

# Soros minerals grab behind Peru-Ecuador border conflict

by Gretchen Small and Dennis Small

When the festering border dispute between the South American nations of Peru and Ecuador escalated into a significant military confrontation for three weeks in early 1995, British-sponsored supranational forces went into high gear. Operating through the international media, United Nations non-governmental organizations (NGOs), and assets inside the U.S. State Department, they argued that only some form of supranational mediation could settle the matter. They demanded that both sides make territorial concessions. They urged that the United Nations and the Organization of American States get involved. And some went so far as to call for the establishment of an international nature park in the disputed area of the Cordillera del Cóndor mountain range—a kind of no-man’s-land to be controlled by environmental organizations, rather than nations.

Such “solutions” were necessary, the British and their agents of influence argued, because the only thing driving the Peru-Ecuador conflict, they claimed, were “symbolic issues” such as “misplaced nationalism” which could be easily “dialogued” away, if everyone would just cooperate. The line was promoted, and widely accepted, that since the region contained no oil, no uranium, and no major population centers, there was no big deal.

## No big deal?

The fact is that the Cóndor range, through which the 78-kilometer stretch of disputed border runs, contains potentially rich deposits of gold, silver, and other minerals. Already staking their claims for those riches, are many of the British Commonwealth’s global mining giants, the same group of private financial interests which *EIR* has identified as leading the genocide and destruction of the institution of the nation-state in Africa. A map prepared by Conservation International, an environmentalist NGO, speaks volumes: *Major international mining concessions completely overlap the disputed border area* (see **Figure 1**).

An ongoing *EIR* investigation has revealed that, behind the Peru-Ecuador crisis, is a sordid operation to carve up Ibero-America and seize its riches, just as is now ongoing in Africa. The Peru-Ecuador conflict was deliberately provoked by these British interests. They then deployed to provide “solutions” to the crisis they had created, which would lay the basis for blurring borders across the continent. They are hell-

bent on getting their hands on the colossal mineral wealth of the region. And there is one additional feature of strategic significance to their deployment: *drugs*. The Andean region, which includes Peru and Ecuador, is the world’s premier coca-growing and -processing center. By destroying the nation-states of the area, the British intend to let loose the hyenas of the drug trade, to the greater glory of the international banks, which today depend on laundered drug-money for their very survival.

At the head of this operation is an individual well-known to readers of *EIR*: George Soros, the British-run speculator who is the patron saint of drug-legalization efforts worldwide. Other key players include:

**Luigi Einaudi**, a Kissinger clone who has run U.S. State Department policy toward Ibero-America for about 25 years.

**Eliezer and Eike Batista**, a Brazilian father and son team spearheading the British resource-grab in the Cóndor range.

**Gen. Francisco Moncayo**, the head of Ecuador’s joint chiefs of staff and a pawn of the British geopolitical gambit.

**Conservation International**, the notorious environmentalist NGO which has played a critical role in profiling the disputed area, and promoting supranational “solutions.”

We begin with the visible head of the operation: George Soros.

## Soros and TVX Gold

In the past six years, Soros has systematically bought up strategic assets across Ibero-America, positioning himself to dominate the entire regional economy. Already, this British-run dope king has become the second-largest landowner in Argentina; he holds a major interest in Brazil’s recently privatized mining giant, Companhia Vale do Rio Doce (CVRD); he controls prime real estate property in Mexico; he moved into Peru through Newmont Mining’s grab of the Yanacocha gold field in 1993; and, he is reliably reported to be a major stockholder in one of Colombia’s largest banks, the Banco de Colombia, which was recently caught laundering drug-money for the Cali Cartel. Soros also holds a prominent position in Venezuelan banking, real estate, textiles, and salt production, and, in April 1997, he sent his brother Paul to Venezuela to scope out the potential pickings in the upcoming privatization of its state-owned iron and oil industries.

But the Soros clan, it turns out, is also smack in the middle





*The British-run global speculator George Soros (at podium) is spearheading an operation by the oligarchy to get its hands on the mineral wealth in the disputed Peru-Ecuador border area.*

of the disputed area along the Peru-Ecuador border — and has been, since before the fighting broke out in early 1995. A number of British Commonwealth mining giants, such as South Africa’s Goldfields, Australia’s Emperor/Odin, and Canada’s Zamora Bay, are active in the area, many of them in joint ventures with Ecuador’s military. Also active is the lesser-known Toronto-headquartered company, TVX Gold, Inc., on whose board of directors sits Paul Soros, George’s brother and investment partner. Paul is prominent in TVX: He serves on the audit, compensation, and nominating committees of the board of directors.

