Trinidad	1968, Nov. 27
55 Queen St., Port of Spain, Trinidad	1968, Nov. 27
Tobago	1968, Nov. 27
20 Main Rd., Chaguanas, Trinidad	1968, Nov. 30
182 Southern Main Rd., Marabella, Trinidad	1968, Dec. 20
Maraval Ellerslie Court, Trinidad	1968, Dec. 28
129 East St., Kingston, Jamaica [closed March 15 1977]	1969, March 3
Castries, St. Lucia	1969, Sept. 8
West Mall Shopping Centre, Westmoorings	1970, Jan. 14
55 Main St., May Pen, Jamaica	1970, March 14
Valpark Shopping Plaza, Valsayn, Trinidad	1970, March 25
Twin Gates Shopping Centre, Kingston, Jamaica	1970, Aug. 10
Duke and Laws Sts., Kingston, Jamaica	1970, Dec. 14
60 Knutsford Blvd., New Kingston, Jamaica	1970, Dec. 28
Pandora's Shopping Centre, Bridgetown, Barbados [closed Sept. 30 1985]	1973, Jan. 15
Oistins, Barbados	1973, April 2
Coconut Grove, Nassau, Bahamas [closed Oct. 30 1981]	1973, May 7

Table 3.4 CIBC Caribbean Bank Openings & Closings, 1960-1979

Location	Opening Date
Peronne Plaza, Worthing	1973, Aug. 7
Rock Dundo, Barbados	1974, April 25
Manor Park Shopping Centre, Kingston, Jamaica	1974, July 15
Nicholls Town, Andres Island	1975, Nov. 6
Sir Frederick Clarke St., Vieux Fort, St. Lucia	1976, Jan. 19
Newport West, Kingston, Jamaica	1976, May 3
Victoria St., Grenville, Grenada [closed Sept. 28 1979]	1976, Nov. 1
Eight Mile Rock, Freeport, Bahamas [closed May 1 1985]	1976, Nov. 1
Trafalgar and Marhill, Bridgetown, Barbados	1977, July 1
Fontabelle, Barbados	1978, June 15
Freeport International Airport, Freeport, Bahamas [closed Feb. 24 1984]	1979, Oct. 1

Source: CIBC archivist

Chapter 4: The Financial Dominance of Canadian Banks in the English-Speaking

Caribbean, 1980-2000(/8)

This chapter covers the timeframe from 1980 through the 2000s, continuing to look at states which became independent in the English-speaking Caribbean region, and their relationship with Canadian banks. During the first wave of independence in the late 1960s and early 1970s, consolidation of existing financial relationships, as well as dependent relationships with Western countries, continued even after independence. This remained true for states which gained independence during the second wave, in the mid and late 1970s. In this chapter, I address the effects of the Canadian banking oligarchy on Caribbean development by focusing on the consequences of outsized foreign ownership of capital in the region as broader changes in the international financial system were occurring. The main point being that Canadian interests in the region continued to play an important role in the consolidation, concentration, and domination of Canadian banks there. During the late 1970s and early 1980s, IFIs used the economic crisis faced by Caribbean states to impose structural adjustment policies as a condition for receiving additional financial assistance. Financial assistance was necessary for states in the region that needed to address balance of payments problems due to the fall in export revenues, lowered prices for their oil and other raw materials; And relatedly, fiscal deficits in the country's national accounts.

Before talking about the Caribbean experience with IFIs and other international organizations during regional economic crisis, an account of the important IFIs and the reasoning behind their creation is necessary. The IMF was created in 1944 during the aftermath of WWII to address the balance of payment problems experienced by European countries. Other Bretton Woods institutions, like the World Bank (The International Bank for Reconstruction and Development) sought to provide development support for post WWII reconstruction. With a

more regulatory role, the General Agreement on Tariffs and Trade (GATT) was also created at this time (changed to become the World Trade Organization (WTO) in the 1990s). When these international bodies were created, European countries received generous assistance from the IMF to "rebuild their economies and societies" (Phillips 1993,1). The IMF provided balance of payments assistance, while the World Bank provided development and infrastructural assistance. However, by the 1980s— and during the balance of payment problems experienced by the developing world— the IMF restructured its lending policies (Phillips 2002; Melville 2002; Ramesh 1992), to focus more on "conditional lending," acting as "fiscal disciplinarian[s] for distressed sovereign borrowers, monitoring their compliance with loan conditions" (Roos 2019, 14). This restructuring stood in stark contrast to the "social democratic order of the post-1948 period" (Gordon & Webber 2016, 129) which stressed rehabilitating distressed societies and economies in need of financial assistance.

Instead, Structural Adjustment Programs (SAPs) which became advocated for by organizations like the IMF decreased the relative autonomy of developing states, by providing supra-specific mandates for financial and economic stabilization. It did so through pin-point targeting and conditionalities attached to short term tranches. The IMF justified this shift due to its changed focus on restoring macroeconomic stability in countries experiencing crisis, with attention to recovering and promoting economic growth (Melville 2002, 3). These new policies were in direct response to the restructuring of the capitalist world economy which elevated the role of finance in it (Gordon & Webber 2016; Roos 2019).

According to Ramsaran (1992) "the fact that [Caribbean] governments often ha[d] to accept policies that they believe[d] [were] not in their [state's] interests [during the late 1970s and 1980s] reflect[ed] financial relations in the international system" (xiii). During the late

1970s, as states in the English-speaking Caribbean faced economic crisis, financial conglomerates and other large corporations from developed countries were operating in an uncertain environment of increased internationalization and global competition for foreign markets. Larger countries saw trade liberalization— especially in capital markets— as a way to address economic crisis, including a falling rate of corporate profits, rising inflation and unemployment (Moseley 1990). Toward this end, financial capitalists "played a central role in the renewed project of capitalist imperialism" in its time of crisis, via the "neoliberalization of the globe" (Gordon & Webber 2016, 12).

It should be noted here that all state relationships were impacted by the neoliberal turn. Prompted by the U.S. and Western European states, Canada's acceptance of the neoliberal doctrine was spottier, and it was not until the late 1970s that capitalist governments in Canada also accepted the neoliberal structuring of the global financial system. Given the crisis of the dollar (thus the Bretton Woods system) Canada was pushed to adopt a policy of "monetary gradualism" in the early 1970s, which w[as] supplemented by wage and price controls introduced from 1975-1978" including anti-inflation laws "which restricted or rolled back union wage increases" (King 2001, 116 & 122). This was because "exchange rates ha[d] always played an important role in Canadian politics," and the Canadian government and financial sector did not want to spook any of its financial investments given its "high integration" in "international financial markets" and the "importance [of its] traded sector" (King 2001, 116). At the time, the most effective lobbying group in Canada was the CBA— which was able to bring about a "financial sector [with] unified preferences" even in the midst of fragmentation "due to the presence of universal banking and a central bank [in Canada] that was not [actually] responsible for banking regulation" (King 2001, 127 & 137).

Financial sector power in Canada, based on the strength of Canada's chartered banks, allowed neoliberal policy prescriptions to occur on the terms of the financial sector. This was because "rising government deficits and intermediate government debt levels [in Canada] suggested that politicians were dependent on [the financial] sector for financing" (King 2001, 137). This meant that greater emphasis became placed on monetary policy (to the benefit of the financial sector) over fiscal policy (which became more conservative/austere). Although there was opposition in Canada by manufacturers, exporters, and unions not yet covered by collective wage agreements— they had "weaker lobbying effectiveness" (King 2001, 137). Unsurprisingly, by 1981-1982 governments in Canada successfully "reversed union's collective bargaining rights and right to strike, and imposed wage controls… [which] led to a significant decline in union membership and power in Canada" (King 2001, 122) to the benefit of big corporations and the changed neoliberal landscape. While already competitive abroad, Canadian banks also restructured their international operations at this time, their reasoning for doing so mostly revolved around the uncertainty of the unstable global monetary system. To rectify this, Canadian banks lobbied for things like tax exemptions on foreign and repatriated profits.

The most notable restructuring happened during the 1980s when the Royal Bank divested from a large portion of its Caribbean (and Latin American) operations. After leaving Grenada in 1983 (due to the revolution there), RBC would leave Guyana in 1984 (because it was nationalized), and by 1985 pull out from most of its Caribbean operations in Trinidad, Jamaica, St. Vincent, etc. (Garrod 2018, ix; McDowall 1993, 406). RBC publicly blamed its divestments in Latin America and the Caribbean on deteriorating economic conditions in the region given the debt crises (or what is referred to as the 'Lost Decade'). Prior to the debt crisis, RBC utilized its operations in the region for accumulating financial assets. While profits did decrease during the

debt crisis, the inability of Caribbean states to pay back loans is what ultimately led RBC to divest. RBC publicized its divestment in an effort to restore its "damaged public credibility" in Canada, given perceptions of it as a predominantly international bank influencing Canadian austerity (McDowall 1993, 417). This was due to growing anti-financial sentiments within Canada from other productive sectors of the economy bemoaning the influence of finance in the wake of increasingly austere and conservative politics. Ultimately, conservative governance—pushed by both the conservatives and labor parties— became the norm in Canada (strengthening the power of smaller parties, like the New Democratic Party (NDP), but not enough to challenge austerity) as elsewhere in the developed world.

While more developed states had more say in how they would accept or respond to neoliberal changes, developing countries faced structural adjustment programs as a condition to receive needed financial assistance. These programs integrated developing states into the broader global financial system. The debt crisis helped wealthier countries expand neoliberal capitalist policies into more states. Liberalization, deregulation of financial activities, and reduced government spending all aimed to serve the interests of financial capital. These policies often increased foreign direct investments into developing countries, albeit with no real development objectives outside of economic growth, of which private industry benefited. Conditionalities imposed on Caribbean states by IFIs opened up these countries to competition and eliminated protections for domestic investments. These impositions forced governments to divest from welfare projects and eliminated equity partnerships (which aimed to localize developments). This context would see an increase in FDI to states in the region, which greatly benefited banks who supported the FDI in global south states under high interest rate conditions.

Speaking at a board of governors meeting at the IMF in 1977, a representative from the Bank of Trinidad and Tobago— "on behalf of six Caribbean countries"— noted that while they "accept the need for conditionality in the disbursement of Fund resources… there is increasing concern among [them] that the conditionality at present attached to the use of [the Fund's resources] may serve to impair the effectiveness of Fund assistance" (Owen & Rhodin 1977, 7). The main concerns were that the funds focused on debt servicing rather than domestic investment which resulted in negative social outcomes from the conditionalities, including the power that the conditions afforded a few private and foreign industries, and the high interest rates which made some of the debt expensive. IFI conditionalities were recognized as problems early on by Caribbean states given the recent history of political movements opposing neocolonial policies, and broader movements calling for a new international economic order. However, the concerns of the representative from the Bank of Trinidad and Tobago were brushed aside in 1977 by the policy directives from the IMF board, which concluded that: States that come for assistance "do so because they are in a difficult payments situation…that will have to be remedied, whether the member draws on the Fund or not…the adjustment measures that are required in a particular case are worked out very carefully between a member and the Fund" (Owen & Rhodin 1977, 7).

Essentially, both the debt crisis and the neoliberal turn cemented further buy-in to the system on a global scale. States, including those in the Caribbean, were bound by rules established by IFIs in a more global and financialized system that made developing states' governments "subservient to international creditors for their own survival" (Roos 2019, 11). States which sought and received help from IFIs in times of crises, all liberalized their financial systems and opened up their economies. Deregulation during this period also had the effect of

limiting the amount of corporate competition which existed. Big multinational corporations, given financial deregulation and liberalization, were allowed to merge with and/or acquire their competitors which helped them become bigger—as they relied on corporate takeovers to consolidate power in global markets in attempts to lessen the effects of market competition. This led to further concentration of different private industries within countries, including (and especially) in the financial sector.

Within the English-speaking Caribbean context, during the late 1970s Canadian banks faced both an economic and political crisis in the region that saw the value and quantity of their investments in the region decrease. This was because Canadian banks faced the dual challenges of declining investments and the rise of political opposition in the Caribbean, that identified their presence as a manifestation of neocolonialism. During the debt crisis and its aftermath, Canadian banks would find themselves better positioned within the English-speaking Caribbean region than they were during the early 1970s. IFI conditionalities on Caribbean states seeking credit at this time aimed to "deepen the ties between the Caribbean," and the changing "global financial system" (Canterbury 2016, 116). Given internationalization and global competition, this necessarily meant that foreign investors would yet again be positioned as 'saviors' for the region's economic crisis. For Canadian financial interests, IFI stipulations were welcomed given their unique positioning in the region which placed them as advisors on the kind of structural adjustment packages IFIs designed for the region.[54]

IFI recommendations privileged privatizing whole sectors to increase foreign investments. These policies provided further incentives for foreign ownership in the region,

[54] "Advisor" is being quite lenient in regards to the role of Canadian banks, as they played a direct hand in creating the types of adjustment packages states in the English-speaking Caribbean would come to accept. CIDA, for instance, was directly involved in Guyana first structural adjustment loan from the World Bank (Engler 2009,77).

contributing to the already concentrated number of foreign entities in various industries, including in the financial sector. Reminiscent of the post-colonial laws in the late 1950s and the industrialization by invitation policies of the mid and late 1960s— sans former colonial preferences — IFI stipulations yet again reduced “the scope for national discretionary control of the monetary system [maximizing] the unfettered action of foreign private investors” (Thomas quoted in Canterbury 2016: 122). Foreign ownership and foreign investments became the ‘answer’ to Caribbean development without any “real commitment to the [local] development of the region (Canterbury 2016, 122). This locked these states further into the dependent and colonial relations that already existed. Institutions like the IMF and World Bank were allowed to set the terms of Caribbean engagement in the global economy to the benefit of foreign capitalists which already controlled much of the region’s finance.

Expectedly, neoliberal policy prescriptions in societies that already had limited amounts of capital for government spending, high unemployment rates, and crisis management— only deepened the effects of crisis. Neoliberal policy prescriptions also reduced governments’ policy autonomy and their ability to address mass social and economic inequalities— especially those stemming from the practices of foreign corporations. Not unlike the 1970s, during the 1980s states like Jamaica, Guyana, Trinidad and Tobago— and to a lesser extent Barbados— continued to make attempts to curb foreign bank (and other foreign industries) repatriation of profits in their countries. While governments would have small successes in attempting to localize developments in their financial sectors, states facing financial crises would see Canadian reinvestments back into the region at profitable margins in the 1990s. Nonetheless, throughout the 1980s and 1990s brief periods of local bank development in the Caribbean region would emerge to provide financial alternatives to Caribbean people not being serviced by big foreign

banks. Ultimately, with few exceptions (e.g. Trinidad and Tobago), local bank developments would be short-lived due to undercapitalization and renewed competition from Canadian (and other) banks in waves throughout the 1980s and 1990s. The amount of choices available to English-speaking Caribbean states regarding their own development were limited, and dependent on the whims of big private and foreign interests.

To illustrate limited state choices given foreign corporate power and the neoliberal development that was pushed on states, Guyana stands out when it attempted to make bold legislation with the aims of addressing foreign currency exchange shortages that existed in the country. Guyanese legislators identified lax repatriation laws as a major contributor to the exchange shortage in the country. In 1985 Guyana passed legislation that "required foreign banks to bring in capital to back their operations in Guyana" (Khan 2001, 47). With little room for maneuver, the Guyanese government positioned itself as willing to "assume control over [it's] banking system, since foreign banks were unwilling to bring in new capital when there was no assurance that they would be allowed to repatriate profits" (Khan 2001, 47). This bold piece of legislation backfired, however, because while Canadian (and other foreign) banks chose to sell to the government, they left Guyana further indebted to IFIs and other agencies. By bucking the neoliberal orthodoxy, Guyana suffered from an even larger decline in foreign investment and capital. By late 1980s and early 1990s, the Guyanese government abandoned this position and "announced its commitment to lowering its participation in the financial sector through restructuring and privatisation" (Khan 2001, 50).

The Guyanese example is provided to demonstrate two things: First, the neoliberal turn required compliance with the system. Second, non-compliance would leave states stuck in economic crisis, unable to amass both capital and credits as they are snubbed by investors in the

system. Unsurprisingly, many states in the English-speaking Caribbean would find the costs of non-compliance too high. Like the previous decades, domination by Canadian banks as further assisted by IFIs in the late 1970s-1990s would yet again see strong political, social, and movement resistance from people within states in the region. This time the ire of protest were focused on structural adjustment.[55] Caribbean governments increased spending on police to quell protests and rebellions, alongside Western military interventions in the region to maintain the status quo.

To think about it in another way, English-speaking Caribbean states faced a crisis during the 1980s that had all the hallmarks of the 1960s: states needing capital, economies controlled by foreign corporations, a local elite that benefitted from and accepted the situation, governments that focused on reforms that would attract foreign aid and investments, and a need to import food and other basic necessities from more developed countries. However, unlike the 1960s, the 1980s would see greater coordination between multinational banks and other global financial institutions in response to a crisis of global capitalism. IFIs worked with the largest commercial and investment banks to coordinate the enforcement of structural adjustment conditionality. This policy coordination occurred in conditions of vast increases in the internationalization of capital flows, which exposed banks to potential large-scale insolvency during the financial crises of the early 1980s. Changes in the international financial system during the 1980s would see "[t]otal earnings on international assets peak in 1981 at $815 million after which they fell— in part because of the provisions for the possibility of large loan losses" (Kaufman 1985, 67).[56] The IFIs and commercial banks coordinated with junior partners in the Caribbean who were dependent on

[55] In Jamaica, Michael Manley's acceptance of IFI conditionalities – and the negative social and economic consequences felt by Jamaicans given those conditionalities – would result in his electoral defeat.
[56] Mexico and Brazil are informative cases

establishing solvency for creditors through structural adjustment conditionality. The emergence of Caribbean governments that were willing (and in some cases forced) to cooperate with these demands facilitated the conditions for a resumption of foreign investment to the region. These developments proved especially beneficial to Canadian banks and firms which already had investments in the region, putting them in a stronger position to compete for market share as a result of the terms of structural adjustment.

As investment conditions improved for Canadian banks, they became even more profitable in the region by the late 1980s and 1990s. Bank Act revisions in Canada made deregulatory changes that allowed Canadian banks "to develop into financial conglomerates with [increased] involvement in a wide variety of financial areas." (Freedman 1998, 13-15). These changes would once again see foreign currency assets and liabilities emerge as important components of Canadian banks balance sheets, reflecting "retail operations abroad, especially in the Caribbean" (Freedman 1998, 34-35).[57] Indicative of these changes, during the mid-1980s the English-speaking Caribbean region saw an increase in mergers, acquisitions, and takeovers in its financial services industry (Khan 2001). This helped Canadian banks grow bigger in the region and solidify their 'competitive edge.' The changed environment of a new international financial architecture solidified Canadian banks as dominant financial institutions by the 1990s, despite the brief period in the early 1980s when several of the major Canadian banks briefly reduced their investments, though there remained significant differences among banks in their investment (and divestment) strategies.

