

Andean Report by Manuel Hidalgo

The British rush to take over Peru

Even as their financial Titanic sinks, the British are scurrying to take possession of Peru's physical assets.

The House of Windsor and its business partners, who have been buying up physical goods around the globe to protect themselves from the imminent sinking of the financial *Titanic*, have discovered an "El Dorado" in Peru, whose primary products—including the coca trade—have fallen increasingly under British control, along with the majority of the national territory. The British also dominate the internal sale of most basic consumer products.

Territory: Several of the House of Windsor's main companies, such as Anglo-Dutch Shell, Rio Tinto Zinc, Newmont, Unilever, Inchcape, Cargill, and Bunge and Born, all operate in Peru. Rio Tinto Zinc alone has received 670,000 hectares in mining concessions, out of a total of 17 million hectares dedicated to mining. The Peruvian government has handed over 13 million hectares in oil concessions, while 9.4 million hectares are ecological reserves, dominated by affiliates of Prince Philip's World Wide Fund for Nature.

If we add the 1.5 million hectares either sown with, or deforested to grow coca, the raw material for making cocaine, we reach the astounding sum of 40 million hectares, fully one-third of Peruvian national territory. And, a new assault is already being prepared to snatch 822,924 hectares of the best coastal agricultural lands from sugar cooperatives, by forcing them to swap the land as debt payment, to the benefit of new "investors." To facilitate this process, the new Law of Lands and Waters has reversed the 1969 Agrarian Reform.

Mining: Newmont, Phelps Dodge,

Asarco, Marc Rich and Co., and their associates dominate mining exports, Peru's traditional source of foreign exchange. Yanacocha, Newmont's gold "super-mine," has put Peru in second place in gold production in all of Ibero-America, and promises to move it to first place. Rio Tinto, Anglo-American, Barrick, Placer Dome, Phelps Dodge, and others have taken over a large number of the country's mining projects.

The Peruvian government is betting on its mining exports as the magic answer to its payments crisis, which came to light in 1995. The Peruvian government is hoping for \$7.8 billion in mining investments over the next eight years, but it is clear that the mines that have been seized by the House of Windsor's "intelligence capital," are nothing more than a temporary refuge in the face of the imminent collapse of the global financial bubble, a collapse which has been forecast by Lyndon H. LaRouche. That is why the British are not bothering to "invest."

Just how tenuous that refuge is, is shown by the recent collapse of copper prices, triggered by the Sumitomo bank crisis in Japan, which drove down the copper stocks of Southern Peru, Ibero-America's second largest mining company, and Peru's export earnings along with them.

Oil: Occidental Petroleum is the largest oil-exploiter in Peru, but the government has already handed over the gigantic Camisea gas deposits to Shell-Mobil, which, together with Chevron and Texaco, already controls the domestic sales of lubricants and fuels in Peru.

Food: Nestlé, Unilever, Inchcape, Pepsico, and RJ Nabisco control a large portion of the domestic sales of mass-consumption food products, while Cargill, Marc Rich and Co., Bunge and Born, and Purina provide a large percentage of Peru's food imports.

Debt: Companies not directly controlled by the British cabal are either its clients, or its debtors. The greatest control is exercised through business debt owned by J.P. Morgan, Morgan Grenfell, ING Baring Bank, and Barclays Bank. For example, ING Baring Bank, which runs corporate banking operations in Peru, has \$1.2 billion worth of outstanding credit with Peruvian companies. Private foreign debt has grown some \$12 billion since 1991. At the same time, 64.5% of the value of stocks on the Peruvian stock exchange is in the hands of foreigners. Among these, Great Britain occupies second place, after the United States.

Re-insertion: The key to Peru's return to the colonial status it has held for the greater part of this century, was its 1990 "re-insertion" into the world financial community through the International Monetary Fund, and the adjustment and privatization policies it has imposed. Already in 1992, Peruvian assets were worth but one-fifth of their real value, thanks to IMF-dictated shock treatment, trade opening, and the shutoff of state credit.

Privatization, which has accelerated dramatically since 1994, has been run by House of Windsor banks such as Morgan Grenfell and ING. Two of Peru's directors of privatization have gone to work, openly, for the British. One of these, Carlos Montoya, was, until recently, in charge of Peru's privatization program, COPRI. Today he is the representative in Peru of Britain's Flemming Latin Pacific Peru S.A.