

British minerals grab targets South America

by Cynthia Rush and Gonzalo Huertas

Those in this hemisphere who look at the genocide now occurring in Central Africa and think it has little to do with them, had better think again. The bloodbath taking place in Zaire and the surrounding region, is the face of the future for the rest of the world, particularly the developing world—if the elite oligarchical families, banks, and corporations belonging to the London-centered Club of the Isles have their way.

Driving the genocide is London's global offensive to seize raw materials, on the assumption that possession of these strategic assets will shield its prominent usurers and speculators from an imploding international financial system. To grab these resources, the British Crown intends to dismember nation-states and replace them with privately owned enclaves or mini-states from which mineral wealth can be extracted. The slave labor force to work these regions will come from those not killed off by war, starvation, or disease.

This is the British Empire revisited. As *EIR* documented in its Jan. 3 issue, Canada's Barrick Gold Corp., on whose International Advisory Board sits "senior honorary adviser" Sir George Bush, is at the center of the horrific events unfolding in Zaire. Bush claims to be only a retired U.S. President with "no interest" in business deals. In fact, he is up to his eyeballs, not only in African genocide, but in using his well-known thuggery and dirty intelligence operations to open up other parts of the world on behalf of the British Crown.

Indonesia is a case in point.

Last November, Bush personally wrote to Indonesian President Suharto, "recommending" Barrick as a partner for Bre-X Minerals, the company which discovered what could be the biggest gold find of the century, the Busang mine in Indonesia's East Kalimantan. Bush's arm-twisting paid off: Soon afterwards, the Jakarta government ordered the two companies to reach an agreement, whereby Barrick would

take a 67.5% stake, Bre-X 22.5%, and the Indonesian government 10%.

Resistance to this deal from inside Indonesia is causing headaches for Barrick CEO Peter Munk, however. As the Jan. 18 London *Financial Times* pointed out, Munk is increasingly nervous because, since the proposal was filed in mid-December, "the silence from Jakarta has been deafening." Moreover, one of President Suharto's oldest and closest associates, timber baron Mohamad "Bob" Hasan, has warned of the dangerous precedent set by Indonesia ordering a forced marriage between Barrick and Bre-X. Amien Rais, chairman of the 25 million-member Muhammadiyah Islamic Organization in Indonesia, criticized foreign mining companies for extracting wealth with little return benefit to the nation. Amien Rais is also associated with the Indonesian Association of Muslim Intellectuals, headed by top Suharto associate B.J. Habibie, Indonesian Minister of Science and Technology.

Also worrisome to Barrick is the fact that its rival, the Canadian mining company Placer Dome, has offered an "equal partners" merger to Bre-X Minerals to develop Busang, while giving Indonesia a 40% stake in the mine. The *Financial Times* reports that it's "only a matter of time" before a full-scale bidding war breaks out, with other firms jumping into the fray. The environment is such that in a Jan. 17 letter to Munk and Bre-X Vice Chairman Peter Flederhof, Indonesia Energy Minister Ida Bagus Sudjana warned that, failing a resolution in 30 days, the government would assume full rights over the richest parts of the finds, Busang II and III.

Menem to Barrick: 'Take me, I'm yours'

In its 1994 annual report, Barrick stated that "close to two-thirds of the exploration and development drilling budget [for 1995] will be spent in South America where the Company



Argentine President Carlos Menem (left) at the White House with President George Bush in 1989. Today, he's telling Bush's Barrick Gold Corp.: "Take me, I'm yours."

has decided to focus its efforts." The company emphasizes that its "aggressive expansion" plans have brought it into Peru, Bolivia, Brazil, Argentina, and Chile. Brazil is a choice target because of the Amazon region's extraordinary wealth of strategic minerals, long greedily eyed by foreign interests. The Oppenheimer family's Anglo American Corp. is rumored to be the purchaser of the Amazon-based Companhia Vale do Rio Doce (CVRD), the gigantic state-owned industrial and mining complex which the Cardoso government intends to privatize.

But in Brazil there is strong resistance, especially from the Armed Forces, to the giveaway of national assets to foreign users.

Argentina is a different story. Blessed with enormous agricultural and mineral resources, Argentina today is an occupied nation. Its economic, political, and territorial sovereignty have been handed over to its historical enemy, the British, or their stalking horses. The government of President Carlos Menem has overseen the destruction of the Armed Forces, and the sale of treasured national assets at fire-sale prices, allowing speculators such as George Soros to become one of the country's most powerful landowners. The International Monetary Fund's (IMF) financial dictates have fragmented the country. Many provincial governments have created their own currencies and conduct their own foreign policy. Some of those bordering Brazil on the east or Chile on the west have even spoken of seceding from Argentina to become part

of those countries.

