ALL THE QUEEN'S AGENTS & CORPORATIONS

The Queen's Prerogative

English law prohibits questioning the Monarchy about their personal holdings and business.

This is true of most of Europe's royalty, whether enthroned or not. The wealth of the Monarchies is held outside of the countries that made the wealth. The British **Crown's** offshore banks hold the greatest personal wealth in the world estimated at $35 trillion. Perhaps the British Crown still owns and controls its Commonwealth Nations, including the American "colonies."

Monarchies are not supposed to be warlord bankers who create conflict and chaos to turn a profit or destabilize an economy for personal gain. But they have been for some time now, and history is a string of immoral wars caused by monarchies, the Vatican and other religions. Untold millions have died while kings and popes lived on to grab the wealth through well-established institutions that were created to control the people of the Earth.

The Commonwealth of Nations, headed by Queen Elizabeth II, is made up of 53 nations, spanning the globe, accounting for one-fifth of the land mass of the Earth, and a very high percentage of its strategic resources and population. The Queen is a Knight of Malta and has vowed allegiance to the Pope through the largest insider trading club on the planet. The British Crown Agents are, in fact, also agents of the Vatican's Knights of Malta.

The Queen is a Knight of Malta

The Sovereign Military Order of Malta (SMOM) took control of the power and wealth of the Poor Fellow-Soldiers of Christ and of the Temple of Solomon from within the Roman system. The SMOM controlled the banking and military power for the Vatican for hundreds of years through the first central bank, the Vatican Bank.

The Roman Catholic priestly order of the Jesuits (Society of Jesus) subordinated the SMOM in 1798 aided by Napoleon Bonaparte. This would eventually lead to the Jesuits installing British control over the Island Malta and the founding of a Jesuit College manned by British Jesuits. The Jesuits became somewhat crippled by this suppression in Catholic controlled Europe, so in order for the Jesuits to secure South American wealth they used Protestant banking houses and formed an alliance with the Venetian influences over Britain like the Pallavicini family who control the Monarchy and Rothschilds.

The Jesuits in 1840 put the Haus Sachsen-Coburg und Gotha bloodline into the position of Monarchy of Great Britain. This house is known today as the Windsor House which still rules the UK and the Commonwealth Nations. The same fate would eventually happen to the Vatican itself after suppressing the Jesuits in 1773. The Jesuit Order took control of the Papacy by 1814 and had enacted revenge once again for their persecution.

The Order of Malta and the recognized protestant divisions all play a role commanded by the Jesuit Order. This includes The Most Venerable Order of the Hospital of Saint John of Jerusalem controlled by Queen Elizabeth II. If you look at the last Grandmasters of the Order of Malta you will notice they came from Britain. Former-Grandmaster Andrew Willougby Ninian Bertie was a cousin to Queen Elizabeth II originated within the Grand Priory of England. The British arm of the Order of Malta controlling St John's Wood is known as the Grand Priory of England. This location was once also a Knights Templar headquarters in Britain. The Order of Malta even owned Londinium (TheCityofLondon). TheCityofLondon was eventually rented out by the Order of Malta as their headquarters. The Jesuits took over Londinium in 1825 aided by the Rothschild family who had become the most powerful economic force in England.

When you take a look at many of the influential positions of power today, whether it is in banking, military, pharmaceutical or intelligence, you will always find Knights of Malta.

The Knights of Malta are mainly involved in working for and with the Black Nobility (royalty without an active throne), the Vatican, and the various Papal and Royal Orders, especially the Jesuits who are ultimately in control of the Vatican and the Military Order of Malta. The SMOM's most powerful controlling inner-cores are the Order of the Garter and the Pilgrim Society which are controlled by the Queen.

When you look at who controls the financial world you will find it is the Equestrian Order of the Holy Sepulchre of Jerusalem, Order of Malta and Opus Dei through the City of London Corporation and The Worshipful Company of Mercers and the more recent The Worshipful Company of International Bankers.

The Queen's Offshore Kingdom

"One third of all world wealth is held offshore, and about half of all world trade flows through those tax havens." The Tax Justice Network

James S. Henry, former chief economist at McKinsey & Company, estimates that wealthy individuals have approximately $35 trillion in private financial wealth tucked away in offshore havens with $6.1 trillion in UK dependent states.

As a result of this offshore accounting, it is estimated that 60% of global trade now consists of internal transactions within multinational companies. In total, it is estimated that this complex corporate offshore accounting multinational corporations avoid paying about $240 billion per year.

TheCityofLondonUK is now the money laundering capital of the world with UK firms aiding corrupt officials and criminals from across the globe to hide trillions of US dollars of ill-gotten gains. British-based banks have helped hide more than $6 trillion in nefarious payments and criminal proceeds since 2000.

Cayman Islands benefit from the added support of being a territory of the United Kingdom. The Caymans offer a number of tax-free incentives and little financial regulation and oversight. Today the country is the world's fifth largest financial services center. It plays host to over 10,000 mutual funds, over 200 banks, over 90,000 companies, and 140 trust companies. It's the world's top home for hedge funds and captive health insurance companies.

Bermuda is another piece of UK territory that has long been known as a tax haven. Bermuda's tax system puts taxes on staff payrolls, but not on corporate earnings or investment income. Its largest customer for offshore transactions is the United States.

Guernsey belongs to the British Crown but makes its own laws on matters such as taxation. The island of 65,000 people has made a big push towards being an offshore finance destination, and its main street is lined with private banks, law firms, and accounting firms.

Jersey is another small British Crown dependency in the English Channel. Jersey prints its own banknotes and makes its own tax laws. A culture of secrecy and non-disclosure in the island has resulted in Jersey housing an estimated $5 billion dollars of wealth per square mile. Half of Jersey's tax avoidance trade comes from the UK.

The "British" U. S. Federal Reserve

Using the first major corporation in England as their model, the British East India Company are warlord bankers who start wars for profit. Slavery and the looting of mines, gold, diamonds, minerals, and land is all in a day's work for an imperialist. England's imperialism has worked into the economic and banking practices worldwide and the Queen's Crown Agents and Agencies have controlled global resources for centuries.

There is a linear connection between the Rothschilds, the Bank of England, and the London banking houses which ultimately links the stockholders of the Federal Reserve Banks to their subsidiary firms in New York and TheCityofLondonUK. The two principal Rothschild representatives in New York, J. P. Morgan Co., and Kuhn, Loeb & Co. were the firms which set up the Jekyll Island Conference at which the Federal Reserve Act was created and directed the subsequent successful campaign to have the plan enacted into law by Congress, and who purchased the controlling amounts of stock in the Federal Reserve Bank of New York in 1914. These firms had their principal officers appointed to the Federal Reserve Board of Governors and the Federal Advisory Council in 1914. In 1914, a few families (blood or business related) owning controlling stock in existing banks caused those banks to purchase controlling shares in the Federal Reserve regional banks. Examination of the charts and text in the House Banking Committee Staff Report of August, 1976 and *the current stockholders list of the twelve regional Federal Reserve Banks show this same family control.*

The Queen Loves War Spoils

Now let's look at the top shareholders of the top military contractors for America, who we call the Corporate or Bankster Warlords to see what connections they might have to the British Crown's investments.

Vanguard Group, State Street Corp, Capital Research Global Investors, Templeton Investment Counsel LLC, Barclays Bank Plc, BlackRock Investment Management (UK) Ltd., Schroder Investment Management, Capital World Investors, Bank of America Corporation, JPMorgan Chase & Co., Bank of New York Mellon Corp, Black Rock Advisors, Black Rock Fund Advisors, Old Republic International, Wellington Management Company, BlackRock Institutional Trust Company, N. A., Evercore Trust Company, N. A., FMR, LLC, , Invesco Ltd., Franklin Resources, Goldman Sachs Group Inc., T. Rowe Price Group, Inc.

What is worth noting about this list is that you can find some of the usual suspects: Rothschilds, Rockefellers, Morgans, Warburgs, and the rest of the Bankster Warlords behind some of these names.

To make things even more complex, so that we can never figure out who is in charge, every one of these corporations owns major shares in every other corporation. *They are intertwined like a grape vine.* If we look closer we find that every one of these corporations conducts international business and is invested in international military ventures.

