

# EIR

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London's narco-terrorists strike in Peru  
Speculator Soros is nailed in Italy, Croatia  
New report shows drug-intelligence links

**George Bush's  
'Heart of Darkness'**



a reality," Shevardnadze said.

The EU is making its move into the area. In November, the British Navy paid its first visit to Georgian ports in 75 years, after a British engineering firm won a contract to rebuild a pipeline linking Georgia with waters off Azerbaijan, where British Petroleum has won a contract to exploit oil reserves. Germany, which established a protectorate over Georgia in 1918, is now its biggest aid donor. France's Foreign Minister Hervé de Charette also recently toured the Transcaucasus, to demonstrate the French oil giant Elf Aquitaine's interest in Caspian Sea oil.

The EU is promoting new road, rail, and sea links to Central Asia "as an alternative to the traditional trade routes through Russia." The World Bank and European Bank for Reconstruction are promoting this work, especially new ports around the Caspian Sea. Formerly, local wars prevented this cooperation, but now, the more stable Central Asian Republics "have begun to think about their geopolitical positions," the paper says, and the new trade route is taking shape.

## Industry

### Iran planning to invest in eastern Germany

While the German government's policy has cut employment in the eastern German machine-tool sector from 100,000 to 10,000 in five years, and collapsed production, Iran wants to buy up Germany's "obsolete" capital-goods producers, the daily *Frankfurter Allgemeine Zeitung* reported Dec. 7.

At a meeting on Dec. 6 with German Foreign Minister Günter Rexrodt in Bonn, Iranian Minister for Mining Mohammed Hossein Mahlojchi confirmed that an Iranian steel company wants to buy the Magdeburg-based machine producer Sket, which was expected to file bankruptcy in January. The bankruptcy would eliminate more than 80% of the remaining 1,800 jobs at Sket.

Iranian Ambassador to Bonn Sayed Hossein Mussawian told the paper that Iran could be interested in buying up not only Sket, but also some other German factories, which are being written off. As an example, he said, the private-run Iranian automobile

spare parts producer Paynaehal would like to buy the diesel engine producer DMS, also based in Magdeburg. He noted that the Iranian private company Peykarih has bought 200,000 square meters in the Magdeburg "technology park," in order to build a consumer goods factory for DM 135 million (about \$80 million).

An Iranian delegation, also on a visit in Germany, met representatives of Thyssen, Mannesmann, KHD, and Krupp.

## Italy

### 'Invisible hand' used to destabilize nation

Foreign countries and financial powers used the "invisible hand" of the markets to destabilize Italy in 1992, Vincenzo Scotti, former Christian Democratic leader and interior minister in the last Andreotti government (1990-92), said in an interview with the Rome daily *Il Tempo* on Dec. 6. It was his first interview since he retired from politics three years ago. What he describes corresponds to the City of London and Bush administration attacks on Italy, covered in *EIR* and known as the *Britannia* plot.

Scotti said he first warned of the threat in a speech to parliament five years ago. "Let us not forget that everything started shortly after the collapse of the Berlin Wall, when . . . a less bloody, but more violent war among states was unleashed—an economic war—I said our intelligence had received signals of heavy destabilization, that elements coming from other directions should have worried us. . . . But in the Senate, nobody cared. . . ."

"Sometimes I read that we must let the free market unfold. Very well, but you must know that behind the famous invisible hand of the markets, dreadful interests are hidden. There are people ready to exploit mistakes and weaknesses of a country, to get in and dominate it. Once it could happen under the sunlight [i.e., Chile]. . . . Today, the war is more subtle, less evident but more dangerous. All the possible levers are used: currency, finance, production. And, if a country finds itself in a condition of weakness, it is easy for it to end up colonized at a low cost."

## Briefly

**RUSSIA'S** educational system is growing worse, the General Prosecutor's Office stated in a report in late 1996. "Fewer parents can afford education of their children," it said. "The number of children in educational institutions has fallen from 9.0 million in 1990 to 5.6 million in 1995. Over 1.5 million . . . are not being educated at all."

**SOUTH AFRICA** has given access to drinking water to more than 700,000 people in the past two years, and 650 million rands (about \$155 million) has been allocated to 300 other projects due to start in April, Water and Forestry Minister Kader Asmal said in opening the KwaNdebele Regional Water Augmentation Project, *The Star* reported on Dec. 11.

**BOEING** and McDonnell Douglas announced Dec. 15 that the two will merge, with Boeing buying McDonnell Douglas for \$13.3 billion in a stock swap. The move reduces to two, the number of major commercial plane-makers in the world (the other being Airbus). It is unclear if the U.S. Department of Defense will object to the merger.

**KAZAKHSTAN'S** capital Almaty was the scene of a 3,000-person rally against economic conditions by opposition and trade union groups on Dec. 8. There are chronic energy shortages, and wage and pension arrears are estimated at \$500 million. Food shortages are severe, even verging on famine in some parts of the country.

**SWISS FIRMS** participating in China's Three Gorges Dam project were granted \$230 million in export risk guarantees on Dec. 9 by the government of Switzerland, the financial daily *Neue Zürcher Zeitung* reported. The paper welcomed the decision, which gives job creation preference over environmentalist concerns.

**A CRASH** on Wall Street "could quickly restore the pre-eminence of London and Edinburgh," London *Financial Times* bonds specialist Barry Riley commented in a Dec. 11 column.

## George Bush's 'Heart of Darkness'

by Jeffrey Steinberg

On Dec. 1, 1996, former President George Bush gave an interview to *Parade* magazine, in which he stated: "I don't want to be at the head table anymore. I care about being a good citizen. I don't join boards of directors, and I don't go into business deals. I've had every opportunity to join in putting a petrochemical plant in Kuwait, a chance to make money. I haven't done it. The way I make a living is giving speeches. Get paid a lot of money for giving a speech. No conflict of interest."

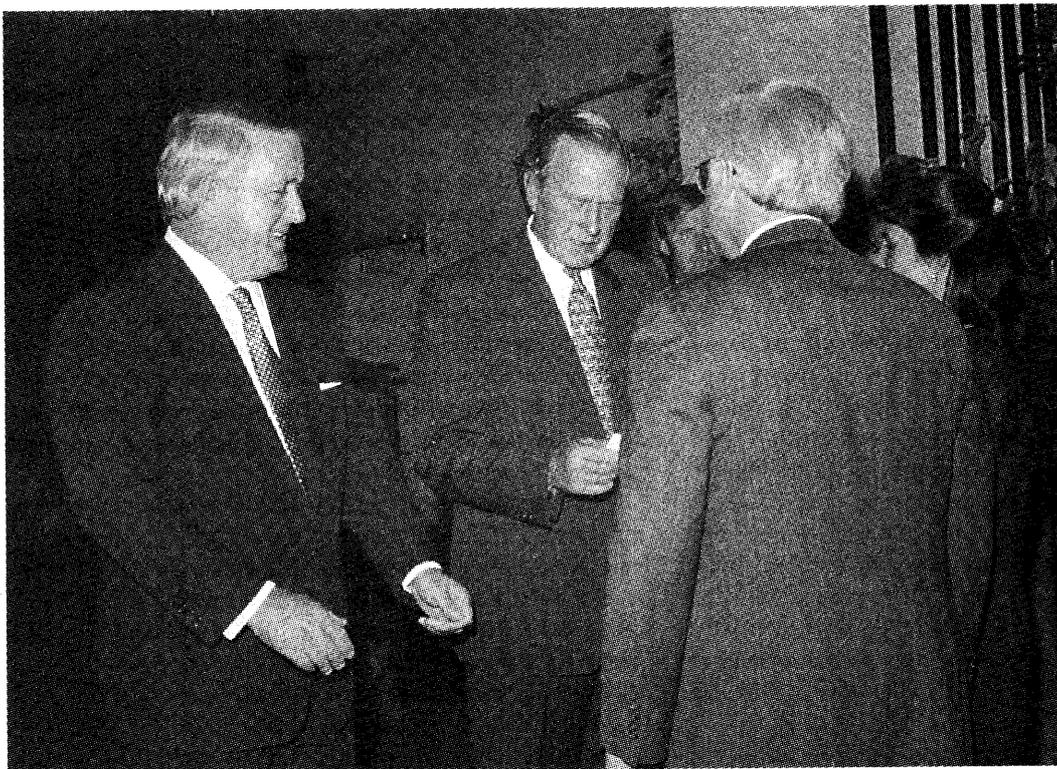
This statement was an outright lie; a lie that Sir George Bush arranged to appear in the pages of a weekly newspaper insert that reaches millions of households in every part of the United States. George Bush does, indeed, have a very important foreign corporate affiliation: In May 1995, the Canada-based Barrick Gold Corp. created an international advisory board around the personal leadership of Bush, and Bush was designated "honorary senior adviser" to that board—a legal fiction to disguise the former President's active role as chief business developer for the company.

What, then, is Barrick Gold Corp.?

### **The destruction of Africa**

It is understandable that Bush did not wish to advertise his ties to Barrick. The company is not only an important corporate element of the London-centered Club of the Isles and the British global raw materials cartel—a British link that might prove embarrassing to Sir George, at a point when Anglo-American relations remain at a low point, and when British propaganda organs are leading an all-out assault upon the U.S. Presidency. But, Barrick, along with the South Africa-based Anglo American Corp., is engaged in a strategic metals grab in Central Africa, which is being abetted by the greatest genocide per capita in modern times.

From April 1993, when Uganda's President Yoweri Museveni, on behalf of London, launched the genocide of the Hutu majority in Rwanda, through to the ongoing invasion by the same Museveni-led forces in eastern Zaire, Central Africa



*Former President George Bush, accompanied by former Canadian Prime Minister Brian Mulroney (left), in Elko, Nevada on Sept. 17, 1996, visiting the Goldstrike property owned by Barrick Gold Corp. The Barrick international board, to which Bush is "honorary senior adviser," met in Elko that day. Two days later, Bush wrote to Indonesia's President Suharto, seeking the Barrick takeover of the Busang gold mine. Simultaneously, British-backed mercenary forces were carrying out mass murder in Zaire, preparing the way for Barrick and others to loot the country.*

and the Horn of Africa have been turned into a killing field. Local, British-sponsored "countergangs" have been unleashed to depopulate a region that possesses the world's richest strain of precious metal deposits, while a string of Club of the Isles metals cartels, including Barrick, moves in for the kill.

As you will read below, the invasion of eastern Zaire, by the combined armies of Rwanda and Uganda, which began in September 1996, coincided with the Barrick and Anglo American metal grabs in the very same area. The net result of the invasion, and the simultaneous launching of an "internal" rebellion by longtime British provocateur Laurent Kabila, was the depopulating of a string of camps that were holding Rwandan Hutu refugees. Thousands of those refugees were killed in the fighting between the British-backed invaders and French-supported Hutu guerrillas; at least another quarter of a million refugees were driven into the wilderness, to face death by disease and starvation; and another half a million fled back across the border into Rwanda, to face likely extermination at the hands of the Tutsi.

*EIR* first exposed this policy of genocide on Aug. 19, 1994, in a cover story titled "The British Hand Behind the Horror in Rwanda." Then, on Oct. 28, 1994, in a *Special Report* titled "The Coming Fall of the House of Windsor," we revealed the existence of the secretive Club of the Isles, the House of Windsor-led oligarchical institution centered upon a tightly knit alliance of European princely families, London-based financial and insurance houses, and food and raw materials

cartels. The Club of the Isles in turn deploys the resources of the global environmentalist movement, headed by the World Wide Fund for Nature (WWF, formerly the World Wildlife Fund), and its funding arm, the 1001 Club, as a propaganda and paramilitary arm of their one-world "New Dark Age" agenda.

Under the WWF umbrella, the British Crown has built up a string of strategically located nature preserves and national parks, which serve as staging grounds for cross-border incursions, as training grounds for terrorist gangs, and as command posts for British "former" SAS commandos to direct the killings in every part of sub-Saharan Africa.

As we document below, in joining the advisory board to Barrick Gold, and throwing his political clout into facilitating Barrick's worldwide strategic metals grab, George Bush, has cast his lot with a collection of very unsavory characters, including Barrick's chairman, Peter Munk, and with the entire Canadian Bronfman gang.