TVX has at least two projects in Ecuador. Of immediate interest, is the Pachicutza project, a 25-kilometer-long site, 120 square kilometers in area, located only 70 kilometers from the disputed C6ndor range. In the early 1990s, TVX established a joint venture, Condor Mines, with the Ecuadoran Army’s industrial company, Army Industries Administration (DINE), to explore the Pachicutza site. TVX holds all the voting common shares, while the DINE has the right to appoint one of the five directors of the company, and holds a 10% preferred share interest, from which it derives specified royalty rights.

TVX undertook a comprehensive exploration and drilling program at Pachicutza in 1994, reporting in its Annual Report at the end of the year that the company was confident that Pachicutza “will become a large resource base for the company.” On Feb. 2, 1995, even as fighting was taking place along the border a short distance away, Brazil’s *Gazeta Mercantil* reported that TVX planned to more than double its investments in Ecuador’s gold, citing TVX’s chairman and chief executive officer (CEO), Eike Batista, who bragged that

“with our going into Ecuador, many other companies will begin to invest in the country.” Batista specifically named the infamous Canada-based Barrick Gold Corp., of Sir George Bush and Canada’s Brian Mulroney.

TVX was incorporated in Canada in 1980, as Treasure Valley Explorations, Ltd. Its founder and CEO, the Brazilian Eike Batista, is the son of Eliezer Batista, former chairman of the crown jewel of Brazil’s state-sector companies, the giant Companhia Vale do Rio Doce. Curiously, Soros just bought a major interest in CVRD, when the Brazilian government finally put it up for privatization earlier this year. A friend of Sir Henry Kissinger, the senior Batista has become a vociferous advocate of using “green” non-industrial infrastructure projects to “eliminate borders” across South America. And, he sits on the board of directors of Conservation International, the authors of the referenced map.

Son Eike’s TVX Gold has long held close ties with Rio Tinto Zinc (RTZ), the second-largest global mining conglomerate of the British Commonwealth, which also plays a prominent role in Prince Philip’s World Wide Fund for Nature apparatus. RTZ and TVX have jointly operated various mines in Brazil over the years, and in 1996, TVX brought three RTZ executives onto its team, including hiring the former president and CEO of RTZ’s operations in Brazil, David Murray, as TVX’s president and chief operating officer.

In fact, it can be argued that TVX Gold is nothing but a spin-off from, and front for, the notorious RTZ.

TVX is currently invested in mines and exploration projects in Canada, Nicaragua, Ecuador, Brazil, Chile, Greece, the Czech Republic, and Russia. In 1995, Eike Batista announced that TVX also had its eye on Africa, where he saw “spectacu-

lar areas” for high-yield, low-cost mining—TVX’s criteria for its projects.

### **Einaudi and Moncayo: geopolitical manipulation**

TVX’s joint project with the Ecuadoran military is quite an irony. In September 1993, a full-page advertisement was placed in the *New York Times*, consisting of an interview with Paul Soros and Gerard Manolovici, the managing director of Soros’s Quantum Fund, on the investment opportunities in Peru. Paul had been sent into Peru in July to scope out investment possibilities for brother George. Paul Soros used the *Times* ad to deliver an ultimatum to Peru: You must dismantle your military to ensure “investor confidence” in “democracy.” Soros was explicit: “When you can be sure that [military influence in the government] is really firmly finished, the value of any investment goes up 30, 40, even 50%. In Latin America, whenever the army, as an institution, is part of the country’s power structure, all investments are discounted because that introduces an element of instability. As an investor, one likes stability.”

It is hard to avoid the conclusion that Soros did not want the Peruvian military to get in the way of the planned manipulation of the Ecuadoran military—both to provoke the border crisis, and to seize the mineral riches in the area.

Inside Ecuador, the leading role in reactivating the decades-old dispute with Peru, has been played by Gen. Francisco Moncayo Gallegos, today the head of Ecuador’s Armed Forces. General Moncayo is well-known as an Israeli-trained geopolitician, and is widely acknowledged as the border dispute strategist.

