

A case-study in Britain's new empire: Mozambique joins the Commonwealth

by Dean Andromidas

Mozambique has contracted with the Crown Agents, a recently privatized British government-controlled organization, to administer that African country's Customs service. This development brings together, on the one hand, a company founded in 1833 as the Crown Agents for the Colonies, whose roots are deep in the British Empire, and on the other hand, a country which is led by a regime that, only a decade ago, had a Marxist agenda comparable to that of Castro's Cuba.

A look at the background of these developments will give the reader insight into how Great Britain is resurrecting its world empire.

The nature of the Mozambique-Crown Agents agreement is extraordinary in itself. The government in Maputo has turned over the administration of its entire Customs service to a private foreign organization. The Crown Agents' responsibilities include establishing an administration for the collection of customs duties. It has also been given responsibility for conducting investigations into smuggling and contraband. It has a network of special investigative and enforcement teams that have been deployed along Mozambique's borders, with powers similar to a national Customs police, to seek out and intercept smugglers. It will also be responsible for training 300 additional Customs officials, with the aim of establishing an entirely new "corruption-free" Customs service. The Crown Agents intend to double Customs revenues in this war-torn, impoverished former Portuguese colony within a year.

Although the official motivation for the deal is to suppress the rampant corruption in Mozambique's government agencies, the move must be seen in the context of radical economic reforms and privatization aimed at transforming one of the most radically Marxist African states into a model of the free-market society designed for the British Empire by East India Company agent Adam Smith. According to the London *Financial Times* of June 17, Maputo plans to sell off or restructure 1,000 government-owned establishments, including manufacturing industries, the national airlines, and plantations. According to a Crown Agents spokesman, the team of "experts" from the World Bank and International Monetary Fund which currently advises Maputo, in effect, "encouraged" the government to privatize its Customs service. Both the IMF and World Bank sat on the committee that chose

Crown Agents over four other firms that had submitted bids for the contract. After Crown Agents won the contract, the British Overseas Development Administration—formerly the Colonial Office, which was, until the May 1 Labour Party landslide electoral victory, headed by Lady Lynda Chalker, patroness of Ugandan marcher-lord Yoweri Museveni—immediately offered to help finance the program.

From Marx to Her Majesty

Mozambique gained its independence in 1975, when Portugal simply walked away from all its colonies. The country, by default, was given into the hands of the Mozambique Liberation Front, Frelimo, the Marxist party which still rules. At the same time, the Marxist MPLA took over the Portuguese colony of Angola, which served to trigger, throughout the African continent, the first phase of British-manipulated civil wars. Contradictory to the claim that these wars were the by-product of the Cold War, they were, in reality, population wars, genocide by killing machines that cost Africa millions of lives. Britain's "Thirty Years' War" scenarios in Africa (as elsewhere) also produced enormous markets for weapons of all kinds, which greatly profitted the British arms industry, as several African states, particularly South Africa, became fully integrated into the global trade in illegal weapons, under the control of British Prime Minister Margaret Thatcher and George Bush, first as vice president and later as President.

The political map of these civil wars began to change as certain people in Great Britain decided it would be more profitable to switch sides: In January 1986, a strange meeting took place at the headquarters of the British Lonrho company between its chairman, Tiny Rowland, and a representative of Alexander Schalk-Golodkowski, the chief of IMES, an East German trading company, and an intelligence agent; the topic was cooperation between the two companies in Africa. Lonrho, formerly the London-Rhodesian company, has its roots deep in the British Empire, and controlled mines, plantations, and manufacturing and trading companies throughout the world, especially in the British Commonwealth. East Germany's IMES was one of the primary sponsors of the Marxist regimes in Angola and Mozambique. Both companies dealt heavily in weapons, supplying any side of any civil or border war. One of IMES's most notorious clients was Lt. Col. Oliver

North, and IMES was, to all intents, fully integrated into the West European “munitions cartel” which was illegally supplying billions of dollars worth of weapons to Iran and Iraq and other embargoed countries.

In March 1986, Yoweri Museveni, leader of an avowed Marxist rebellion, came to power in Uganda, with the backing of Lonrho. From this point on, policy toward Mozambique and Angola began to change, with the anti-communist guerrilla forces, Renamo in Mozambique and UNITA in Angola, becoming more and more internationally isolated. By the time the Soviet bloc had collapsed in 1990 and the United Nations had organized a peace process in Angola and Mozambique, the British had neatly managed to change horses. In 1996, Mozambique became one of the first countries that had not been a former British colony, to join the British Commonwealth.