President Carlos Menem, who says that Argentina's future lies in mining, is George Bush's close friend. When Bush waltzed into the country last November on the arm of Korean mafioso and pervert Sun Myung Moon, he stayed at the Presidential residence of Olivos at Menem's invitation. Bush played down the fact that he had travelled to speak at the dinner inaugurating Moon's new newspaper, *Tiempos del Mundo*, telling the media instead that the event happened to coincide with "a business trip." Interestingly, former Canadian prime minister Brian Mulroney, another member of Barrick's International Advisory Board, was also present at the Moon event.

EIR has learned that while in Buenos Aires, Bush met privately with executives from Argentina's mining sector. Was his "business trip" on Barrick's behalf? No further details are available on his meetings. What is known is that Barrick is getting special treatment from both the Argentine and the Chilean governments, for its activities in the strategically important border region.

Sources at the Mining Secretariat in Buenos Aires confirmed to *EIR* that two mining protocols between Argentina and Chile, had been signed on Jan. 9—at Barrick's request! The protocols will allow two of the company's mining projects in San Juan, the El Pachón copper deposit and the Pascua-Lama gold deposit (see no. 5 on map), to proceed immediately, without waiting for the expected April signing of the

Argentine and Chilean border mining areas



Source: *La Nación* of Argentina.

Mining Integration and Complementarity Treaty between the two nations.

Barrick has operated in Argentina since 1991 under the name Barrick Exploraciones Argentina, S.A. Headquartered in the province of San Juan, on the Chilean border, the company has exploration projects located in San Juan, Salta, Catamarca, and Santa Cruz. The latter province, according to one mining expert, “is filled with gold.” The two projects covered by the protocols are binational deposits, but Barrick owns them on both sides of the border. Pascua-Lama on the Argentine side is still in the feasibility-study stage, but is more advanced on the Chilean side. El Pachón, on both sides of the border, is owned by Canada’s Cambior Inc. and its subsidiary, Minera San José, S.A. Canada’s LAC Minerals, which owns Cambior, was bought by Barrick Gold in September 1994.

Carving up the nation

Mining experts predict that once exploitation begins, El Pachón could become the world’s largest copper mine. It is

also estimated to have sizable gold deposits. The Argentine Industry, Commerce, and Mining Secretariat reports that there are proven and probable reserves of 834 million tons of copper at El Pachón, and that in the first year of exploitation, production could reach an average of 15.3 million tons of copper. By the seventh year, this figure could go as high as 23.8 million tons.

The two protocols signed Jan. 9 allow Barrick to proceed as if the Mining Integration Treaty were already in effect. That means that the border region effectively becomes a buffer zone, an area carved out of each nation which will really belong to no one—except Barrick or the other predominantly British Commonwealth mining firms which have invaded both countries, but particularly Argentina, over the past five years. In effect, this is the reincarnation of the old British trading companies—the British East India Co. and others—which were the backbone of the Empire’s brutal colonial looting practices. One mining official told *EIR* that South Africa’s Rio Tinto Zinc, another of the Club of the Isles’ corporate members, doesn’t allow Argentine government officials to inspect its mines, and refuses to submit production statistics to the relevant government agency.

The protocols, copies of which *EIR* has obtained, define these zones as “Operations Areas, located on the border between the Republic of Argentina and the Republic of Chile, extending to both sides of same.” Personnel, vehicles, machinery, inputs and other goods “may circulate freely in the Chilean or Argentine sectors,” the Pascua-Lama protocol states, and a “special border crossing” will be set up, to allow for this.

These documents also stipulate that the parties “shall fully apply the rules of the free market in the development of all activities pertaining to the project, and shall not place restrictions beyond those contemplated in their own legislation for the free utilization of the goods and services these activities demand.” This won’t be a problem for either government, given their slavish commitment to the free market.

Any infrastructure needed to transport mineral wealth out of the region for export, will be built and paid for by Barrick. The San Juan daily *Diario del Cuyo* reports that 60% of the copper concentrates produced by Pachón will be exported through ports on Chile’s Pacific coast, while 40% will be exported to Europe via Argentina. Under discussion is the construction of a 145-kilometer pipeline from El Pachón to Los Vilos in Chile.

On paper, the protocols state that Chilean and Argentine authorities will be zealously enforcing their nations’ laws and protecting their sovereignty, even in the binational Operations Areas. But in comments to the Buenos Aires daily *La Nación* last December, Argentina’s Undersecretary of Industry, Commerce, and Mining, Daniel Meilán, gave quite a different impression. The beauty of the Mining Integration Treaty, he said, is that it will *eliminate borders* at those mining zones shared by Argentina and Chile. After all, he said, “geology

came before borders.”