Barrick and the South African Oppenheimer family's Anglo American Corp. are at the cutting edge of a Club of the Isles drive to recolonize a severely depopulated African continent, by busting up the post-colonial nation-states, beginning with Zaire; and then creating privately owned micro-states, in which what is left of the indigenous population is impressed into slavery. The novelist Joseph Conrad described these conditions graphically in his 1899 book *Heart of Darkness*. Unless the oligarchy is stopped, Bush and his friends intend to reimpose those conditions.

## A glimpse at colonialism in action

On Aug. 18, as the Rwandan Patriotic Front began its armed attacks on the camps of Rwandan refugees in Zaire, the London *Observer* published an op-ed by Norman Stone, which went straight to the heart of British policy for Africa. Citing the horrific strife in Rwanda and Burundi, Stone bluntly stated: "For re-imperialization now begins to make sense again, and the Europeans would be in a good position to push through some sort of international mandate. This was what happened over a century ago, and you can argue that the problems of Africa were made infinitely worse than they needed to be because the process was brought prematurely to an end. The world today has a ghostly similarity to that of a century ago."

Many Africans who remember the pre-independence days would not agree with Stone's exultation of colonial rule. The reality of imperialism was not highly publicized, however; even as late as the 1960s, on the eve of independence for most countries, life expectancy in most African countries was generally under 30 years of age. One writer who had a first-hand view of colonialism and depicted it was the Polish-British writer Joseph Conrad. In 1889, Conrad traveled the Congo River as master of the ship *Otago*. In 1899, Conrad wrote about his journey through the Belgian Congo, in *Heart of Darkness*. Belgian colonial rule, which was run directly by and for the Belgian monarchy, was notoriously harsh. Conrad relates that the porters for a group of "pilgrims" were not given food each day, but handed a nine-inch piece of wire, which they were supposed to exchange for food with area Africans—a form of payment by which they starved. Under colonial rule, the Congo River Basin had been turned into no less than a giant concentration camp, in which people were worked to death, as Conrad described:

### An 'Inferno'

"A continuous noise of the rapids above hovered over this scene of inhabited devastation. A lot of people, mostly black and naked, moved about like ants. . . . They were building a railway. . . .

"A slight clinking behind me made me turn my head. Six black men advanced in a file, toiling up the path. They walked erect and slow, balancing small baskets full of earth on their heads, and the clink kept time with their footsteps. Black rags were wound round their loins, and the short ends behind waggled to and fro like tails. I could see every rib, the joints

of their limbs were like knots in a rope; each had an iron collar on his neck, and all were connected together with a chain whose bights swung between them rhythmically clinking. . . . All their meagre breasts panted together, the violently dilated nostrils quivered, the eyes stared stonily uphill. They passed me within six inches, without a glance, with . . . complete, deathlike indifference. . . .

"At last I got under the trees. My purpose was to stroll into the shade for a moment; but no sooner within than it seemed to me I had stepped into the gloomy circle of some Inferno. The rapids were near, and an uninterrupted, uniform, rushing noise filled the mournful stillness of the grove, where not a breath stirred, not a leaf moved, with a mysterious sound—as though the tearing pace of the launched earth had suddenly become audible.

"Black shapes crouched, lay, sat between the trees leaning against the trunks, clinging to the earth, half coming out, half effaced within the dim light, in all the attitudes of pain, abandonment, and despair. Another mine on the cliff went off, followed by a slight shudder of the soil under my feet. The work was going on. The work! And this was the place where some of the helpers had withdrawn to die.

"They were dying slowly—it was very clear. They were not enemies, they were not criminals, they were nothing earthly now—nothing but black shadows of disease and starvation, lying confusedly in the greenish gloom. Brought from all the recesses of the coast in all the legality of time contracts, lost in uncongenial surroundings, fed on unfamiliar food, they sickened, became inefficient, and were then allowed to crawl away and rest. These moribund shapes were free as air—and nearly as thin. I began to distinguish the gleam of the eyes under the trees. Then, glancing down, I saw a face near my hand. The black bones reclined at full length with one shoulder against the tree, and slowly the eyelids rose and the sunken eyes looked up at me, enormous and vacant, a kind of blind, white flicker in the depths of the orbs, which died out slowly. The man seemed young—almost a boy—but you know with them it's hard to tell. I found nothing else to do but to offer him one of my good Swede's ships' biscuits I had in my pocket. The fingers closed slowly on it and held—there was no other movement and no other glance.

"Near the same tree two more bundles of acute angles sat with their legs drawn up. One, with his chin propped on his knees, stared at nothing, in an intolerable and appalling manner: his brother phantom rested its forehead, as if overcome with a great weariness; and all about others were scattered in every pose of contorted collapse, as in some picture of a massacre or a pestilence. While I stood horror-struck, one of these creatures rose to his hands and knees, and went off on all-fours towards the river to drink. He lapped out of his hand, then sat up in the sunlight, crossing his shins in front of him, and after a time let his woolly head fall on his breastbone.

"I didn't want any more loitering in the shade, and I made haste towards the station."

# Inside story: the Bush gang and Barrick Gold Corporation

by Anton Chaitkin

Barrick Gold, caught scrambling for loot amid the corpses in Zaire, is a corporate front for the George Bush-allied covert political apparatus. The Canada-based Barrick is Bush's only known current business enterprise. The company, which Bush now personally leads, was created by Bush's political partners—British elite narcotics financiers, and arms traffickers and money launderers.

Using the influence of this political faction, Barrick acquired important interests, first in the United States, then in Canada and South America. In South America, as Barrick boasts in its 1995 annual report, the company has an aggressive, long-term approach, with mines and projects established in strategic locations in Argentina, Chile, Peru, Bolivia, and Brazil. "Almost two-thirds of the exploration and development drilling budget will be spent in South America, where the company has decided to focus its efforts," the annual report states. In addition, with its intended conquests in Indonesia and Africa, the firm now says it aims to move from third to first among the world's largest gold mining companies.

We present here the results of *EIR*'s investigation of the Bush company, centering on the following principal figures:

**George Herbert Walker Bush**, whose father was a partner in the powerful London-controlled private banking firm Brown Brothers Harriman. Relevant to the Barrick story, Bush was U.S. vice president and chief of covert operations in the Reagan-Bush (1981-89) administration, and U.S. President (1989-93). As a former President and power broker, Bush is Barrick Gold Corp.'s chief lobbyist, a stockholder in Barrick, and honorary senior adviser to Barrick's international advisory board.

**Adnan Khashoggi**, a Bush-allied Saudi billionaire and arms trafficker, founder of the Barrick Gold Corp.; famous for his illegal weapons sales to Iran.

**Peter Munk**, a business failure who became a protégé of the British royal family, and Khashoggi's partner. Munk is chairman of Barrick Gold Corp.

**Brian Mulroney**, Canadian prime minister (1984-93) and George Bush's errand boy; Barrick Gold lobbyist and director, Bush's lieutenant on the Barrick international advisory board.

Barrick Gold was founded in Toronto, Canada, in 1983.

The majority investment in the firm was held by Khashoggi and his arms-trafficking partners, who were just then gearing up the Iran-Israel-Nicaragua guns and cocaine tangle which would explode in 1986 as the "Iran-Contra" scandal.

The nominal chief of Barrick Gold was Peter Munk, a Hungarian Jewish immigrant who had repeatedly "died" as a

## Peter Munk and London's hit squad

Barrick Gold Chairman Peter Munk has floated to a high place in the British Empire's political-financial apparatus.

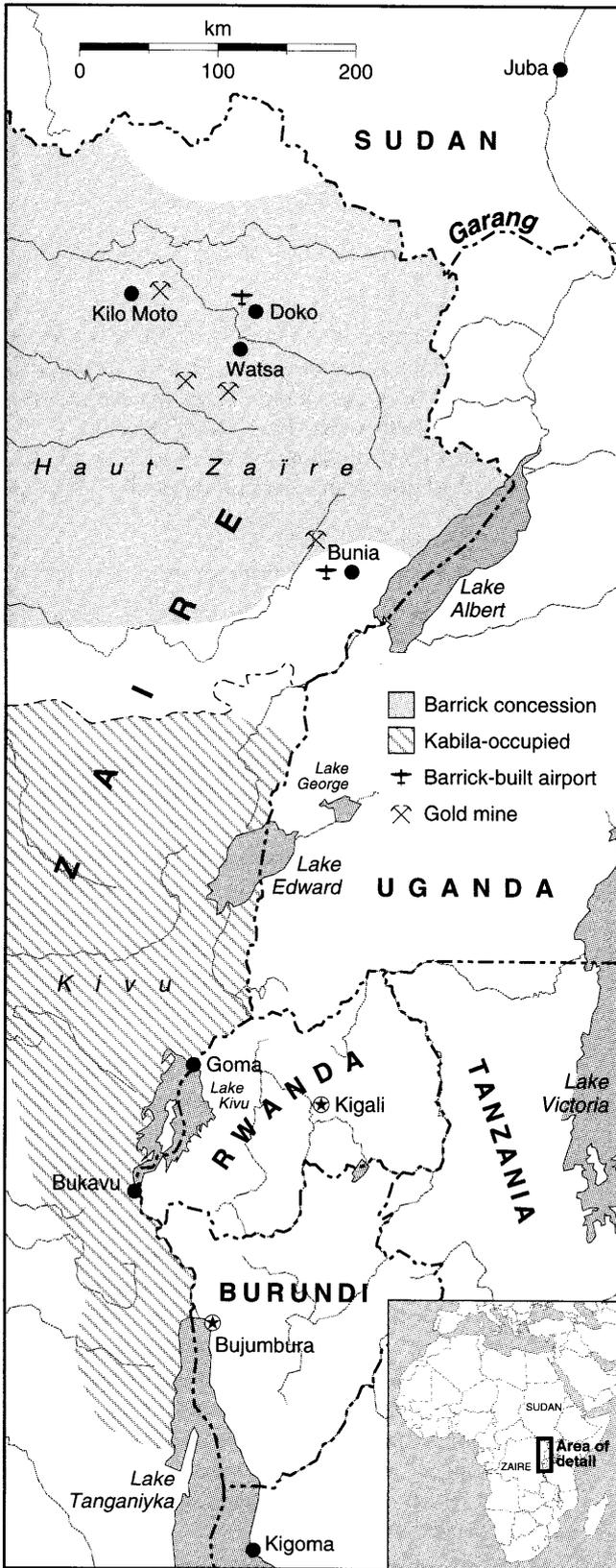
Munk is chairman of Trizec, a huge real estate conglomerate which was taken over in virtual bankruptcy, and which holds a large part of Barrick's stock. Trizec had been the property of Munk's close friends, the Bronfmans, as front men for British intelligence and "Dope, Inc." London bankers around the Eagle Star Insurance Company.

Munk and Barrick director Andrew Sarlos are very close associates of international speculator George Soros, in a grouping of Hungarian Jewish émigrés. A personal investment director for Britain's Queen Elizabeth, Soros is the world's leading promoter of the legitimization of criminal enterprises, particularly narcotics.

Munk is also a director of the Hollinger Corporation, the reactionary global newspaper conglomerate organized by British intelligence and "Special Operations Executive" Crown representatives. Hollinger Chairman Conrad Black was the primary sponsor of Brian Mulroney's career. Munk has said that he created the Barrick international advisory board on the model of the Hollinger Corp.'s advisory board, which features such close Bush allies as Margaret Thatcher, Henry Kissinger, and the Bronfmans.

FIGURE 1

**Barrick's gold mines in Zaire**



businessman, only to be repeatedly revived by princes and principalities. This much of Munk's story is before the public in a biography that was written and published with Munk's support, entitled *Peter Munk: The Making of a Modern Tycoon*, by Donald Rumball (Toronto: Stoddart Publishing Co., 1996). It vaguely describes Munk's public disgrace, his self-exile in London, and his sudden rise to near-billionaire status, ending with Munk's invitation to George Bush to become honorary senior adviser to the board, created in May 1995.

**The Clairtone heist**

Peter Munk first became notorious in Canada in the late 1960s, as the beneficiary in an insider trading scandal. Munk and a partner named David Gilmour owned an audio equipment manufacturing company that had been heavily subsidized by the province of Nova Scotia. Munk and Gilmour quietly dumped 29,000 shares of Clairtone stock in 1967, just before publication of the company's financial report tipped off other investors that the company was failing. After Munk sold at \$9 per share, the stock plunged to \$1.

Dr. Morton Shulman, a member of the legislative assembly of the province of Ontario, asked government representatives if Munk would escape with his money and no legal consequences (see Ontario Legislative Library record of Ontario provincial parliamentary debate on June 3, 1969).