[57] Freedman also notes that in the 1970s and the first half of the 1980s Canadian bank expansion into the Euro-market and increased lending to less-developed countries (LDCS) also contributed to the growth of Canadian dollar assets and foreign currency assets (Freedman 1998, 35)

To recap the tumultuous decade: Scotiabank's broad range of services and overseas locations would make its experience in the late 1970s and 1980s much different from RBC and CIBC, both of which undertook more divestments from their overseas operations in the early 1980s. For instance, in the 1970s and early 1980s, "the Royal had been making most of their profits by recycling Eurodollars[,]" as well as Petrodollars from the oil booms of the early 1970s, "through huge loans to Third World governments" (Garrod 2018, 217). Meanwhile, CIBC took a more nationalist, approach due to anti-financial sentiments within Canada, which resulted in an emphasis on North American expansion. While CIBC made public claims that they "are a Canadian bank and [thei]r priority is to serve Canadian customers" (Darroch 1994, 188), their North American expansion was mostly in the in the U.S. to address volatile earnings within Canada. Both of these examples stood in stark contrast to Scotiabank, which continued to successfully expand its operations in both the U.S. and Asia during crisis, as well as venture into gold markets— making Scotiabank's capital base stronger than its competitors (Darroch 1994, 98-100). Thus, unlike CIBC and RBC Scotiabank did not close or divest from any of its Latin American and Caribbean operations at this time, choosing instead to expand into even more areas.

Not surprisingly, changes in the global landscape of international finance during the 1980s, made it so that by 1981, "[o]ver half [of] the profits of Scotia-bank [were] generated internationally…and roughly half the profits of the Royal in 1982" (Kaufman 1985, 71). In 1983, the top five Canadian-owned chartered banks controlled 85% of total bank assets in Canada (Canada, Department of Finance). Of the top five, RBC and CIBC comprised the top two on the list, with Scotiabank placing fourth. Together, these three banks comprised 54.2% of total Canadian bank assets (Canada, Department of Finance). Ultimately, Canadian banks were able to

use the dynamics of the debt crisis to continue expanding—albeit unevenly— throughout the Caribbean (and Latin America), even as the states in the region experienced debt crises, because they were the beneficiaries of debt servicing at high interest rates. Crucial to their success in the region was the increasing market power of finance, which harmonized well with IFI structural adjustment packages that reinforced their financial power— and the private profits to be made from it— over that of development.

Ultimately, as increased privatizations and expanded access to financial markets became pivotal to development strategies of the 1980s, Scotiabank continued to increase its overseas operations and expand its loan portfolio even further in the Caribbean. On the other end, by the mid-1980s CIBC maintained that expanding its international presence would bode well for its domestic operations— explicitly making the case that its international activities would help financing in Canada. Thus, it resumed its investments in the Caribbean region. The devaluation of Caribbean currencies (a requirement of the IMF and World Bank structural adjustment conditionalities) and the losses RBC experienced in the region— given governments' non-payments on loans— did lead to bigger divestments from RBC in the late 1970s and early-1980s. However, RBC's increased investments into the region during the late 1980s and 1990s would rival that of Scotiabank, which never left the region. For RBC, financial losses during the late 1970s and early 1980s were minimal, especially in comparison to the gains to be made in the post structural adjustment period.[58] Then, debtor states in Latin America and the Caribbean who received assistance from IFIs in the 1980s were bound to repay their debts in the system.

---

[58] This is because they would be able to earn high interest rates from interest payments on their outstanding loans while the principal was increasing

IMF and the World Bank Structural Adjustment in the 1980s and 1990s: Canadian Banks, Financial Interests, and the Caribbean

During the economic crises which shook the Third World in the 1970s, foreign financial banking institutions, including Canadian ones like RBC, started to sell interests to local capitalists and regional governments with prices ranging between $1 dollar to $6 million dollars by the early 1980s (Hudson 2010, 44). While shocking, this development was welcomed by states looking to assert economic autonomy and sovereignty from their economically dependent situation. What is most telling about this selling of interests, however, is that these Canadian corporations buy-back in the region reemerges vigorously towards the end of the 1980s, given the introduction of IMF structural adjustment policies that they helped to write. Overall, the adjustment period of the 1980s and 1990s highlights the relationship between Canadian banks, the Canadian government, global financial institutions and political classes in the Caribbean whose interests align with the region's dependence on foreign capital. Ultimately, IFI structural adjustment programs in the 1980s and 1990s could best be described as one of the tools utilized to address a crisis of capitalism which began in the late 1960s.[59] As such, the goals of the packages discussed below aimed to integrate developing states into the changing financial architecture and open their markets to Western capitalists who faced declining profits and increased global competition for foreign markets.

In 1984, Canada's RBC bank "sold its assets in Guyana to the Guyanese government for $1 dollar (a transaction repeated by both National City Bank and Barclays)" (Hudson 2010, 44).

[59] When looking at Caribbean economies in the late 1960s, some people may question whether or not a capitalist crisis was occurring – given that this timeframe was wrongly regarded as the "Golden Age of Capitalism." However, by the late 1960s the falling rate of profit already began, and to address this issue, global corporations began increasing mergers and acquisitions, expanding more forcefully into foreign markets, and reverted their earlier positions to then opposing capital restrictions of the Bretton Woods system. For more information on the crisis, see: Utsa and Prabhat Patnaik, "Capital and Imperialism: Theory History, and the Present" p. 88-94

During 1984, Guyana's government borrowed money from the IMF due to balance of payments problems which the loan would not help to fix. By 1985 Guyana would be ineligible to receive further funds without the implementation of IMF SAPs, due to the continued deteriorating condition of its economy (Ramesh 1992, xi), and its refusal to agree to the conditionalities. By 1989, Guyana became the poorest country in the Western Hemisphere, which was the first time that another country surpassed Haiti (which has suffered from economic isolation) for that position (Stabroek 2016). It was then that Guyana underwent structural adjustment, and strict adherence to the SAP policy was overseen by a Canadian support group. Canada's support was to turn the Guyanese economy around by facilitating the raising of funds for the Guyanese government through the privatization of state-owned enterprises, and the opening up of other sectors for (foreign) private ownership and investment (Ramesh 1992, xi-xii). In other words, the Canadian support group would oversee the privatization of the Guyanese economy for Guyanese development under the SAP, privileging foreign investments.

To say that structural adjustment was harsh would be an understatement. Austerity in Guyana would see the workforce unable to secure jobs, and without capital necessary to meet basic living expenses— it should be reminded here that the situation in Guyana was already dire, given that its commodities were excluded from some markets given its prior nationalizations. By the late 1980s, bauxite miners, sugarcane cutters, students and teachers within Guyana—could no longer afford bus fare. In response to their declining economic situation within Guyana, workers started to picket the Canadian High Commissioners Office for the rules of the SAP that these commissioners had recommended to the IMF (Swift & Tomlinson 1991, kindle loc 1812). The Canadian support group recommended that Guyana undertake an intensive austerity plan that required a 230% currency devaluation, a 35% rise in interest rates, and a 20% wage increase

(Swift & Tomlinson 1991, kindle loc 1719). However, given the circumstances, the 20% wage increase only occurred in order for a Guyanese person to be able to afford one loaf of bread, one-half a pound of chicken, *or* (not and), a gallon of rice (Swift & Tomlinson 1991, kindle loc 1719). Although the Canadian High Commissioner, Frank Jackman at the time admitted that these budgetary measures were unpopular, Jackman contented on a local broadcast, that the Guyanese people should be reassured that "they should "take heart" because the austerity package would encourage Canadian multinational corporations to look favourably on Guyana in making decisions about where to invest" (Swift & Tomlinson 1991, kindle loc 1719). As such, Canadian purchases and investments would service debts that the Guyanese government could not.[60]

The IMF pursued a similar corporate development strategy throughout the region, that was encouraged by the Canadian banking community— especially RBC which wanted to regain its operations— and various Canadian support groups set up specifically for the region. RBC had sold its interests in Trinidad and Tobago in 1987 as part of the restructuring plan. However, in 1989 Trinidad and Tobago underwent IMF SAP to service their debts and RBC buy-back of its interests started (Ramesh 1992, xi). This in spite of the fact that in Trinidad and Tobago, attitudes towards foreign investment were negative (Meyer 1995, 143)— given the history of foreign investments and the protests against economic neocolonialism. The 1970s and early 1980s had seen Trinidad and Tobago pursue stronger pushes for government, and or local private ownership, over resource and other sectors— with Trinidad even going as far as installing "uncompetitive corporate tax rates" (at 45%) to discourage overwhelming foreign investment (Meyer 1995, 143). Nonetheless, the outcome of IMF SAPs in Trinidad and Tobago by the late

[60] Essentially, the Guyanese government had to relinquish state ownership of certain companies and sell off Guyana's natural assets via concessions to foreign companies, foreign takeover of utilities, etc.

1980s would see the country pursue "a more liberalized approach toward direct investment to attract more foreign capital" (Price Waterhouse quoted in Meyer 1995: 143). In 1987 Canadian banks sold their 48 per cent stake in Jamaica's Royal Bank to Jamaica Mutual Life Assurance, and in 1989 with the implementation of IMF SAPs, Canadian investors (along with American and European buyers) swooped in (Ramesh 1992, xi; Hudson 2010, 44). The same thing occurred in Belize in 1987 when Canadian banks were sold to Belizean investors and when Belize underwent an IMF SAP, Canadian buy-back started— although these opportunities were also extended to American and European investors. Essentially, structural adjustment demanded divestment of state holdings at extraordinarily discounted prices, given that the objectives were access to foreign exchange, and not development.

As privatization ruled by foreign capitalists persisted in the Caribbean region during the 1980s, Canadian investors faced less competition and more opportunity as they re-invested into the region. At this time, many European and some American investors began to look towards Russia and Eastern Europe, given the declining situation with the Soviet Union (Watson 2016, 49). This was compounded by increase investments into China given the lower production costs there and "the negative impact of NAFTA on foreign investment inflows to the Commonwealth Caribbean for export production" (Watson 2016, 49). Essentially, the Caribbean region was not the only space which opened itself up for foreign investors in the 1980s, as investment options abroad for investors increased. In a nutshell, as developing states 'competed' for foreign investment given monetary crises — investors which did go to specific countries, entered those spaces with more power. Because Eastern Europe and China piqued the interests more from other Western states, Canadian interests were allowed to have an even bigger role in the English-speaking Caribbean region's legislation. These developments entrenched the monopoly power of

the dominant Canadian financial institutions via limiting the amount of 'developed' state competition Canadian investors had in the Caribbean region— and Canadian interests pushed states towards IFIs, and other debt, acceptance.

As such, the crises did not mark the end of Canadian banking dominance in the region, but rather a brief hiatus for some of the banks. During the late 1980s and into the early-to-mid 1990s, Canadian banks would make their biggest push back into the region since their colonial introduction. In 1989, the then Chairman of the Royal Bank, Allan Taylor, convinced the IMF— with the appraisal of the Canadian banking community— that Canadian support groups were instrumental in advancing the position that "foreign investment in the borrowing countries would have to play a much larger role in resolving [their] debt[s]" (Swift & Tomlinson 1991, kindle loc 1719). It is then no surprise that towards the latter half of the 1980s, "financial regulation" in some Caribbean states "tended to have a Canadian focus" (Williams 1989, 181). These regulations largely aimed to exclude foreign branch operations from the general rules governing banks in the region; meaning that Canadian interests were able to legislate provisions to not regulate foreign bank branches in the region. As stated in chapter two, lack of and/or minimal regulation of Canadian financial investments abroad was always considered a 'problem,' as identified by American and European competitors against Canadian investors. In the 1980s, this was not any different, as "Canada ha[d] few policies on outgoing investment; a situation that before [NAFTA], was often met with disfavour by American officials" because Canada would regulate and "screen" foreign investors while "not regulat[ing] their own multinationals" abroad (Meyer 1995, 40).

Thus, Canadian financial institutions with overseas operations not only benefitted from lax legislation within Canada on their behalf, but given the need for foreign investment in the

Caribbean region, were also able to craft legislation that they excepted themselves from as well. For example, in Barbados "stipulations relating to capital requirements [did] not apply to branch operations, so that foreign branch operations [would be] excluded from provisions" stipulating capital requirements (Williams 1989, 182). This meant that in Barbados, of the seven banks that this general rule could have applied to—only two banks, which were not foreign, were actually subjected to bank regulations on capital requirements. This particular regulation was also utilized by states in the Eastern Caribbean Community (ECC), of which 22 of the 38 commercial banks operating in the ECC were foreign; meaning that the regulation would only apply to 16 or 42% of the banks there (Williams 1989, 182). It would not be unfair to assume that declining profitability in the Caribbean region during the mid and late 1980s contributed to favorable legislation towards foreign banks, in order to keep those entities within the region. This period was also notably marked by decreased corporate tax rates on foreign entities, to disincentivize withdrawal from the region (Williams 1989, 191-2). However, these corporate friendly policies towards foreign business and investments did little to actually help Caribbean societies themselves. The local banks who were subjected to these rules and capital requirements would find themselves unable to compete with foreign owned Canadian banks, only capturing small portions of their own local markets. Instead, Canadian banks would use declining foreign investments in the Caribbean region to entrench their own power with the help of structural adjustment and conditional lending to states.

Given the backlash of the previous decades to Canadian financial power in the Caribbean region, Canadian banks supplemented their Caribbean expansion during the late 1980s and 2000s pursuing two strategies to stave off scrutiny from countries levying critiques of neo-colonialism. First, Canadian banks sought to promote Canadian investment through acquisitions and mergers

which would make it so that local market shares could be retained in the region. Mergers and acquisitions became a way for Canadian banks to consolidate power during the privatizations of the 1980s, by insulating themselves from critiques because the symbol of the merged and/or acquired entities remained 'local' and/or 'Caribbean.' In other words, Canadian banks became majority owners (50%+) in Caribbean companies that became privatized— after having seen increased government ownership or outright takeovers during the 1970s and early 1980s. Although the transition from state ownership to privatization put the control of these companies in Canadian hands, the companies still maintained their 'Caribbean-ness,' due to the fact that small shares remained held by more affluent Caribbean people.

Mergers and acquisitions also seemed to be preferred by Caribbean governments— who pushed nationalization and state ownership in the 1970s, as the strategy implied that at some point in the future local shares, as well as government ownership of majority shares, had the potential to increase. Additionally, the language of 'partnership' around merging and acquisitioning staved off some scrutiny against governments, "even as control of these foreign subsidiaries remain[ed] highly spatially concentrated in Canada" (Meyer 1995, 73). Put together, there were increasing "incentive[s] towards mergers and consolidations" which gave the "largest [financial] institutions [the] ab[ility] to exercise monopoly power" (Worrell 1997, 69). The uneven competition landscape also acted as an incentive to merge, because no matter how "numerous their smaller rivals, small size ma[d]e their services expensive" and unable to be a "competitive challenge" to these foreign banks (Worrell 1997, 69). In sum, government constraints due to crisis and backlash against foreign ownership within states, allowed merging and acquisitioning (privatization) to be seen as a strategy to address crisis (development).

While the Caribbean faced a "lost decade"[61] from the 1980s to 1990s, given the negative social situation and deepening inequality between people as a result of the neoliberal policy prescriptions in the 1980s— it was a booming year for big multinational corporations. Towards the latter half of the 1980s and heading into the 1990s, Canadian banks' lending and expansion (through incremental takeovers and mergers[62]), grew. However, as alluded to earlier, regional trends included (1) decreased market share (of about 1-3% in different Caribbean states) overall for foreign banks, and (2) an increase in market share for 'indigenous banks' (Juan-Ramón et.al. 2001). This is because of U.S. and European pull-outs in the region, but also because "the latter part of the 1980s [was] a period of retrenchment and sovereign debt rescheduling" (Létourneau & Heidrich 2010, 6). As part of these processes for instance, in 1988 RBC sold an important part of its Caribbean operations—the Royal Bank of Trinidad and Tobago to local interests (Létourneau & Heidrich 2010). RBC would do the same in Jamaica during this time as well accounting for some market loss for Canadian banks—as these sell offs hindered CIBC expansion into these states. However, Scotiabank at this time continued expanding into the region, operating in 24 Caribbean markets with 172 locations in 1992. CIBC, though less ambitious than Scotiabank, also expanded taking advantage of new opportunities for merging and acquisitioning.

[61] According to Dr. Juliet Melville on the *Impact of Structural Adjustment on the Poor*: "the 1990s is regarded as a lost decade precisely because of the absence of economic growth and significant reversals on the social front. Szekely (2001) argued that SAPs in the 1980s resulted in the dismantling of the previous social development strategy, whilst the restraint of government spending across the board, the removal of subsidies, cost-based pricing for publicly provided goods and services and cuts in social spending adversely affected the poor disproportionately" (Melville 2002, 4).

[62] Deregulation has a substantial impact on merger decisions

Table 4.1 Canadian Direct Investment Abroad: Number of Controlled Subsidiaries

Central America and the Caribbean*	1974	1979	1984	1989	1992
(#)	140	207	220	230	279
(%)	12.2	9.4	7.1	6.1	7.2

Source: *Whom Owns Whom, North America*. Dun and Bradstreet International (volumes 1974, 1979, 1984, 1989, and 1992); Reprinted in Meyer 1995

Note 1: "The distribution of Canadian FDI activity among Central America [and the] Caribbean countries has been quite uneven […] all countries within Central America are represented within this sample of outward direct Canadian investment, but the quantity of investee firms in these countries lag well behind those of the Caribbean" (Meyer 1995, 70-72)

Note 2: The table shows a steady increase in the number of controlled Canadian subsidiaries from 1974-1992, with a noticeable decrease in the overall percentage given the decreases in market share due to competition.

Table 4.2 Canadian Acquisitions Abroad by Industry 1987-1990

Industry	(%)
Manufacturing	38.8
Financial	18.7
Resources	14.0
Services	8.3
Unclassified	6.9
Utilities	5.3
Merchandising Trade	5.0
Construction	3.0
Total	100.0%

Source: Knubley, J. W. Krause and Z Sadeque (1991). "Canadian Acquisitions Abroad: Patterns and Motivations." In Corporate Globalization Through Mergers and Acquisitions, 36-37. Reprinted in Meyer (1995).

As it solely relates to Canadian banks, heading into the 1990s, it was predicted that the three big Canadian banks in the Caribbean would "continue their long-standing, stable, profit-earning operations. Some less-productive branches [would] be phased out," but even then, "the large network [would] be maintained and in a few cases[,] extended" (Kaufman 1984-1985, 74). Towards the latter half of the 1990s and early 2000s CIBC, RBC, and Scotiabank continued to make acquisitions in the Caribbean region. A large part of this would be due to Guyana and Jamaica—two states that notably nationalized more of their economies before the crisis of the

1980s. In 1995, “more than 36 state-owned banks were privatized with total assets amounting to more than US$8 billion, representing approximately three quarters of total commercial bank assets” in the region (Clarke 1997,) The countries with the highest number of banking privatization were Guyana and Jamaica (ECLAC 2001, 6). Illustrative is that RBC would open in a number of Caribbean locations, after having withdrawn from countries in the region during the mid-1980s—of which Jamaica and Guyana were early parts of (Garrod 2018, x). According to Alleyne and Waithe (2011), “one of the defining characteristics of the 1990s onwards [were the] mergers and acquisitions” which took place in the Caribbean (11). Whereas “from 1980 to 1989 there were only 83 mergers and acquisitions in the Caribbean…in the 1990’s there was a marked increase in activity, with 515 takeovers” (Wood & Wood 2013, 38).