This type of "corporate warfare" is transnational. It is beyond being international or global. These companies work outside of the control of America as a nation and have stronger ties to Britain than to America. They work against Americans with their transnational economic warfare and make money from both sides of any conflict.

Essentially, these British and international corporations are war criminals just like Henry Schroder, the Brit who funded both Hitler and England. This type of banking warfare is common throughout British history.

The Crown's Money-making War Machine

Essentially, all the conspiracies about the Queen of England have some merit after following the money back to the warlord bankers who set up the U.S. Federal Reserve. But unlike most conspiracy theories suggest, the Federal Reserve regional banks are not the true culprits. The true culprits are the original investors in the corporations, listed above, who serve the military through all types of wars – physical conflicts, cyberwarfare, and economic terrorism.

It is the interwoven fabric of the investments of the war-supporting corporations that have created a system that is inbred and tied to Britain**...and then to Rome.** Simply through the association of the royal families of the world who are members of the Knights of Malta you have an economic intelligence community that is comprehensive insider trading at a transnational level. The monarchies protect their financial interests and pass wealth from generation to generation. That is why so many of the richest families intermarry – to keep it "all in the family."

The richest and most powerful people in the world belong to the Knights of Malta, the Equestrian Order of the Holy Sepulchre of Jerusalem, the Order of the Garter, the Teutonic Knights and other orders that vow allegiance to the British Crown and subsequently to the Vatican. If we wish to broaden the perspective, one can add that the Society of Jesus, the Jesuits, are involved at all levels and have worked tirelessly as the soldiers of the Pope to create the ultimate "insider spy network" for the Vatican Bank.

British Private Intelligence Agencies

The UK has many private intelligence agencies which are collect, analyze, and exploit information for a profit. Christopher Steele, the author of the Carter Page Dossier was a former British spy, which shows you the unethical nature of "British spying." Sixty3, Orbis Business International, Cambridge Analytica, and many other British private intelligence agencies sell propaganda as intelligence. Often these corporations have private contracts with the U. S. military and government and maintain top secret security clearances with the United States. Britain has not shown itself to be "honest spies" as is evidenced in the Iraq "weapons of mass destruction" lies and the current British disinformation coming out of Syria.

Some US $56 billion or 70% of the US $80 billion national intelligence budget of the United States was in 2016 earmarked for the private sector. Functions previously performed by the Central Intelligence Agency (CIA), National Security Agency (NSA), and other intelligence agencies are now outsourced to private British intelligence corporations. Some prominent British intelligence agencies who maintain military and government contracts with America are:

- AEGIS (UK-based)
- Black Cube (Israel & UK-based)
- Control Risks Group (UK-based)
- Hakluyt & Company (UK-based)
- Oxford Analytica (UK-based)
- Serco Group PLC (UK-based)

Can we really trust intelligence from a country that has provided false intelligence many times? It was British intelligence itself that spied on Trump from the NSA's headquarters in Fort Mead.

Who Really Owns and Runs the Bank of England?

When the Jesuits were suppressed by the Pope in 1773, they used their covert power over England to have the Rothschild family become guardians over the Jesuit South American stolen wealth instead of depositing it in the Vatican Bank. This action started a banking war between the Vatican and the Jesuits who used the Rothschild family as the anti-Vatican Bank. The Roth**schild's eventually became the g**uardians of the Jesuit treasury in TheCityofLondon. The Rothschild's used The Worshipful Company of Mercers to create the Bank of England which now held the Jesuit wealth stolen from South America. The Bank of England's efforts were focused on taking over TheCityofLondonUK from Vatican control.

The Knights of Malta have never been favorites of the Jesuit Order. This hatred of the Knights of Malta increased even further in 1768 when the Knights removed the Jesuits from the Island of Malta. The Jesuits sought their revenge one year later in 1798 using Napoleon. The Jesuits subordinated the Knights of Malta in the same year and that was the true start of the take-over of TheCityofLondonUK which was still ruled covertly by the Knights of Malta.

If you look at St. John's Wood where the Order of Malta are based, you will see it is the old haunt of the Knights Templar in England since the time that TheCityofLondonUK became a sovereign Nation. If you look at one of the four of the most powerful Order of Malta headquarters in Rome, you will see that the Aventine Hill is another old Templar haunt which was their original World Headquarters.

The control of the Bank of England through The Worshipful Company of Mercers is what controls the global economy. The U.S. economy is fully controlled by the Mercers and Bank of England and has been since 1868. TheCityofLondonUK controls the U.S. Economy through the Royal Institute for International Affairs which subsequently controls the Council on Foreign Relations (CFR). The CFR has set U. S. foreign policy since its inception.

TheCityofLondonUK controls the Exchange Stabilization Fund which subsequently controls the Federal Reserve of New York, World Bank and the International Monetary Fund.[1] TheCityofLondonUK controls the U.S. Treasury monetary policy

[1] By way of its control of the Council on Foreign Relations (CFR) founded in 1921.

which commands all three of those globalist organizations through the Exchange Stabilization Fund.

Queen Lizzy's Imperial Control of America

The British Crown and the British East India Company have never left America, and in fact, the Crown Agents still have a strangle-hold on the U. S. economy that is a death grip. From data management, to corporate banking, to the rip-off of American resources of gas, uranium, gold, and every other valuable asset in the United States, American wealth feeds directly into Britain, the Bank of England, TheCityofLondonUK, and ultimately to the British Monarchy – Queen Elizabeth II herself.

The American corporate mechanism for the continued enrichment of the British Crown is the same one used for the corporate sell-out of the American Republic: corporate lobbyists controlling Congress, corporate pay-to-play through the executive branch (Department of State, etc.), and the Senior Executive Service (SES) to maintain the bureaucratic status quo that sells out to global corporatism at every turn with no-bid contracts and cronyism that clearly shows that we are subjects of the British Monarchy.

We may not realize we are subjects of the British Monarchy because our history books tell us otherwise. But remember history books are written by the victors and these victors are better off spewing historical propaganda as flag-waving Americans think they are a sovereign nation.

We aren't. That's the big red pill. We are still under the Queen's rule.

The Senior Executive Service hides in plain sight, but operates in a manner that aligns with the imperialistic intents of Serco and the numerous other corporations like British Petroleum, Shell, ICAP, British American Tobacco, SABMiller, American Standard Life, Rio Tinto, and Ixstrata among many others.

The History of Crown Agents

A Crown Agency was an administrative body of the British Empire, distinct from the Civil Service Commission of Britain or the government administration of the national entity in which it operated. These enterprises were overseen from 1833 to 1974 by the Office of the Crown Agents in London, thereafter named the Crown Agents for Overseas Governments and Administration. Crown Agents for Overseas Governments and Administrations Ltd became a private Limited company providing development services in 1996.

Crown Agencies nominally reported directly to (and were wholly owned by) the Crown, but in practice, reported to the Crown Agency Office in London, thus independent of the Colonial Office. This office became, in the late 19th century, the sole official British commercial and financial agent of all British protectorates and Crown colonies. The Colonial Office enforced a policy of sole usage of crown agencies for all purchases of goods for government use, creating a virtual monopoly over government retail supply within the colonies of the British Empire. The Crown Agencies also became financial institutions, supplying capital, routes for investment, and pensions to all public works and government in British dependent colonies.

Crown Agencies trace their founding to the time of the British Empire and in 1833 the British government, hived off from the Colonial Office as a financing, stores, transport, and development office. Historians have argued that crown agencies, whose organizations operated across the British Empire in the late 19th and early 20th centuries, were the de facto administrators of British colonies.

Crown Agencies welded governmental powers through the maze of British territories, protectorates, dependencies, Mandates, and Crown Colonies which made up the British Empire of the late 19th century. After this, their mandate was reduced to “dependent” colonies (most of British Africa, India, and the West Indies), but they were given near monopoly rights over finance and supply of non-local manufactures for any public or government use. With the dissolution of the British Empire, many of these agencies reverted to control by their respective governments, became parts of the British government, or became non-governmental organizations (NGOs).