Ontario Minister of Financial and Commercial Affairs H.L. Rowntree responded that a court had been requested to order the Ontario Securities Commission "to commence an action in connection with [Munk's] Clairtone Sound Company . . . for an action in the name of the company for the accounting of profits allegedly made by him by reason of the improper use of inside information."

But there was no government action, and Munk would indeed escape. A Clairtone stockholder named John Adams, who had lost about \$5,500, had filed a legal action against Munk. Munk hired attorney Charles Dubin, whom Shulman described as "a lawyer who acts for the Conservative Party whenever there is an embarrassment to be covered up. . . . He is amazingly good at covering up Conservative scandals. . . . And Charles Dubin . . . knew exactly how to go about subverting the law in this case."

Shulman reported that Munk's attorney gave Adams \$35,000 as a settlement, on Adams's agreement not to make the case public. Then, "the lawyer for Adams and Charles Dubin went into the Judge's chambers . . . [and] requested the judge to remove the papers from the registrar's office and keep them in his own private chambers, which the judge did."

Charles Dubin, Munk's inventive attorney, the fixer for Mulroney's Conservative Party, became Ontario's chief justice, and only recently retired.

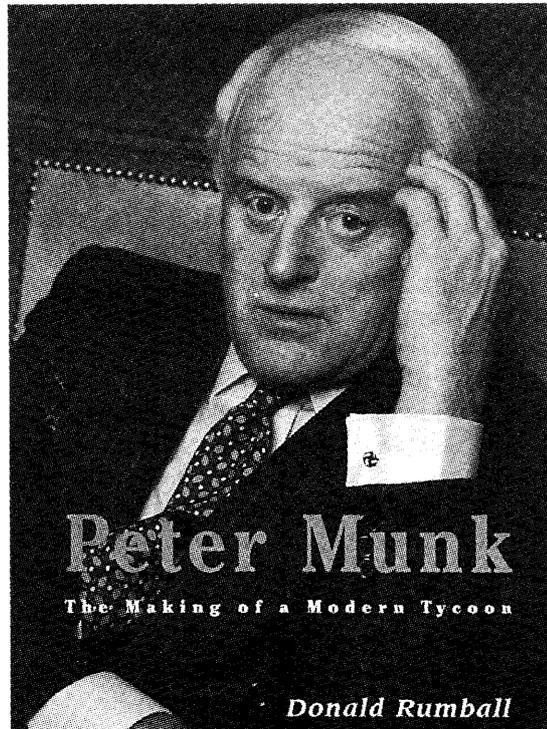
The disappearance of legal papers in the Munk case discouraged other stockholders from going after Munk. But the resulting scandal made him a pariah in Canada, and Munk moved to London to start a new life.

## 'Permission denied'

A Canadian literary agency, Westwood Creative Artists, controls the U.S. rights to the approved biography of Peter Munk, *Peter Munk: The Making of a Modern Tycoon*. *EIR* contacted Westwood and requested permission to reprint two photographs from the book. The agency reported to *EIR*, however, that Barrick Gold Corp. owned the photographs in the book, and that Barrick had specified that *EIR* was denied permission to reproduce the photographs. An agency spokesman told *EIR* that it was highly unusual that a specific publication would be singled out for such a denial of permission.

The photographs in question show the Barrick international advisory board, with George Bush, Brian Mulroney, and Peter Munk in the front of the group; and, Adnan Khashoggi posing with Munk at the Toronto Stock Exchange in 1982.

At right is the book cover of the Munk biography, with a photo of Peter Munk.



## 'Dope, Inc.' puts Munk back together

The sister of Munk's partner, David Gilmour, had married one of the Vansittarts, a family high in the Anglo-Dutch aristocracy. Munk's approved biography reports that this Vansittart activated the formidable Sir Henry Keswick, who made arrangements to lift Munk into a new career. Keswick's family merchant banking firm, Jardine Matheson, had long been the British Empire's leading, out-in-the-open organizer of Asian illegal narcotics trafficking and drug-money-laundering. (Keswick, Jardine Matheson, and their cohorts are central figures in *EIR*'s book *Dope, Inc.* (Washington, D.C.: Executive Intelligence Review, third edition, 1992.)

Jardine Matheson made Munk the chief executive of a Bahamas-registered hotel corporation called Southern Pacific Properties (SPP), with Jardine money, and Jardine's chief executive, David Newbigging, as a director. Then, Jardine's historical dope partner, the Peninsular and Oriental Steam Navigation Company (P&O), joined the Munk enterprise; P&O's Lord Geddes himself joined Newbigging on the Munk-SPP board. In future years, as Munk rose to world prominence in the gold business, the Hongkong and Shanghai Banking Corp. and the Royal Bank of Canada, two "Dope, Inc." financial agencies, would provide credit in the billions of dollars for Munk's expansion.

Munk-SPP became a giant hotel owner in Australia and the South Pacific islands, and seized control of the Travelodge chain.

Munk's rise in Australia was aided by his lifelong close association with fellow Hungarian émigré Sir Peter Abeles, Australia's transport mogul. Munk's stepfather had been secretary and assistant to Abeles's father in Vienna in the late 1940s. Abeles is reportedly known in Europe as "the White Knight," in reference both to his British knighthood, and his reported large role in the cocaine trade. Jonathan Kwitney, in *The Crimes of Patriots* (New York: W.W. Norton, 1987), reports that, after Abeles encountered labor union problems in his American business, Abeles gave to gangster "associates of . . . the most powerful Mafia leader in the United States . . . a 20% stake in his U.S. operations." His partners were indicted for hiding his payments, but Abeles refused to come to America to testify, and charges were dropped.

## Khashoggi, Barrick, and the ayatollahs

In 1974, Munk signed an investment partnership agreement with arms-trafficking billionaire Adnan Khashoggi of Saudi Arabia. According to Munk's approved biography, the new alliance was cemented when Munk and Khashoggi were summoned to the London headquarters of Peninsular and Orient. P&O's hereditary boss was Lord Inchcape, whose predecessor in the 1920s (also Lord Inchcape) had directed Britain's India Commission to continue the Empire's opium production.

Munk later told his biographer that he was nervous—Khashoggi was late and perhaps "the P&O directors

wouldn't wait for us and it would seriously harm the relationship. It was already remarkable that they should have a Jew and an Arab together in their dining room." But, the mighty Lord Inchcape convinced Khashoggi to plunge in, and Khashoggi now provided most of the cash for the Munk enterprise.

Since this arrangement was sealed back in the 1970s, Munk has grown in favor as London's creature. He became a regular skiing partner of Prince Charles, who recently attended the opening of a Munk speculative real estate venture (a factory outlet mall) in Germany. Munk is a member of the elite "1001 Club," co-founded by Prince Philip, a worldwide grouping of aristocrats, bankers, and speculators who support a radical anti-industrial, "pro-environmentalist" looting strategy, and who provide a lion's share of the funding for Prince Philip's World Wildlife Fund.

The first Khashoggi-Munk-London venture was an attempt to build a 10,000-acre "jet set" resort complex immediately adjoining the Egyptian pyramids. As the scheme threatened to destroy the entire historical/archeological area, it evoked mass protests, and could not be forced through. Munk sued Egypt's government, and was eventually awarded \$17 million by an international referee.

Khashoggi and his associates, backers of the British- and Bush-linked faction of the arms trade, created Barrick Petroleum Corp. in 1981, registered as a Delaware, U.S.A., corporation. Junior partner Munk, having returned from London, set up a parallel "Barrick Resources" in Canada.

But Munk's name was anathema to Canadian investors. So, Khashoggi was brought in to lend his prestige to Munk. Khashoggi made a televised publicity tour of the Toronto stock exchange, and announced that he had purchased 10,000 (Canadian) Barrick shares. At that point, in fact, Khashoggi, his brother, and their international associates already controlled the company, partially through Khashoggi's Liechtenstein-U.S.A. conglomerate, "Triad."

Munk was now launched as a corporate chairman in Canada. But this first Barrick, an oil development firm, went bust and lost all its money.

In 1983, the Khashoggi-led group formed the gold company whose name was soon changed to Barrick Gold Corp. Sheik Kamal Adham was reportedly one of the new company's founding co-owners. Adham, the chief of Saudi intelligence, had coordinated royalist guerrillas in Yemen, with British arms secretly provided through Khashoggi.

Beginning in 1985, Khashoggi borrowed \$21 million, using his Barrick stock as collateral, for the covert transfer of arms to Iran for the Bush-North group, during an official U.S. arms embargo against the Khomeini regime. Khashoggi made Donald Fraser, the Toronto-based businessman who allegedly provided the loan from his Cayman Islands company, president of Khashoggi's Triad American holding company.

Khashoggi used the Monte Carlo office of the Bank of

Credit and Commerce International to launder money for Iran arms sales. Barrick Gold Corp. co-founder Kamal Adham was later prosecuted for fraud in the BCCI case, and paid a \$100 million fine.

Khashoggi's Saudi royal piggybanks also underwrote George Bush's Central American "Contras" adventures, making payments through the Swiss Bank Corp. and a Cayman Islands bank, totalling about \$27 million.

When the Iran and Contra scandals blew up in 1986, U.S. Attorney General Edwin Meese linked the two scandals in a Nov. 25 public revelation. The next day, Munk announced a shareholders' meeting to decide on an urgent restructuring plan. A new organization emerged, keeping the Khashoggi group in control, but easing Khashoggi out of the limelight and making Munk the sole public figurehead. Personnel were shifted into the Canada organization out of Khashoggi's Triad operations in Utah. Tariq Kadri, Khashoggi's longtime attorney, was made president of the Horsham holding company that was put over Barrick.

As the U.S. Congress took up the arms-for-drugs investigation and other trails leading to Vice President Bush, Khashoggi became too hot for the Canadian partnership, and the Khashoggi group's shares were officially sold off. Khashoggi was himself arrested in 1989, in a fraud case involving the Philippines' Marcos regime. Taken from Switzerland and jailed in New York, Khashoggi was bailed out with a \$4 million check from his partner, Peter Munk.

### **Bush cashes his gold chips**

In 1986-87, at the height of the Iran-Contra controversy, the Barrick Gold Corp. acquired the Goldstrike property in Nevada for \$63 million. The land, proving to hold \$10 billion in gold, was the property of the U.S. government. Bush was elected President in 1988, and his administration put through a special dispensation—applied only to the Barrick Gold Corp.—to speed up the normal procedures for a mining company to take official title ("patent") to the land.

With the Bush Goldstrike intervention, Barrick Gold shot up from insignificance, to world power status, and Bush himself climbed onboard.

(Bush told the American public, in an interview in the Dec. 1, 1996 *Parade Magazine* Sunday supplement: "I don't join boards of directors, and I don't go into business deals." Yet, on Sept. 17, 1996, less than three months earlier, Bush had flown into Elko, Nevada, on a Barrick corporate jet. Bush's international advisory board convened at Barrick's Goldstrike property, and met with Barrick's directors. Speaking to an audience gathered to honor his presence at the mine, Bush said, "There is no such thing as an imperial, formal ex-Presidency. We just go back and live like the rest of you.")

President Bush's ambassador to Canada (1989-92), Edward N. Ney, had been for many years a Bush political opera-

tive and an international coordinator of Bush's "privatized" intelligence activities. In 1992, Ney quit as ambassador and became a director of the Barrick Gold Corp.

The following year, Brian Mulroney resigned as Canadian prime minister. Mulroney was the most unpopular Canadian politician; but, in power, he had directly aided Barrick's international ventures, and had worked closely with Bush to force through free trade agreements. Munk immediately hired the former prime minister as a Barrick step-'n'-fetchit. The approved biography explains Munk's point of view:

"Mulroney [was] the unhappy lightning rod for the angst of a whole nation, in office and out. Munk was well aware of these feelings toward his new recruit. . . . After nine years trotting around the world to meet world leaders, he had incomparable access to Presidents and prime ministers in all the key spots. . . . Mulroney arranged the necessary access to the key decision makers. Munk was starting to salivate at the prospect of an inside track into the huge Chinese territory." Mulroney has been paid over \$300,000 per year by Barrick.

Barrick announced in May 1995, that a new international advisory board was being assembled, under the leadership of "honorary senior adviser" George Bush, the former U.S. President, who, like Mulroney, had recently lost his job at the hands of the voters.