In additional comments reported in *La Nación* Jan. 15, after the protocols were signed, Meilán insisted that Chilean and Argentine miners working at these projects will not require special immigration status or paperwork. He further elaborated that the treaty removes all previously existing restrictions on individuals from either country wishing to invest in the other country’s border region. Foreign companies, Meilán said, “will be treated on either side of the Andes as if they were national firms.”

A Chilean ally?

As the map shows, there are eight mining regions along the 5,300 kilometer Chile-Argentine border identified as being of “common interest” to both nations. Many of the 46 foreign mining companies from British Commonwealth countries which operate in Argentina, are involved in the border region.

To facilitate their operations, Argentina has already begun shutting down its military installations along the border, located there originally to defend the nation’s sovereignty. Chile, which has historically served British geopolitical interests in the region and, coincidentally, has bought up many of Argentina’s privatized companies, especially in the strategically important energy sector, will now be Argentina’s “friend.” The presence of Chilean billionaire Adronico Luksic Avaroa on Barrick’s International Advisory Board is of interest here. The Luksic Group has bought up banking, agricultural, and industrial entities throughout Ibero-America. One of its most recent projects was to set up a continent-wide banking consortium together with Dope, Inc.’s Hongkong and Shanghai Bank and Spain’s Banco Central Hispanoamericano.

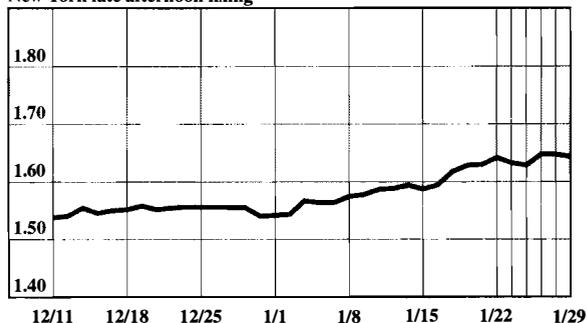
Given Chile’s role as a stalking horse for the British, and the history of relations between the two countries, few Argentines swallow the Chilean “friendship” line. A columnist for the La Plata daily *Hoy* charged last December that Chile’s involvement in these deals had more to do with the fact that its own mineral resources were exhausted, and that the richest and closest veins “are in Argentine territory.”

President Menem is nonetheless frenetically organizing to cement this alliance via passage of the controversial Continental Glaciers Treaty, which will presumably resolve a territorial dispute with Chile on the border of the Patagonian province of Neuquén. Menem claims the treaty is necessary to assure foreign investors that there is no possibility of a military conflict between the two. The treaty is viable, he adds, because the two nations are now “democracies,” and those who oppose it want to return to the days of “arms races” and militarism. Reportedly, \$2.5 billion in foreign mining investment is contingent on the treaty’s approval. According to a former Argentine ambassador to Chile, beginning in Neuquén and going north, “there are immense mineral reserves, especially gold.”

Currency Rates

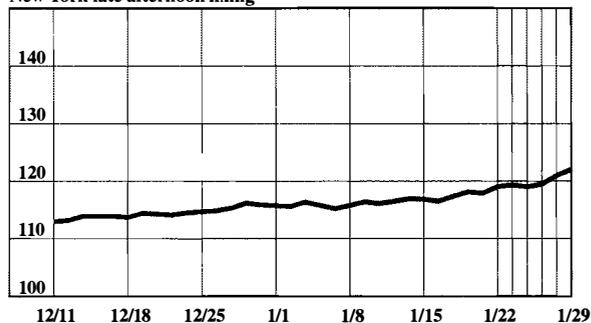
The dollar in deutschemarks

New York late afternoon fixing



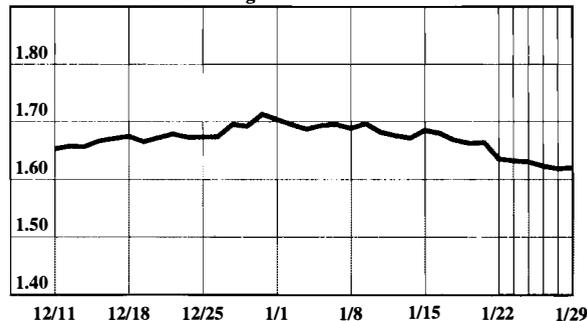
The dollar in yen

New York late afternoon fixing



The British pound in dollars

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The dollar in Swiss francs

New York late afternoon fixing