The British government incorporated the Crown Agency as a government mandated corporation tied to the Minister of Overseas Development, called the Crown Agents for Overseas Governments and Administration. In 1997, the Crown Agency was privatized. As a private limited company, the CAOGA has a number of contracts to provide governmental or para-governmental services throughout the world.

The legal category of crown agencies still exists in some nations of the former British Empire. In most places, these have been replaced by government agencies, state-controlled companies, and (in parts of the Commonwealth) Crown Corporations. Canada and New Zealand maintain the category of government managed or owned entities called Crown Agencies.

Crown Agents International

Crown Agents International (CAI) is an international development company that works with governments, aid agencies, NGOs and companies in nearly 100 countries. Through consultancy, supply chain management and financial services, they claim to help countries grow their economies, strengthen their health systems and improve financial management.

CAI is headquartered in Sutton, Surrey but has an established network of international offices, project offices or representatives in 40 countries.

CAI is one of the world's leading experts in public procurement and supply chain management and they provide financial services to facilitate development, focusing on international payments and cash management, trade finance and investment management for donors, NGOs and financial institutions.

Crown Agents USA Inc.

The following descriptions of the corporation, Crown Agents USA Inc., are taken from their website, found at: http://www.crownagents.com/about-us/our-clients/us-government.

> Our story begins in the 1700s, when colonial administrations employed agents to recruit people and procure and ship supplies to the colonies. Some agents had been authorized to manage British Treasury grants and they had become known

(unofficially) as crown agents.

On April 1, 1833, the British government appointed the first Joint Agents General for Crown Colonies, George Baillie and Edward Barnard. Although appointed by the British Treasury, the Joint Agents General were accountable only to the governors of the 13 crown colonies that they served. They managed grants, raised capital, recruited personnel and shipped supplies for their clients.

Since our incorporation in the United States, we have provided technical assistance services and support to U.S. Government agencies, including the United States Agency for International Development (USAID), Millennium Challenge Corporation (MCC), Department of State (DOS), Department of Defense (DOD), and the United States Trade and Development Agency (USTDA).

We are an international development company that partners with governments, aid agencies, NGOs and companies in nearly 100 countries. We help countries grow their economies, strengthen their health systems and improve financial management. We have permanent offices in 22 countries and presence in another 18 through our project offices and representatives.

We are a limited company owned by a non-profit-making foundation.

The Crown Agents Foundation is our sole shareholder and oversees our ethos and activities. The Crown Agents Board is responsible for the company's corporate governance. We were founded in 1833 and operated as a British statutory corporation for many years before being privatized in 1997."

Contracts with USAID

As an implementing partner of USAID, Crown Agents USA Inc. provides expertise in the areas of procurement, public financial management, logistics, health systems strengthening, private sector development, monitoring and evaluation, and agriculture. Here is a list of contracts that Crown Agents USA Inc. has with America that American's themselves could easily accomplish:

United States Agency for International Development (USAID) contracts:

- Worldwide: Public Financial Management IDIQ, 2012-2017
  INSERT BIBLIOGRAPHY OF CONTRACTS FOR THIS SINGLE ENTRY
- Worldwide: Supply Chain Management System 2005-2015
- Worldwide: Farmer to Farmer Special Program Support 2008-2014
- Worldwide: USAID - Deliver I & II Project, 2006-2015
- Worldwide: Agribusiness & Agriculture Value Chain Development Assessment 2010-2014
- Worldwide: Agricultural Knowledge and Program Support Work, 2010-2015
- Worldwide: Climate Economic Analysis for Development, Investment, and Resilience 2014
- Worldwide: Business Growth Initiative, 2006-2011
- Worldwide: Evaluation Services IQC, 2010-2015, subcontractor to AMEX International
- Worldwide: Macroeconomic Foundations for Growth IQC, 2011-2016
- Worldwide: Policy, Planning and Learning-Learning, Evaluation and Research 2015-2020,
- Worldwide: Rule of Law IQC, 2013-2015, subcontractor to Democracy International
- Worldwide: Rural Agricultural Income and Sustainable Environment 2004-2015
- Africa: Indoor Residual Spraying I and II IQC, 2006-2012
- Africa (COMESA countries + Tanzania): Support for Food Security Activities
- Asia and Middle East: Asia and Middle East Growth Best Practices Project
- Bangladesh: Feed the Future Design and Initiation Project, 2012-2014
- Bangladesh: Trade Facility Activity, 2013 – 2018, subcontractor to IBI International
- Bangladesh, Haiti, Rwanda, Tanzania, Uganda, U.S.: Feed the Future System 2011-2013
- Egypt: Technical Assistance for Policy Reform II, 2006-2009, subcontractor to Bearingpoint
- El Salvador: Access to Financial Services Program, 2011-2014
- Ethiopia: Health Center Renovation and Coordination Project, 2006-2009
- Ethiopia: Agriculture Growth Program - Agribusiness and Market Development 2011-2016,
- Guatemala: Policy & Regulatory Support for Economic Growth Project, 2011-2015
- Liberia: Roberts International Airport Equipment Procurement Program 2008-2010

- Malawi: National Distribution and Management of Long Life Insecticide Treated Nets to Public Health Facilities Nationally in Malawi, 2011-2015
- Nigeria: Nigeria Expanded Trade and Transport Program, 2012-2016
- Pakistan: Support for Privatization Activity 2014
- Rwanda: Private Sector Driven Agricultural Growth 2014-2019
- Tanzania: Strategies for the Prevention of Corruption Bureau, 2007
- Tanzania: Staples Value Chain 2011-2016
- Turkmenistan: Agriculture Technology Program, 2012-2015
- Zambia: Production, Finance and Improved Technology Plus Program, 2012-2016

Millennium Challenge Corporation (MCC) contracts:

- Ghana: Financial Management and Procurement Assessment Services Project, 2005-2006
- Honduras: Procurement Oversight/Advisory Services, 2006-2011
- Kenya: MCC Kenya Threshold Program, 2007-2009
- Mongolia: Procurement Agent Services, 2008-2013
- Morocco: Procurement Services Agent and Procurement Oversight Advisor, 2009-2014
- Namibia: Procurement Agent Services, 2009-2010
- Tanzania: Procurement Agent Services and Oversight Advisory Services, 2008-2014

Department of State (DoS) contracts:

- Bureau of Western Hemisphere Affairs Impact Evaluation for Small Business Development Centers, 2012-2015
- Middle East, Africa, and Asia: Impact Assessment for the Global Innovation through Science and Technology Initiative, 2012-2013
- Sustainable Buildings Initiative, 2012-2013
- Evaluation of the International Narcotics and Law Enforcement Affairs Transnational Crime and Rule of Law Programs in the Russian Federation, 2012-2013

- Bureau of Economic and Business Affairs M&E of Bureau Programs, Projects, and Activities Agricultural Biotechnology Outreach Funds, 2012-2013
- Office of Weapons Removal and Abatement, Bureau of Political Military Affairs Program Evaluation, Balkans, 2012-2013
- Office of Environmental Quality and Transboundary Issues Mercury Program Evaluation, 2013-2014
- Evaluation of the Nexus Dialogue on Water Infrastructure Solutions, 2014-2015
- El Salvador and Mexico: Bureau of Western Hemisphere Affairs Impact Evaluation for Small Business Development Centers, 2012-2015

Department of Defense (DoD) & United States Trade and Development Agency (USTDA) contracts:

- Vietnam: USTDA National Single Window Customs Project, 2012
- Global: DOD's Cooperative Threat Reduction Integration Contract II IDIQ, Subcontractor to Raytheon, 2011-2016
- Botswana: USTDA Procurement Advisory Services to the Ministry of Minerals, Energy and Water Resources, 2015

British Control of American Uranium Enrichment

Another British corporation that has taken over the uranium enrichment market in America is the URENCO Group that has gone to great extremes to hide the fact that Britain, Holland and Germany own and run the largest uranium plant in America.

The URENCO Group is a nuclear fuel company operating several uranium enrichment plants in Germany, the Netherlands, United States, and United Kingdom. It supplies nuclear power stations in about 15 countries, and has a 29% share of the global market for enrichment services in 2011. URENCO uses centrifuge enrichment technology in New Mexico subsidized by U. S. tax payers.