On Nov. 27, 1996, the French newspaper *Le Monde* leaked the news that Barrick had been granted a concession to prospect for gold in Zaire—a lead which prompted the present *EIR* Barrick investigation. Canadian newspapers that same day reported that Barrick Gold had convinced the government of Indonesia to award to Barrick control over the world's largest gold find, and that *George Bush and Brian Mulroney had personally done the heavy lobbying* to accomplish this.

The Indonesia deal is indeed startling. The small Canadian mining company Bre-X Minerals Ltd. had intended to develop the Busang gold mine, on East Kalimantan. Suddenly, the government announced that it demanded that Barrick Gold Corp. be cut in to a 75% ownership stake in the mine, which is estimated to hold 57 million ounces of gold, with a current estimated value over \$20 billion.

*EIR* contacted Placer Dome Inc., a rival company which has been bidding for the right to develop a share of the Busang mine. A Placer Dome spokesman would make no comment on Barrick Gold, saying only, of his own firm, "We are a gold mining company, not a political organization."

The U.S. Republican Party, of course, has been attempting to use President Clinton's fund-raising relationship with Indonesian supporters as a scandal to break the President. Former President Bush, meanwhile, has been reportedly telling world leaders, privately, that the Clinton Presidency is destroyed; that his son, Texas Gov. George W. Bush, will be the next President, reviving the Bush dynasty; and that, therefore, leaders would be smart to work with him now.

## George Bush's \$10 billion giveaway to Barrick Gold

by Mark Sonnenblick

In 1985-86, Barrick Gold Corp. paid two other mining companies \$63 million for a small working Nevada mine, called Goldstrike. Within a few years, it was found to contain 24.6 million ounces of gold, worth about \$10 billion. Goldstrike was on federal property. Under existing legislation, designed in 1872 to populate and bring development to the West, miners could operate on federal land for free, once they had filed a claim. They could obtain full legal title to the land at \$5 an acre, upon completion of a long and expensive process called "patenting."

In 1992, however, pressure was building for a new mining law to require that those given federal properties pay a royalty, a certain percentage of what they mine each year. As expected, when the Clinton administration took office in 1993, it sought a 12.5% royalty. At that rate, the 25 major mine claims then in the process of being privatized, would eventually yield an estimated \$10.75 billion to the U.S. Treasury.

Mining companies caused a major jam-up at the Bureau of Land Management, as they rushed to obtain patents before Congress applied royalties. By 1992, the long waiting line at the BLM Nevada office made it doubtful that many mines would get over the critical hurdle in the patent process in time. It would normally take several years for a mine of Goldstrike's size and complexity to complete the process, a BLM source commented, and the average during the previous four-year period was 10.3 months. But, Barrick made it in only 4.8 months.

Barrick filed its applications for 1,144 acres of land in March and April 1992. That summer, a pilot program for "expedited processing" of Nevada patents was instituted by BLM chief Delos Cy Jamison, a Republican who had been appointed to that post by President George Bush in 1989. Jamison concocted this speed-up procedure with the BLM Nevada state director, without informing his own staff. "Bells went off in my head when I heard about it," a former BLM staffer told *EIR*.

Philip M. Hocker, president of the Mineral Policy Center, an environmentalist outfit, testified to a Congressional subcommittee on March 11, 1993: "Under a new and unpublished 'pilot project,' the BLM allowed Barrick to hire outside

## Anglo American Corp. set to grab Brazil's CVRD?

Engineers, geologists, and other officials who work at Brazil's strategic mining and industrial corporation Companhia Vale do Rio Doce (CVRD), suspect that the South African firm Anglo American Corp. may have been already secretly selected as CVRD's buyer. The state-owned CVRD, located in the mineral-rich Amazon region, is scheduled for privatization early in 1997. When President Fernando Henrique Cardoso traveled to South Africa in late November, he was accompanied by CVRD President Francisco Schettino, and together they met in Johannesburg, South Africa, with top executives of the Oppenheimers' Anglo American.

Brazilian nationalists perceive the CVRD privatization as a giveaway of a national treasure to foreign usurers, whose only goal is to loot the country's mineral wealth, and strip Brazil of its sovereignty. Opponents of the privatization have denounced the fact that government officials have leaked strategic secrets to bidders regarding CVRD's operations. *O Globo* journalist Marcio Moreira Alves

warned on Nov. 28 that control of CVRD would give Anglo American Corp. "an immense competitive advantage, besides opening to it the iron mining market, where it is the only large mining company not present [in Brazil]. . . . The activities of Anglo American in Brazil . . . represent barely 1.7% of its business, but multiplying that could provide it an escape route, in case of any accident along the way in the country [South Africa] where it is headquartered."

Anglo American has an ugly history in Brazil. On Dec. 4, *Monitor Mercantil* documented that Anglo American closed down three mines and fired 3,000 of 5,000 miners employed at its mine in Cuiaba, in Matto Grosso state. Those workers not fired were paid a pitiful average of 350 reais (about \$340) a month. Even worse was the situation at another Anglo American mine in neighboring Nova Lima, in Minas Gerais: alarming unemployment, stagnation of the local economy, high accident rates, and 4,500 miners afflicted with work-related diseases. Because of the high death rate among miners, *Monitor* reported, the city of Raposos, right next to Nova Lima, has the highest percentage of widows in all Brazil. "Is this the 'inevitable' modernization which Fernando Henrique Cardoso preaches for the country?" the daily asked.

—Cynthia Rush

mineral examiners to perform the evaluation of 'discovery' on Barrick's mining claims. The specialists who determined whether these claims should be patented for \$5 per acre received payment for their work directly from the company which wanted a 'yes' answer. This is a flagrant conflict of interest, which BLM is not only allowing, but encouraging. Barrick is the only company to complete this process so far."

Only Barrick got expedited treatment. Its patenting was rushed through in record speed; the BLM district manager approved the report of the outside consultant hired by Barrick the day after it was filed, in February 1993. Other companies remained stuck in the BLM backlog.

### 'The gold heist of the century'

As soon as he took office, Interior Secretary Bruce Babbitt called the Barrick deal "the gold heist of the century." He swore he would make sure the taxpayers received something for federal gold. He slapped a de facto moratorium on new patents, by abolishing the expedited process and requiring that he personally approve each patent.

Babbitt's office held up Barrick's patent, on the dubious grounds that its pumping would harm an endangered species. In August 1993, Barrick sued in U.S. District Court in Nevada. The verdict in favor of Barrick came through in March

1994. Babbitt immediately granted the patent, made a big show of indignation, and abandoned all pretense of ending mining giveaways.

The approved biography of Peter Munk explains a bit of what happened: "For much of 1993, [Munk] spent a lot of time in the District of Columbia . . . lobbying. At that stage Brian Mulroney, Canada's former prime minister, had just joined the Barrick board and he immediately went down to Washington to establish contact with key senators, using his close relationship with George Bush to good advantage."

Once Barrick had paid the U.S. government \$5,720 and had clear title to Goldstrike, Barrick lobbyists worked with Hocker and other environmentalists for "reform" legislation that would impose royalties on companies which had not cleared the patent hurdle (on Sept. 29, 1994, royalty legislation was killed in a House-Senate conference). In a recent discussion, Hocker insisted that Barrick had not used political influence to win Goldstrike. But at the end, he conceded, "I guess that sounds like Barrick also got to me."

And, with unrestricted property rights over the \$10 billion Goldstrike, Barrick Gold had the collateral on which the Royal Bank of Canada gave it a \$1 billion line of credit that it used for the explosive worldwide expansion it suddenly began, months after the patent was granted.

# Bush's letter abets Barrick's gold digging

by Gail G. Billington

On Nov. 26, 1996, the small Canadian mining company Bre-X Minerals released a "guidance" from the government of Indonesia, which requested that Bre-X sell the majority of its 80% holding in what *Maclean's* magazine called the "mine of the century," the Busang goldmine in East Kalimantan state, to Barrick Gold. By Dec. 17, Umar Said, secretary general of Indonesia's Ministry of Mines and Energy, reported that Bre-X and Barrick had reached an agreement, whereby Barrick would take 67.5% to Bre-X's 20.25% share in Busang, and Indonesia would retain a 10% stake. Overnight, Barrick had outmaneuvered several other contenders, such as Placer Dome, to emerge as perhaps the world's premier gold diggers. Busang is currently valued at \$21 billion, with estimated gold deposits of 57 million ounces, but which could end up nearer to 100 million ounces.

According to a Houston-based spokesman for Barrick's "honorary senior adviser," former President George Bush, a Sept. 19, 1996 personal letter from Bush to Indonesian President Suharto clinched Barrick's advantage on the Busang mine deal. Bush's personal intervention was first revealed in the Dec. 21-23 *Financial Post*, a Toronto-based paper controlled by Bush's media ally Conrad Black, who, in the same issue, declared Barrick CEO Peter Munk "newsmaker of the year."

Bush spokesman Jim McGrath confirmed the *Financial Post* story, describing Bush's Sept. 19 letter as "a private letter between friends," which mentioned Bush's high regard for Barrick. "He wrote one letter . . . and that's it," McGrath told a journalist. "There were no phone calls [to Suharto]."

Munk, in *Barrick*, a special magazine put out on Oct. 2, 1996 for the Denver Gold Conference, in an article entitled "Continuing Growth/Barrick Plans to Double in Size; Comments on Barrick's New Opportunities," confirmed the extent of Barrick's holding's in Indonesia: "One of the most important countries in our worldwide exploration program is Indonesia, where we have a land position of 8.5 million hectares—the largest of any company in the country. We are currently mapping and sampling on Woyla Property in northern Sumatra; on both Masupa Ria and Yamana projects in Kalimantan; and on several properties on Irian Jaya. Drilling will begin on both Woyla and Masupa Ria in first quarter 1997."

By early November, Barrick CEO Munk landed in Jakarta to handle negotiations. The Nov. 29 *Toronto Globe and Mail* suggested that Munk may have been seconded by Canadian Prime Minister Jean Chrétien, who spent several hours with Suharto in bilateral talks following the Asia-Pacific Economic Cooperation summit in Manila, less than 48 hours before Indonesia's guidance was made public. An industry source told the Dec. 2 *Northern Miner* that there is no question that Munk interfered in Bre-X's Indonesian operations, "and, in doing so, has placed a gun at Bre-X's head . . . because Munk . . . wants this thing so bad he can taste it."

No one is saying how much Barrick will pay Bre-X for its stake in Busang, although Barrick is expected to foot the \$1.3-1.5 billion cost of constructing the mine. But Busang has already started earning money for Barrick, thanks to stock-market speculation in Barrick's favor, and to Bre-X's detriment.

Several outstanding issues remain to be clarified, including appeasing Bre-X's stockholders and sorting out multiple claims to the three Busang fields by Bre-X's Indonesian partners. The Dec. 21-23 *Financial Post* reported that Bush also sent a letter to Bre-X's stockholders, assuring them that Barrick would give them a fair deal. However, one group of shareholders has retained the services of law firms Lang Michener in Vancouver, and Baker and Botts in Houston, the latter the family firm of Bush's secretary of state, James Baker III.

Industry sources say the Barrick/Bre-X split only covers the two richest fields, Busang II and III. Bre-X has a work contract and a local partner for Busang I, which is estimated to contain only about 2.6 million ounces of gold. The local partner, PT Askatindo Karya Mineral, will get a 2.25% share as a result of the Barrick/Bre-X split, but Jean Anes, of the Indonesian Consulate in Toronto, told the Dec. 23 *Northern Miner* that Bre-X "still has to give 10% to their local partner," presumably to cover Askatindo's 10% claim to Busang II and III. A fourth party, businessman Jusuf Merukh, has a 10% undisputed claim to Busang I, and a 40% claim to the two richer sectors, and has threatened to sue.

Barrick has made out like bandits on Busang, while Bre-X has been bullied by the "big boys." Indonesia's headaches over Busang will continue, in part because resentment of Barrick's high-society, knuckle-dragger profile is likely to fuel a nasty press campaign in which Bush would be more than happy to see Indonesia played as the scapegoat for damages to Bre-X et al.

The irony is that it is Bush-linked press in the United States, such as Bush's favorite Moonie paper, the *Washington Times*, and the *Wall Street Journal*, which have carried the most visceral attacks on Indonesia in their coverage of the "Riadygate" connection to the Democratic National Committee's fund-raising, and gave the most fawning praise of the Nobel Peace Prize award to East Timor terrorist spokesman Jose Ramos-Horta in October, 1996.