Illustrative is the experience of Trinidad and Tobago, where from 1985 to 2009, 52% of the takeovers in that country resulted in foreign companies acquiring Trinidadian firms, “with the first of these acquisitions occurring in 1990” (Wood & Wood 2013, 38). During this same time period in Barbados, Canadian banks would come to control over 49% of the country’s commercial bank assets (RBC 18.8%, Scotiabank 14%, and CIBC 16.5% respectively)—in large part due to an increase in credit demand, and their ability to provide (Clarke & Danns 1997, 154;160). What is interesting about Canadian renewed interest in the Caribbean region, is that the banks chose to remain there—even as they generally sought to expand into other countries experiencing their own periods of increased privatizations.[63]

---

[63] Létourneau & Heidrich 2001, 6-20: Scotiabank, RBC, and CIBC positioned themselves strongly in Caribbean markets; Scotiabank into Mexico and Latin America as well. Scotiabank, RBC, and BMO are trying to break into Asian markets, specifically in China. Scotiabank wants to also extend its operations into Malaysia, Thailand, and India as well, going beyond China. Both TD and BMO have been more focused on North American markets, the US in particular—with RBC, Scotiabank and CIBC also having US operations.

In addition, Canadian banks also benefited from Canadian foreign aid— which was a second factor that contributed to their growing power in the region— that was utilized by Canadian banks for further investments in the region. Aid from Canada was highly conditional, and based on the extent to which states followed structural adjustment programs. Not surprisingly, the intensification of Canadian aid programs to the region were praised by the IMF and others as proof of Canada's 'good-will,' versus rank neocolonialism towards its neighbors. As testament, Canada in 1990 forgave $182 million worth of debt for 11 Caribbean countries— 8 of which belonged to the English-speaking Caribbean region— after the unfairness of Canadian trade deals towards the region were scrutinized (Chaitoo 2013, 41). Canadian aid forgiveness toward states in the region, like Canadian aid, should also not be seen or interpreted as 'good will.' Canadian aid and forgiveness followed similar logics of staving off scrutiny by supplementing its business logics—which first and foremost focused on facilitating further investments and tourism in the region— with the giving of aid and debt forgiveness to meet those ends without protest. Debt forgiveness itself was also subject to meeting structural adjustment macroeconomic targets, that were adopted by private banks.

The framework that Canadian aid and debt forgiveness was grounded upon, was laid out in the 1980s, when Canada's Secretary of State, Mark MacGuigan, noted in a speech to the Caribbean Community (CARICOM) that Canadian assistance to the region would be to "assist your states to cope with the rapid changes and economic difficulties which beset the region" via "emergency balance of payments assistance available to [Caribbean] states that had concluded remedial programmes with the IMF" (Basedeo 1992, 198). Thus, Canadian aid and loan assistance to states in the region was strictly dependent on states acceptance of IMF policy and meeting schedules for loan repayments. Further, Canadian aid to the region saw an "increase in

the levels of technical assistance" to the region by Canada, and that assistance was "concentrated on economic and financial management in the public sectors [which included a budget for] the hiring of Canadian advisors to assist" in implementation (Basdeo 1992, 198-9). Needless to say, Canadian aid and debt forgiveness stressed the role of the private sector—specifically in relation to foreign interests within the private sector— as the solution to the Caribbean regions development. In the post-debt forgiveness period of 1990, Canadian Prime Minister Brian Mulroney announced the funding for a new office of cooperation between Canada and the Caribbean, as realized through the Canada-Caribbean Business Cooperation Office (CCBO). The office itself made it clear that "if the Canadian government is to continue to… assist the region, as it most certainly will do, it will be in the form of the private sector initiatives and not government hand-out" (Basedeo 1992, 213)

Essentially, the Canadian overseas business class— including Canadian banks— relied on their sheer size and market power, to continue to influence markets in the Caribbean region without serious competition. It also helped that in matters relating to the Caribbean, Canada was an influential member in the IMF and World Bank.[64] They were backed in their dealing by the Canadian state— whose aid and debt forgiveness initiatives prioritized the private sector over the government in the region. Market liberalization, as preached by international financial institutions aided Canadian financiers' concentration in the Caribbean, despite the liberal doctrine that liberalization would lead to increased competition (Worrell 1997, 66). Canadian banks already in the region had the advantage of not incurring start-up costs, thus avoiding competition with competitive newcomers (Worrell 1997, 66). Canadian bankers themselves were

[64] Canada was also a member of the Paris Club, an international organization of major creditor countries, coming up with solutions for debtor countries needing reforms to repay debt.

also uniquely positioned by the Canadian state and IFIs to act as advisors for 'stability' in the region, meaning that Canadian banks played a crucial role in mediating, determining, and benefiting from structural adjustment policies of the 1980s. As stated in the previous chapter, increases in private capital to the region allowed Canadian financial institutions— uniquely situated in these states to facilitate these transactions. Their advice changed economies in the region from the sole reliance on agricultural (and other resource) products to tourism and manufacturing, and mining— which ensured that Canadian banks would continue to service wealthy foreign clientele in the private sector, and those visiting from Western states.[65]

Although IMF SAPs and Canadian advice provided incentives for all foreign banks and corporations seeking to operate in the Caribbean region, by the 1990s financial liberalization in the developing world more broadly led to an overall reduction in US and European interests in the Caribbean. The only exceptions were the offshore hubs in the Bahamas and in Barbados. Although American and European banks were unable "to compete high quality customers away from those already established [Canadian] banks," they were content with simply avoiding taxes in their Caribbean offshore hubs, taking their investments to places in Asia and Eastern Europe instead (Worrell et al. 2001, 9-10; Ogawa, Park & Singh 2013).

Structural Adjustment as International Order: Canadian Banks, Financial Interests, and the Caribbean

Unlike the first wave of English-speaking Caribbean states that were granted independence by Britain, the potential for state nationalization projects did not exist for the second wave of states that would become independent. In other words, these state's independence process was pre-structured by structural adjustment policies, the neoliberal turn,

[65] Canadian corporations' own airlines, tour operators, and hotels in the region, and is second only to the U.S. in supplying visitors (tourists) to these states (Momsen 1992, 510)

and attracting tourists, foreign aid and investments. For example, on the eve of its independence, St. Lucia implemented a "tax holiday," a "tariff-free import of industrial inputs [and the] unlimited repatriation of capital and profits" for foreign industries —with the included 'benefit' to St. Lucia being "worker training programs" for 'development' (Klak 1998, 74). Structural adjustment was already normalized by the 1980s, given the power of a variety of self-interested actors, including the U.S., IFIs and Canadian investors, who would continue to advance and support— by any means necessary— structural adjustment policies in the Caribbean. Debt traps, coupled with incursions on Caribbean state's sovereignty would see the neoliberal and capitalist doctrine accepted by all of the independent states in the English-speaking Caribbean region by the mid 1980s. When the Bahamas (1973), the four Windward islands of Grenada (1974), Dominica (1978), St. Lucia (1979) and St. Vincent and the Grenadines (1979), and Belize (1981) were granted independence — their development routes were severely limited, given that Canadian banks market power had already extended itself into these states prior to their independence. As such, newly independent states remained highly tied, and dependent on, Canadian banks, as well as dependent on strategies aimed to attract additional aid and foreign investment. These strategies were in "tension [with] poverty alleviation [and] the promotion of sustainable development" (Haar & Bryan 1999, 207).

Simply stating that limited choices existed does not cover the depth of those limits, so I provide additional insight using the case study of Grenada below. The main takeaway from the invasion into Grenada is that states who did not accept the terms of the neoliberal doctrine were subject to military and political interventions, followed by the imposition of neoliberal economic policies. If those states happened to be in the Caribbean region, the U.S. and IFIs trusted Canadian financiers to advance the broader strategic and economic goals of structural

adjustment, in line with the system. Adherence to the failed neoliberal doctrine for development in the Caribbean region, would be accepted by all states by the mid to late 1980s, given the international mishandling of Grenada. In the post-invasion period, other newly independent Caribbean states placed a lot more emphasis on state police forces to limit rebellions against reformist and revolutionary agendas. For instance, the Dominica Defense Force (DDF) was utilized multiple times in the aftermath of its independence to put down legitimate civilian protests and mass movements (Phillips 2002, 52). Interestingly enough, Canada has also been crucial to "training police and security forces in the Commonwealth Caribbean" (Momsen 1992, 506).

When Antigua and Belize gained independence (1981), it was thought that the Black Power Movements in Antigua would pose a challenge to the system. However, state policies checked the effectiveness of these movements through both political repression and economic liberalization. St. Kitts and Nevis, Belize, and Antigua would all pursue a neoliberal strategy of "industrialization by inducement" promising foreign businesses and investments "lucrative tax holidays, and to indiscriminately lease and purchase land" (Simmonds 1987, 285). Canadian experts advised these governments about how to attract their businesses to their states. The independence parties in St. Vincent and the Grenadines did not even lay out a path for independence, instead choosing to forge closer ties "with the relatively centrist [and already independent] governments of Trinidad and Tobago and of Barbados [,]" (Niddrie & Tolson 2019). Meanwhile, in the Bahamas, the constitution stressed its commitment to neoliberal development noting that it would not change its financial sector given the "confidence displayed by the banking community in the government's reaffirmation of the principles of democracy and its pledge for continued political stability" (Francis 1985, 94). This is important because in the

aftermath of the invasion of Grenada, state elites in the English-speaking Caribbean made it clear that revolutionary fervor would be contained as they simultaneously pledged allegiance to the system as a means to maintain state sovereignty from unwanted physical interventions.

The Exceptional Case of Grenada: Going Against Structural Adjustment as International Order

Given the severely limited development options for English-speaking Caribbean states that became independent during this second wave, Grenada tried to undergo a revolutionary path in order to circumvent powerful foreign interests, which were regarded as inimical to the interests of the Grenadian public. However, while initially successful, the outcome of the Grenadian revolution would reveal that powerful foreign interests were not above supporting ultra-asymmetrical military invasions to re-insert a Caribbean country within the preferred international financial architecture, to the benefit of foreign investors.[66] This revelation would make future revolutionary attempts unlikely, given the immense punishment enacted against Grenada after its attempt. In 1979 the Grenadian public supported the New Jewel Movement (NJM)[67] led by Maurice Bishop in overthrowing its then incumbent ruling party, the Grenada United Labour Party (GULP), that was backed by local elite and external foreign interests. NJM made the explicit case that the present international order locked Caribbean states into unequal capitalist relations to the detriment of Caribbean people. In addition to this understanding, it identified Canadian financial institutions as having an outsized role in the financial affairs of Grenada— even before its independence.

---

[66] Prior to the invasion of Grenada, interventions in the country were primarily economic in nature. Once Maurice Bishop came to power, threatening military exercises in the region suggested that an invasion was imminent, even if it would lack support from the international community. The US government during the Reagan administration, frequently hinted at nefarious Soviet military activities taking place in the country.

[67] NJM in Grenada was a product of the Black Power Movement in Grenada during the late 1960s to early 1970s. Therefore, Black Power movements in newly independent Caribbean states (like Antigua and Dominica) were targeted as having the potential to become communist/Marxist/socialist in orientation

Prior to the coup, the incumbent (and illegitimate[68]) GULP ruling party, facilitated bilateral agreements with Canada granting Canadian banks an outsized role in Grenadian commercial industries. Although really small in size, by 1976 Grenada would have 6 commercial banks—all foreign—of which RBC, CIBC, and Scotiabank had the biggest hand (Paxton 2016, 552). As was seen elsewhere in the region, "the requirement of the four foreign-owned commercial banks— Barclays Bank International, Royal Bank of Canada, Bank of Nova Scotia, Canadian Imperial Bank of Commerce—" meant that the majority of people living in Grenada could not access the Canadian banking facilities (Ambursley 1985, 32). Prior to the Grenadian Revolution, government economic planning in the aftermath of independence "was limited to the preparation of lists of investment projects which were virtually 'shopping lists for aid'" (Kirton 1989, 3). Within Grenada, local and foreign capital functioned in a laissez-faire way— similar to the Bahamas—whereby "there were no controls on their operations and no regulation of foreign trade, prices or any other important economic variables" (Kirton 1989, 3).

In 1979, the NJM staged a successful coup d'état against the GULP government, given majority support, and formed the People's Revolutionary Government (PRG) of Grenada. The PRG's mission, as broadcast over radio, was outlined clearly with the description of the situation facing Grenada:

> "We are a small country, we are a poor country, with a population of African slave descendants, we are part of the exploited Third World and, definitively, our challenge is to seek the creation of a new international order that puts the economy at the service of the people and social justice." -Maurice Bishop (Radio Free Grenada. April 13, 1979)

Unlike other governments which geared policies towards the illusion of social progress and allowing the economic sectors to remain largely operational and friendly towards foreign capital, the PRG set out to implement specific economic policies that would use state funds in a

[68] Illegitimate in the sense that elections were understood to be rigged against opposition parties

productive manner. Part of this recognition included the outsized Canadian banking interests in Grenada, and in the Caribbean region as a whole. The PRG's concern was warranted, given the uncompetitive environment that had been established for the benefit of Canadian banks, which made it so that "by 1983, there were approximately 330 branches of Canadian banks, their subsidiaries, and affiliates in the [English-speaking] Caribbean" (Kaufman 1985, 72). The focus on finance by the PRG government did frighten Canadian bankers. Shortly after the revolution, the Canadian Imperial Bank of Commerce "announced its intentions to cease operations on the island for financial reasons" (Ambursley 1995, 207). CIBC may have been worried about the potential for their employees to unionize under PRG governance, as well as potential nationalizations given the Marxist orientation of the PRG. A few months before the revolution in 1979, CIBC "strenuously opposed previous attempts by some of their staff to become unionized," like the majority of foreign owned banks at the time, and "workers from the [CIBC]" had approached revolutionary leaders about this (Coard 2017, 40). Fears about an impending assault on capital, and increased workers' rights (thus increased wages and bargaining power), would have been financially worrying for CIBC.

Nonetheless, the PRG used CIBC leaving Grenada as an opportunity to "acquire ownerships of [CIBC] bank facilities" and to establish the first state bank (Ambursley 1995, 207). Unionization of bank workers in the foreign banks were also a top priority and the recognition of the CIBC union under PRG leadership "had an electrifying effect among workers at all four foreign-owned banks in Grenada. Management of the un-unionized banks immediately offered substantial salary and fringe benefit increases" (Coard 2017, 41). A year after the revolution, the Royal Bank made announcements that "it would cease its operations in Grenada" as part of a broader trend with the Royal at this time to "rationalize its activities in the

Caribbean" given the debt crisis (Ambursley 1995, 210). The "PRG bought the head office of the Royal Bank of Canada" which they noted as a "concern," and established a second state bank in Grenada (Ambursley 1985, 210).

The PRG utilized the rules of the system to its advantage in consolidating its ownership of financial institutions. With the already established framework of mergers and acquisitions during the 1980s, the PRG came to buy off, or become majority shareholders in, the head offices of RBC and CIBC. In addition to buying off Canadian banks intent on leaving the country, the PRG also developed its own state banks not affiliated with its Canadian purchases. These state banks were to be government controlled and not beholden to a shareholder framework, so that foreign shareholders would not come to control the banks in the future. According to Bernard Coard,[69] the former deputy Prime Minister of the PRG, if they incorporated purchased Canadian banks with the state banks "[Canadians] would have had fifty percent of all deposits in Grenada" (Grenade 2010, 148). Thus, it was reckoned that to truly localize investments in needed industries and sectors, the PRG would need financial autonomy. Additionally, the PRG also insisted on collaborating with the private sector for mutual benefits to be bestowed upon Grenada. This was not only to circumvent pushback from IFIs and Western governments, but also to have more robust (innovative) growth strategies in Grenada. However, even as the revolutionary government sought to make these accommodations, Western economic retaliation happened anyway. Grenada saw a massive decline in FDI, lost development funding from different Western countries, and witnessed capital flight— all of which RBC and CIBC used to justify their pullouts.

---

[69] It should be noted that Coard is believed to have been involved in the assassination of PRG leader Maurice Bishop prior to the invasion of Grenada. Bishop's assassination, is what would essentially pave the way for the US invasion of Greanda.

Nonetheless, the PRG believed that robust ‘competition’ was necessary for overall development in the country, which is why they did not pursue outright nationalization of all private industries. They were also concerned that nationalization would not bode well, given the broader economic crisis in the Caribbean region during the early 1980s. At this time, capital flight from some states in the region were worrying, and the impacts to Grenada in light of its revolution which questioned the strength of foreign capital, would undoubtedly be perceived negatively. For instance, when the PRG came to power, it was the case that “British and Canadian capital dominated banking and the import/export trade on the island” (Clark 1987, 25). The overwhelming power of foreign entities and potential capital flight (including from national capitalists and the petit bourgeoise) were hard for the revolutionary government to ignore. Thus, purchasing the head offices of Canadian banks looking to divest from Grenada within the shareholder framework, versus nationalizing them, was less confrontational for the PRG.

The PRG purchases of Canadian banks was viewed as transactional, and maybe even profit-saving from the view of the Canadian banks who sold to the state to exit the country. The PRG’s estimations were correct, as the purchasing of CIBC and the Royal showed a willingness of the Grenadian Revolutionary Government to ‘cooperate’ with the international system. Given the PRG’s strategy of gradual public ownership in conjunction with strong private partnerships within Grenada, the PRG believed state institutions would grow to be competitive, and Grenada would be able to stick to its revolutionary path unscathed. The PRG recognized that it needed to transition away from traditional merchant forms of capital and trading that mostly benefited foreign capitalists in Britain and Canada. When the PRG came to power, the economic structure in Grenada was one that lent itself to a high import content of goods from Western states, that could be sourced locally, and uneven trade deals, that provided market access in Grenada to

foreign corporations without extending the same access to Grenada in those corporation's home states.

The revolutionary government had to manage the problems of foreign ownership in a way that would not directly attack foreign capital too quickly within their country. Thus, the PRG framed government investments within the Grenadian economy using the language of 'competition' and remaining competitive with private industry (Ambursley 1995; Grenade 2010; Coard 2017). When the state banks in Grenada were established, they did so with the intent to compete with foreign banks in Grenada that had previously dominated lending and investment decisions. In order to make banking in Grenada competitive, it was reasoned that the monopoly Canadian banks had within the Grenadian finance needed to be weakened. This, it was said, was to increase bank competition in Grenada to make these services better for everyone in the country.

It was through walking this fine line of managing foreign imperial relations and its revolutionary mandate of development based on justice for the Grenadian people that made the PRG's policies successful. The PRG honored the financial loan obligations that Grenada had, which they had inherited from the government prior to the revolution. While the PRG did not have many Western allies, under their government the Grenadian economy did grow. This was because the PRG utilized the aid and loans it had received strategically to boost public employment opportunities, with the recognition that Grenada was a small economy. At the time, Grenada's main product for export were nutmegs grown by agricultural laborers, while a lot of the commerce within the country were in the hands of a small, local, capitalist elite. Given the primacy of nutmegs as an export, the PRG supported nutmeg-based products (including the production and packaging of said products) for export and invested in the production of other

agro-based goods that it could no longer afford to import (e.g. wheat for flour). As was the case in many countries in the region, Grenada was also dependent on imports, and thus needed other sources of funding, including development funding, to fund state expenditures. Given Western retaliation towards the revolutionary government, Grenada would see its sources of external funding decline. Thus, the PRG came to rely much more heavily on states like Cuba and the USSR for support (see footnote),[70] as well as left internationalist groups abroad extending solidarity to the country via monetary and human capital exchanges. The PRG also mobilized the Grenadian population for defense, which also helped with employment. All of the aforementioned contributed to economic growth during the PRG's tenure.