In July 2012, it was reported that a sale of the government interests of URENCO was being sought. URENCO, headquartered in Stoke Poges in Buckinghamshire and registered in the UK, is one third owned by the UK government, one third by the

Dutch government, the rest by two major German utilities, E.ON and RWE (one sixth each).

URENCO also owns a 50% interest in Enrichment Technology Company (ETC), a company jointly owned with Areva. ETC provides enrichment-plant design services and gas-centrifuge technology for enrichment plants through its subsidiaries in the UK (Capenhurst), Germany (Gronau and Jülich), the Netherlands (Almelo), France (Tricastin) and the U.S. (Eunice, New Mexico).

URENCO USA

Somehow, the British owned URENCO company has the uranium market cornered in America. Located in southeastern New Mexico, the URENCO USA facility began operations on June 11, 2010. URENCO USA is the first enrichment facility to be built in the United States in 30 years and the first ever using centrifuge enrichment technology.

URENCO uses the U. S. National Enrichment Facility (NEF) as its plant for the enrichment of uranium in Eunice, New Mexico. The NEF is operated by Louisiana Energy Services (LES), which is in turn owned by the URENCO Group, just to make sure it looks like an American company. Notice the elaborate ownership of this facility hides who actually owns and benefits from this facility. Foreign nations directly benefit through the profits after U. S. tax payers pay two/thirds of the cost of building it.

URENCO Limited is the ultimate holding Company and provides management and strategic support for the URENCO Group, being URENCO Limited and its subsidiaries.

p. 48

Capital structure

The capital structure is set out in note 23 and forms part of the Group Finance Report on page 22.

p. 126

p. 126

For the year ended 31 December 2017

7. Investments in subsidiaries and associate continued

Details of the Company's subsidiaries and associate at 31 December 2017 are as follows:

	Nature of business	Registered office	Note	Proportion of ownership interest and voting power held %
Name of subsidiary				
URENCO Enrichment Company Limited	Holding / central services	(1)		100
URENCO UK Limited	Enrichment services	(2)	(i)	100
URENCO ChemPlants Limited	Deconversion	(2)		100
URENCO Deutschland GmbH	Enrichment services	(3)	(i)	100
URENCO Nederland BV	Enrichment services	(4)	(i)	100
URENCO Deelnemingen BV	Holding	(4)	(i)	100
URENCO Finance NV	Financing	(4)		100
URENCO USA Inc.	Holding	(5)		100
URENCO Inc.	Sales / marketing	(6)	(i)	100
URENCO Finance UK Limited	Holding	(1)	(i)	100
URENCO Finance US LLC	Financing	(7)	(i)	100
Louisiana Energy Services, LLC	Enrichment services	(7)	(i)	100
URENCO Nuclear Stewardship Limited[ii]	Uranium handling services	(2)		100
URENCO USA Energy Services LLC	Consultancy services	(5)	(i)	100
U-Battery Ltd[iii]	Dormant	(1)		100
U-Battery Developments Ltd[iii]	Dormant	(1)	(i)	100
URENCO UK Pension Trustee Company Limited	Dormant	(2)	(i)	100
URENCO Logistics GmbH	Dormant	(3)	(i)	100
National Enrichment Facility Series 2004 LLC	Financing	(7)	(i)	100

p. 122

1/3 UK gov't via Enrichment Investments Limited
1/3 Dutch gov't via Ultra-Centrifuge Nederland Limited
1/3 German utilities (2) via Uranit UK Limited (50% E.ON S.E. and 50% by RWE AG)

Additional background information

Shareholding structure

URENCO's shares are ultimately held one-third by the UK government (through Enrichment Investments Limited), one-third by the Dutch government (through Ultra-Centrifuge Nederland Limited), and one-third by two German utilities (through a holding company, Uranit UK Limited). Shares in its German holding company are indirectly held 50% by E.ON S.E. and 50% by RWE AG.

The role of the shareholders and the Board is defined in the URENCO's shareholder agreements and constitutional documents. The role of the governments who supervise URENCO from the non-proliferation perspective is set out in the treaty of Almelo.

> **History and wider governance issues**
>
> URENCO was founded in 1970 following the signing of the Treaty of Almelo by the governments of Germany, the Netherlands and the UK. It was incorporated as an English private limited liability company on 31 August 1971. The Treaty of Almelo establishes the fundamental principles for supervising effectively URENCO's technology and enrichment operations with respect to non-proliferation. A Joint Committee of representatives of the governments of the signatory countries exercises this supervisory role but has no role in URENCO's day-to-day operations. The Joint Committee considers all questions concerning the safeguards system (as established by IAEA and Euratom), classification arrangements and security procedures, exports of the technology and EUP and other non-proliferation issues. The Joint Committee also considers issues connected with changes in URENCO's ownership and transfers of technology. URENCO's Executive Management periodically meets with the Joint Committee.
>
> Before the construction of URENCO's enrichment facility in the USA and in order to permit the transfer into the USA of classified information regarding URENCO's proposed new facility, the US government entered into a new intergovernmental treaty (the Treaty of Washington) with the governments of Germany, the Netherlands and the UK to ensure that the same conditions that had been agreed in the Treaty of Almelo would also apply in the USA. The Treaty of Washington was signed on 24 July 1992.
>
> In order to permit the completion (in 2006) of the joint venture with Orano regarding the Group's technology business ETC, France needed to adhere to the principles of the Treaty of Almelo. A new treaty (the Treaty of Cardiff) was signed on 12 July 2005 by the governments of Germany, the Netherlands, the UK and France. European Commission competition clearance was also required to complete the transaction. This was granted on 1 July 2006. The terms of the clearance require certain commitments from URENCO and Orano to ensure that they remain competitors in the field of enrichment and that no commercially sensitive information about

Since the Dedication Ceremony in October 2008, the company has grown to 236 employees with an annual payroll of USD $23 million. At full capacity, NEF can provide 50% of the current enriched uranium demand for civilian nuclear power plants in the U.S. The NEF began operations in June 2010. The original proposed budget was USD $1.5 billion, but this increased to USD $3 billion for an enlarged facility capable of 5.9 million SWU at full capacity.

URENCO USA’s New Mexico Enrichment Facility

URENCO Corruption

In the 1970s, Dr. Abdul Qadeer Khan who worked for a subcontractor of URENCO in Almelo, brought stolen drawings of the centrifuges operated by URENCO to Pakistan. In the early 1974, Dr. Khan joined the uranium enrichment program and, within a short span of time, established a highly advanced uranium enrichment facility near Islamabad.

In May 1985, the United Nations Council for Namibia decided to take legal action against URENCO for breaching UNCN Decree No. 1, which prohibited any exploitation of Namibia’s natural resources under apartheid South Africa, because URENCO had been importing uranium ore from the Rössing mine in Namibia.

According to Greenpeace, URENCO has a standing contract with Russia for the disposal of radioactive waste. In reality, these contracts do not relate to the disposal of waste, but to the sale of depleted uranium, which are re-enriched to natural uranium equivalent. As the enricher, Russia would be the owner of any radioactive waste that results from this process. In March 2009, there were protests about the largest-ever load of depleted uranium hexafluoride being transported from Germany to the Siberian town Seversk.

British Petroleum’s U.S. Retail

BP might as well stand for "British Pirates" if you look at the record of a company that flourishes in America, the home of the largest oil companies in the world, and pollutes and destroys environment in a country they don't live in. BP has a poor safety record and it looks like they just don't care about America's ecosystem. These British pirates, along with Shell Oil, have fleeced America in every way concerning oil, from drilling to gas stations. From New York to San Francisco, British Petroleum has a network of retail stations that provide Americans with fuels, lubricants and other products essential to modern transportation. The company's nationwide retail presence includes over 7,100 BP and ARCO branded gas stations, along with close to 1,000 convenience stores.

In 2016, BP delivered 7.3 billion gallons of BP-branded fuel to its U.S. customers. BP's upstream operating segment includes production from Prudhoe Bay area in Alaska and four production platforms in deep-water Gulf of Mexico, where BP is the leading leaseholder. In 2016, BP produced 676,000 barrels of oil per day, making the company one of America's largest oil and natural gas producers.