Crown Agents, then and now

Functioning as the British Crown’s little helper, Crown Agents continues to play a key role in this process. Founded in 1833 as the Crown Agents for the Colonies, it performed such services as printing of stamps and bank notes, and provided technical, engineering, and financial services to over 300 colonies and countries. In effect, it served as banker to the colonial central banks, and as monetary authority and private banker to government officials and heads of state. It was also the British government’s principal arms procurement agency since the Napoleonic wars. After the dismantling of the British Empire, it continued to play much the same role.

This was particularly the case in the field of weapons procurement. Not only did it serve as procurement agent for the newly independent states, but even arranged the sale of more than £100 million worth of British tanks to the Shah of Iran in the early 1970s, an enormous sum.

Nonetheless, by the middle of the 1970s, the Crown Agents went through a financial collapse when it was revealed that it was, quite illegally, extending credit to London property speculators. In 1974, Sir John Cuckney (now Lord Cuckney of Millbank, a former MI-5 official turned businessman) was deployed to reorganize the operation. Cuckney, who later became a close adviser to Margaret Thatcher, was one of the chief architects of the massive British illegal arms sales of the 1980s. At the Crown Agents, he is said to have consolidated its weapons procurement activities into a company called Millbank Technical Services, and then taken many of its banking customers and turned them over to the notorious Bank for Credit and Commerce International. Both operations played a dominant role in the explosion of international illegal arms deals in the 1980s.¹

1. Pre-publication of a book review by David Whitby, to appear in *Crime, Law, and Social Change*, of *Arming Iraq: How the U.S. and Britain Secretly Built Saddam’s War Machine*, by Mark Phythian (Boston: Northeast University Press, 1997).

Although technically no longer in the weapons procurement business, the name of the Crown Agents comes up in the context of weapons deals particularly in Africa. According to informed African sources, the Crown Agents was procuring weapons for Uganda through the 1980s and even up to at least 1992, long after that responsibility was taken away from it. It is believed that it could be the main procurement agent for Uganda, which currently serves as the arsenal for the entire Great Lakes conflict.

A look at its annual report reveals that it is indeed capable of arranging almost any type of procurement, including weapons. But, more importantly, it clearly serves as the economic “technical services” for the new British Empire.

As of 1996, it had been “privatized” under the so-called Crown Agents Foundation, and had taken the name of Crown Agents for Overseas Governments and Administrations Limited. It has numerous subsidiaries responsible for anything from printing postage stamps and bank notes, to a fully commercial shipping and air freight company operating ships and aircraft capable of carrying cargo to any corner of the world, especially to “difficult areas.” It operates in over 150 countries and is officially taking part in over \$3 billion worth of projects. It is even in the asset management business, with a portfolio of over \$1 billion.

Its biggest client is the British government Overseas Development Administration, which is supposed to be in charge of economic development aid and cooperation. Although it attempts to portray itself as a sort of development agency, many of the organizations and companies represented on its board of directors are the elite business and security institutions in Britain.

Corporate members include: Barclays Bank and Standard and Chartered bank, two of the largest banks in Britain; Unilever plc and Tate & Lyle plc, two of Britain’s largest agricultural commodities giants; Securicor plc, a private security company; Manchester Airport plc; and British Telecommunications plc.

Elite business institutions include: the Prince of Wales Business Leaders Forum, Chartered Institute of Building, Chartered Institute of Purchasing and Supply, International Chamber of Commerce U.K., the Royal Society for the Encouragement of Arts, Manufacturers and Commerce, the British Chambers of Commerce, the British Consultants Bureau, and British Standards Institution.

Various non-governmental organizations and educational institutions include: the Aga Khan Foundation, British Overseas NGOs for Development, Charities Aid Foundation, Christian Aid, Royal Commonwealth Society, Worldaware, Care International U.K., Caribbean Council for Europe, Concern Worldwide, Intermediate Technology Development Group Limited, The International Development Law Institute (Rome), Leeds Metropolitan University, and the School of Oriental and African Studies (formerly the School of Colonial Studies).