Moncayo also has a close working relationship with Luigi Einaudi, an avowed Kissingerian and one of the most vociferous proponents of supranational governance over Ibero-America within the State Department permanent bureaucracy. From 1995 until today (he is expected to end his 23-year career at the State Department this June, and to move over, according to one report, to the Inter-American Dialogue), Einaudi used his post as Peru-Ecuador negotiator, to insist both that a *permanent* settlement to this decades-long conflict, must now be reached immediately, even if that requires Peru to yield territory to Ecuador.

When fighting broke out in January 1995, Einaudi, then senior policy adviser to the secretary of state, stepped forward to direct the negotiations, held under the terms of the 1941 Rio Protocol which designates the United States, Argentina, Brazil, and Chile as Guarantors of the Treaty.

Einaudi’s aggressive stance became even more scandalous in Peru, when it became known that General Moncayo, a self-proclaimed friend of Einaudi, has played a prominent role in the decade-long project for the overall destruction of the armed forces of Ibero-America, a project set up and directed by Einaudi. This strategy was promoted in the now-infamous 1990 book, *The Military and Democracy: The Future of Civil-Military Relations in Latin America*, better

known in Ibero-America as the “Bush Manual.”

This past May, in an exchange with an *EIR* reporter in Lima, one of the three editors of the “Bush Manual,” American University’s Louis Goodman, strongly defended General Moncayo. Moncayo “was very, very prominent,” in the *Military and Democracy* project, Goodman stated emphatically. “He spoke a lot, and we keep in touch, and I mentioned him in the book.” Asked if he now repented of mentioning him, given his well-known role as the architect of the 1995 Peru-Ecuador war, and his ties to Einaudi, Goodman merely protested that “it is very important, I think, to separate the actions which Moncayo took in the war,” from his participation in their project.

It is hard to convince the Peruvian military of any such separation.

### **Conservation International maps the Córdor**

In January 1997, Conservation International (CI), one of the leading environmental NGO hit-squads spun off from Prince Philip’s World Wildlife Fund (WWF) (see *EIR*, Oct. 28, 1994, “The Coming Fall of the House of Windsor”), ran a lengthy report documenting the Cordillera del Córdor as a potentially giant “gold belt.” CI works closely with the WWF (today, the World Wide Fund for Nature) and the Nature Conservancy, another “conservation” agency chartered under the British Privy Council in 1949.

In 1993 and 1994, CI sent teams of anthropologists and biologists to map the disputed border area of the Cordillera del Córdor. The expeditions included visits to various military posts of both countries, and drew on the expertise of the WWF’s Ecuadoran branch, Fundación Natura. Lasting six weeks, the expeditions followed the standard methodology employed by CI in its so-called Rapid Assessment Programs (RAP). The teams start with Landsat satellite images of the area targetted for mapping, if they are available, as they were for the Córdor range. Pictures are then taken in a series of overflights of small planes or helicopters, with the final mapping refined from the RAP team’s use of CI’s geographic information system (CISIG).

The core of the CI 1997 report, *The Cordillera del Córdor Region of Ecuador and Peru: A Biological Assessment*, are three detailed maps of the disputed border region. One, identifies military posts of both countries in the area, along with other sites visited by the teams; a second, maps the “territories” of the various indigenous communities living in the area; and the third, reproduced in Figure 1, shows the approximate area covered by mining interests and concessions operating in the area as of 1995. The military quality of the maps serves as a useful reminder of the strategic value of such “ecological” missions to the British and related financier interests which fund and staff such “environmental” agencies.

CI reports that “southeastern Ecuador contains a chain of important mineral deposits,” which first attracted “intense informal mining activity,” and then international companies pursuing “large-scale mining of gold and other minerals.” As

the caption accompanying the mining map summarizes these findings: “Mineral prospectors have named the Cordillera del C6ndor a ‘Gold Belt’ of global significance. Since the mid-1980s, intense gold and other mineral exploration programs have been carried out by multinational mining companies. The rediscovery in 1981 of high gold deposits in old Inca workings at Nambija led to a mining rush in Southeastern Ecuador. Many new discoveries have since been made and most zones were found to extend into Peru.”

As of 1995, CI reported ruefully, international mining companies had made no headway on the Peruvian side of the border.