How is it possible in America that U. S. governmental agencies allow the British invasion of our land, waters, economy, and streets. There is no reason that U. S. oil rights should go to a foreign country for their profit. American oil should be processed and sold by American companies.

BP Crimes

BP PLC is the company responsible for the 2010 Deepwater Horizon oil spill. BP paid a record $20.8 billion to the US government to cover damages caused by the disaster. It is considered the largest settlement with a single entity in American history. Apart from this settlement, BP has spent a reported $28 billion on cleanup and compensation for their criminal negligence.

What this actually means is that BP was responsible for the spill, but because of the convoluted way BP is corporately structured, the U.S. taxpayers paid for the damages. BP simply used its profits that were derived from Americans to pay the fine, which was the "price of doing business." BP's insurance company took the big hit and left BP to continue deepwater drilling in the United States without making any further investments in safety equipment.

The Deepwater Horizon disaster is considered by many to be the worst oil spill in US history. The spill occurred when an offshore oil rig exploded in the Gulf of Mexico, dumping 4.9 million barrels of oil into the surrounding waters. The explosion killed 11 people and devastated marine wildlife in the area.

BP was found to be in gross negligence for not testing the only safety measure they had available for deep-water drilling accidents. BP continued to lie about their unpreparedness and criminal cover-up. The massive oil slick still exists and has yet to be properly managed or cleaned up. America will never fully recover from this disaster. BP (British Pirates) carelessness for gross profits cost America more than money can recover.

Shell Oil Company

The second pirate oil company owned by the British that has fleeced America is Shell. Shell Oil Company is the United States-based subsidiary of Royal Dutch Shell, a multinational oil company of Anglo-Dutch origins, which is amongst the largest oil companies in the world. Shell Oil is wholly owned by British interests. Approximately 22,000 Shell employees are based in the U.S. The U.S. headquarters are in Houston, Texas. Shell Oil Company, including its consolidated companies and its share in equity companies, is one of America's largest oil and natural gas producers, natural gas marketers, gasoline marketers and petrochemical manufacturers.

Shell is the market leader through approximately 25,000 Shell-branded gas stations in the U.S. which also serve as Shell's most visible public presence. Shell Oil Company was a 50/50 partner with the Saudi Arabian government-owned oil company Saudi Aramco in Motiva Enterprises, a refining and marketing joint venture which owns and operates three oil refineries on the Gulf Coast of the United States.

Shell products include oils, fuels, and car services as well as exploration, production, and refining of petroleum products. The Shell Oil Refinery in Martinez, California supplies Shell and Texaco stations in the West and Midwest.

After Texaco merged with Chevron in 2001, Shell purchased Texaco's shares in the joint ventures. In 2002, Shell began converting these Texaco stations to the Shell brand, a process that was to be completed by June 2004 and was called "the largest retail re-branding initiative in American business history."

Shell's Crimes

Shell Puget Sound Refinery, Anacortes, Washington, was fined $291,000 from 2006 to 2010 for violations of the Clean Air Act making it the second most-fined violator in the Pacific Northwest. As of 2011, it was listed as "high priority violator" since 2008.

In 2008, a lawsuit was filed against Shell Oil Company for Clean Air Act violation. Shell Deer Park facility, 20 miles east of Houston, was the nation's eighth-largest oil refinery and one of the world's largest petrochemical producers. The facility was also the second largest source of air pollution in Harris County, which ranked among the worst in the nation.

Between 1978 and 1995, Shell Oil produced polybutylene pipes, which corrode when exposed to chlorine. A class action lawsuit was filed in 1995 against Shell Oil when the polybutylene pipes caused flooding in many households in the U.S. and Canada. The settlement required Shell Oil to pay for the re-installation of piping for millions of houses for claims filed through May 2009.

British American Tobacco

The British American Tobacco plc (BAT) owns the tobacco fields of America (R. J. Reynolds) and takes the $46 billion in world-wide tobacco sales back to England and its crown agents who run the monopoly. BAT is a British multinational tobacco company headquartered in London which is the largest publicly traded tobacco company in the world. BAT has a primary listing on the London Stock Exchange and has a market-leading position in 50 countries and operations in 180 countries.

The company was formed in 1902, when the United Kingdom's Imperial Tobacco Company and the United States' American Tobacco Company agreed to form a joint venture, the British-American Tobacco Company Ltd. In 1911, the American Tobacco Company sold its share of the company. Imperial Tobacco gradually reduced its shareholding, but it was not until 1980 that it divested its remaining interests in the company.

In July 2004, the U.S. business of British American Tobacco (Brown & Williamson) was combined with that of R. J. Reynolds Tobacco Company under the R. J. Reynolds name. R. J. Reynolds and Brown & Williamson were the second and third-ranking U.S. tobacco companies prior to the combination. When they combined, R. J. Reynolds became a subsidiary of Reynolds American, with BAT holding a 42% share.

In 2017, BAT bought the remaining 57.8 % of U.S. cigarette maker Reynolds American in a $49.4 billion takeover that would create the world's biggest listed tobacco company.

Over six million people worldwide die to tobacco death each year. The British don't seem to mind that this industry kills more people per year than all the wars combined. There have been no class action suits brought against BAT in the UK for wrongful death due to tobacco. Somehow, the "imperialism" of the British continues to protect corporations from prosecution.

ICAP **– the World's Largest Interdealer Broker**

How did a little known British company buy the largest brokerage firm in the world? Why didn't this purchase cause government agencies to investigate and question this dubious transaction. ICAP (Intercapital plc) was the world's largest interdealer broker for over-the-counter trading. In 2016, ICAP sold its global broker business to the British brokerage firm Tullett Prebon, which retained the "ICAP" brand, and ICAP rebranded the remaining, non-brokerage part of the business as NEX Group.

ICAP had daily transaction volume of more than $2.3 trillion at 50 locations in 32 countries. It provided wholesale brokerage on a range of credit derivatives, commodities, foreign exchange, emerging markets, equities and equity derivatives. More than 40% of its trading occurred on its two electronic trading platforms, BrokerTec and EBS, which merged to become EBS BrokerTec.

ICAP Becomes TP ICAP

Eventually, ICAP became TP ICAP plc which is a global firm of intermediaries that operate in the world's financial, energy and commodities markets. TP ICAP is listed on the London Stock Exchange. In 2015, the company agreed to terms with ICAP (now known as NEX Group) to acquire their global hybrid voice broking and information business. Using the name of the acquired business the company changed its name from Tullett Prebon plc to TP ICAP plc on December 30th, 2016.

ICAP Crimes

On September 25, 2013, ICAP was fined a total of $87 million, including a $65 million settlement with the Commodity Futures Trading Commission and a $22 million settlement with Britain's Financial Conduct Authority as part of an investigation into the manipulation of the LIBOR benchmark interest rate. The ICAP fine was in addition to settlements paid by British lenders Barclays and the Royal Bank of Scotland, as well as UBS, of Switzerland, of a combined $2.5 billion related to the LIBOR scandal. ICAP was the first interdealer broker ever fined for rigging the Libor.

In 2014, ICAP received an antitrust complaint from the EU's antitrust arm alleging it facilitated a cartel to manipulate yen Libor. The complaint alleged that "ICAP acted as a facilitator to breaches of EU competition law by certain banks in relation to yen Libor for isolated periods between 2007 and 2010."

Rio Tinto and Resource Fleecing

Some people say that the Crown of England owns the world's mineral rights. This is not far from being true since the 53 Commonwealth Nations all provide the Crown with the golden share of all natural resources within their borders. The Crown has always claimed the right to fleece all nations through imperialism whether part of the Commonwealth or not. This has been accomplished through a quiet corporation called Rio Tinto. In America, this Crown Agency was named Rio Tinto Energy America (RTEA).

Rio Tinto Energy America was a wholly owned American subsidiary of the England and Australia-based mining giant, the Rio Tinto Group, headquartered in Gillette, Wyoming, United States. The company, previously known as Kennecott Energy, after another of Rio Tinto's American subsidiaries, was formed in 1993 when Rio Tinto purchased NERCO and placed that company's Spring Creek coal mine and Antelope coal mine under the RTEA umbrella. Subsequent acquisitions included the Cordero Mining Company, the Colowyo Coal Company, and the Jacobs Ranch coal mine. RTEA operated four mines in Wyoming and Montana, supplying fuel for the generation of approximately 6% of the United States' electricity consumption. The RTEA mines were spun off to Cloud Peak Energy in 2010.