# Barrick's barracudas

In announcing the creation of Barrick Gold Corp.'s international advisory board on May 3, 1995, Barrick Chairman Peter Munk said, "They will be providing strategic advice on geopolitical issues affecting Barrick." In fact, they are components of the geopolitical dirty tricks apparatus centered around former President George Bush. The following is a brief profile of key members of Barrick's international advisory board and its board of directors:

**George Bush** serves as "Honorary Senior Adviser."

**Brian Mulroney**, prime minister of Canada from 1984 to 1993. Mulroney became prime minister after backers of the Nicaraguan Contras helped knock out his competitor, Joe Clark. There were no serious investigations of the "Iran-Contra" Canadian connection. Mulroney sacrificed his political career by talking Canadians into accepting Bush's North American Free Trade Agreement (NAFTA). Though Canadian banks benefitted, 350,000 industrial jobs were lost, and Mulroney became the most hated man in Canada. In the 1993 elections, Canadians voted out all but 2 of his party's 169 members of Parliament.

In 1994, Mulroney's phone calls to the Presidents of Chile and Argentina, and the prime minister of China, helped Barrick move into gold mines in those nations. His "advice" was rewarded with \$1.2 million in stock options and \$300,000 in fees. Rev. Sun Myung Moon rewarded Mulroney and Bush for their vouching for him in Ibero-America in November 1996. Mulroney, a board member of Archer Daniels Midland, ran ADM's internal "investigation" of its price-fixing scandal.

**Howard H. Baker, Jr.** (R-Tenn.) served in the U.S. Senate from 1967 to 1985, and was Reagan's chief of staff during 1987-88. He is on many corporate boards and runs a lobbying firm, which includes Barrick among its clients.

**Paul G. Desmarais, Sr.** is the richest man in Canada, and a member of Her Majesty's Council for Canada. He runs Power Corp. of Canada—which generates political power. He serves on many boards with Maurice Strong, a top operative of Prince Philip's World Wide Fund for Nature. For example, Desmarais and Strong are Honorary Director and Honorary Chairman, respectively, of the China-Canada Business Council. Desmarais used his contacts in China to win electricity-generating contracts for Power Corp., and to obtain gold concessions for Barrick. Desmarais is part-owner of Europe's largest private TV network, the banking Groupe Bruxelles Lambert, and Belgium's Petrofina oil giant. As a Commander of Belgium's L'Ordre de Leopold II, it seems natural for him to be involved with Barrick in recolonizing the former Belgian Congo.

**Vernon E. Jordan, Jr.** was president of the Urban League from 1971 to 1981, when former Democratic National Committee chairman Robert S. Strauss recruited him to become a senior partner in his law firm. Jordan is influential in the Democratic Party and in corporate America.

**Andro'nico Luksic** is a Chilean oligarch who was a big winner in Chile's Thatcherite sell-off of state assets. He is building a South America-wide banking empire as the local partner for Hongkong and Shanghai Bank, the central bank of the opium trade, and for Spanish banking interests. They have snapped up banks in Chile, Argentina, and Peru—countries which Bush would like to integrate into a Western Hemisphere Free Trade Accord. In 1994, Barrick acquired 500 square miles of Chile's El Indio gold, silver, and copper district, containing 9.5 million ounces of gold. It also has mines in Peru, Argentina, Bolivia, and Venezuela.

**Peter Munk**, a member of the 1001 Club (see article, p. 19).

**Karl Otto Pöhl** was president of the Bundesbank, Germany's central bank, from 1980 to 1991; he was a top official of the International Monetary Fund and Bank for International Settlements, and is a member of Germany's Social Democratic Party.

**Jose E. Rohm**, manager of Argentina's private Banco Central de Negocios, is an expert in turning the privatization of state assets to personal advantage.

**Robert M. Smith**, the only real gold miner in the bunch; chief operating officer of Barrick Gold.

## Members of the board of directors

**Edward N. Ney**, Bush's appointee as ambassador to Canada (1989-92), is a Barrick director. Ney became CEO of Young and Rubicam in 1970, where he fired one-third of the staff, and built it into the world's biggest ad and public relations agency. He supervised George Bush's 1988 ad campaign, including the infamous racist "Willie Horton" ad. As ambassador, he helped jump-start the NAFTA initiative of Bush and Mulroney, with propaganda saturation from Y&R's Burson-Marsteller division, which he now controls. Burson-Marsteller is a veritable private diplomatic service, with agencies in 34 countries.

**J. Trevor Eyton**, known as "Canada's most powerful businessman," brokers the incestuous relations among the Club of the Isles' families which are based in Canada. Eyton started his career in British intelligence's Argus-Hollinger nexus, next to media magnate Conrad Black. Since 1979, he has managed Brascan and other entities for the Bronfman family. He was appointed a Canadian senator as a reward for channelling the Bronfmans' money into buying the 1984 election for Mulroney's party, and to help get the Bush and Mulroney-backed NAFTA three-way accord with the United States and Mexico through the Canadian Parliament. When the Bronfmans fused with Barrick, Eyton joined its board.

# British-backed mining companies are stealing Zaire's patrimony

by Richard Freeman

When the forces of Uganda's President Yoweri Museveni overran eastern Zaire in October 1996, under the guidance of Baroness Lynda Chalker, the head of Britain's Overseas Development Office, this military phase was the culmination of an invasion of Zaire which had been ongoing for the past three years: the theft of Zaire's wealth and patrimony. Zaire, as a nation, is being dismembered. Its various energy-rich provinces, including Shaba and Kivu, are being encouraged to form separate micro-states. Already, because of the economic dislocation forced on Zaire over the past seven years, most of the provinces act semi-autonomously from the central government; for example, Shaba province issues its own currency.

In the following report, we document some of the most important features of this genocidal looting operation.

On Sept. 21, 1996, a tiny Toronto, Canada-based raw materials company, Banro Resources Corp., obtained the concession to mine gold in Zaire's central-east province of Kivu. The rich concession starts in the town of Bukavu, and extends southward. Bukavu was the site of one of the major Rwandan refugee camps in Zaire, which was teeming with half-starved women and children. Banro needed this site cleared of people to begin its mining operations; the clearing started with Uganda's invasion of Zaire in mid-October. Banro appears to be a cutout for the Anglo American Corporation, which is the world's biggest mining company, and a key cog in the international oligarchy's Club of the Isles raw materials cartel.

In August 1996, Toronto-based Barrick Gold obtained a gold mining concession in Zaire's northeast province, Haut Zaire, which reportedly covers 83,000 square kilometers. The Hollinger Corp.-allied Barrick is chaired by Peter Munk, and its strategy is shaped by the international intelligence network of former U.S. President George Bush, who is honorary senior adviser to its international advisory board.

Also during 1996, the tiny Vancouver-based raw materials company Consolidated Eurocan, headed by international wheeler-dealer Adolf Lundin, began work on exploiting the Tenke-Fungurume copper-cobalt mines in Zaire's southernmost Shaba province, near the border with Zambia, which has the richest cobalt reserves in the world. Cobalt is a strategic

metal, crucial in forming alloys with steel and other metals, giving them great strength and heat resistance. Some 40% of cobalt's use is in aircraft gas turbine engines, and 10% is in magnetic alloys. Consolidated Eurocan is purchasing the mining property in phases, for a quarter of a billion dollars, which is a "song," for a property that could yield many tens of billions of dollars in revenues. Consolidated Eurocan is in a joint venture in this deal with Anglo American.

Simultaneously, over the past 18 months, the American-based, Canadian-run American Mineral Fields, of former De-Beers Diamond executive Jean-Raymond Boule, has obtained the Kipushi zinc mines in Shaba province, one of the largest sources of zinc in the world; the Vancouver- and Cayman Islands-based Panorama International has obtained significant cobalt holdings in Shaba province; and, Zaire's diamond company, MIBA (Zaire is one of the three largest diamond producers in the world), has been thrown open to bidding and takeover by foreign firms.

## The 'Second Great Scramble'

When Maj. Gen. Paul Kagame, the Rwandan defense minister, recently called for a new Berlin Conference to set new borders for African states—referring to the 1884-85 Berlin Conference of the imperialist powers which ratified the national borders that are now in effect in Africa—he had in mind the fragmentation of Zaire into mini-states as a paradigm for all of Africa.

The first Berlin Conference occurred during what was called the "Great Scramble," during the 1880s and 1890s. Imperialist Britain and France led the way, and were joined by Belgium, Italy, and Germany, in grabbing up the raw material wealth of Africa. The Berlin Conference codified the Congo, which included present-day Zaire, as the personal property of Belgium's King Leopold II. Leopold II worked the Congo like a plantation, with brutal methods. For example, Congolese Africans who did not meet their production quotas had their arms amputated.

This time around, the British are making a move to push the Belgians and French entirely out of Central Africa, and, at the same time, they don't want to have the expense of

running a nation-state, an institution that they don't like anyway. Rather, they deploy the companies of their global raw materials cartel to buy up sections of a country. They keep the people needed to run the mining and related enterprises alive at subsistence levels, and the rest of the population is treated as useless eaters, left to starve or be butchered.

Driving the British actions this time, is another "Great Scramble." The international financier oligarchy, grouped around the House of Windsor, knows that the world financial bubble—which they themselves created—cannot be sustained, and will burst. They are getting out of paper financial instruments and into hard commodities: precious metals, such as gold; strategic metals, such as cobalt and tantalum; base metals, such as copper and zinc; energy supplies; and increasingly scarce food supplies. They want to either own the physical assets, or, better still, own the mine production facility for these assets. As the price of the hard commodity asset goes up, the oligarchy makes super-profits. At the same time, they have finger-tip control over the minerals, food stuffs, and so on upon which human life depends. They plan to exercise a food- and raw materials-control dictatorship in a post-collapse world.

The international oligarchy already owns extensive raw materials holdings. But they now seek to obtain those holdings in Africa, Ibero-America, and Asia, which they don't control.

Mineral-rich Zaire is in their target sights. Zaire's mineral belt is located in the eastern and southern part of the country (see **Figure 1**). It is a crystalline belt that runs alongside the Great Rift, a geological fault running from the Jordan River Valley in the Middle East, south through the Gulf of Aqaba, through Central Africa (where Zaire is located), down to southern Africa.

### **IMF, World Bank, financiers cut off credit**

Most of Zaire's raw materials holdings are owned by the state, and President Mobutu Sese Seko has resisted selling them to foreigners. A seven-year campaign, including a total credit and aid cutoff of Zaire, has been waged to force Mobutu to give in. At the center of the campaign has been the International Monetary Fund (IMF), the World Bank, and the international banks, which are run by the same oligarchical forces that run the global raw materials cartel.

On June 29, 1960, Zaire obtained its independence from Belgium, although, as with many African countries, it was only a partial independence, because the countries were kept in economic backwardness. In the case of Zaire, in 1961, its first elected President, Patrice Lumumba, was assassinated. Mobutu, who had been an Army general, was made President in 1965. In 1967, he declared that all the minerals in Zaire's subsoil belonged to Zaire, and nationalized the foreign mining holdings, which meant principally Belgium's two all-powerful companies, Union Minière and Société Générale. According to one source, "The Belgians were so angry at Zaire that

they took with them all their records and plans needed to mine."