## The parks project

Even before the fighting had been stopped in 1995, a persistent campaign was launched, arguing that the preferred (by the British) “resolution” to the differences between Ecuador and Peru’s positions on the border, would be to remove the area from the sovereignty of either country, through the establishment of a supranational park.

No greater threat to continental security could be concocted. As *EIR*’s Lyndon LaRouche warned in his September 1995 Presidential campaign document, *The Blunder in U.S. National Security Policy*: “If the resolution of a border dispute is taken out of the sovereign hands of the nation-state parties, the disputed area becomes a region of ‘extra-territoriality,’ in which terrorist/separatist operations thrive.”

Nowhere is this seen more clearly than in Africa, where, under British direction, the entire continent has been criss-crossed with such trans-national parks. The parks constitute a double blow to the nations of the region. Not only have they removed enormous sweeps of land, and related resources, from urgently needed human habitation and development, but virtually every single park has also served as the staging ground for assaults against the nation-states from whose territory they have been carved, including terrorism, invasions, arms trafficking, and every kind of dealing in contraband, including drug-trafficking.

The push for a cross-border park in the C6ndor range took on renewed vigor at the end of 1996, with some most unusual players getting into the act. One such lobbying effort, was a joint mission sent to Peru last November, by a representative of the global tobacco and contraband giant, Philip Morris, and the U.S. branch of the British Privy Council’s Nature Conservancy. Representing Nature Conservancy, was their vice president for Latin America, Alexander Watson, a former U.S. Assistant Secretary of State for Inter-American Affairs. Watson knows Peru well, having previously served as U.S. ambassador there. Both the Conservancy and Philip Morris came bearing money to finance private organizations managing Peru’s existing nature reserves, and Watson promised more money would flow, if Peru would set up ecological zones on its borders.

Joining the corporations and NGOs in promoting suprana-

tional parks, are a crew of U.S. “academics” who are purported experts on terrorism. Until 1993, many of them had distinguished themselves by their fervent defense of the bloodthirsty Shining Path’s right to rampage against so-called “state oppression.” For example, David Scott Palmer, former head of the State Department’s Foreign Service Institute and a self-proclaimed “admirer” of Shining Path (he personally knew its leadership from his days at the University of Huamanga in Peru), spoke on the Peru-Ecuador conflict at a Nov. 22, 1996 seminar at George Washington University. There, Palmer presented a paper with the grandiloquent title, “Missed Opportunities and Misplaced Nationalism: Continuing Challenges to Multilateral Peacekeeping Efforts in the Peru-Ecuador Border Conflict,” wherein he suggested that the creation of “an international park and forest reserve” in the C6ndor region, should be put on the negotiating table between the two countries.

In January 1997, Conservation International renewed its campaign for a park, with the publication of its report on the Cordillera del C6ndor. Arguing that “human wastes” threatened the “biology” of the “globally significant” area—an almost humorous argument, given the few thousands of human beings who inhabit the vast region—CI’s report calls for the creation of “a core protected area covering the disputed region,” which would exclude human presence, limit colonization, and the building of even such basic infrastructure as roads in the area.

Most telling, Conservation International argued that the 1995 fighting over the border was *useful* to their park project. “Perhaps the most recent border conflict has bought a breathing space in which a more rational development plan for the region can be envisioned,” it states, adding that the NGO apparatus was mobilizing its forces behind the plan: “The high human and financial costs of the war forced many stakeholders, including non-governmental organizations and governments in both countries, to consider new solutions to the C6ndor conflict. Indigenous federations from both countries as well as regional federations . . . have expressed their interest in some kind of protected area, and have requested recognition and full participation in the development of a solution to the conflict.”

On June 3, one of the leading globalist nut-cases within the U.S. bureaucracy went public as a champion of the “park solution.” Speaking before a Western Hemisphere Defense Environmental Conference, organized jointly by the U.S. Army’s Southern Command and the Defense Department’s Office of Environmental Security, Undersecretary of State for Global Affairs Tim Wirth told some 300 military and civilian delegates from Ibero-America, that they should consider “establishing a series of nature parks along their common border[s], as a way to reduce tension.” Colombia and Panama are considering doing this, he noted, and “this is potentially a very good idea, one that could be applied along any numbers of borders in this hemisphere, including the one between Peru and Ecuador.”