Boron

The heart of Rio Tinto Borates' business is the open-pit mine in Boron, California, one of two world-class borate deposits on the planet. Company founders began mining borates in 1872. What began as an underground mine was transformed into an open pit mine in 1957.

Resolution

The Resolution Copper project is a copper mine that can supply the world with the copper it needs to support ongoing technological and environmental innovation. The project generates sustainable benefits for Arizona, creating several thousand direct and indirect jobs and is expected to have an economic value of several billion dollars over the estimated life of the mine.

Rio Tinto Kennecott

Rio Tinto Kennecott is a fully integrated mining operation located just outside Salt Lake City, Utah, US. Kennecott is a wholly owned subsidiary of Rio Tinto. For more than 110 years, Kennecott has been mining and processing minerals from the rich orebody of the Bingham Canyon Mine. In 1989, Rio Tinto acquired the Bingham Canyon Mine and other facilities in the Salt Lake Valley.

Rio Tinto Crimes

The top U.S. securities regulator rejected arguments by Rio Tinto Plc and two former top executives that its civil lawsuit claiming they concealed the plunging value of coal assets owned by the big Anglo-Australian mining company should be dismissed. In letters filed with the U.S. District Court in Manhattan, the Securities and Exchange Commission said its complaint adequately alleged that fraud occurred, and that Rio Tinto, former Chief Executive Thomas Albanese and former Chief Financial Officer Guy Elliott intended to deceive investors.

The SEC accused Rio Tinto of ignoring the need to write down most of the value of Mozambique coal assets it had bought for $3.7 billion in April 2011, while it was raising roughly $5.5 billion from U.S. investors. Rio Tinto wrote off most of the value in January 2013, and sold the assets in late 2014 for just $50 million. It said that had Rio Tinto properly written down the assets, its net earnings for the first half of 2012 would have been reduced by more than 50 percent.

The UK and Silicon Valley

The prominence of British interests in Silicon Valley is clear as venture capital (VC) preference for UK start-ups in the tech field outstrip all others. Currently, the UK is the leading European destination for Silicon Valley investors, with British tech companies raising more venture capital from Bay area VCs than any other European country. According to the investment data released by London & Partners, over the last five years UK tech companies have received more venture capital investment from West Coast investors than France, Germany and Ireland combined.

Silicon Valley investors continue to pump large sums of money into UK tech companies with 2017 already seeing a record $1.13 billion raised since the beginning of the year. The findings have been released to mark the start of “Silicon Valley Comes to the UK”, a week-long series of events bringing together leading figures from the Bay area and UK tech scenes.

Further analysis of the investment data reveals that London tech companies received the majority of venture capital investment from the Bay area, accounting for over 90% ($1.04bn) of the total amount raised by UK tech companies this year. Over the last five years, London tech firms have also raised considerably more capital ($2.5bn) than their European counterparts.

London's thriving Venture Capital market has been boosted by the number of new strat-up companies based in the capital, with separate research from investment firm GP Bullhound revealing that London is home to more tech start-ups than any other European city.

Canadian CGI Group Inc.

The total price tag for ObamaCare's main enrollment portal cost American's more than $2 billion, according to an analysis by Bloomberg Government. The new total includes efforts to construct and then fix HealthCare.gov after serious technical problems threatened to shutter the site.

Who was the pathetic corporation that gouged Americans? A Canadian company called CGI – (Consultants to Government and Industries). Don't forget, the British Crown owns large stakes in most Canadian national businesses due to being part of the British Commonwealth. The Queen always has her first choice of stocks in any Commonwealth Country – especially Canada.

Americans were not happy with the exorbitant costs charged by CGI, nor the fact that a Canadian company ripped-off U. S. tax-payers and created an ineffective portal that a high school student could have done a better job programming. Congressman Issa had this to say about the debacle:

"Two billion dollars is an awful lot to pay for a website with lingering security issues that transfers the costs of healthcare from customers to taxpayers," said House Oversight Committee Chairman Darrell Issa (R-Calif.) in a statement.

"If this were private enterprise, the CEO would have been fired and company shareholders would be suing," he added.

CGI Group Inc. is a Canadian global information technology consulting, systems integration, outsourcing, and solutions company headquartered in Montreal, Quebec, Canada. CGI purchased American Management Systems (AMS) for $858 million in 2004, which grew CGI's presence in the United States.

CGI Federal's 2010 acquisition of Stanley, Inc. for $1.07 billion almost doubled CGI's presence in the United States, and expanded CGI into defense and intelligence contracts. In 2012, CGI acquired Logica for $2.7 billion, making CGI the fifth-largest independent business processes and IT services provider in the world, and the biggest tech firm in Canada.

In 2016, CGI ranked No. 955 on the Forbes Global 2000. At the time, CGI had assets worth CAD $20.9 billion, annual sales of $10.7 billion. As of 2017, CGI is based in forty countries with over 400 offices, and employs approximately 70,000 people. As much **as 29% of CGI's business comes from the United States.**

Serco Control Our Sensitive Data

Queen Elizabeth II, owns and controls U. S. data management, corporate banking, resources of gas, uranium, gold, and many strategic resources and systems in the United States. This system of control is called Serco, and it is essentially a Crown Agency.

Serco is not only an enemy of the United States, but an enemy of countries and people around the world. For example, did you know that the U. S. Patent Office is controlled by Serco? That's right, a BRITISH based company controls the creative efforts of AMERICAN entrepreneurs and creators.

Serco was also the company awarded the Obamacare data management system that cost America's over $2 billion.

How did this happen, you might ask? Senior Executive Service members in charge of selecting contracts for this lucrative data management system couldn't find any U.S. based companies to do the work "I guess." Instead, they cherry-picked their buddies at the British owned and controlled Serco corporation to deliver Obamacare management, instead of an American corporation.

Here are a few highlights of contracts that Serco already manages in the U. S. government. To our friends in other parts of the world, don't be surprised when you see similar structures in your own country run by British Crown Agents through Serco:

- Serco manages all patents for the U. S. Patent and Trademark Office. Brits have the first shot at stealing American's intellectual property rights.
- Serco controls the most sensitive data management systems in all branches of the military, federal government, and state and local municipalities.
- Serco controls air traffic control management, airline security, airport management and all aspects of ticketing, visa data management, and timetable management.
- Serco is called, "the largest company no one has ever heard of."
- Serco's efficiency rating in England, Canada, and Australia is below 65% and many lawsuits have been filed against the company for egregious fraud and mismanagement of $80 billion.
- Serco was paid $1.2 billion to management the data of Obamacare, a British company handling American's private medical information.

Serco goes by many names, so always look under the hood in their corporate documents to find its trail back to Queen Lizzie. In America, it operates as Serco Inc. and claims on its website that it "is a leading provider of professional, technology, and management services for the federal government." Headquartered in Reston, Virginia, Serco Inc. has approximately 10,000 employees, annual revenue of $2.5 billion, and is ranked in the top 35 of the largest federal prime contractors.

Piercing the corporate veil, we find that Serco Inc. is a wholly-owned subsidiary of Serco Group plc, a $7 billion international business that works with government and public services around the world.

Many researchers say that Serco runs the United Kingdom (UK), the United States, Canada, and Australia. Serco has over 60,000 people in 35 countries across the world. To our international readers we can say that it is highly doubtful that Serco is not operating in your country.

Serco is a leading provider of public services of all types. Serco operates internationally across five sectors and four geographies: defense, justice, immigration, transportation, health and human services. Its services are delivered in UK, Europe, North America, Asia Pacific, and the Middle East.

Serco delivers records management and processing support services for many U. S. government agencies. Major programs include processing and classifying of patent applications for the U.S. Patent and Trademark Office; records management and process of applications and petitions at U.S. Citizenship and Immigration Services' Service Centers; processing visa applications at the U.S. Department of State's National Visa Center and Kentucky Consular Center; and, records management services at the U.S. Citizenship and Immigration Services' National Benefits Center, among many others.