The PRG's commitment to walking the thin line between global financial capitalists and its own development proved successful. IFIs found the PRG government 'easier' to work with, given their competency over the pre-revolutionary government (Felix 1998). As such, the IMF and World Bank "disregarded the PRG's socialist orientation" and approved them for loans for infrastructure projects— however, these loans would be withdrawn given disapproval from the Reagan administration in the U.S. (Bartilow 1997, quoted in Felix 1998, 151). And of course, U.S. influence within international organizations exacerbated the problem of limiting potential sources of external funding for Grenada under the PRG.

Nonetheless, the PRG government was still able to utilize foreign investments that were already coming into Grenada in a way that would support local industries and new businesses. The PRG provided structured incentives for foreign investments in specific sectors of the

[70] Cuba helped with building the new airport in Grenada under the PRG, and also helped the country build a new flour mill so that flour could be produced in Grenada, given its declining ability to import wheat. Cuba also sent teachers and doctors to Grenada. The USSR provided a lot of financial support to the revolutionary government and personnel.

economy to address the needs of Grenadians.[71] It provided incentives to investments that met "at least one of four specific objectives: (i) the creation of employment; (ii) the expansion of production; (iii) the preservation of the quality of the environment; [and] (iv) the generation of and/or the conservation of foreign exchange earnings" (Ambursley 1995, 203-204). The main goal under the PRG was for foreign funds and investments to be invested back into the local economy, with "training of Grenadian nationals" a top priority (Ambursley 1995). It was reckoned that overtime these structured incentives would help to develop a local economy within Grenada that was not only competitive, and environmentally friendly, but also less reliant on foreign investment. Given Grenada's good standing under the PRG, Canada obliged to fund local private sector initiatives in Grenada, including the provision of "economic assistance to Grenadian businessmen" (Ambursley 1985, 204 & 214). This was tolerated as it was bilateral assistance, versus multilateral assistance, and it follows that when opportunities for investment earnings exist for Canada, it does choose to work with revolutionary governments (e.g. Cuba) in spite of U.S. desires.

The fine line walked by the PRG kept the Grenadian-Canadian relationship intact, even as the PRG "reserved the right to preclude private sector ownership and control" (Ambursley 1995, 204). Essentially, the PRG played on Canada's commitment to providing aid to Caribbean states that had concluded remedial IFI programs (or made substantial payments on debts), and ones in which Canada had substantial interests in. Thus, it would be a mistake to think that the relationship between Canada and the PRG was one of 'goodwill.' One indicator of this being that

---

[71] Prior to the revolution, Grenadian unemployment stood a bit over 50% and more than 1/3rd of the employed were dependent on farming and farm labor. In spite of this, food consumption was based on imported food as the main agricultural products were exported to Britain, Canada, and the USA. Given the aforementioned, the livelihood of the majority of Grenadians was largely dependent on global price fluctuations. Additionally, of revenue accrued from farming, the land was owned by foreign businesses and Grenadian capitalists who "controlled the bulk of the processing and marketing firms" (Clark 1987, 23-24).

the PRG restricted, and in some instances prohibited, the establishment of new businesses in sectors that Canadian companies utilized the region for (most profitably). That is: "banking, insurance, importing and wholesaleing, fishing (except artisanal fishing) and internal transportation" (Ambursley 1995, 204). While Canadian businesses remained skeptical of the PRG, the ones who remained in Grenada did so given that the PRG walked the fine line between foreign business and the state. For example, "the revolutionary government guaranteed the ownership rights of capitalists so long as they did not sabotage the economy or participate in illegal acts" (Clark 1987, 26). The PRG also made it clear that the growth of "Grenada's productive forces" would take years to accomplish, especially in state sector industries like "banking, and trade" (Clark 1987, 26-27). In other words, it was very clear that outright nationalization of whole sectors would not take place under the PRG. However, more immediate was the "adoption and enforcement of labor laws guaranteeing union rights and regulating the wages and job conditions of rural and urban workers" (Clark 1987, 26-27).

Scotiabank, who throughout this entire period did not cease any of its Caribbean operations, remained in Grenada in spite of "the unease felt by the business community over the economic policies of the PRG" (Ambursley 1995, 217). In particular, plans to weaken bigger private monopolies overtime— via public ownership and competition— did not sit well with foreign industries and banks. Prior to the revolution, Canadian banks in Grenada heavily opposed worker unionization, and because Scotiabank remained in Grenada, its employees were now unionized after the revolution. According to a manager at the Bank of Nova Scotia during the revolutionary government's tenure, "Scotia had no plans to close, since, on account of the bank's professionalism and international contacts, it could compete successfully" with the now Grenadian run state banks (Ambursley 1995, 217). The manager also noted that part of Scotia's

recipe for success was that it had been doing business in Grenada, and in the region, for a such a long time that "most of the large companies prefer to stay with the private banks," especially due to their "mistrust of the PRG" (Ambursley 1995, 217- 218). Essentially, Scotiabank reckoned that it would remain a competitive bank in Grenada given that they were the preferred institution for bigger private, and also foreign, companies. It also helped that Canadian aid to Grenada remained intact and Scotiabank did not feel immediately threatened by state competition.

Less pleased with the PRG's policies were the land-owning class in Grenada. Although overall the economic success of the PRG is notable, the post-revolution environment did witness an overall decline in foreign investment to Grenada during PRGs tenure. This even though aid to the state sector, from countries like Canada (other socialist and/or communist countries, NGOs, and oil-exporting countries), did result in an overall growth in the island's economy. The PRG's growth schemes were largely "at the expense of the comprador bourgeoisie" class, and even though this class had also seen an "increase [in their] profit margin[s]," it was not nearly "as well as was anticipated" due to the overall decrease of foreign investments (Ambursley 1995, 222-223). Additionally, land reform and labor rights that were immediately championed by the PRG was also unpopular amongst this class— the majority of whom were local landlords and also local capitalists tapped into Grenada's tourism industry (Clark 1987; Ambursley 1995). This local comprador class, along with the foreign business community in Grenada, supported political counterrevolution by way of conservative regional governments and US intervention.

The PRG's project, while successful in drastically improving the social situation in Grenada and reviving what was, prior to the revolution, a stagnant Grenadian economy—even getting praises from the World Bank[72]—would come to an end during the latter half of 1983 with

---

[72] The World Bank reported that while the PRG had "inherited a deteriorating economy," in three years they have made "Grenada… one of the few countries in the Western Hemisphere that continued to experience per capita

the assassination of PRG leaders. The US invasion of Grenada would be supported by the classes within the private sector of Grenada tied to foreign interests, and other Western countries. For example, while Canadian Prime Minister Pierre Trudeau publicly challenged the legitimacy of the U.S. invasion into Grenada, his administration tacitly supported the move, and abstained from voting with other countries at the U.N. General Assembly calling for the immediate withdrawal of U.S. troops from Grenada (Posner 1983, 2). The next Canadian administration of Prime Minister Brian Mulroney in 1984, was much more vocal about giving the U.S. the benefit of the doubt for the invasion of Grenada (Noble 2003; Nossal, Roussel & Paquin 2015, 190).

This undoubtedly follows a trend in Canadian politics, whereby Canada expresses an outward commitment to state sovereignty and human rights, but its official policy is to secure its economic advantages. In Grenada, by 1983 “approximately 45 percent of the banking industry was under state control,” and Scotiabank and Barclays, the “two foreign-owned banks continued to function freely” (Boodhoo 1985, 16). However, after the U.S. invasion “Canada substantially increased its aid” to Grenada with a focus on liberalizing, through increased privatizations, of the damaged post-invasion economy (Brown, Heyer & Black, 160). And foreign bankers applauded the increased deposits flowing into the banks “at a monthly rate that is the equivalent of what annual deposits were in the last three years of the revolutionary governments” (Treater 1985). It should be noted that in the aftermath of the invasion, Grenada became a hub for money-laundering, specifically in drugs (Chomsky 1992); although I can find no statements from the Bank of Nova Scotia or its representatives regarding the post-invasion environment, which is only odd seeing as they were the only Canadian bank operating in the country at the time. Scotiabank was being investigated by U.S. authorities after the invasion, for accepting drug

growth during 1981” (Boodhoo 1985, 20). Overall the economy grew by 2.1% in 1979, 3% in 1980 and in 1981, and 5.5% in 1982 (World Bank quoted in Boodhoo 1985:20)

money and money laundering (Effros 1992). Scotiabank refused to comply with the U.S. and Canada, with bank officials believing that its bank was being unjustly targeted.

Just as British imperialism linked Canada financially to the Caribbean region, U.S. hegemony provided Canada with justification for, and legitimacy in, carrying out 'strategic' goals in the region to the benefit of Canadian investors and corporations. As discussed in chapter 2, in the aftermath of the Cuban revolution in the 1950s, Canadian financiers were worried about potential spillover effects in the region— given the amount of losses their financial institutions incurred from that revolution. While the U.S. focused on preventing ideologically opposed revolutions in its 'backyard,' Canada opposed reforms— in what it deemed its 'sphere of interest,' which would pose challenges to its corporations operating in the hemisphere. As such, even prior to the Grenadian revolution, "Canada's policy in the Caribbean [was] closely linked with that of the United States," and the U.S. relied on Canada to "extend its influence into the former British West Indian colonies in the Caribbean" via defense and development (Momsen 1992, 506). However, the relationship was fraught with tension, as US geo-strategic and military aspirations, did not always align with Canada's purely economic ones (e.g. continuation of Canadian aid to states like Grenada after the revolution and the U.S. trying to isolate what it saw as Grenadian communism). Nonetheless, prior to the invasion of Grenada, Canadians "received permission [from the U.S.] to get their own people out the day before" (The New York Times 1983), but, Canada was snubbed by the US during the invasion and the US embassy in Canada "cautioned Prime Minister [Trudeau] against meddling" (Fishcher 1994, 626; also see footnote).[73]

[73] It seems that Reagan might have told Trudeau about the intentions to invade much sooner, had they not thought Trudeau was a socialist. In either event, Reagan believed that Trudeau would have been opposed to the Grenadian invasion, given that just two days prior Trudeau proposed a plan for East-West reconciliation, given the number of

While the PRG sought to carve out its own path development, ultimately, it would be (1) isolated from accessing finance from international institutions (the government would turn to economic aid from friendly and other developing country sources), (2) the PRG's leader would be assassinated along with other cabinet members and trade unionist, and (3) Grenada would be invaded by the U.S. military (under Reagan) in 1983— backed by reformist-centrist governments in the independent English-speaking Caribbean region. There were overwhelming interests which felt threatened by a successful Grenada which flipped neoliberal development orthodoxy on its head. Testament to this is the fact that the U.S. utilized an air campaign and sent a total of 7,600 combined troops, against an unsuspecting army of 1,200 people. Unsurprisingly, reinserting a Caribbean state into a financial system that privileges foreign investors would help Canadian financiers— even as the Canadian government vocally expressed frustrations about the invasion. Given Canadian competitiveness in the region, and an overall alignment with U.S. foreign policy from Canada, the post-invasion environment in Grenada "generated Canadian financial and technical assistance to [Grenada] and witnessed a greater interest by Canada in the affairs of the smaller leeward and Windward islands" (Basedeo 1992, 197). Of course, this interest was not for the development of Grenada— as seen by the fact that post-revolution Grenada remained dependent on Cuba for infrastructural projects.

Renewed Investment Consolidation by Canadian Banks in the Caribbean: Characteristics of New Investments and Neoliberal Development Strategies

By 1983, the Royal Bank ranked 4th in North America for largest bank, with the CIBC ranking 7th and Scotiabank ranking 10th (The Banker 1984, reprinted in Kaufman 1985). The greatest advantage that Canadian banks had was their history and concentration within Canada

proxy wars during the 'Cold' war. American officials also did not allow Canadian press to Grenada and twice refused Canadian airlifts to extract Canadian nationals (Fischer 1994, 626).

which associated these institutions with financial stability. That Canadian banks were seen as more stable, meaning that foreign banks entering the Canadian market during the 1980s,1990s, and 2000s were restricted in their control and expansion within the Canadian banking financial industry.[74] In 1980, "no more than 25 percent of the assets of a major [Canadian] bank could be owned abroad, and total domestic assets held by subsidiaries of foreign banks were capped" to 8% of the market (Malminen 1997, 80; Darroch 1994, 279). This understanding afforded Canadian chartered banks greater room to diversify, and also expand the types of services and products that they offered both at home and abroad— as foreign banks within Canada were limited to a small segment of commercial lending (Darroch 1994, 279). Effectively what was established within Canada via the Bank Act, was a formal a two-tiered system of banking (schedule A = Canadian, schedule B= foreign).

This system provided Canadian chartered banks the ability to expand, concentrate, and consolidate into a wider array of financial services. As early as 1981, Canadian banks started looking for loopholes in the Bank Act which could help them convert "large amounts of debt into corporate equity," so that they could have "substantial holdings in companies with billions of dollars of assets" for 'competition' sake (Kafman 1985, 62). The ability of Canadian chartered banks to expand into a wider array of financial services was enabled by the terms of the 1980s Bank Act. Prior to the 1980s, the boundaries between banks and other financial institutions within Canada were becoming blurred in order to make Canadian chartered banks the most effective financial competitors within Canada in relation to other Canadian financial institutions. Although after 1980 Canadian banks faced a more competitive environment due to these laws,

[74] New chartered status for all other banks that did not already exist in Canada would have been hard to come by, as chartered status could have only been gotten by an act of the Canadian parliament. Some of the restrictions were eased with the NAFTA agreement; however, deep benefits already had by the major Canadian banks within Canada, would continue to make competition against them harder.

they also had the ability to expand their profit-making activities by consolidating increased ownership over a wider range of financial services. By 1992, Canadian banks could offer "non-banking financial services such as trust or insurance […] establish "networking" arrangements with other financial service providers […] hold, manage, and develop land through their real property corporations and to own real estate brokerage firms" (Darroch 1994, 280) as their competitors did elsewhere, even if they were restricted from doing so within Canada. The aim of these specific actions was to increase Canadian banks capacity for growth within their own domestic market, while remaining competitive given the changed international financial structure that provided opportunities for growth in international business.

Table 4.3 Domestic Market Share of Canadian and Foreign Financial Institutions 2000

	(%)
Canadian Bank's Revenue	94
Foreign Bank's Revenue	6
Total Revenue	100
Canadian life and health insurers' premium income	71
Foreign life and health insurers' premium income	29
Total Premium Income	100
Canadian P&C insurers' premium income	34
Foreign P&C insurers' premium income	66
Total Premium Income	100

Sources: Conference Board of Canada, Canadian Life and Health Insurance Association, Insurance Bureau of Canada: Reprinted by Canadian Department of Finance 2002

Note: As was discussed in Chapters 2 and 3, the Canadian government has always protected its banks from foreign competition. This has included weakening other financial sectors within its own economy, by allowing banks to take customers away from those sectors and allowing banks to participate in the same services that the other financial sectors do. This is why Canadian bank revenue has remained Canadian (protected from undue foreign influence) and also high.

Canadian domestic policies helped the investment strategies of big Canadian multinational banks abroad, which made them largely profitable, but also better positioned to weather financial crisis during the 1980s that their international competitors could not. As the previous sections of this chapter alluded to, the developing world crisis was a "painful but

salutary demonstration of the stability of Canadian banking" (McDowall 1993, 417). This stability lent credence to Canadian financial structures and Canadian businessmen's ability for getting the indebted Caribbean region back onto its feet. Thus, throughout the second half of the 1980s and into the 1990s, Canadian banks focused on helping to privatize the economies of English-speaking Caribbean states and increasing their investments throughout the region.

Additionally, the expanded sphere of financial activities for the banks in Canada also led to a growth and expansion of new financial products in the Caribbean region— most notably in digital banking and new linkages between insurance schemes and banks. Furthermore, the economic relationship between Canada and the English-speaking Caribbean remained concentrated in private sector growth and in the development of private sector capital. By 1989, Canadian private investment to the region "was approaching half a billion dollars in value and was concentrated in the utilities, communications, and financial sectors" (Mulroney quoted in Momsen 1992: 510) in countries like the Bahamas, Jamaica, Trinidad and Tobago, and Antigua, given "favourable regulatory regime[s]" (Higgins quoted in Momsen 1992: 510). Meanwhile, Canada's development assistance to the region during that same year was over $110 million, making the Caribbean the "highest per capita" recipient of "Canadian bilateral aid," accounting for over "half of the total for the Americas" (Momsen 1992, 510).

As such, investment, aid, tourism, and 'technical assistance' underlined the relationship between Canada, Canadian financiers, and the English-speaking Caribbean from the 1990s onward. The expanded scope of Canadian banking activity in Canada also led to greater involvement by Canadian banks in helping to facilitate and brokeR new trade and investment deals in the Caribbean. Thus, even though natural resource trading and its associated investments declined in the late 1980s and 1990s, there were agreements and various business bodies created

between Canada and Caribbean countries. One such agreement was CARIBCAN, which purported to increase Caribbean access to a Canadian market (Haar & Bryan 1999, 4-5). However, CARIBCAN and other agreements like it have often "excluded certain items for which the [Caribbean] region is considered to have a comparative advantage" in, and the more successful agreements are ones that focused on "maintain[ing] a level of communication between Canada and the region" (Haar & Bryan 1999, 5). Unsurprisingly, these types of communication agreements— like the Joint Trade and Economic Committee (JTEC) and the Canada-Caribbean Business Cooperation Office (CCBO)— have helped "to improve investment flows between Canada and the region" – indicating the amount of influence that Canada has in the region determining which sectors are worth investing in (Haar & Bryan 1999, 5). Needless to say, these deals were extremely beneficial to Canadian banks and businesses in the Caribbean.

During the 1990s and 2000s, the Caribbean banking sector remained dominated by Canadian banks and their subsidiaries which continued to expand and merge throughout the region. It was predicted that the three big Canadian banks in the Caribbean would "continue their long-standing, stable, profit-earning operations. Although, some less-productive branches [would] be phased out," but even then, "the large network [would] be maintained and in a few cases[,] extended" (Kaufman 1984-1985, 74). An example of this was that by 1992 Scotiabank operated in 24 Caribbean markets with 172 locations. CIBC, though less ambitious than Scotiabank, also expanded taking advantage of new opportunities for merging and acquisitioning. Globally, Canadian banks were recognized as significant international players accruing 27% of their total net income abroad in the 1990s, and increasing that amount to 45% by 2000 (Canadian Department of Finance 2002). While increased interests in Latin America and

Asia on behalf of Canadian banks received a lot of attention in the literature, the Caribbean region also accounted for a large portion of Canadian bank mergers.