Despite difficulties, and while never enjoying true economic developments that would have brought a decent standard of living to Zaire's now 40 million people, Zaire nonetheless was able to harness and mine some of its immense raw materials wealth. A sample of what Zaire accomplished can be gleaned from the report of the *Minerals Yearbook*, published by the Bureau of the Mines of the U.S. Department of Interior (Vol. III). In 1988, among the world's raw materials mining countries, Zaire held the following rank, for the following commodities:

Cobalt	world's largest producer and exporter
Diamonds	2nd in the world
Copper	5th in the world
Tin	12th in the world
Zinc	20th in the world

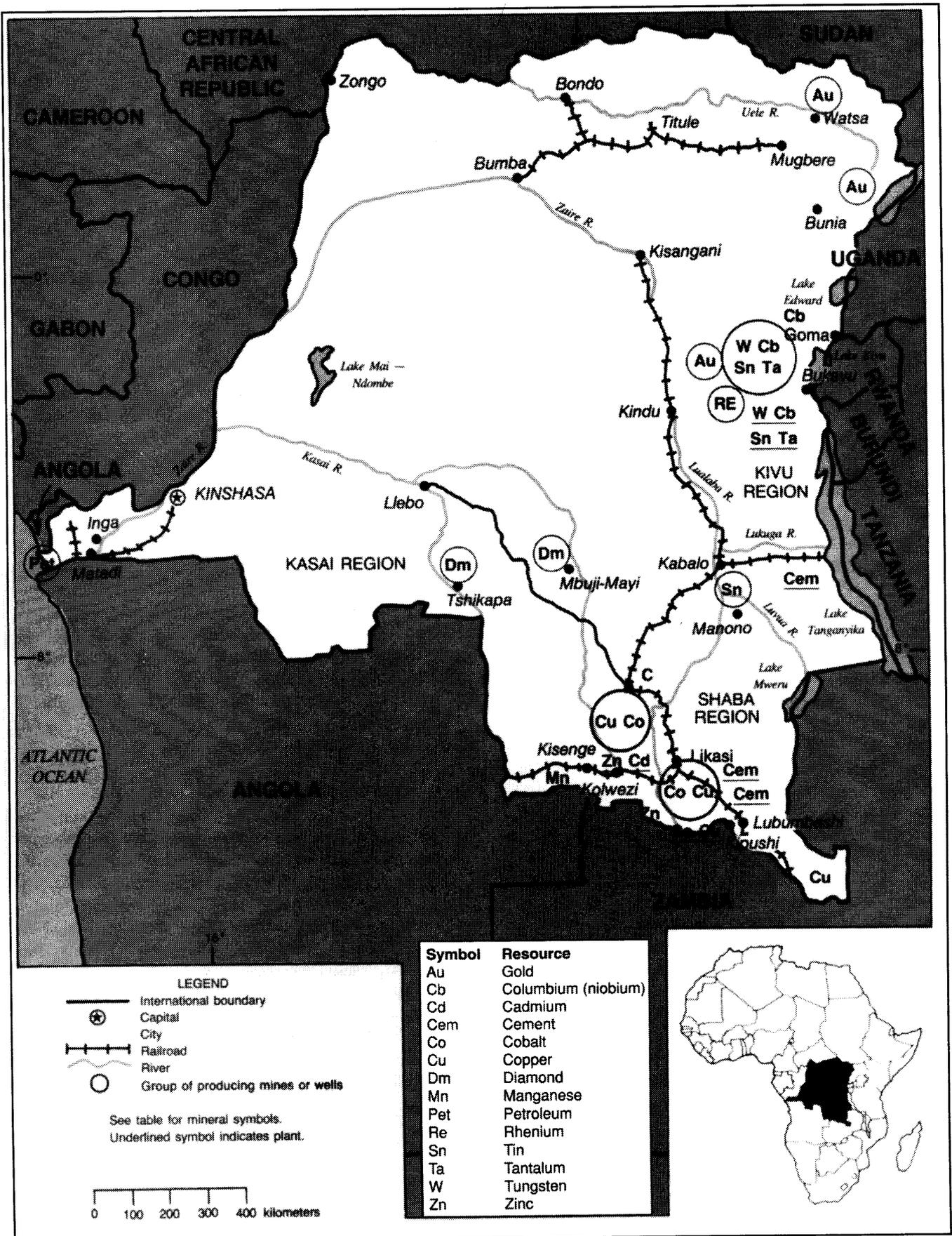
Zaire also mined other commodities, such as barite, boron, magnesium, and gold. Because of historical ties, Zaire shipped a good amount of these goods to Belgium. In the 1960s, in order to run its mining operations, Zaire created the state-owned La Générale des Carrières et des Mines du Zaire, which is known by its acronym, Gecamines. One of its other important state-owned companies was based in Kivu province, the Société Minière et Industrielle de Kivu, known by its acronym Sominki.

When Belgium granted Zaire independence, it bequeathed to Zaire about \$5 billion in debt, which Belgium had run up. By the late 1980s, Zaire's debt stood at about \$8 billion—a large debt for a small economy based on raw materials and food, but no manufacturing. Zaire got further and further behind on its debt payments, and finally defaulted on most of it in the early 1990s.

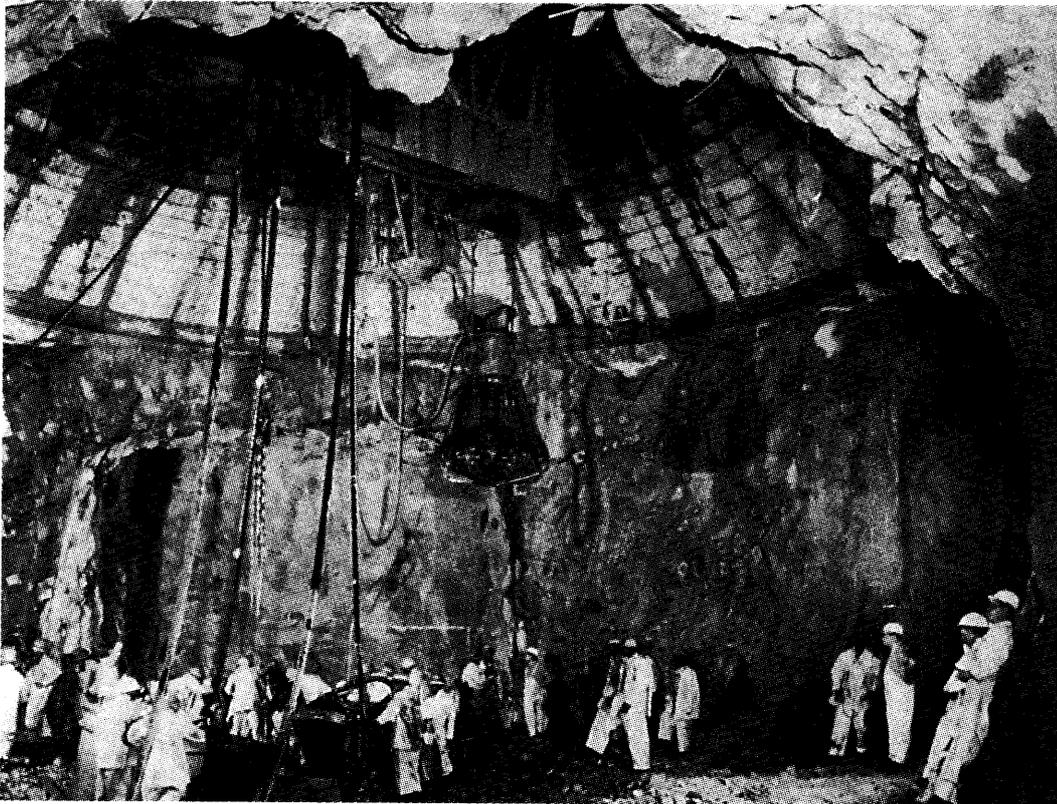
This was the excuse that the banks wanted. They demanded that Zaire pay the debt, but also, joined by the World Bank and others, demanded that Zaire "democratize" its government and, especially, privatize its state-owned raw materials mining concerns. Privatization had three components: slashing the social services provided to miners by law, laying off half the workforce at Gecamines, and selling more than half of the different properties of Gecamines and Sominki to foreign investors. Secessionist movements were started in Shaba province; the net effect would be to dismantle the Zairean state.

The banks organized an international credit cutoff, meaning that Zaire could not get the money to purchase mining machinery, spare parts, and other essential imports. The West had always denied Zaire technology transfer, as long as the raw materials wealth was primarily in Zairean hands. Around 1993, the World Bank and IMF declared a credit cutoff to Zaire. A senior source at the U.S. Geological Survey reported on Nov. 27, 1996, that the World Bank and its loan guarantee

FIGURE 2  
Zaire's natural resources



Source: *Mineral Industries of Africa, 1992 International Review*, Washington, D.C.:United States Department of the Interior, Bureau of Mines, 1994.



*A gold mine in South Africa. International mining interests were in the process of grabbing up Zaire's strategic mineral wealth, three years before Zaire was invaded by British-backed military forces.*

agency, the Multi-Lateral Investment Guarantee Corporation (MIGA), recommended to Zaire that it would not get new money until it agreed to "modernize," that is, privatize, its mining operations, by selling off sections of state holdings.

At about the same time, the governments of Belgium, France, and the United States cut off all official government aid to Zaire.

Currency warfare was unleashed in 1990, and has continued to this day. At one point, the Zairean currency, the zaire, depreciated from a few new zaires to the dollar, to 3,250 to the dollar. This devaluation meant that Zaire earned almost nothing for its foreign exports.

As the U.S. Geological Survey source explained, "The economy went down the tubes. Mining production today is 10% of what it was in the late 1980s. Because of the economic dislocation, most of the provinces are operating on their own." Indeed, between 1987 and 1993, cobalt production fell 82%, and copper production fell 90%. As a result, exports of minerals and metals, which accounted for three-quarters of Zaire's foreign exchange earnings, dried up. Zaire's ability to service the debt, should it choose to do so, disappeared.

The conditions of life for the population worsened, in a country in which living conditions were already bad. In 1990, only 39% of Zaireans had access to safe drinking water. Infrastructure is virtually nonexistent. In 1994, Zaire's infant mortality rate was 111 deaths per 1,000 live births, i.e., an 11%

infant death rate, more than 13 times that in the United States. In 1992, the last year for which figures were available, 335,000 Zairean children under the age of five died. In 1994, life expectancy in Zaire was 53 years, lower than in 1990.

Under this assault, President Mobutu opened the door to privatizing Zaire's patrimony, although still not at a rate fast enough to satisfy the World Bank vultures.

### **The corporate invasion**

At the heart of the invasion of Zaire's mining properties, are the Canadian mining companies and the Oppenheimer family-run Anglo American Corp., which often takes the Canadian companies under its wing in joint ventures. The Canadian mining companies started an invasion of Zaire in 1994, which reached a flood tide in 1996. This was the opening shot of the "Second Great Scramble." The Canadian mining companies represent forward beachheads for the Commonwealth-centered British Empire (see *EIR Special Report*, May 24, 1996, "The Sun Never Sets on the New British Empire"). Behind the companies, lurks the shadowy presence of the Oppenheimer family's Anglo American Corp., the linchpin of the Club of the Isles' raw materials cartelization strategy.

We look at three examples. First, the takeover of Sominiki, in Kivu province, by Toronto-based Banro Resource Corp.

Zaire has three eastern provinces: Haut Zaire, in the north-east; Kivu, in the center-east; and Shaba (formerly Katanga), in the southeast. Kivu province is second in richness of raw materials, after Shaba. The leading mining concern in Kivu is the Société Minière et Industrielle de Kivu, or Sominki. Sominki was formed in 1976 as an amalgamation of nine companies that had been operating in Kivu province since the early 1900s. It operates 47 mining concessions, encompassing an area of 10,271 square kilometers.

In 1996, Banro Corp. of Toronto bought 36% of Sominki, raising some of its money for the purchase by floating shares in Singapore. Banro was previously a small financial institution, with little apparent aptitude for mining. The impression is that it was reconfigured as a company for the special purpose of this purchase, perhaps acting as a front for someone. (Who that someone is, will become clear.)

Another large chunk of Sominki was bought by the Belgium-based company Mines D'or du Zaire, or MDDZ. Owning 60% of MDDZ is Cluff Mining Co. of London, and controlling 65% of Cluff is Anglo American Corp., the world's largest mining company and a key component of the Club of the Isles.

On Sept. 21, 1996, Banro and MDDZ announced their merger, with Banro selling its shares to MDDZ. The new Banro-MDDZ company consolidated a 72% stake in Sominki, while the government of Zaire holds 28%. The Banro-MDDZ entity has announced that it plans to acquire that 28% from the government. The overall enterprise is essentially a vehicle for Anglo American.

According to various Banro corporate reports and news releases, Banro was anxious to get its mining operations started as quickly as possible. However, the Sominki mining zone that Banro acquired started in the town of Bukavu, the center for the major camp for Rwandan refugees who had fled to Zaire, with nearly a million people. To get mining started, the entire zone would require clearing. Suddenly, as Uganda launched its invasion of eastern Zaire, near Bukavu, in mid-October, there was firing on the Bukavu refugee camp, supposedly against "Hutu rebels" who were hiding there. The military attack on the camp forced hundreds of thousands of refugees to flee Kivu province, back to Rwanda. But, who did the firing? While a clear answer is not forthcoming, it may have involved portions of the newly acquired Sominki apparatus itself. For, in acquiring Sominki, Banro did not just acquire a company; it acquired the effective governmental structure of the entire Kivu province.