Ninety percent of Serco's business is with the federal government with 10,000 workers across 45 states. Serco's experience is in paper pushing, records management, processing applications, processing visas, handling patents with the U.S. Patent and Trademark Office. There are more than 60 million records that Serco handles for the Department of Homeland Security.

Serco Inc. is indeed part of Serco Group, an international contracting firm headquartered near London and partly owned by the UK government itself. Serco Inc. is the North America division of Serco Group, plc based in London. In North America, Serco Inc. serves federal, state and local governments, along with the Canadian government and commercial customers with over 14,000 employees in North America.

Digest that for a moment: U.S. federal records, personal medical records, patents, and visas are held by a company owned and directed by the British Crown. Its "soldiers on the ground" are employees of Senior Executive Service. These SES employees guarantee that Serco gets the contract, and then manages and oversees their continued involvement.

The UK is suing Serco for the alleged theft of $80 billion dollars. UK officials have been investigating Serco and found that the company is only effective 65% of the time. Serco has been found to be corrupt from top to bottom. Many mistakes of data management have also happened in the United States that have caused terrible disasters and multiple incidents. Serco manages services for the military and government that are incredibly sensitive and should be trusted to no one else but the United States of America.

See our article on Serco for more details about this inefficient and corrupt British corporation:
URL link etc....

Finally Winning the American Revolution

We are not a sovereign nation with our arrangement with the British government and UK based corporations. It seems that we are still subjects of the British Monarchy in many ways.

The American corporate mechanism for the continued enrichment of the British Crown is the same one used for the corporate sell-out of the American Republic – corporate lobbyists controlling Congress, corporate pay-to-play through the executive branch (such as Hillary's Department of State), and the Senior Executive Service (SES) to maintain the bureaucratic status quo, selling out to global corporatism at every turn with no-bid contracts and cronyism.

The Senior Executive Service and Serco are the people and organizational systems that the British Crown uses to control America through economic cronyism that bolsters the continued economic slavery of Americans to foreign powers.

The Senior Executive Service aligns with the imperialistic intents of Serco and the numerous other corporations that we have described in this intelligence report (BP, Shell, ICAP, British American Tobacco, Rio Tinto, etc).

It is time to send the Red Coats running home to Queen Lizzie and finally end the American Revolution against British tyranny. It is time to notice that the UK is not our friend and we should not be sharing intelligence in the Five Eyes Community (UK, Canada, Australia, New Zealand, USA).

We need to bring our wealth back home to America and stop using tax-payer dollars to fund Crown Agents in whatever form they take. American freedom and independence does not need the dead weight of archaic monarchies that believe they should always get their "golden share" before the commoners get their crumbs.

We must throw off the shackles that have tied the British Crown to American economic affairs. We do not need to pay taxes to the Crown any longer. We simply must choose American companies to do American work and stop the Senior Executive Service from giving higher priority to Crown Agents and British corporate interests.

CROWN AGENTS FOUNDATION COUNCIL MEMBERS

HRH the Duke of Gloucester, KG, GCVO, President

Francis Sumner, Vice President
Francis was a non-executive director and deputy chairman of Crown Agents Ltd until 2011 and is currently chairman of the trustees of the Crown Agents Superannuation Scheme. He was for many years a partner in the leading city and international law firm, Norton Rose Fulbright. He has also held senior non-executive director roles in corporations involved in fund management and academic and vocational qualifications.

Marie Staunton
Marie became Chair of Crown Agents Ltd in July 2015, having joined the board in January 2013. She has had a broad and varied career, having qualified as a lawyer she has worked on many human rights issues and as a director of a Pearson company. Most recently, she has served as Chief Executive Officer of the child-centred development agency, Plan UK. She has been a chair and trustee of a variety of local, national and international organisations including the Disasters Emergency Committee, the EU Fundamental Rights Agency Equality and Diversity Forum, Grow Up Free From Poverty Coalition and Amnesty International.

Paul Batchelor
Paul is a former chairman of, Crown Agents Limited, Crown Agents Bank and CAIM.

Jenny Borden
Jenny was previously a non-executive director of Crown Agents Ltd. She is currently a consultant to several large NGOs. She is the chair of Fair Trade Advocacy Office in Brussels, a non-executive director of Traidcraft plc, a trustee of Traidcraft Exchange and vice president of Liverpool School of Tropical Medicine. She has held several leadership roles in international development NGOs; she spent 21 years at Christian Aid, where she was international director and deputy director.

Beatrice Devlin
Bea is a consultant specialising in international development, health, philanthropy and social investment. Previous roles include: Head of International, Charities Aid Foundation; Head of Company Services, Charities Aid Foundation; Head of Fundraising, Mildmay HIV/AIDS Care; Account Manager at Burnett Associates.

Dr Mohan Kaul
Mohan Kaul has been a member of the Council of The Crown Agents Foundation since 2010. He is a member of the Advisory Council of British Expertise and Chairman of Chennai based micro Finance

Commonwealth Inclusive growth services. He is also member of board of Directors of Ahmedabad University and member of advisory board of the journal of entrepreneurship in India. He was formerly the Director General and Chief Executive Officer of the Commonwealth Business Council and has been a member of the Presidential Advisory Councils of Mozambique, Uganda, Tanzania, Ghana, Nigeria, Zambia and similar councils in other countries.

He has a PhD in Management Science from the University of Paris-Sorbonne. He is a Chartered Fellow of UK Chartered Institute of Personnel Development. He was also President of the International Association of Schools and Institutions of Administration.

Caroline Nursey

Caroline is the executive director of BBC Media Action, the BBC's international charity that engages in media development and using communication for development purposes. She has held various director-level roles at Oxfam and managed their humanitarian response in Darfur at the height of the crisis there. Previously, she led the World University Service. She has extensive experience in institutional fundraising, media and advocacy, and has presented to then UN Secretary General Kofi Annan on Darfur.

Mary Reilly FCA

Mary is a non-executive director of Crown Agents Ltd and chairs the group audit and risk committee.

Keith White CBE

Keith joined Crown Agents in 1971 and specialised in international trade law and practice. He was Chief Executive from 2005 to 2011 and previously Chief Operating Officer and Company Secretary. He is a chartered fellow of the Chartered Institute of Logistics and Transport, a fellow of the Royal Society for Encouragement of Arts, Manufactures and Commerce, and a fellow of the Institution of Royal Engineers. His appointments include: President of HF Holidays Ltd, Commanding Officer, Engineer & Logistic Staff Corps RE(V) and Chairman, ES-KO (UK) Ltd.

Home Crown Agents Foundation Crown Agents Foundation Council

CROWN AGENTS FOUNDATION MEMBERS

Permanent Members

- Aga Khan Foundation (Geneva)
- Charities Aid Foundation
- The Chartered Institute of Building
- The Chartered Institute of Purchasing and Supply
- Christian Aid
- Institute of Development Studies
- International Chamber of Commerce UK
- The Royal Commonwealth Society
- The Royal Society for the Encouragement of Arts, Manufactures and Commerce

Elected members

- AMREF - African Medical and Research Foundation (Nairobi)
- BBC Media Action
- British Expertise
- British Standards Institution
- British Telecommunications plc
- CARE International UK
- Caribbean Council
- The Chartered Institute of Logistics and Transport (UK)
- Concern Worldwide (Dublin)
- FirstCaribbean International Bank (Barbados)
- Practical Action
- Standard Chartered Bank
- Transparency International (UK)
- Unilever plc

Home   Crown Agents Foundation   Crown Agents Foundation members

Your local office is Crown Agents, Blue Fin Building, 110 Southwark Street, London, SE1 0SU. See all offices

CROWN AGENTS
ACCELERATING SELF-SUFFICIENCY & PROSPERITY

OUR BOARD

Our board is committed to ensuring that Crown Agents continues to deliver the strongest impacts offering the best value for money whilst at the same time operating at the highest levels of integrity and transparency.