In the English-speaking Caribbean, Canadian banks' lending and expansion, through incremental takeovers and mergers[75], grew, even as regional trends included: (1) a decreased market share, of about 1-3% in different Caribbean states, overall for foreign banks, and (2) an increase in market share for 'indigenous (or local) banks' in the region (Juan-Ramón et.al. 2001). Whereas "from 1980 to 1989 there were only 83 mergers and acquisitions in the Caribbean…in the 1990's there was a marked increase in activity, with 515 takeovers" (Wood & Wood 2013, 38). Illustrative is the experience of Trinidad and Tobago, where from 1985 to 2009, 52% of the takeovers in that country resulted in foreign companies acquiring Trinidadian firms, "with the first of these acquisitions occurring in 1990" (Wood & Wood 2013, 38).[76] During this same time period in Barbados, Canadian banks would come to control over 49% of the country's commercial bank assets (RBC 18.8%, Scotiabank 14%, and CIBC 16.5% respectively)—in large part due to an increase in credit demand, and their ability to provide (Clarke & Danns 1997, 154;160).[77] What is interesting about Canadian renewed interest in the Caribbean region, is that the banks chose to remain there—even as they generally sought to expand into other countries experiencing their own periods of increased privatizations.[78] To echo a sentiment expressed by

[75] Deregulation has a substantial impact on merger decisions

[76] While Trinidad and Tobago experienced a peak of gas production in the late 1970s, there was significant production declines in the 1980s, given what was thought to be an exhaustion of those resources. Trinidad went into a recessionary period until the discovery of offshore gas in the latter half of the 2000s. So, the takeovers in Trinidad happened within this context of domestic economic decline and uncertainty, whereby the government sought to increase its foreign exchange through the selling of domestic assets.

[77] Part of this ability to provided included the fact that the depressed situation in Trinidad would see capital leaving Trinidad for Barbados (see footnote 76)

[78] Létourneau & Heidrich 2001, 6-20: Scotiabank, RBC, and CIBC positioned themselves strongly in Caribbean markets; Scotiabank into Mexico and Latin America as well. Scotiabank, RBC, and BMO are trying to break into Asian markets, specifically in China. Scotiabank wants to also extend its operations into Malaysia, Thailand, and

Baum in 1974: "the Commonwealth Caribbean is not the most important segment of [Canadian] bank's business. [However,] it is an area where they do business and happen to be dominant" (Baum 1974, 77). Canadian banks oligopolistic control of the financial market in the region, could perhaps explain their longevity there.

Another explanation offered by Létourneau and Heidrich (2001) for continued expansion by Canadian banks in the region is because the market in Canada was already saturated, and large-scale expansion, through merging was viewed negatively within Canada. For instance, in 1998 the Bank of Montreal (BOM) proposed a merger with the Royal Bank and CIBC proposed a merger with TD. If allowed, Canada would have had only three big banks. However, both proposals were rejected on the grounds that losses that would come due to branch closures would far outweigh the costs (Critchley 2018). Since then and into the 2000s, both RBC and CIBC have sought to expand "their footprint by acquiring and consolidating assets respectively" in the Caribbean region (Létourneau & Heidrich 2010, 15). Thus, in 2001 "First Caribbean" was created when CIBC merged with Barclays Bank, each receiving abut 47% of shares (Létourneau & Heidrich 2010, 6). Limited prospects for expansion domestically within Canada was often allowed to be actualized abroad in the Caribbean, where Canadian banks' power was stronger and more concentrated. These Canadian banks were afforded a degree of security, given these countries dependence on foreign/international capital and aid, as well as lax regulatory environment that the banks had helped to devise. This worked too, because there was "a sharp expansion of Canadian financial capital in the Western Hemisphere, growing from 15 percent of Canadian FDI in the early 1980s to close to half in the 2000s" of which the Caribbean region was the largest benefactor (Gordon & Weber 2016, 16).

India as well, going beyond China. Both TD and BMO have been more focused on North American markets, the US in particular—with RBC, Scotiabank and CIBC also having US operations.

For Canadian banks reasserting their dominance in the English-speaking Caribbean region during the 2000s, what did change was the rise of local competition, in particular from Trinidad and Tobago, which became a financial sector hub within the region. Trinidadian banks' acquisitions in multiple territories allowed them to compete with larger foreign owned banks, via the provision of services to regular Caribbean people. The most popular and identifiable of the regional banks during the 2000s, Republic Bank and RBTT Financial Holdings, were both based in Trinidad and Tobago, operating in multiple Caribbean states via the purchasing of smaller local banks within states. The bigger multinational and foreign-owned banks responded to the increased popularity and competition presented by regional banks via merging. Hence, the most popular merger of the early 2000s happened between UK based Barclays Bank and the CIBC—both of which merged to create 'First Caribbean International Bank' (FCIB) in 2002. FCIB placed its headquarters in Barbados, and quickly became the largest financial institution in the Caribbean. The merger left about 10% of remaining shares open for institutional and individual investors in the region (ECLAC 2001). The merger and split shares allowed FCIB to remain competitive as both an international and regional bank, offering services to locals.

By 2000, the financial sector in the independent English-speaking Caribbean region accounted for 24% of total regional GDP (Ogawa, Park, Singh, & Thacker 2013). Growth in the financial sector was largely due to the dominance of foreign-owned banks and banking in general, which comprised 91% of financial sector growth (Ogawa, Park, Singh, & Thacker 2013). It should be noted that this estimation excludes offshore banks, because U.S. and European corporations dominate in independent English-speaking Caribbean in that sector. U.S. and European banking domination are concentrated in the Bahamas and Barbados due to offshore banking. If offshore banking were to be included in these figures, it would

overemphasize Barbados and the Bahamas, as well as US and European financial interests' asset wise, over that of Canadian banks. This is not to say that Canada is not involved in offshore banking. Deneault (2015 & 2017) documented in detail how Canadian financiers played a decisive role in turning the English-speaking Caribbean region into tax and offshore havens. However, the inclusion of offshore banking would overemphasize the world's most capitalized banks in the world today, which are U.S. based.

Given the financial overlay, one sees that Canadian banks account for 60% of all banking system assets in the region today, which is 6% higher than they were in 2000— when Canadian banks collectively controlled 54.58% of the regions total banking sector. Although different sources provide different estimates— given that they're not all counting the same way— Canadian banks control between 6% - 35% less of the Caribbean financial sector today, than they did during the 1960-1983 time period. While 35% may seem like a lot on the high-end, part of the explanation includes the merger between CIBC and Barclays, which places it a bit below that of a majority shareholder (thus purple Canadian owner).

Conclusion

These last two chapters highlight the role of Canadian finance in the Caribbean region and the role of the Canadian government for maintaining the interest of Canadian financers and investors in the Caribbean region. In this chapter, Canadian banking investments during the 1980s and 1990s were traced in order to discuss the empirical history of Canadian banking investments in the English-speaking Caribbean. This empirical history was discussed within the broader state and global events that took place which also impacted Canadian investments. As such, the resistance of the late 1970s and early 1980s of different states in the region gaining independence were discussed, along with the efforts of the U.S. and IFIs— often in direct

consultation with Canadian banks— to re-assert Western foreign interests in the Caribbean through the creation of a new financial architecture. More aptly put, Canadian banks were tied in to the politics of structural adjustment on states in the region, having been identified as already having high interests and history with states there.

This change in the financial architecture, helped to further expand Canadian banking investments in the region as Canadian banks used their economic and political power there to navigate Caribbean states integration into the system. Entering the 2000s, Canadian banking strength and dominance in the region is borne from this context of global (neoliberal) restructuring and the developing country crisis which preceded it. Canadian banks were able to use the dynamics of the debt crisis to continue expanding throughout the Caribbean during the beginning half of the 1980s. Crucial to these banks' success was the increasing power of finance and the compatibility of corporate profit motives with IFI structural adjustment packages— which reinforced financial power and privatization over development. This chapter places much emphasis on Canadian agency in the continued facilitation of Canadian expansion in the English-speaking Caribbean. Canadian agency has been stressed in chapters three and four, laying the groundwork for the next chapter where Canadian imperialism— and its broader implications for the Caribbean— is scrutinized. The next chapter is the final chapter of the dissertation and expands on the continued strength of imperialism as a theory for international relations.

References

Abdulah, David. "Caribbean Movements Then and Now: A Labor View." *NACLA Report on the Americas*, Our Caribbean, 39, no. 6 (2006): 16–21.

"Accelerating Trade and Integration in the Caribbean: Policy Options for Sustained Growth, Job Creation, and Poverty Reduction." World Bank, July 17, 2009.

Alleyne, Antonio, and Kimberly Waithe. “Financial Development and Market Structure,” 44. Bridgetown, Barbados: University of West Indies, Cavehill, 2011.

Ambursley, Fitzroy. “The Grenadian Revolution, 1979-1983: The Political Economy of an Attempt at Revolutionary Transformation in a Caribbean Mini-State.” Doctor of Philosophy in Sociology, University of Warwick, 1985.

Ayub, Mahmood, and Eric Cruikshank. “The Political Economy of the Caribbean.” *IMF*, 1977.

Bank of Nova Scotia. “Scotiabank: 1997 Annual Report.” The Scotiabank Group, 1997.
———. “Scotiabank: 1998 Annual Report.” The Scotiabank Group, 1998.
———. “Scotiabank: 1999 Annual Report.” The Scotiabank Group, 1999.
———. “Scotiabank: 2000 Annual Report.” The Scotiabank Group, 2000.

Barrow, Christine. “Ownership and Control of Resources in Barbados: 1834 to the Present.” *Social and Economic Studies* 32, no. 3 (September 1983): 83–120.

Basdeo, Sahadeo. “Caribcan: A Continuum in Canada-CARICOM Economic Relations.” *Institute of Caribbean Studies*, Caribbean Studies, 25, no. 3/4 (1992): 189–220.

Baum, Daniel. *The Banks of Canada in the Commonwealth Caribbean, Economic Nationalism and Multinational Enterprises of a Medium Power*. iUniverse, Inc, 1974.

Bernal, Richard, and Winsome Leslie. “Privatization in the English-Speaking Caribbean: An Assessment.” The Center for Strategic and International Studies (CSIS), October 28, 1999.

Bernstein, Edward M. Review of *The History of the International Monetary Fund, 1966-1971: The System Under Stress*, by Margaret Garritsen de Vries. *International Monetary Fund* 1 (1977).

Berry, Glyn. “The West Indies in Canadian External Relations: Present Trends and Future Prospects.” *University of Toronto Press on Behalf of Canadian Public Policy*, Canadian Public Policy, 3, no. 1 (1977): 50–62.

Best, Lloyd, and Kari Polanyi Levitt. *The Theory of Plantation Economy: A Historical and Institutional Approach to Caribbean Economic Development*. University of the West Indies Press, 2009.

Bishop, Matthew Louis. *The Political Economy of Caribbean Development*. International Political Economy. London & New York: Palgrave Macmillan, 2013.

“Bishop Speech - In Nobody’s Backyard.” Radio Free Grenada. Radio Free Grenada, April 13, 1979.

Brierley, John S. "A Review of Development Strategies and Programmes of the People's Revolutionary Government in Grenada, 1979-1983." *The Geographical Journal* 151, no. 1 (March 1985): 40–52.

Buch, C, and DeLong. "Cross Border Bank Mergers: What Lures the Rare Animal?" *Journal of Banking and Finance*, no. 28 (2004): 2077–2702.

Bulmer-Thomas, Victor. "New and Future States of the Commonwealth: The Viability after Independence of Small Dependent Territories - The Case of Belize." *Institut de Sociologie de l'Université de Bruxelles*, Civilisations, 26, no. 3/4 (1976) : 362–67.

Burgess, William. "Canada's Location in the World System: Reworking the Debate in Canadian Political Economy." Doctor of Philosophy in Geography, University of British Columbia, 2002.

Burke, Mavis. "An Analysis of Canadian Educational Assistance to the Commonwealth Caribbean Leeward and Windward Islands, 1960-1970." Doctor of Philosophy, University of Ottawa, 1975.

Bynoe, Anne J. "The Financial Sector of Trinidad and Tobago: Pre- and Post-Liberalization." *Giordano Dell-Amore Foundation*, Savings and Development, 27, no. 1 (2003): 39–62.

"Canada: Imperialist Power or Economic Colony?" Pamphlet. Red Star Collective, March 1977.

Canadian Imperial Bank of Commerce. "CIBC: 1998 Annual Report." CIBC, 1998.
———. "CIBC: 1999 Annual Report." CIBC, 1999.
———. "CIBC: 2000 Annual Report." CIBC, 2000.

Carroll, William. *Corporate Power and Canadian Capitalism*. Vancouver: The University of British Columbia Press, 1986.

Casey, John. "Corporate Crime and the Canadian State: The Case of Post-War Anti-Combines Legislation." Doctor of Philosophy in Sociology, The University of Alberta, 1988.

Canterbury, Dennis. "Neoliberal Financialization: The 'New' Imperial Monetary and Financial Arrangements in the Caribbean." *The CLR James Journal*, Clive Y. Thomas, 22, no. 1/2 (2016): 113–50.

Chaitoo, Ramesh. "Time to Rethink and Re-Energize Canada-CARICOM Relations." *Caribbean Journal of International Relations & Diplomacy* 1, no. 1 (February 2013): 39–67.

Chen, James. "Green-Field Investment." In *Investopedia*, September 2, 2019.

Claessens, Stijn, and Neeltje van Horen. "Impact of Foreign Banks." *Journal of Financial Perspectives*, 2013, 17.

Clark, Steve. "The Second Assassination of Maurice Bishop." *New International*, 1987.

Clarke, Laurence, and Donna Danns, eds. *The Financial Evolution of the Caribbean Community (1970-1996)*. University of the West Indies, St. Augustine Republic of Trinidad and Tobago: Caribbean Centre for Monetary Studies, 1997.

Cortinas, Stephanie. "What Is Trust Operations?" Plains Capital Bank, October 26, 2015.

Critchley, Barry. "Twenty Years of Bank Success Show Folly of Mega-Merger." *Financial Post*, January 23, 2018.

Darroch, James. "Appendix Two a Short History of the Bank Act and Related Events." In *Canadian Banks and Global Competitiveness*, 277–80. McGill-Queen's University Press, 1994.

———. "Chapter Seven: Changing Markets, Changing Strategies." In *Canadian Banks and Global Competitiveness*, 248–69. McGill-Queen's University Press, 1994.

———. "Strategic Management and Multinational Banking: The Case of the Canadian Banks." Doctor of Philosophy, York University, 1989.

———. "The Strategies of Canadian Multinational Banks." In *Canadian Banks and Global Competitiveness*, 3–28. McGill-Queen's University Press, 1994.

Desrosiers, Richard, and Julian Sher. "U.S. or Canadian Monopolies: Who Owns Canada?" October, 1980.

Di Sanza, Emile. "Canadian Relations with the Caribbean and Latin America: Perspectives on Canada's Role in the World System." Master of Arts in Sociology, McMaster University, 1978.

ECLAC. "Foreign Direct Investment: Latin America and the Caribbean." *United Nations*, Investment and Corporate Strategies of the Division of Production, Productivity and Management of the Economic Commission for Latin America and the Caribbean (ECLAC), 2012, 178.

Edson, Lee. "Barbados Keeps Its Distance to Resist Change." *The New York Times*, February 7, 1971.

Edwards, Duane. "The Renewed Relevance of the Caribbean Plantation School," 22. Bridgetown, Barbados, 2016.

Engler, Yves. *The Black Book of Canadian Foreign Policy*. 1st ed. Fernwood Publishing Co, 2009.

Engler, Yves. "Corrupt Canadian Banking Practices." Accessed April 20, 2019.

Fee, Derek. *Oil & Gas Databook for Developing Countries: With the Special Reference to the ACP Countries*. 1st ed. London: Graham & Trotman, 1985.

Felix, David. Review of *The Debt Dilemma: IMF Negotiations in Jamaica, Grenada, and Guyana*, by Horace A. Bartilow. *Journal of Interamerican Studies and World Affairs* 40, no. 3 (1998): 149–54.

Ferguson, James. "Chapter 5: Small Island, Big Issues." In *Grenada: Revolution in Reverse*, 113–27. Latin American Bureau, 1990.

Focarelli, D, and A Pozzolo. "Where Do Banks Expand Abroad? An Empirical Analysis." *Journal of Business* 78, no. 6 (2005): 2435–63.

Fontaine, Thomson. "Caribbean Country Experiences with IMF Stabilization Programs Within the Context of Globalization." IMF Working Paper. Washington, DC: International Monetary Fund, 2005.

Francis, Carlene. "The Offshore Banking Sector in the Bahamas." *Social and Economic Studies*, Memory of Dr. Adlith Brown. Coordinator, Regional Programme of Monetary Studies 1980-1984, 34, no. 4 (December 1985): 91–110.

Freedman, Charles. "The Canadian Banking System*," 38. The Jerome Levy Economics Institute of Bard College: Bank of Canada, 1998.

Garrod, Joel Zackary. "From the National to the Global; The Transformation of the Royal Bank of Canada, 1864-2014." Doctor of Philosophy in Sociology, Carleton University, 2018.

Girvan, Norman, and Owen Jefferson, eds. *Readings in the Political Economy of the Caribbean*. Kingston, Jamaica: New World Group, 1971.

Gordon, Todd, and Jeffery Webber. *Blood of Extraction Canadian Imperialism in Latin America*. Fernwood Publishing, 2016.

Grady, Jo, and Chris Grocott, eds. *The Continuing Imperialism of Free Trade*. Routledge Frontiers of Political Economy 246. London & New York: Routledge, 2019.

Greenwood, John. "Canadian Banks' Caribbean Mystery: Little Known about How Giants Make Money in Paradise." *Financial Post*. December 13, 2013, sec. Business.

"Guyana Now Ranked below Haiti." *Stabroek News*. 2016, Stabroek News' ongoing observances to mark its 30th Anniversary edition.

Gwynne, Robert N., Thomas Klak, and Denis J.B. Shaw. *Alternative Capitalisms: Geographies of Emerging Regions*. New York: Oxford University Press, 2003.

Haar, Jerry, and Anthony Bryan, eds. *Canadian-Caribbean Relations in Transition: Trade, Sustainable Development and Security*. International Political Economy. Macmillan Press LTD, 1999.

Harper, Diane. "Canadian Foreign Aid and the Commonwealth Caribbean; Issues of Local Control." Master of Arts in Political Science, University of Ottawa, 1988.

Harvey, David. *The Condition of Postmodernity: An Inquiry Into the Origins of Cultural Change*. Wiley-Blackwell, 1991.

Hastings, Paula. "Dreams of a Tropical Canada: Race, Nation, and Canadian Aspirations in the Caribbean Basin, 1883-1919." Doctor of Philosophy in History, Duke University, 2010.

———. "The Limits of Brotherly Love: Rethinking Canada-Caribbean Relations in the Early Twentieth Century." In *Dominion of Race: Rethinking Canada's International History*, edited by Kaura Madokoro, Francine McKenzie, and David Meren, 333. Vancouver, Toronto: UBC Press, 2017.

Henke, Holger. "Jamaica's Decision to Pursue a Neoliberal Development Strategy: Realignments in the State-Business-Class Triangle." *Latin American Perspectives* 26, no. 5 (September 1999): 7–33.

Hébert, Paul. "Race and Imperialism in Canada in the 1960s." *African American Intellectual History Society (AAIHS)* (blog), March 3, 2017.

Henry, Paget. *Caliban's Reason: Introducing Afro-Caribbean Philosophy*. Africana Thought. New York & London: Routledge, 2000.

———. *Journeys In Caribbean Thought: The Paget Henry Reader*. Edited by Jane Gordon, Lewis Gordon, Aaron Kamugisha, and Neil Roberts. Creolizing the Canon. London: Rowman & Littlefield International, Ltd., 2016.

Henry, Paget, and Paul Buhle. *C.L.R James Caribbean*. Duke University Press, 1992.

Howard, Michael. *Public Finance in Small Open Economies: The Caribbean Experience*. Greenwood Publishing, 1992.