According to a Banro corporate press release, "Sominki owns an extensive infrastructure which includes repair shops, machine shops, electrical shops and a large fleet of Land Rover vehicles. In addition, it operates six hydroelectric sites, a number of air strips, and 1,000 kilometers of roads. Sominki is virtually self-sufficient. The company has about 5,000 employees." The release added, "In fact, Sominki is *the de facto*

*government providing all the essential services for the Kivu Province"* (emphasis added).

Banro/Anglo American effectively stole a good chunk of the government of Kivu. This is the British model for the Second Great Scramble. As a mining company, Sominki has its own explosives supplies and access to weapons, i.e., it has the capability to carry out such an attack, or is in a commanding position to influence, those who fired on the refugee camps.

The second example, is that of American Mineral Fields (AMF), which is based in Hope, Arkansas, but run from Canada. AMF has acquired from Gecamines the Kipushi copper-zinc mine, one of the world's premier copper-zinc mines, located in Shaba province (copper and zinc are often mined together). The Belgians developed Kipushi and began mining in 1925. At its peak in 1988, the Kipushi mine produced 143,000 tons of zinc, and 43,000 tons of copper. Its total known and probable reserves stand at 22.6 million tons, grading 2.1% copper and 13.8% zinc.

AMF is the brainchild of its owner, Jean-Raymond Boule, a former executive for DeBeer's Diamonds. In turn, AMF signed an agreement with Anglo American, which allows Anglo American to invest up to \$100 million in any AMF venture in Shaba province, representing up to a 50% equity stake in the venture, including the Kipushi mine. Once again, ubiquitous Anglo American shows up.

The third example, is that of tiny Consolidated Eurocan of Vancouver. In 1996, Eurocan finalized a deal that will allow it to purchase from the state mining company Gecamines, a 55% interest in the Tenke-Fungurume copper-cobalt deposits. Eurocan will pay a quarter of a billion dollars over 72 months for its stake, but the stake is worth potentially tens of billions of dollars in revenues. According to a Eurocan spokesman on Dec. 18, Tenke-Fungurume, located in Shaba province, represents the largest operating cobalt reserves in the world. It has geological reserves of 222 million tons of copper and cobalt, with potential reserves of 1 billion tons.

Consolidated Eurocan is owned and run by Canadian wheeler-dealer Adolf Lundin. One U.S. mining source reported, "There is no way that Eurocan can develop the mines on its own. It doesn't have the capabilities. It will have to sell off shares to established mining companies, most likely Iskor and Gencor, to work the properties." Iskor and Gencor are both South African companies, and part of the British raw materials cartel.

Thus, these Canadian companies, in some cases stalking horses for Anglo American, are gobbling up Zaire's gold, copper, zinc, and cobalt reserves.

Add to this, the Barrick Gold purchase of a huge concession in Haut Zaire, and the fact that there is now discussion of opening up the major government-owned diamond mining company, Société Minière de Bakwanga (MIBA), to foreign investors. MIBA accounts for 40% of Zaire's official dia-

mond exports. The remaining 60% are developed by artisanal miners, i.e., prospectors, who then sell the gems to "Israeli diamond buyers and to [international gem dealer] Maurice Templesman," according to a knowledgeable source. The Belgian-born Tempelsman, who squired around Jacqueline Kennedy Onassis before she died, is an international tycoon. He is former president of the U.S. Africa Society, a group that is influential in the shaping of U.S. government Africa policy.

### The Anglo American paradigm

Anglo American Corp. offers a foretaste of how a world without nation-states, run by the financier oligarchs, would operate. It was formed in 1917. Financing for, and investments into Anglo American and its associated companies, came from the Rothschild bank and J.P. Morgan. The South Africa-based Anglo American, through cross-ownership shares, owns DeBeers Centenary and DeBeers Consolidated (which together control the Central Selling Organization, that markets and controls 80% of the world's diamonds), and the Luxembourg-based Minerals and Resources Corp. (Minorco) mineral holding company. In South Africa alone, Anglo American owns more than 1,600 companies, where it is the world's leading gold producer, the world's leading platinum producer, the world's leading diamond producer, and much else.

The Oppenheimer family runs the Anglo American Corp. empire. Cambridge University-educated Harold Oppenheimer was chairman until 1982, and still reportedly makes all important decisions. His son Nicholas is the leading family member in the company. The Oppenheimer family members are in the 1001 Club, the tightly knit, elite society that brings together oligarchs, financiers, raw materials company executives, and billionaires to coordinate strategy worldwide. Barrick Gold chairman Peter Munk is a member of the Club, as are many other heads of the world's top mining companies. The Club is closely intertwined with the World Wide Fund for Nature of Britain's Prince Philip.

Though the Oppenheimers publicly professed to be critics of South African apartheid, they fundamentally supported and benefitted mightily from its existence, which allowed them to run their mines as slave-labor plantations.

But the Anglo American Corp. empire extends to every mineral-producing country in Africa and the world, and it continues to grow. In October 1996, Anglo upped to 26% its ownership stake in the London-headquartered, Zimbabwe (formerly Rhodesia)-centered Lonrho raw materials company, which had been run by Tiny Rowland. In turn, Lonrho owns a 30% ownership stake in the Ashanti Mines in Ghana, which represents the richest operating goldfield outside of South Africa. Anglo American has been trying to purchase the state-owned CVRD company of Brazil, which controls the Gran Carajas mining project in Brazil. With everything from iron and copper to precious minerals, some estimates

TABLE 1

### Anglo-American and Rio Tinto Zinc combined share of Western world mining production

(percent of total)

Commodity	Share	Commodity	Share
Antimony	20%	Nickel	8%
Bauxite	10	Niobium	8
Chromite	15	Palladium	39
Cobalt	10	Platinum	45
Copper	12	Rhodium	41
Diamond	48	Silver	6
Gold	25	Titanium	31
Iron ore	10	Tungsten	18
Lead	7	Uranium	8
Lithium	5	Vanadium	36
Manganese	6	Zinc	6
Molybdenum	11	Zirconium	23

put its worth at more than \$1 trillion. According to one report, Anglo American is trying to buy what remains of Zaire's Gecamines, after everything else has been sold off.

But the full global reach of Anglo American only becomes clear when viewed in conjunction with the holdings of the London-based Rio Tinto Zinc (RTZ), the world's second largest raw materials producing company. RTZ was formed in the 1870s by China opium trader Hugh Matheson, who was a principal in the Hongkong-based firm Jardine Matheson. The Rothschilds have a significant stake in the company. Queen Elizabeth II is also a significant investor in RTZ. Anglo American and RTZ combined control a stunning percentage of the Western world's most important raw materials (see **Table 1**).

The Anglo American-RTZ combination anchors the House of Windsor's raw materials cartel. *EIR* showed in its Sept. 15, 1995 issue, that the House of Windsor cartel controls, overall, 59.5% of world gold production, 78% of world platinum production, 25% of copper, 55% of alumina bauxite, 64% of cobalt, 42% of manganese, 39% of chromium, and so on.

Thus, Anglo American Corp. and the Canadian companies integrated into the process of taking over Zaire, are out to extend the power of the raw materials cartel. If they succeed, there will be no nation-state: Only a portion of the population, that permitted to slave for the mining companies' operations, will remain; the rest will be written off. As is shown by the treatment of the Rwandan refugees in Kivu province, who were either starved, butchered, or simply moved away to make way for mineral production, the mining companies do not care about human lives, only about their profits and their geopolitical control.

# British revive old blueprint for Africa

by Linda de Hoyos

“This time, let Zaire fall apart,” was the headline under which Conor Cruise O’Brien, a United Nations envoy to Zaire in the early 1960s, wrote a commentary on Zaire appearing in the Nov. 19 *Times* of London, the semi-official mouthpiece for the British Foreign Office. Applauding the “Tutsi rebel rout” of Rwandan Hutu refugees, O’Brien says that the issue now is what will happen to the “huge state of Zaire.” “Zaire’s condition now,” he says, “appears to be terminal, and international efforts to preserve its integrity will only increase the agonies of its peoples. It should be allowed to assume such shapes as the energies and aspirations of its various peoples may eventually assign to it. The energies of international diplomacy should be confined to holding the ring, and discouraging the internationalization of the tremendous internal conflict.”

As O’Brien is well aware, he is speaking way after the fact. The division of Zaire has been long-standing policy, and the conflict has already been internationalized by virtue of the fact that Zaire was invaded in mid-October 1996 by a military force combined of Ugandan, Rwandan, and Burundian troops, with the backing, through Uganda, of British intelligence.

O’Brien’s demand for “letting Zaire go” has accordingly been stated in more honest terms by the Tutsi Rwandan Patriotic Front, now ruling in Kigali, Rwanda. Rwandan Foreign Minister Anastase Gasana and Defense Minister Paul Kagame have called for a “Berlin II” to re-divide the territories of Africa, in imitation of the 1885 Berlin Conference of the colonial powers to divide the known African lands. The Rwandese have declared openly that the Tutsi “Banyamulenge” of eastern Zaire are welcome to return to Rwanda, but “they should bring their land with them.” Although Rwandan Foreign Minister Gasana says that a Berlin II should show “respect for the current borders of all states,” he equivocates, stating that the major purpose of such a conference must be to “examine the consequences of Berlin I on the cultural, social, and economic fronts, and so forth, to prevent there being stateless people at our borders, but it is not a matter of calling the borders into question.”

## Museveni is our man

But schemes for redividing the region were put forth far earlier by Ugandan President Yoweri Museveni, and were the motivation for the Ugandan Army invasion of Rwanda in 1990, and again in 1994. Among eastern Africans, it is understood that Museveni wants to carve out a “Hima empire”

from southern Sudan, Uganda, Rwanda, Burundi, and eastern Zaire. This might appear as a pipe dream, but it appears to coincide with foreign interests—notably British. British Minister of Overseas Development Lynda Chalker has advertised her own close relationship to Museveni, underscored by frequent visits to Uganda. The idea of Museveni’s regional hegemony has also found favor in the State Department. A former ambassador of one of the Great Lakes countries recalls how he was called into the State Department East Africa desk in 1994—right before the April 6 downing of the plane carrying Rwandan President Juvenal Habyarimana—and asked who he thought the political leader of the region should be. His first answer, Zairean President Mobutu Sese Seko, was rejected. His second answer, Tanzanian President Julius Nyerere, was also incorrect—suggesting to him by process of elimination that the State Department was promoting Museveni as their man.

The geopolitical idea is similar to the actual line of functioning of the erstwhile UN multilateral military force, that was supposed to deliver aid to the “routed” refugees of eastern Zaire in November and December. The peacekeeping force was not to go through Kinshasa or Zaire—despite the fact that there are 600,000 refugees still remaining in central, not eastern, Zaire—but through Entebbe, Uganda, and Kigali, Rwanda. The Anglo-American mining interests now scrambling for the gold and extraordinary mineral wealth of eastern Zaire, want to direct their operations through the same route. The reason is the looters’ paradise Museveni has turned Uganda into—endless tax holidays and full repatriation of profits of fully owned foreign ventures.

As O’Brien is fully aware, the British have long had their eye on eastern Zaire. In his own account, *To Katanga and Back—A UN Case History*, written in 1962, O’Brien, who was in the Irish foreign service and was a special UN envoy to the Congo, relates that the British firmly backed the cause of the secession of Katanga. O’Brien reports a newspaper account at the time: “President Tshombe [of Katanga] received the British Consul . . . who came to convey the sympathy of their government to the Katangese cause.” At that time, London wanted to seize control of Shaba province’s mineral wealth through Rhodesia. Although Leopold II of Belgium had taken sovereignty over Shaba at Berlin I, the Belgians had not occupied it. Britain’s roving imperialist Cecil Rhodes was on his way to establish dominion over the territory, when the Belgians woke up. A deal was struck whereby British capital would get a slice of the profit from Shaba’s exploitation. But even as late as 1961, there was renewed talk of attaching “Katanga” to Rhodesia.

With Rhodesia, now Zimbabwe, out of the picture, British intelligence, for whom O’Brien speaks, is honing in on the region once again. This time through Museveni’s Uganda, the country where life expectancy for Africans has fallen the fastest in the last decade, but where profits for British financial interests have risen the fastest.