Howard, Michael, and Cleviston Haynes. "Commercial Bank Efficiency in Barbados." *Giordano Dell-Amore Foundation*, Savings and Development, 25, no. 3 (2001): 293–312.

Hubbell, Larry. "Rethinking Dependency Theory: The Case of Dominica, the Rascal State." *Journal of Third World Studies*, Development Strategies: Struggles for Peace, Justice, and Democracy, 25, no. 1 (Spring 2008): 95–109.

Hudson, Peter. "Imperial Designs: The Royal Bank of Canada in the Caribbean." *Race and Class* 52 (2010): 33–48.

"Jamaica- Banking, Financial Services, and Currency." In *Caribbean Islands: A Country Study*, 816. Area Handbook Series. U.S. Library of Congress, 1987.

John, Tamanisha. “Canada’s Financial Dominance in the Former English Caribbean Colonies (FECC).” Council on Hemispheric Affairs, January 9, 2018.

Juan-Ramón, V. Hugo, Ruby Randall, and Oral Williams. “A Statistical Analysis of Banking Performance in the Eastern Caribbean Currency Union in the 1990s.” *IMF Working Papers*, 2001, 42.

Kammel, Armin. “Canada.” In *the Law of International Banking Instititutions: A Comparative Analysis*, 127–92. Hollitzer Verlag, 2005.

Kaufman, Michael. “The Internationalization of Canadian Bank Capital (With a Look at Bank Activity in the Caribbean and Central America).” *Journal of Canadian Studies* 19, no. 4 (Winter -1985 1984): 61–81. University of Toronto Press, 1990.

Khan, Glenn A. *Caribbean Mergers and Acquisitions: Country Studies of the Financial Sectors of Guyana, Jamaica and Trinidad and Tobago*. St. Augustine, Trinidad: Caribbean Centre for Monetary Studies, 2001.

Kiladze, Tim. “Trouble in Paradise: Inside Canadian Banks’ Billion-Dollar Caribbean Struggle.” *The Globe and Mail*, February 26, 2015.

King, Michael R. “Distributional Politics and Central Bank Independence: Monetary Reform in the United Kingdom, Canada, Australia and New Zealand.” Doctor of Philosophy in International Relations, University of London, 2001.

Kirton, Claremont D. “Development Planning in the Grenada Revolution: Applying AFROSIBER.” *Social and Economic Studies* 38, no. 3 (September 1989): 1–52.

Klak, Thomas, ed. *Globalization and Neoliberalism: The Caribbean Context*. Maryland: Rowman & Littlefield Publishers, Inc., 1998.
———. “Is the Neoliberal Industrial Export Model Working? An Assessment from the Eastern Caribbean.” *Centrum Voor Studie En Documentatie van Latijns Amerika (CEDLA)*, European Review of Latin American and Caribbean Studies, 64 (December 1998): 67–90.

Lakhan, Sridatt, Chris Lakhan, and J.B Singh. “The Use of Canadian Aid to Sustain Guyana’s Administrative Dictatorship.” *Institute of Caribbean Studies*, Caribbean Studies, 23, no. 3/4 (1990): 69–84.

Leacock, Stephen, and Errol Thomas. “Multinational Corporation and National Interests in the Commonwealth Caribbean.” *Journal of International Law and Commercial Regulation*, Political Restraints on Investment in Canada and the Caribbean, 3, no. 1 (1978): 133–61.

Ledgister, F.S.J. “Journey’s in Caribbean Thought: The Paget Henry Reader.” *Caribbean Quarterly* 65, no. 1 (2019): 166–68.

Lemco, Jonathan. “Canada and the Crisis in Central America.” *Journal of Canadian Studies* 29, no. 2 (Summer 1994): 176–88.

Létourneau, Hugues, and Pablo Heidrich. “Canadian Banks Abroad: Expansion and Exposure to the 2008-2009 Financial Crisis.” Global Financial Markets and Regulations. The North-South Institute, May 2010.

Levitt, Kari. *Silent Surrender: The Multinational Corporation in Canada*. McGill-Queen’s University Press, 2002.

Lewis, Patsy. “Revisiting the Grenada Invasion: The OECS’ Role, and Its Impact on Regional and International Politics.” *Social and Economic Studies* 48, no. 3 (September 1999): 85–120.

Litvak, Isaiah A., and Christopher J. Maule. “Nationalisation in the Caribbean Bauxite Industry.” *Oxford University Press on Behalf of the Royal Institute of International Affairs*, International Affairs, 51, no. 1 (1975): 43–59.

Malminen, Johannes. “Canadian Policy Toward Foreign Direct Investment in an Age of Globalization.” Master of Arts in Political Science, The University of British Columbia, 1997.

Marshall, Don D. *Caribbean Political Economy at the Crossroads: NAFTA and Regional Developmentalism*. International Political Economy. Palgrave Macmillan, 1998.

McIntosh, James. “A Welfare Analysis of Canadian Chartered Bank Mergers.” *Wilet* 35, no. 3 (August 2002): 457–75.

McKeown, Robert. “An Overview of the Canadian Banking System: 1996 to 2015.” *Queen’s Economics Department* Working Paper No. 1379 (April 17, 2017): 57.

McPeanne, Jeffrey K.L. “Dependency as the Basis for Political Control in Trinidad: 1956-1981.” Master of Arts in Political Science, Simon Fraser University, 1991.

Melville, Juliet A. “The Impact of Structural Adjustment on the Poor.” In *Eastern Caribbean Central Bank 7th Annual Development Conference Basseterre*, 1–12. Caribbean Development Bank, 2003.

Miles, Barbara. *The Canadian Financial System*. Hauppauge, New York: Novinka Books, 2003.

Moseley, Fred. “The Decline of the Rate of Profit in the Postwar Economy: A Comment on Brenner,” 1990.

Neigh, Scott. “Review: The Caribbean Connection.” Blogspot. *A Canadian Lefty in Occupied Land* (blog), February 13, 2007.

Neufeld, Edward. “Adjusting to Globalization: Challenges for the Canadian Banking System.” In *The State of Economics in Canada: Festschrift in Honour of David Slater*, edited by Patrick Grady and Andrew Sharpe, 325–51. Ottawa: Center for the Study of Living Standards, 2000.

Nichols, Mark, and Jill Hendrickson. “Profit Differentials Between Canadian and U.S. Commercial Banks: The Role of Regulation.” *The Journal of Economic History* 57, no. 3 (1997): 674–96.

Niosi, Jorge. “The International Expansion of the Canadian Economy.” In *Canadian Multinationals*, 33–60. University of Toronto, 1985.

Ogawa, Sumiko, Joonkyu Park, Diva Singh, and Nita Thacker. “Financial Interconnectedness and Financial Sector Reforms in the Caribbean.” *IMF Working Papers* 13, no. 175 (2013): 1.

Owen, Barbara J., and Andrea W. Rhodin. “Planning for Worldwide Economic Stabilty,” 6–9. Washington, DC: IMF, 1977.

Paragg, Ralph R. “Canadian Aid in the Commonwealth Caribbean- Neo-Colonialism or Development?” *Canadian Public Policy* 6, no. 4 (1980): 628–41.
———. “Commercial Banks and Dependency Theory: The Case of the Commonwealth Caribbean MDCS.” *Social and Economic Studies* 30, no. 2 (June 1981): 110–39.

Partridge, John. “CIBC, Barclays Combine in Caribbean.” *The Globe and Mail*, April 12, 2018.

Paxton, J. *The Stateman’s Year-Book 1980-1981*. Springer, 2016.

Payne, Anthony, and Paul Sutton. *Dependency Under Challenge: The Political Economy of the Commonwealth Caribbean*. Manchester University Press, 1984.

Patnaik Utsa, and Prabhat Patnaik. *Capital and Imperialism: Theory, History, and the Present*. Monthly Review Press, 2021

Pearce, Douglas. “Planning for Tourism in Belize.” *Taylor & Francis, Ltd.*, Geographical Review, 74, no. 3 (July 1984): 291–303.

Persaud, Thakoor. “Conflicts between Multinational Corporations and Less Developed Countries: The Case of Bauxite Mining in the Caribbean with Special Reference to Guyana.” Doctor of Philosophy in Economics, Texas Tech University, 1976.

Phillips, Daphne. “The IMF, Structural Adjustment and Health in the Caribbean: A Comparison with Brazil,” 33. Kingston & Ocho Rios, Jamaica: The University of the West Indies, 1993.

Phillips, Dion. "The Defunct Dominica Defense Force and Two Attempted Coups on the Nature Island." *Institute of Caribbean Studies, UPR, Rio Piedras*, Caribbean Studies, 30, no. 1 (June 2002): 52–81.

Pool, Gail Richard. "Development in the West Indies and Migration to Canada." Doctor of Philosophy in Anthropology, McGill University, 1979.

Quigley, Neil C. "The Bank of Nova Scotia in the Caribbean, 1889-1940." *The President and Fellows of Harvard College*, The Business History Review, 63, no. 4 (n.d.): 797–838.

Ramsaran, Dave, ed. *Contradictory Existence: Neoliberalism and Democracy in the Caribbean*. Kingston & Miami: Ian Randle Publishers, 2016.

Ramsaran, Ramesh. *The Challenge of Structural Adjustment in the Commonwealth Caribbean*. Praeger, 1992.

Riddell, John. "The Deep Roots of Canadian Imperialism in the West Indies." *John Riddell: Marxist Essays and Commentary* (blog), March 31, 2020.

Roberts, Richard, and Christopher Arnander. *Take Your Partners: Orion, the Consortium Banks and the Transformation of the Euromarkets*. New York: Palgrave Publishers, 2001.

Robertson, Susan L. "'Remaking the World': Neo-Liberalism and the Transformation of Education and Teachers' Labour." *Centre for Globalisation, Education and Societies*, 2009, 19.

Roos, Jerome. *Why Not Default? The Political Economy of Sovereign Debt*. Princeton and Oxford: Princeton University Press, 2019.

Royal Bank of Canada. "RBC: 2000 Annual Report." RBC, 2000.

Ryan, Selwyn. "Black Entrepreneurship in Post-Independence Trinidad and Tobago: The Eric Williams Legacy." *First Forum*, 2012.

"Saint Vincent and the Grenadines." In *Encyclopædia Britannica*. Encyclopædia Britannica, inc., October 21, 2019.

Sanders, Ronald. "World View – Withdrawal of Canadian Banks: Opportunity to Remedy Not Repeat Mistakes." *The Tribune*. December 16, 2019, sec. World View.

Sanza, Emile. *Canadian Relations with the Caribbean and Latin America: Perspectives on Canada's Role in the World System*. McMaster University, 1978.

Sharp, Mitchell. *Foreign Policy for Canadians*. Canada: Department of External Affairs, 1991.

Simmonds, Keith. "Political and Economic Factors Influencing the St. Kitts-Nevis Polity: An Historical Perspective." *Phylon: Clark Atlanta University* 48, no. 4 (1987): 277–86.

Sprague, Jeb. *Globalizing the Caribbean: Political Economy, Social Change, and the Transnational Capitalist Class*. 1st ed. Temple University Press, 2019.

Sutton, Paul, ed. *Dependency Under Challenge: The Political Economy of the Commonwealth Caribbean*. Manchester University Press, 1984.

Swift, Jamie, and Brian Tomlinson. "The Debt Crisis: A Case of Global Usary." In *Conflicts of Interest: Canada and the Third World*. Between the Lines, 1991.

Teelucksingh, Jerome. "The Black Power Movement in Trinidad and Tobago." *Black Diaspora Review* 4, no. 1 (2014): 157–86.

"The Bahamas." In *Encyclopædia Britannica*. Encyclopædia Britannica, inc., March 18, 2020.

"The Canadian Connection: Providing Banking, Business and Policemen." *The Economist*, March 27, 2008, The Americas edition, sec. The Caribbean.

"The Canadian Financial Services Sector." Department of Finance, June 2002.

"The Impact of Privatisation on the Banking Sector in the Caribbean." Caribbean Development and Cooperation. Subregional Headquarters for the Caribbean: Economic Commission for Latin America and the Caribbean (ECLAC), November 30, 2001.

"Trinidad and Tobago- Banking, Financial Services, and Currency." In *Caribbean Islands: A Country Study*, 816. Area Handbook Series. U.S. Library of Congress, 1987.

Watson, Hilbourne A. "Democracy without Social Content and Capital Accumulation versus Development: Barbados in Crisis." In *Contradictory Existence: Neoliberalism and Democracy in the Caribbean*, 35–67. Ian Randle Publishers, 2016.
———, ed. *The Caribbean in the Global Political Economy*. Boulder & London: Lynne Rienner Publishers, 1994.

Weber, Terry. "CIBC, Barclays Finalize Caribbean Deal." *Globe and Mail*, October 31, 2001.

Weissman, Robert. "Playing with Numbers: The IMF's Fraud in Trinidad and Tobago." *Multinational Monitor*, Trouble in Trinidad and Tobago, 11, no. 6 (June 1990).

Wiley, James. "Dominica, Grenada, and the NTAE Imperative." *University of Texas Press*, Conference of Latin Americanist Geographers, 25 (1999): 77–87.

Williams, Marion. *Managing Public Finances in a Small Developing Economy: The Case of Barbados*. Greenwood Publishing, 2001.
———. "Regulation of Financial Institutions in the Caribbean: Implications for Growth and Development." *Social and Economic Studies* 38, no. 4 (December 1989): 181–99.

Wong, David C. “A Review of Caribbean Political Economy.” *Sage Publications, Inc.*, Destabilization and Intervention in the Caribbean, 11, no. 3 (1984): 125–40.

Wood, Anthony, and Trevor Wood. “Emera’s Takeover of Light & Power Holdings LTD: A Case Study in Corporate Governance and Takeovers in the Caribbean.” *International Journal of Arts and Commerce* 2, no. 1 (January 2013): 27–48.

Workers Unity. “Imperialism and Canadian Political Economy - Part I.” Edited by Malcolm Saba and Paul Saba. Encyclopedia of Anti-Revisionism On-Line, May 1975.
———. “Imperialism and Canadian Political Economy - Part II.” Edited by Malcolm Saba and Paul Saba. Encyclopedia of Anti-Revisionism On-Line, September 1975.

Worrell, Delisle. “Bank Behaviour and Monetary Policy in Small Open Economies with Reference to the Caribbean.” *Social and Economic Studies*, Special Monetary Studies Issue, 46, no. 2/3 (1997): 59–74.

Worrell, DeLisle, Desiree Cherebin, and Tracy Polius-Mounsey. “Financial System Soundness in the Caribbean: An Initial Assessment.” *IMF Working Papers*, 2001, 37.

Appendix

The information in table 4.4 is gathered bank information from various texts that I have been able to read. I have tried to fill in data based on branch openings and closings for the three dominant Canadian banks. CIBC has more data filled, given contact with the CIBC archivist that resulted in data on CIBC openings and closing in the region for various years available.

Table 4.4 Development of Caribbean Operations, 1990-2008

	RBC	CIBC	Scotiabank (BNS)
1995		Has 16 branches, 3 trust company branches, a credit card center, an international business center, and a corporate division in Trinidad and Tobago	
1998	Opens branch in Bahamas Opens branch in Barbados (was the only		

	full-service investment dealer on the island)		
1999		Opens new CIBC West Indies Headquarters in Barbados to centralize all operations of its corporate structure	Opens branch in Antigua
2001		Barclay's Bank PLC and CIBC reach agreement to combine Caribbean operations: First Caribbean International Bank	
2005		Acquires Mercantile Bank in Trinidad and Tobago	
2006		Acquired First Caribbean Bank from Barbados for $1.1 billion (US), and with it, 100 branches and $12 billion in assets Gains majority shares of First Caribbean from Barclays	
2007	Acquired RBTT from Trinidad and Tobago for $2.2 billion (US) Acquired a 50% stake in Fidelity Merchant Bank &Trust International Ltd. (financial terms not disclosed) in the Bahamas		
2008	Acquired Royal Bank of Trinidad and Tobago (RBTT), creating the largest banking network in the Caribbean		Acquired a minority stake in Barbados largest private bank, Cidel Bank & Trust (terms not disclosed) 9 branches in Belize

Sources: Létourneau & Heidrich 2010; Baum 1974; Scotiabank website 2020; Royal Bank website 2020; Garrod 2018; CIBC 1995 Bank of Commerce Profile in Trinidad

Chapter 5: Theoretical Argument, Importance, and Significance

As I have documented in the previous chapters, Canadian financiers and banks have been an important component of the imperialist system since at least the 19th century. However, their historical role within imperialism has often been overlooked, if not completely disregarded in the scholarly literature. Unsurprisingly, this lack of attention to Canadian history has often been the impetus for incomplete and conflicting narratives about Canada's role within the global system. Today, many scholars still grapple with whether (1) Canada is simply a junior partner in imperialism— highly influenced and/or aligned with its southern neighbor; or (2) *truly* an imperialist power. Similarly, those more critical of Canadian involvement abroad, especially in Latin America where Canada's human rights violations abound in protection of Canadian capital and corporate expansion, also grapple with these questions. Even scholars critical of Canadian foreign policy often conclude that Canada is a secondary imperial power (O'Connor 1974; Klassen 2009; Gordon & Webber 2016).

This oversight of Canadian financial history is accentuated by the fact that the Caribbean now rarely factors into international relations and international political economy discussions. A complete historical telling of Canadian financial capital and how it operates abroad starts in the Caribbean, a region that for centuries informed the global political economy via the production of sugar using enslaved labor facilitated by the transatlantic slave trade. In this final chapter of my dissertation, I hope to clear up some of the misconceptions regarding Canada's status in the world— but more importantly, to look at the pattern of Canadian banking exploitation in the Caribbean region and its (broader) implications.

Canada: Dependent Junior Partner in Imperialism or an Actor Wielding Imperial Agency?

Conclusions which assert that Canada is a dependent country, a junior partner, or a secondary partner to US hegemonic imperialism in the global system, usually rely on four different arguments:

1: Canada does not possess any colonies*
2: Canada does not go to war with other countries*
3: Canadian investments abroad are smaller than other Western countries*
4: Canada itself suffers from outsized foreign ownership in its country via U.S.*

Overall, the unifying trend of these arguments portrays Canada as less exploitative than other countries, and, by default, as a 'dependent' country itself. These arguments also position Canada as more 'moral' or more 'liberal' regarding respect for national sovereignty and human rights, compared to other Western states, which are thought to be 'more' exploitative than Canada is. Nonetheless, Canada has attempted to annex territories in the Caribbean region. Canada has supported repressive military efforts in the Global South and has aided in numerous invasions carried out by the U.S. Canadian investment in the Caribbean (and in some states in Latin America) outnumber investments from other competing Western states, and the Canadian government has encouraged and supported Canadian banks overseas, providing them with various incentives that have been described in detail throughout the dissertation. With this in mind, we can now briefly address the four aforementioned arguments head on.

I should begin this paragraph by acknowledging that Canada is a settler colonial state, with indigenous populations fighting for their rights, recognition, and the protection of their lands in what we call 'Canada.' Additionally, although I discussed multiple failed attempts by Canada, up until the end of World War II, to annex British Caribbean colonies, I would first like to clarify here that colonial possessions and annexations in and of themselves do not solely determine imperialism. Although not a comprehensive definition, when examining whether or

not any state is imperialist, one must look at the extent to which corporations are able to work with the state to advance specific corporate interests abroad along with the violence that comes with this, and “the structure and level of development which characterizes [the state’s] national economy” (Workers Unity 1975, 11). As has been highlighted in the dissertation, one of the key characteristics of Canadian imperialism includes the protection of large Canadian chartered banks, by the Canadian government, to assist in these banks’ establishment of market power both at home and abroad. The relationship between Canadian banks and Canada has informed the systematic expansion of these Canadian banks in the Caribbean, given the market power of these banks and the policies of the Canadian state. The Canadian government actively promotes policies in and for the Caribbean that would be favorable to Canadian investors— including structural adjustment. As will be discussed in this section, Canada also directly involves itself in supporting military interventions in the Caribbean region to assist Canadian capital. The aforementioned are all key contributors to, and characteristic of, Canadian imperialism.

Aside from the fact that the largest Canadian banks also belong to some of the largest banking institutions in the world, disproportionate to the size of the Canadian economy (Kaufman 1985, 65-66), Canada’s economic structure makes it the 9th largest country in the world by GDP (Klassen 2009, 171). Like other advanced Western countries “Canada has a large services sector increasingly dominated by financial activities… a good[s] producing sector dominated largely by manufacturing and secondarily by mining, energy, and construction related-activities… [Overall] Canada retains an advanced economic structure,” and “the evidence does not support the one-sided characterization of Canada as a dependent or peripheral economy” (Klassen 2009, 172-173). Klassen (2009) also finds the same to be true when looking at Canadian international trade (175). Ultimately, Klassen (2009) concludes his analysis

maintaining that "Canada is a secondary power among the top tier of states" (163), even as its "experience of the new imperialism… has largely tracked and mirrored that of other advanced capitalist countries" (185). In other words, Klassen's findings, while insightful, do not match the conclusions that he reaches. As William K. Carroll pointed out in 1986, there is a "contradiction inherent in the notion of a rich dependency" (Heller 2012, 224). Instead, Canada is able to exploit developing countries in the Caribbean due to the excess capital that it generates, which it cannot reinvest for profit back into Canada. This is also why of G8 countries, Canada "has the fourth highest ratio of outward direct investment-stock to GDP" (Heller 2012, 225).

Subsequently, although Canada itself may not declare war against other countries— it wholeheartedly supports invasions into Global South countries, despite its public rhetoric. This is particularly noticeable where its economic interests are concerned or can be realized. From the invasion of Grenada (1983) to the invasion of Afghanistan (2001), the general trend seems to be one in which Canada supports US invasions and swoops in post-invasion with aid and technical assistance to further advance its own economic and corporate interests. For instance, in 2004 when Canada supported the coup d'état against Haiti's democratically elected leader, its support included sending Canadian troops into Haiti to occupy the country in order to facilitate the entrance of U.S. troops (Gauthier-Caron 2017; Gordon & Weber 2016, 21-22). During that year, Canada spent over $11 billion on its military budget— and since then Canada's military budget has more than tripled. Some of that spending goes towards Canadian security agencies that are heavily involved in the training of Global South police and security forces (Gordon & Weber 2016, 21-22). This increase in spending by Canada on its military and policing forces for securing its interests in the region also has a rich history. In 1965, Canada sent forces to the Dominican Republic to overthrow its government, in 1970 it sent weapons to the government of

Trinidad & Tobago in the wake of its Black Power movements, and it also sent a small number of troops to Grenada during the 1983 invasion under the pretext of 'rescuing' Canadians—lending support to the U.S. narrative that Grenada was a security threat to Western beliefs, values, and people in the region (Seed 2020).

Not surprisingly, given Canada's active involvement in the affairs of Global South countries, it has also sought to establish military bases in places where its interests lie. This includes the Caribbean region, where Canada has a military base in Jamaica established under a program known as the "Operational Support Hub" (OSH), which helps to provide facilities to the Canadian Armed Forces (CAF) in other countries (Edmonds 2012). In Jamaica, access was given to "a port, airport, and military base [which was] justified as providing quicker emergency response to hurricanes" to states in the region (Seed 2020). However, none of these posts have been used to assist Caribbean countries that were wrecked due to hurricanes (Seed 2020). The OSH program was formally established after the 2011 invasion of Libya by countries part of the North Atlantic Treaty Organization (NATO). In justifying the creation of this program, Canada's defense minister Peter MacKay had stated that "[Canada] are big players in NATO. [Canada] is a country that has become a go-to nation in response to situations like what we're seeing in Libya, what we saw in Haiti" (The Gleaner 2011). Since then, it's been reported that Canada's OSH "has been quietly working to establish small military outposts in places such as the Caribbean and Southeast Asia" (National Post 2012). Canada's support for invasions and active role in occupations, as well as its establishment of outposts in the Global South, all suggest that Canada is not above ever declaring war to support and/or facilitate its interests in weaker countries. In 2019, Canada's minister of foreign affairs, Chrystia Freeland, stated "the crisis in Venezuela is

unfolding in Canada's global backyard. This is our neighbourhood" (Pagliccia 2019)— employing the same kind of colonial language for imperial incursions as the US does.

In addition, Canadian investments abroad are high given the early financialization and internationalization of Canadian capital and investments into the Caribbean (as well as the U.S.). The Caribbean region has consistently ranked as the third highest region that Canada invests in— only behind the U.S. and Europe. While most estimates typically lump 'Latin America and the Caribbean' together, a 2007 disaggregation of Canadian investments abroad found that a greater bulk of that investment goes to the Caribbean region. 18% of Canadian investment in 2007 went to the Caribbean, while only 5% went to South and Central America (Klassen 2009, 178). The most obvious explanation for the focused investment by Canadian investors into the Caribbean region— in spite of the higher potential for profit in South and Central America given the sheer size of those regions— is the centuries long imperial connection with the Caribbean.[79] These centuries long imperial relations had resulted in the establishment of dominant Canadian financial institutions in the Caribbean region, as well as the crafting of policies and other legislation favorable to Canadian investors and corporations. During the 19th century and the beginning of the 20th century, the Caribbean region acted as a 'surplus' area for the [Canadian] bank's [because] deposits greatly outpaced loans" and the capital was used for other developments in Canada, the U.S. and Europe (Kaufman 1984/5, 64). Then, two-thirds of the way into the 20th century, the need for capital in the developing world— due to independence financing and then balance of payment crisis— would place Canadian banks amongst the top loan lenders receiving "lucrative income from fees" (especially due to the connections with the

[79] According to Kaufman (1984/5) a big hindrance for Canadian bank expansion in Central America during the 1980s was the absence of already established Canadian bank branches— meaning profitability would be limited as Canadian banks would incur start-up costs and other costs while working through local banks in Central America to establish themselves (75)

London markets) (Kaufman 1984/5, 66 & 72). By the 21st century, Canadian banks held majority shares of banking assets in Caribbean states, with "evidence suggest[ing] that asset growth may play a role in increasing profits" (Birchwood 2000 quoted in Ramsaran 2013, 167). This profit accumulation has been facilitated by the increase in mergers and acquisitions undertaken by Canadian banks in the Caribbean during the 21st century. The increased concentration of Canadian bank ownership of Caribbean assets has supported their balance sheets in the aftermath of the 2007/8 global financial crisis.

Additionally, Todd Gordon (2010) found that Canada's foreign policy places a lot of emphasis on "the successful expansion of Canadian corporations especially in underdeveloped countries" through the promotion of "one-sided trade and investment deals with poor countries" (Heller 2012, 224). As such, Gordon (2010) noted that Canadian foreign investment to underdeveloped countries was "highly remunerative," or very profitable, because while Canadian profits on investments in 1980 was $3.7 billion, by 2007 that number after tax had reached to $23.6 billion (Gordon 2010, 10-11 quoted in Heller 2012). As a reminder, of developing regions that Canada invested into in 2007, the Caribbean region saw the larger share of Canadian investments than all the others combined (see table 5.1 below). One may ask 'how were Canadian banks able to record such a high amount of profit on investments in 2007, given the global financial recession and the decline in Caribbean states economies (especially those dependent on EU and US tourism)?' The answer is three-fold: (1) Canada was a developed country less impacted by the crisis due to its strong tradition of protecting its global banks. (2) Economic crisis in the US, Europe, and the Caribbean region allowed Canadian banks to acquire new assets in the region, increasing their power and size there. (3) Canada was able to play a

bigger role as a creditor to governments in the region during the aftermath of the crisis, as banks became incentivized to issue debts.[80]

Table 5.1 Canadian Investments Abroad by Region (2007)

Region	Total % of Investment
United States	44
Europe	27
Caribbean	18
Asia	6
South and Central America	5
Africa	1
Total	100%

The increased acquisitions and mergers by Canadian financial institutions which took place in the region during the 2007/2008 financial crisis—of which American, European, and Trinidadian owners were most affected— allowed Canadian financial corporations to become even stronger in the region. At the time, the Caribbean community (CARICOM) were hoping to change the "non-reciprocal CARIBCAN arrangement into a reciprocal trade agreement," given that 2007 also marked the "negotiation of a new comprehensive trade agreement between CARICOM and Canada" (Chaitoo 2013, 55). In a real sense, the 2007 global financial crisis increased Canada's power in the Caribbean ahead of the Canada-CARICOM summit, and the

[80] My 2017 Master's thesis for Latin American and Caribbean Studies at Florida International University covered these topics on the 2007-2008 financial crisis and Canada- the English-speaking Caribbean relations during that time. I observed that during the 2008 financial crisis, many pundits were certain that the Caribbean region would be fine, despite the major sources of their tourist arrivals being from the U.S. and E.U., because there were no *subsidiaries* of foreign banks from those countries within the region. Almost all of the banks operating within the region were wholly or partially owned by firms headquartered in Canada, which was the developed country least impacted by the crisis. However, this turned out to not be the case and of the broad category 'Latin America & the Caribbean,' the Caribbean was hit hard in its productive and financial sectors. Domestic debt was then allowed to assume a larger role in these states' economies, due to the difficulty of accessing international debt, and Canadian institutions became large creditors to states in the region due to the creditor friendly laws already on the books. See also: Dear, Amiri (2013). "Copying Canada: A Critical Analysis of the Barbados Bankruptcy and Insolvency Act." University of Toronto, p.1-70; Odle, Maurice (2009). "The Global Financial Crisis: How Did We Get Here and How Do We Move Forward"; Thompson, Christopher (2015). "Bank Debt Issuance Doubles to Record Levels." Financial Times; UNDP (2015). "Financing for Development Challenges in Caribbean SIDS: A Case for Review of Eligibility Criteria for Access to Concessional Financing."

renegotiation of the trade deal. The result being that the summit, and the renegotiation, would be unsuccessful for the Caribbean. While Canada opted to increase aid to the region by $600 million in exchange for even more market access for Canadian corporations— the gap between market access, investment profits and aid concerned CARICOM officials. It was CARICOM's position that the aid Canada wanted to give to the region was minimal, and paled in comparison to the profits that would be generated by another one-sided trade and investment deal negotiated with Canada. To overcome their weakened position, "senior officials in the Caribbean argued that [the aid amount] should be increased…to 'compensate' for CARICOM's agreement to provide market access to Canadian companies" (Chaitoo 2013, 42-43). However, these objections did not change the fact that Canada was given more access to Caribbean markets and increased its investments there, without increasing the aid package or renegotiating the trade deal.[81]

In light of market power and investments, I will note here that this is not to say that Canadian banks do not earn the majority of their profits in the U.S., as they clearly do. But rather my point is to highlight that outside of the U.S., the English-speaking Caribbean "is the region where Canadian banks have the highest concentration of foreign operations in the retail and commercial sectors" (Létourneau & Heidrich 2010, 15). In 2008, Scotiabank had $16.1 billion (US) assets in the Caribbean region, RBC had $13.6 billion (US) in assets in the Caribbean region, and CIBC had $12 billion (US) in assets in the Caribbean region. Of the three Canadian banks in the Caribbean region, there is not a singular state in the area whose economy is larger than that of a singular Canadian bank. If we were to combine the economies of all Caribbean

[81] Caribbean rum in the Canadian market was something that Caribbean states wanted to address in particular. All of the materials to create Caribbean rum that would be exported to Canada had to be fully sourced in the Caribbean region— and in the event that it could not, it had to be sourced from Canada (which was expensive to do). However, even beyond this once exported into Canada, rum from the Caribbean faced other problems. For instance, it was especially hoped that any new renegotiations reached with Canada would get rid of protections in Canada that allowed "provincial liquor board monopolies [to exist]," in order to remove barriers that would give Caribbean rum fair access to the Canadian market (Chaitoo 2013, 56); but this also did not also happen.

states to compare it to the Canadian banks, the three Canadian banks have higher assets than all states combined.

Table 5.2 Assets of Largest Banks in the Caribbean, 2008

Bank	# of Countries in Operation	Assets in ($USD)
Scotiabank (BNS)	21	16.1 billion
RBC (/RBTT)	16	13.6 billion
First Caribbean (CIBC)	18	12 billion
Republic Bank (owned by Trinidad & Tobago)	5	6.69 billion

Sources: Gordon, Susan. 2008. "RBC/RBTT Aims for Top Bank in Caribbean."; Létourneau, Hugues & Pablo Heidrich 2010

The structure of Canadian imperialism begins with state protection of Canadian banks in the domestic market, which has allowed the Canadian financial sector to consolidate its power in Canada en route to global expansion, which has also been facilitated by the Canadian state. As a result, simply putting Canada as an adjunct partner to the U.S. neglects Canadian agency, and thus its ability to have interests independent from the US— both externally from Canada and internally within Canada. This was seen when Canada chose to not act during the nationalizations of Canadian companies with U.S. majority shareholders such as ALCAN; and Canada choosing not to make bank competition fairer within Canada for foreign investors. Through restrictive legislation, Canada has protected Canadian banks from having to compete with foreign banks in Canada through various laws, most instrumentally the Bank Act (Red Star Collective 1977; Kaufman 1984; Canada Department of Finance 2002). This suggests that the Canadian state is not simply a puppet to US imperialism, but rather exerts agency in supporting a Canadian banking oligopoly, which derives from the British imperial period, but has emerged over the past century as an independent and economic political actor. As observed in the 20th century, the interests of the Canadian banks "overshadow more narrow and short-term

ideological motivations" that the U.S. may have (Kaufman 1984/5 75)., and they are supported by Canada.

There are numerous examples of the Canadian state and Canadian banks flexing their muscle against the U.S. and U.S. corporate interests. In the U.S. in 1962, "Rockefeller-controlled Citibank of New York attempted to penetrate the defences surrounding the Canadian banks" by purchasing a 50% share of the smallest of the 11 major banks in Canada (Red Star Collective 1977, 43; Roberts & Arnander 2001). The Rockefeller's—a wealthy industrial, political, and banking family in the U.S.— were warned by the Canadian government that they should not continue with the purchase, but they followed through anyway. Put bluntly, the US threatened "to retaliate against Canadian assets in the U.S.," and Rockefeller gave a "simple" yet "gentle reminder to the Canadian finance minister that Canadian banks have large and important interests in New York State" (Newman 1963, 17).[82] However, even with these threats from the US, it was eventually the Rockefellers and Citibank that would have to retreat, and sell their holdings. While able to go through with purchasing one of the smallest banks in Canada, the other banks were "too nationalistic" and "the Big Five of Canadian banking [were] too expensive" (Newman 1963, 57). The Rockefellers would be unsuccessful in gaining bigger market share and competing within Canada. Not only did the Canadian state not budge against warnings from protecting the Canadian banking oligopoly, but as it had done a century prior, the Canadian banks rallied "Canadian nationalism" to oppose Citibank's acquisition of small Canadian banks (Roberts & Arnander 2001, 43). The Canadian state acted to help ensure that

[82] At the time, Canada had 5 of its big chartered banks in the U.S. and all had operations in New York. According to Newman (1963) one of the advantages these Canadian banks had in New York— in spite of not being able to accept deposits from residents of New York State— was that "unlike regular U. S. banks, [Canadian banks] [we]re not limited in the amount of interest they pa[id]. By accepting out-of-state accounts at interest rates marginally higher than the official maximum prevailing in the U. S., Canadian banks have been able to attract substantial deposits. This in turn has allowed their agencies to enter the U.S. loan market in a big way."

there was no U.S. bank that could have acquired enough shares to actually be competitive within Canada against the big Canadian chartered banks.

This example, and others like it throughout the dissertation, show that the Canadian state and the Canadian banking oligopoly have exercised their own imperial agency in a wide variety of domestic and global contexts. In chapter two, I observed that Canadian nationalism has always been tied to this understanding that Canadian development had a special relationship to Canadian financial institutions. Thus, Canadian nationalism could be rallied by financial institutions to support and consolidate financial oligopoly through favorable legislation, in order to 'protect' Canadian development, and although only rhetorically, the Canadian worker. This cynical weaponization of Canadian nationalism by the state and the big financial institutions has had the consequence of, according to Gordon (2010), misleading "left nationalists" in Canada (16). While failing to "develop a systematic theory of Canadian imperialism and the global ambitions of the Canadian ruling class," Canadian left nationalists argue "for stronger protection from foreign ownership and control in the Canadian economy" (Gordon 2010, 16). Thus, "the power of the Canadian capitalist class whose objective (that is, class) interests are to exploit both Canadian and Global South workers" are overlooked, even within progressive spaces in Canada (Gordon 2010, 16). This has remained true from the 19th century to the present 21st century—illuminating the historical continuity of these processes, both of Canadian imperialism and our negligence towards it.

Why Canadian Banking Exploitation in the Caribbean is Important

Countries in the Caribbean have been very reliant on foreign capital for a very long time. In the 21st century, global economic conditions have made it so that a large majority of "economic activity [in the region] is conducted by transnational corporations" (De Groos &

Pérez Ludeña 2014, 7) — and specifically, foreign ones. This has led to a situation whereby many states in the Caribbean region have been pushed, or forced, to structure themselves as being both favorable and amenable to foreign investments and corporations. Governments in the region have been encouraged or coerced into 'providing incentives' to foreign investments and corporations as a necessary condition for meeting the terms of future credit access. In spite of this, "reinvestment rates are relatively low and profits are more likely to be repatriated" (De Groos & Pérez Ludeña 2014, 16). From the 20th century, this fact has been analyzed by international bodies and organizations as simply being attributable to a "poor business environment" in the Caribbean, which "disincentives [the] reinvestment of profits" by these foreign corporations (De Groos & Pérez Ludeña 2014, 15). However, these assertions are not backed by historical or present realities regarding the conditions and pro-foreign-business legislation in these states. They conveniently ignore that states in the Caribbean region have operated almost exclusively as sites of extraction for more powerful states and foreign interests ever since the 15th and 16th centuries. These power relationships, grounded in centuries of colonial and post-colonial history, have operated against development for the majority of people living in these spaces. As spaces already hyper-focused on providing incentives to foreign interests and corporations, the question we should ask ourselves is not 'how can x Caribbean country attract more foreign capital and corporations to increase its development,' but rather, 'how have foreign capital and corporations exploited their advantageous positioning within these societies, and for how long have they been allowed to do so given the history of the region?'