## A mercenary for free marketeers

by Linda de Hoyos

It came as no surprise for Zaireans when Laurent Kabila, head of the "Alliance of Democratic Forces for Liberation" in Zaire, held a press conference to vow his commitment to "reform the Zairean government and to install a free-market economy."

Kabila also announced that his forces would not seize any mineral concessions held in Zaire by foreign companies. To the contrary, Kabila's adviser Jean Kabongo told the press Dec. 5, "Those companies will be able to operate as normal. Just as long as they pay their taxes to us, the taxation will not affect their operations. We do not want them to leave, we need them to operate the mines." Kabongo said that the Alliance is also eager to open up more diamond mines to foreign interests. "In Kasai, more diamonds must be mined, the country's mineral wealth exploited. We are going to try and throw the area open to government-sponsored mining licenses in Kasai in areas that have not yet been explored."

These pronouncements have confirmed the view of many Zaireans that Kabila is no more than a mercenary for foreign mining interests in eastern Zaire, specifically for interests such as Barrick Gold, Anglo American, and Société Générale of Belgium.

Although Kabila for years dubbed himself a Marxist, he has taken the "Damascus Road" to embrace the "magic of the marketplace," in the same fashion as his longtime associate, Ugandan President Yoweri Museveni. As Kabila's spokesman in Belgium, Gaetan Kakudji, explained to a reporter for *La Libre Belgique* on Nov. 5, "Our Marxism dates back to the Cold War: You had to adopt a political color according to whichever bloc was helping you. . . . The [Berlin] Wall has fallen. The important thing is to rebuild the economy. Our social project is based on a market economy."

Kakudji's admission that "political color" is secondary to whoever is "helping you," is the key to Kabila's long-standing career as a mercenary. Born in Manono in North Shaba province in Zaire, Kabila first went into action as a mercenary for the renegade Independent State of Katanga, established on July 11, 1960, by Moïse Tshombe, on behalf of Belgian mining interests. The chief instigator of the Katanga uprising was the Union Minière du Haut Katanga, which was then the world's third largest producer of copper, and the world's chief producer of cobalt. Belgian profits from Union Minière were

in excess of 3.5 billion Belgian francs in 1959. Belgium was naturally anxious that this profit not revert to any independent Congo government. The export duties paid to the Congolese government in 1959 by the Belgian company constituted 50% of the government's revenue. Once the Independent State of Katanga was established, this money went to Tshombe, to pay his mercenary forces, which included Kabila.

Later, Kabila fought the Zairean central government in the Mulele uprising in eastern Zaire in the 1960s, alongside fellow gun-for-hire Che Gueverra. As the province most rich in mineral wealth in Zaire, Shaba province has long been a target for secession. Kabila has participated in each bid—first in 1960-61; then in "Shaba I" and "Shaba II," in 1977 and 1978, respectively, when mercenaries attacked Shaba from Angola; and again in the mid-1980s. Between times, Kabila also worked as a mercenary in Angola. Among his mercenary bosses has been the famous Belgian mercenary Bob Denard.

### Nyerere 'kindergartner'

However, the reason that Kabila has been tapped again for his latest venture is because of his strong ties to the British Commonwealth countries in Africa, say well-informed Zairean sources. Kabila is a member of the "Nyerere Kindergarten," having received his political training in Tanzania under the tutelage of former Tanzanian President Julius Nyerere, along with Ugandan President Museveni and John Garan head of the marauding Sudanese People's Liberation Army (SPLA). Even today, Kabila is known to travel on a Tanzanian passport.

Kabila spent years of exile in Rwanda, Zambia, and Tanzania. After Museveni came to power in Uganda in 1986—with the help of Nyerere—Kabila was a frequent visitor to Kampala.

Sometimes the mercenary business is slow. According to various sources, during the 1970s and 1980s, Kabila would organize some "help" for himself from Moscow, by staging fake uprisings and mercenary operations in outposts in Uganda, photographing the staged incidents and placing the photos in his own ragtag newspaper for publicity.

Now, Kabila has been picked up as the "commander" for the invasion of Zaire by forces from Rwanda and Uganda. To the extent his forces have anything to do with Zaire, they are composed of Banyamulenge, who are Tutsis from Rwanda who have lived in Zaire, and *who returned to Rwanda* in 1994, to join the Rwandan Patriotic Front takeover of the country from Uganda. According to even British sources, Kabila's troops speak Kinyarwanda (the language of Rwanda), or English with Ugandan or Rwandan accents. Military discipline is supposedly modeled on that of Paul Kagame's Rwandan Patriotic Army. As the *Washington Post* noted on Nov. 2, Kagame admitted that some of his soldiers had joined the "rebel" troops in Zaire. In short, Kabila is the "Zairean" face for the Rwandan-Ugandan force that invaded Zaire in mid-October.

# 1.6 million dead: 'Just a drop in the bucket'

by Linda de Hoyos

*EIR* estimates that since October 1990, when the Ugandan Army under the rubric of the "Rwandan Patriotic Front" first invaded Rwanda, at least 1.6 million people have died in the wars that the British blueprint for East Africa has instigated. Another 2 million people have been uprooted and displaced, although this is a very conservative figure.

This count is derived as follows:

**1990 invasion of Rwanda by Uganda:**

150,000-200,000 killed;

One million displaced to the Nyacyonga refugee camp outside Kigali. There are reports of large-scale murders carried out in the north at that time.

**1993 attempted coup against Burundi government of President Melchior Ndayaye:**

100,000 killed.

**1993-96 continuing civil war in Burundi:**

150,000-200,000 killed.

**1994 invasion of Rwanda by the Rwandan Patriotic Front:**

1 million slaughtered in mass melee between Hutus and Tutsis;

2 million displaced and forced to flee the country;

200,000 refugees die of cholera and disease at refugee camps in Zaire in summer 1994.

**1996 Ugandan-Rwandan-Burundi invasion of Zaire:**

Totals unknown, however:

- 600,000 refugees remain unaccounted for inside Zaire. It is not known how many of these are now dead, but in early November, aid workers estimated that up to 10,000 would die per day if they were left without assistance. Those remaining in the Zairean bush, have received very little, if any, assistance so far.

- 1,000 refugees have been slaughtered in Burundi by the military, according to Amnesty International and the United Nations. This does not include those killed in fighting between the military and Forces for the Defense of Democracy.

- There are continuing reports in the Western media, such as the Associated Press on Nov. 21 and the Belgian *De Standaard* on Nov. 25, that forces under the nominal command of Laurent Kabila and the Rwandan Armed Forces led out men and boys from the refugees before their return to Rwanda, and also in Zairean cities and towns under their control.

In total, the imperial land grab of East Africa by George Bush's Barrick Gold et al., even excluding the invasion of Zaire, has cost the lives of 1.6 million Burundians and Rwandans, out of a total population for both countries of only 13 million. In per-capita terms, this would be the equivalent of a slaughter of 31 million Americans.

## The Malthusian cover story

It has become a standard ruse among the practitioners of mass murder in Africa to justify their policies with the Malthusian myth that, since Africa has too many people anyway, the deaths of hundreds of thousands of Africans are part of a necessary "solution" to the "overpopulation problem." Such claims were heard in July 1994, for instance, by the British case officer for East Africa, Baroness Lynda Chalker, Minister of Overseas Development, the self-identified mentor of Ugandan President Yoweri Museveni. Speaking to the Royal Society of London on July 11, 1994, as Hutu refugees were dying of cholera in Goma at the rate of 20,000 a day, Chalker declared: "The density of population in Rwanda is one reason why the scale of that tragedy is so enormous."

Similar sentiments are standardly voiced at the U.S. State Department. Dick Cornelius, of the State Department Office of Population, Refugees, and Migration, told a journalist in July 1994:

"The people dying at the moment are not the main issue. I mean, 50,000 people dying of cholera is alarming—but on the grand scale of things, looking at the impact on population in Africa and the region, it's a drop in the bucket."

Then, on Dec. 17, 1996, U.S. Assistant Secretary of State for Global Affairs Timothy Wirth laid the blame for the war in East Africa on "overpopulation." Speaking to a conference sponsored by the Center for National Policy Wirth declared:

"Population pressure in Rwanda underlaid a great part of the problems that were faced in the conflict between the Tutsis and the Hutus, there were no places to let off steam—you know, you had eight and a half children per woman being born in a country that was the most cultivated, intensely cultivated—in all of Africa."

The agricultural cultivation of the country, it should be noted, isn't a problem for Rwandans, but it *is* a problem for the mining operations now seeking to control the entire Great Rift Valley. Wirth did not mention the name Barrick Gold, but he did indicate why "population" is a problem for Barrick Gold et al.:

"If you ever flew over Rwanda, you see that every inch of land is cultivated. Burma and China pale in comparison to Rwanda; no matter what the political problems are, the fact is the population of Rwanda will double in 25 years, where are you going to put these people? How are you going to feed them? We can discuss the political problems all you want, but what do you do next? . . . There are too many people competing for too few resources."

## London's narco-terrorist international strikes in Peru

by Gretchen Small

London's narco-terrorist killing machine struck again in the days leading up to Christmas, this time in Lima, Peru. The *Wall Street Journal*, the *Times* of London, Cable News Network, et al., have since poured out unending propaganda about "gentlemen rebels" and a "thinking man's guerrilla group" seeking social objectives; but the terrorists who seized hundreds of people as hostages on Dec. 17 in Lima, are, in reality, part of a ruthless continental strike force; they are tied to the drug trade; and they are set on obliterating the sovereign nation-state—all on London's orders.

The commando unit of two dozen or so terrorists which seized the hostages, operating under the name of the largely defunct Tupac Amaru Revolutionary Movement (MRTA), is reliably reported to include several Chileans, Colombians, and Central Americans, as well as a group of 15- to 20-year-old Peruvians. They seized the home of the Japanese ambassador when over 500 people were present for a diplomatic reception, including ambassadors from 18 nations, top Japanese businessmen, and dozens of high-level Peruvian officials, from cabinet ministers to military and anti-terror officers. They had hoped to capture President Alberto Fujimori, but his arrival at the reception had been unexpectedly delayed.

In exchange for releasing their remaining hostages alive, the terrorists are demanding that the Peruvian government release hundreds of imprisoned MRTA terrorists, including their top leadership; grant them safe-passage to the Peruvian jungle (previously the center of their drug-trafficking and terrorist operations); and negotiate the MRTA's establishment as a political party.

The media claim that the terrorists are demanding economic and social change, but that myth was buried when released hostage Manuel Romero Caro, director of Peru's *Gestion* daily, reported, from his long talks with the leader of the commandos, Néstor Cerpa Cartolini, that they do not oppose International Monetary Fund policies, such as privatization of state industries and usurious debt payments.

President Fujimori and his government have categorically rejected the terrorists' demands. "Fujimori has done exactly, at this point, the right thing," and has rightly received support for this from the Clinton administration, Lyndon LaRouche stated in a Dec. 24 radio interview with "EIR Talks."

LaRouche further warned that the international media campaign for the Peruvian government "to free 300, or more, of the worst killers in South America—the MRTA killers who are in prison, who are in there for killing, mass killing; it's like if somebody comes up to the President of the United States and says, 'Release all the people who are in jail, prison, for mass murder, turn them loose on the streets. Accept that. Set this thing up as a political party in Peru . . . a criminal organization.' What this means, in effect, is to punish the Army for what they did to the terrorists. . . . But this means that the sovereignty, the national sovereignty of Peru, is effectively dissolved," LaRouche explained.

### The São Paulo Forum in action

The group which seized the hostages is the São Paulo Forum, the continental terrorist machine founded in 1990 by the Cuban Communist Party. *EIR* profiled the operations of the Forum, and its links to London, in a Nov. 15, 1995 feature.

Leaders of the Forum immediately endorsed the hostage taking as a "lesson to governments" across the region that terrorism cannot be defeated, and negotiations on power-sharing with the São Paulo Forum are required. The leader of Colombia's April 19 Movement (M-19), Antonio Navarro Wolf—one of many "former" terrorists whom the London-allied Inter-American Dialogue has paraded around Washington as the new leadership of "democracy" in Ibero-America today—emerged as the chief international spokesman for the terrorist action in Peru.

The MRTA siege "is a nearly identical repeat of what did on Feb. 27, 1980, when we took the Dominican Republic Embassy in Bogotá," Colombia, the M-19 chieftain proudly