My dissertation focuses on this question by looking at Canadian banks as foreign corporations that have been able to exploit their position within English-speaking Caribbean countries since the 19th century. While data and literature on the topic have been scarce, what is

known is that for centuries Canadian banks have increased their oligopolistic power in the region. These banks have amassed large market shares in the Caribbean, which they have used for political leverage to maintain and enhance their power. In the 21st century, the utilization of mergers and acquisitions have further concentrated Canadian bank ownership, to the point where resource allocation decisions are increasingly in fewer hands. While much could be said about this concentration, in short, it has continuously constrained Caribbean development options. Although, official data on FDI for Caribbean countries have large gaps and oftentimes "does not show the nationality of foreign investors" (De Groot & Pérez Ludeña 2014, 16), the Caribbean continues to be the place that Canada and Canadian corporations direct their investments into. For example, in 2008 "a Canadian investor invested a sum so large [in the Caribbean,] that it distorted overall regional statistics" on FDI, including investments made by both the U.S. and U.K. combined[83] (De Groot & Pérez Ludeña 2014, 16). This investment also went to the banking sector, as the Canadian investor sought to become a majority shareholder in a popular regional Trinidadian bank— RBTT— suffering from the 2008 global financial crisis. This to show that even though specific and consistent FDI data is hard to find, there is no denying that "in certain sectors, there is a strong geographic concentration of investors [, with] Canada ha[ving] a very strong role in banking, as well as in gold and bauxite mining" (De Groot & Pérez Ludeña 2014, 16).

Table 5.3 Largest Banking Mergers and Acquisitions During 2001-2008

Year	Company	Country of Origin	Assets Acquired	Seller Located In	Assets Located In	Amount ($ million)
2002	Canadian Imperial Bank of Commerce	Canada	Barclays banking assets	United Kingdom	Caribbean	609

[83] In 2008, the USA invested $403 million in Trinidad & Tobago, UK invested $146 million, and Canada invested $2,194 million

2006	Canadian Imperial Bank of Commerce	Canada	First Caribbean International Bank (39%)*	United Kingdom	Barbados and Caribbean	999
2008	Royal Bank of Canada	Canada	RBTT Financial Holdings	Trinidad & Tobago	English-speaking Caribbean	2,235

Source: Economic Commission for Latin America and the Caribbean (ECLAC), reprinted by De Groot & Pérez Ludeña. 2014. "Foreign Direct Investment in the Caribbean: Trends, Determinants and Policies." *(ECLAC)*

Note 1: Although CIBC and Barclays merged in 2002 within an equal partnership share in the newly formed First Caribbean International Bank (FCIB), in 2006 CIBC acquired a majority share of Barclays share of the bank, becoming the majority sole owner of FCIB. Today, FCIB is known as 'CIBC First Caribbean International Bank' and maintains its status as one of the largest banks in the region.

Note 2: The Royal Bank's 2008 acquisition of RBTT

Of the available data, Canadian banks have a very dominant presence in the region, which started during the 20th century. Since then, between the 20th and 21st centuries Canadian banks have handled between 60-90% of all transactions which took place in the Caribbean region (Engler 2010, 120). Throughout this time, profits made by Canadian banks have not been reinvested into local Caribbean developments— outside of those investments being directly tied to their own operations start-up costs (Sanders 2019). The relationship between Canadian banks and the Caribbean, from the 19th century to now, has been one based purely on economic extraction of Caribbean wealth and resources, and policy concessions beneficial to Canadian (and other foreign) corporations. During the early part of the 19th century, and under the British imperial system, Canadian banks via mercantile trade "provide[d] protein to the slave plantations and later in the sugar trade and military adventures… [and] all the profits were repatriated by Anglo-Canadian capital… to finance the railway expansion of the Canadian colonial state" (Seed 2020). This connection led to the revelation that Canadian banks and finance were instrumental to Canada's development and its eventual granting of independence in the 19th century; of which Canada continued to pursue its profitable, yet extractive relationship with the region.

During the 20th century, the repatriation of capital by Canadian banks and their negligent contribution to Caribbean development was understood as neocolonial by the formerly enslaved and indentured populations who would become free people able to self-govern. However, the need for capital to the region allowed the banks to remain there, and IFIs helped to perpetuate the ever-growing demand for foreign direct investment by smaller and poorer states in the global political economy. Now in the 21st century, an assessment of Canada's imperialism in the Caribbean has not been given particular attention, and neither have we seen similar waves of protests as we did in the 20th century. This has been the case even with the awareness that Canadian banks have been "mere custodians of the assets of Caribbean people or people benefiting from doing business in the Caribbean" since the 19th century (Sanders 2019). According to the Ambassador of Antigua and Barbuda, Sir Ronald Sanders notes that as 'custodians' to the region, Canadian banks have survived for centuries without "invest[ing] a cent in capital, other than what was needed to satisfy the start-up of operations[,]" even as they accrued "large profits…all of which were repatriated to Canada for the benefit of their shareholders and the Canadian economy" (Sanders 2019). Thus, Canadian banks in the Caribbean region have a very long and rich history of operating as purely exploitative entities, with insufficient attention given to these corporations, on par with the power they wield in the region.

Imperialism is rooted in exploitation, and Canadian banks have long operated as economically exploitative corporations in the English-speaking Caribbean region. The positioning of Canadian banks as foreign financial institutions within the region substantiates the general critiques against imperialism by Caribbean people. That is, that imperialism in the Caribbean have always included "the relationship between foreign capital penetration and

domestic capital formation," as well as "the capacity of imperialism for intervention and destabilization" (Mars 1998, 63). With this understanding in mind, it is no surprise that Canadian corporations, like the Royal Bank of Canada, were targeted in the 1960s and 1970s by anti-imperialist protests and the Black Power movements in states like Trinidad and Tobago. Canada's "exploitative economic relations" with the region, has a history of being understood as both an "imperial power perpetuating a legacy of colonial domination over the Anglophone Caribbean" via "Canada's political and economic domination in the region," and also 'friendlier' to states in the region than either Britain or the US (Hébert 2015, 158-159). The positioning of Canada as a potentially 'friendlier' entity was due to the fact that even though Canada and Canadian corporations extracted wealth from the region, they also provided large amounts of aid to the region. Nonetheless, while this giving of aid is routinely lauded by international organizations and Canada itself, Canadian aid has been used for regulatory influence within states that would assist Canadian corporations.

Discourses on Canadian aid to the Caribbean are categorized drastically different in the West than it is in the Caribbean. In Caribbean states it is understood that they do need capital, and that simultaneously, foreign aid is like "a noose around their necks… [because] the aid that countries like Canada [provide] often c[o]me with strings attached that would undercut economic sovereignty" (Hébert 2015, 161). In 1977, Chodos "traced [that] Canada, through aid, tourism, banking, and other economic activities helped to keep the West Indies in a dependent," or otherwise exploitable, position (Hébert 2015, 163). Not that dissimilar from Baum's 1974 findings, Canadian banks often provided "short, interim, and long-term hotel financing[, and] the loan moneys [were] the deposits of the citizenry" (73). To Baum, this relationship was one of exploitation, as Caribbean citizens were "providing the bulk of moneys used to build and fund

enterprises owned and managed by white expatriates…[meanwhile] profits derived from these enterprises [were] flow[n] back to the expatriate's nation" (73). Baum concluded that "considering the emotional content of racism and tourism, the commercial foreign banks can easily be viewed not as developers of an economy but as exploiters. They can be characterized as parasites growing fat on the money of the people" (Baum 1974, 73). In 1988, Williams examination concluded that foreign banks in the region were viewed by their head offices as "profit centres… [making] profitability critical to their operations in the Caribbean" (Williams 1988, 17). This to say exploitation, not development, have been the goal of Canadian banks in the Caribbean region for centuries.

Final Thoughts

"The history of capitalist imperialism is one characterized by the production and reproduction of monumental structural inequalities between regions and states of the world system" (Gordon & Weber 2016, 283, 286). Uneven development is perpetuated by IFIs and states that aid in exploitative capitalism—of which Canada is undoubtedly included. As has been historically the case, Canada's foreign policy towards the Caribbean "is formulated and implemented as if Canadian global corporations do not exist" (Baum 1974, 136); and simultaneously, the global interactions between Canada and other states are typically theorized in the same way as well. Generally speaking, the violence associated with economic imperialisms and other infringements on economic sovereignty, is rarely discussed in the present within the framework of imperial violence. As such, states— and corporations from specific states— are allowed to enact economic violence (via sanctions or displacements of people for corporate industries to use land) in ways that are understood as legitimate, versus necessitating a cause for deep scrutiny. In regard to Canada's relationship with its banks, and the practices of these banks

in the Caribbean, my dissertation contributes to Baum's 1974 assertion that "the development of a country may conflict with the profit of a bank" (Baum 1974, 82). This point, I believe, is especially true when foreign banks wield power over a developing state both economically and politically, so that profit extraction and repatriation are built into the exploitative relationship.

To recap the chapters within my dissertation: In the first chapter I surmised that theories on imperialism may be better suited to explain Canadian dominance and economic imperialism in the English-speaking Caribbean. I pointed out that even though traditional theories of imperialism may be better suited in explaining the Canada-Caribbean relationship, Canadian imperialism remains largely undertheorized. I identified that this under-theorization was present in traditional liberal theories, but also within more critical theories like dependency and world systems. These latter theories focus on broader structural aspects of underdevelopment and capitalist accumulation, often to the neglect of specific analysis of imperial agency (and other social relations). Thus, the agency wielded by Canada— and specific sectoral agents within Canada, like Canadian banks, have been overlooked in some critical theories, or in others subsumed under the framework of British and U.S. imperialism (Naylor 1975; Levitt 2002).

In the second chapter I discussed how Canadian bank expansion in the English-speaking Caribbean was initially a direct outgrowth of British imperialism, which enabled Canadian financiers to insert themselves as imperial partners in the British imperial trading architecture during the 1800s in the aftermath of the American Revolution. Essentially, Canadian banks became deeply implicated in the British imperial project. I then set out to prove that during the triangular imperial trading which took form, Canadian financiers were able to establish themselves as independent actors— backed by political interests within colonial Canada— establishing profitable merchant houses. Thus, by the time Britain granted Canada independence,

the Canadian state was already crucially important in promoting the consolidation, concentration, and domination of Canadian banks, both within Canada and in the British commonwealth territories in the Americas.

In the third chapter I looked at the growth and expansion of Canadian banking in the English-speaking Caribbean region from the 1960s to the beginning of the 1980s. To do this, I first looked at the push factors that contributed to the expansion of Canadian banks in the region. This included Canadian government policies that provided banks with favorable incentives to expand, and increased global competition which further incentivized banks to expand in foreign markets. The latter point was helped by the emergence of the Eurodollar market, which provided access to foreign deposits at a low cost. I then looked at the pull factors that contributed to the expansion and concentration of Canadian banks in the English-speaking Caribbean region. One of those factors included a legacy of colonialism that left Caribbean states starved of financing capital (during the 1960s and 1970s), which was essential for these states to meet their obligations. The economic circumstances that arose from this condition contributed to dependent development.

In the fourth chapter I analyzed the causes, characteristics and consequences of the new global international architecture of the 1980s to the 2000s. To be more specific, the chapter looked at the new opportunities for foreign investors that arose in the 1980s due to the rise of neoliberalism and structural adjustment policies pushed by international financial institutions (IFIs). These conditions represented a victory for foreign investors, especially those from Canada, and capitalist groups aligned with those investors, against domestic Caribbean political opposition. The crisis period at the end of the 1970s for the English-speaking Caribbean region meant that during the 1980s and 1990s, there was an increased dependence on assistance from

IFIs which allowed these institutions to leverage their assistance to pressure governments into accepting structural adjustment policies crafted in collaboration with private financial conglomerates. Thus, the strength of powerful Canadian banks in the English-speaking Caribbean grew during this period.

In this final chapter of my dissertation, I have expanded my theoretical argument in defense of the continued strength of imperialism as a theory for international relations. I have shown that Canadian banks exist within a larger structure of global capitalist accumulation, which follows the imperial logics of capitalist expansion. One legacy of this imperial system is that the Canadian banking oligarchy has steadily expanded over the past century, emerging as a powerful predatory force in the English-speaking Caribbean. To this day, this imperial financial banking structure has remained intact. This was helped by the Canadian state itself, which has often been portrayed as a neutral actor, but instead has helped to facilitate the imperial continuity of Canadian banks from the 19th century to today.

References

Alleyne, Trevor, Jacques Bouhga-Hagbe, Thomas Dowling, Dmitriy Kovtun, Alla Myrvod, Joel Okwuokei, and Jarkko Turunen. "Loss of Correspondent Banking Relationships in the Caribbean: Trends, Impact, and Policy Options." *International Monetary Fund*, 2017, 46.

Baum, Daniel. *The Banks of Canada in the Commonwealth Caribbean, Economic Nationalism and Multinational Enterprises of a Medium Power*. iUniverse, Inc, 1974.

Burgess, William. "Canada's Location in the World System: Reworking the Debate in Canadian Political Economy." Doctor of Philosophy in Geography, University of British Columbia, 2002.

"Canada to Set up Military Base in Jamaica." *The Gleaner*. June 5, 2011.

"Canadian Military Building Network of International Outposts in Push for More Overseas Missions." *National Post*. July 20, 2012, sec. Canada.

Chaitoo, Ramesh. "Time to Rethink and Re-Energize Canada-CARICOM Relations." *Caribbean Journal of International Relations & Diplomacy* 1, no. 1 (February 2013): 39–67.

De Groot, Olaf, and Miguel Pérez Ludeña. "Foreign Direct Investment in the Caribbean: Trends, Determinants and Policies." *United Nations, Economic Commission for Latin America and the Caribbean (ECLAC)*, The Caribbean, no. 35 (February 2014): 47.

Dilley, Andrew. *Finance, Politics, and Imperialism: Australia, Canada, and the City of London, C.1896-1914*. Cambridge Imperial and Postcolonial Studies Series. Palgrave Macmillan UK, 2012.

Edmonds, Kevin. "Canada: A Late but Eager Partner in Policing the Caribbean." *NACLA Report on the Americas*, February 1, 2012, sec. The Other Side of Paradise.

Freeman, Sunny. "Canadian Banks Earn $96 Million a Day in 2015." *Toronto Star*, n.d., sec. Business.

Gauthier-Caron, Jérémie. "Canada Helped Overthrow Haitian Democracy: A Peoples' History of Canada Column." *The Link*. February 27, 2017, sec. Opinions.

Gordon, Susan. "RBC/RBTT Aims for Top Bank in Caribbean." *Jamaica Gleaner*, July 18, 2008, sec. Business.

Gordon, Todd. *Imperialist Canada*. Winnipeg, Manitoba: Arbeiter Ring Publishing, 2010.

Hébert, Paul C. "'A Microcosm of the General Struggle': Black Thought and Activism in Montreal, 1960-1969." Doctor of Philosophy in History, University of Michigan, 2015.

Heller, Henry. "Review: Imperialist Canada, Todd Gordon, Winnipeg: Arbeiter Ring Publishing, 2011." *Historical Materialism* 20, no. 2 (2012): 222–31.

Kaufman, Michael. "The Internationalization of Canadian Bank Capital (With a Look at Bank Activity in the Caribbean and Central America)." *Journal of Canadian Studies* 19, no. 4 (Winter -1985 1984): 61–81.

Klassen, Jerome. "Canada and the New Imperialism: The Economics of a Secondary Power." *Studies in Political Economy*, A Socialist Review, 83, no. 1 (2009): 163–90.

Létourneau, Hugues, and Pablo Heidrich. "Canadian Banks Abroad: Expansion and Exposure to the 2008-2009 Financial Crisis." Global Financial Markets and Regulations. The North-South Institute, May 2010.

Levitt, Kari. *Silent Surrender: The Multinational Corporation in Canada*. McGill-Queen's University Press, 2002.

Mars, Perry. *Ideology and Change: The Transformation of the Caribbean Left*. African American Life Series. Detroit: Wayne State University Press, 1998.

McKenzie, Natario. "Canadian Banks Regional Exit Continues with RBC Eastern Caribbean Sell-Off." *EWnews*. December 13, 2019, sec. Business.

Meyer, Stephen Paul. "Canada's Multinationals: A Study in Outward Foreign Direct Investment." Doctor of Philosophy, The University of Western Ontario, 1995.

Newman, Peter C. "Backstage in One More American Takeover." *Macleans*, Dec 14, 1963.

O'Connor, James. *The Corporations and the State: Essays in Theory of Capitalism and Imperialism*. New York: Harper & Row, 1974.

Pagliccia, Nino. "Is Venezuela Canada's Modern Day El Dorado?" *GlobalResearch Centre for Research on Globalization*. February 18, 2019.

Paragg, Ralph R. "Commercial Banks and Dependency Theory: The Case of the Commonwealth Caribbean MDCS." *Social and Economic Studies* 30, no. 2 (June 1981): 110–39.

Ramsaran, Ramesh. *The Financial Evolution of the Caribbean Community (1996-2008)*. 2nd ed. St. Augustine, Trinidad: Caribbean Centre for Money & Finance, 2013.

Riddell, John. "The Deep Roots of Canadian Imperialism in the West Indies." *John Riddell: Marxist Essays and Commentary* (blog), March 31, 2020.

Roberts, Richard, and Christopher Arnander. *Take Your Partners: Orion, the Consortium Banks and the Transformation of the Euromarkets*. New York: Palgrave Publishers, 2001.

Sanders, Ronald. "Withdrawal of Canadian Banks: Opportunity to Remedy Not Repeat Mistakes." *The Tribune*, December 16, 2019, sec. World View.
———. "World View – Withdrawal of Canadian Banks: Opportunity to Remedy Not Repeat Mistakes." *TheTribune*. December 16, 2019, sec. World View.

Seed, Tony. "Canada's Relation with CARICOM: Self-Serving Definition of What It Means to Be a 'Vital Partner.'" *TML WEEKLY Information Project* (blog), February 23, 2020.

Vilas, Carlos M. "Globalization as Imperialism." Translated by Carolos Pérez. *Latin American Perspectives*, Globalization and Globalism in Latin America and the Caribbean, 29, no. 6 (November 2002): 70–79.

Williams, Marion. "Regulation of Financial Institutions in the Caribbean: Implications for Growth and Development." *Social and Economic Studies* 38, no. 4 (Dec 1989): 181–99.

"World Investment Report 2019." United Nations Conference on Trade and Development (UNCTAD). Special Economic Zones. New York: United Nations, 2019.

VITA

TAMANISHA JOHN

2011-2015	B.A., International Relations Beloit College Beloit, Wisconsin
2015-2017	M.A., Latin American and Caribbean Studies Florida International University Miami, Florida

PUBLICATIONS

John, Tamanisha J. 2018a. "Settler Colonialism and Financial Exclusion of Banks in the English Caribbean." *E-International Relations* (blog). 2018.

———. 2018b. "Canada's Financial Dominance in the Former English Caribbean Colonies (FECC)." *Council on Hemispheric Affairs (COHA)*, January 9, 2018.

———. 2020a. "Guyana: Sovereignty Imperiled by Disputed Election." *Council on Hemispheric Affairs (COHA)*, July 30, 2020.

———. 2020b. "Book Review: Globalizing the Caribbean: Political Economy, Social Change, and the Transnational Capitalist Class." *Review of Radical Political Economics* 53 (1): 193–222.

———. 2021a. "Haiti's Ongoing Struggle for Uninterrupted Democracy against International Interventionism." *Council on Hemispheric Affairs (COHA)*, March 2, 2021.

———. 2021b. "Haitians Protest Their President in English as well as Creole, Indicting US for its Role in Country's Political Crisis" *The Conversation*, May 10, 2021.

———. 2021c. "Slain Haitian President Faced Calls for Resignation, Sustained Mass Protests before Killing." *The Conversation*, July 7, 2021.