The Board of Crown Agents Limited comprises the following members:

Marie Staunton CBE, Chair (non-executive)

Joined the board in 2013 and has been Chair since 2015. She has had a broad career in the public and private sector. She practised as a lawyer, was Director of Amnesty UK and in the commercial sector a director of FT Law & Tax, a Pearson company. In international development she worked for UNICEF, served as Chief Executive Officer of the child-centred development agency, Plan UK and Plan Canada. She has been a chair and trustee of a variety of local, national and international organisations including Raleigh International, the Disasters Emergency Committee, the EU Fundamental Rights Agency, Equality and Diversity Forum, Grow Up Free From Poverty Coalition. She is currently Chair of the School of Oriental and African Studies, of the International Broadcasting Trust and Trustee of the Baring Foundation.

David Richardson, Non-executive Director

Joined Crown Agents in November 2014. David is an experienced international CEO with a proven track record of delivering value in complex businesses, managing a wide range of stakeholder interests and handling challenging external communications situations. David began his career in client services at Price Waterhouse, where he worked for a number of years before moving to British Airways Engineering, overseeing their engineering supply chain. He has also worked at National Air Traffic Services and most recently LGC Science Holdings, a global scientific analysis business which also provides extensive technical services to UK Government in a variety of scientific disciplines.

Fergus Drake, Chief Executive Officer

Fergus joins us following over two decades delivering humanitarian and development programmes around the world, most recently as Executive Director of Global Programmes at Save the Children. In this role he led innovative, evidence-based programmes responding to the needs of over 20 million children across 60 countries spanning the humanitarian to development spectrum. He has also worked at the centre of government, including roles with HM Treasury in the UK and embedded in the Government of Rwanda with Tony Blair's Africa Governance Initiative where he established a Co-ordination & Delivery Unit across Government. He has also led significant public sector change programmes for Deloitte.

When not at work, Fergus' time is dedicated to his family and his football team, Manchester United. Fergus is passionate about transforming the lives of millions of people and leading Crown Agents on the next stage of its journey as a trusted global development partner.

Ian Dalton CBE, Director (non-executive)

Joined the board in May 2016. He is President of Government and Health at BT and currently Trustee and Strategy Board member of Guys and St Thomas' Charity. He has previously worked as COO and Deputy CEO of NHS England, Chief Executive of NHS North of England and Managing Director of Provider Development in the Department of Health. He has significant experience of development work in fragile and conflict affected states gained while working on health service reconstruction in post war Iraq.

Ian Malcolmson, Chief Financial Officer

Ian has been with Crown Agents since 2015, when he was hired as our Group Finance Director. He brings a wealth of commercial nous to the organisation, having previously been the International Financial Controller at top architectural practice Foster + Partners, and before that Assistant Financial Controller at Miki Travel, where he worked his way up from a temporary accounts position. As a student, he trekked to the summit of Gokyo Ri – a peak neighbouring Everest – testament to his determined nature. He hopes he will make it back to the Himalayas, especially given his interest in how cultures adapt to a changing world, a souvenir of his time as an anthropology student.

Ian prides himself on pulling together teams to achieve challenging objectives. As a family man with two young daughters, this skill is particularly useful

Home Our board

Your local office is Crown Agents, Blue Fin Building, 110 Southwark Street, London, SE1 0SU. See all offices

CROWN AGENTS
ACCELERATING SELF-SUFFICIENCY & PROSPERITY

Meet our executive team

Fergus Drake - CEO

Crown Agents is: "driving growth and transforming lives"

Fergus joins us following over two decades delivering humanitarian and development programmes around the world, most recently as Executive Director of Global Programmes at Save the Children. In this role he led innovative, evidence-based programmes responding to the needs of over 20 million children across 60 countries spanning the humanitarian to development spectrum. He has also worked at the centre of government, including roles with HM Treasury in the UK and embedded in the Government of Rwanda with Tony Blair's Africa Governance Initiative where he established a Co-ordination & Delivery Unit across Government. He has also led significant public sector change programmes for Deloitte.

When not at work, Fergus' time is dedicated to his family and his football team, Manchester United. Fergus is passionate about transforming the lives of millions of people and leading Crown Agents on the next stage of its journey as a trusted global development partner.

Lizz Munday - Chief Commercial Officer

Crown Agents is: “courageous and authentic”

From defence to healthcare, private equity to the third sector, there’s not many areas of business Lizz hasn’t successfully supported. Lizz’s very first job was setting up and running her own business, and she has been applying the same energy and business acumen to her varied career ever since. Lizz’s expertise is in asking the ‘why?’ questions ensuring clarity of purpose and motivating business leaders to “reach for the vision and make the vision a reality”. Lizz is particularly proud of her achievements as CEO with UnitedHealth Global, where she increased operational footprint and profitability by 40% in the most fragile and challenging operating environments in the world. Outside of work Lizz likes to do anything creative – from interior design to horticulture…

Jen Pratt - Director of Human Resources

Crown Agents means: “inspirational”

Jen's career has included extensive experience as an Operations Director within the science sector before she moved to an HR Director role, with a specialism in Talent Management. This background, coupled with her leadership experience, drive and extensive knowledge of change management brings new ideas to the business at a pivotal time. At home, Jen's main

focus is her family. She also loves to socialise and occasionally finds the time to take part in a spot of open mic singing.

Ian Malcomson - Chief Financial Officer

Crown Agents is: “Integrity”

Ian has been with Crown Agents since 2015, when he was hired as our Group Finance Director. He brings a wealth of commercial nous to the organisation, having previously been the International Financial Controller at top architectural practice Foster + Partners, and before that Assistant Financial Controller at Miki Travel, where he worked his way up from a temporary accounts position. As a student, he trekked to the summit of Gokyo Ri – a peak neighbouring Everest – testament to his determined nature. He hopes he will make it back to the Himalayas, especially given his interest in how cultures adapt to a changing world, a souvenir of his time studying anthropology.

Ian prides himself on pulling together teams to achieve challenging objectives. As a family man with two young daughters, this skill is particularly useful.

Pia Macrae - Chief Business Delivery Officer

Crown Agents is: “Aspirational”

The newest member of our executive team, Pia has always had a keen interest in international affairs. She started her career as a production assistant with the Chinese Service of the BBC’s World Service Radio before moving in to development with more recent roles as the Chief Executive of the Tropical Health and Education Trust, as Country Director for Save the Children China and as International Director at Oxford Policy Management. She takes pride in the social change she has overseen in these roles, but also in the development of those around her. Pia’s appointment to the executive team comes at an exciting time, helping us to accelerate self-sufficiency and prosperity around the world.

When she’s not busy doing that, you can find her at home with her musically talented family, or perhaps out for a stroll to get some peace and quiet.

Home Our executive team

Your local office is Crown Agents, Blue Fin Building, 110 Southwark Street, London, SE1 0SU. See all offices

The Crown Agents Foundation is the sole not-for-profit owner of Crown Agents social enterprise. The Foundation drives the social mission that sits at the heart of Crown Agents. It has two important roles to play.

Firstly, the Foundation ensures that the work that Crown Agents undertakes makes the most positive social impact on individuals and communities the projects and programmes it delivers, are designed to benefit.

Oversight of Crown Agents is the responsibility of the Crown Agents Council. The Council - a group of 12 individuals representing the members, meet every six months to review the work of the Crown Agents social enterprise.

Secondly, profits generated from Crown Agents in the international development market are ploughed back into the social enterprise, with some used by the Foundation to broker new partnerships for good, research and grow the evidence for innovation in the sector and amplify insight and learning for the overall improvement of the market.

In 2017 the Crown Agents Foundation will launch new a series of new initiatives with investment from the business, to add additional social value to its work. The initial focus will be on new frontier technologies and ways that we can ensure that they sustainably benefit, humanitarian and development activity. Already, the Foundation has supported initiatives on solar energy and drones.

Investigation into drones for development Our Foundation is investigating the potential for new frontier technologies to make major impact on the development prospects of poor countries and save lives in humanitarian crises. We kicked off our investigation with a panel discussion in partnershipwith the RSA exploring the potential of technologies such as drones for social good. Watch the discussion here.

Drones are rapidly emerging as a potentially effective tool for addressing the needs of people in crises and as a means to overcome major development obstacles such as poor infrastructure.Crown Agents Foundation is seeking partners with whom to explore 3 areas; potential uses of drone technology in international development; the regulatory and consumer protection environment; and public trust and engagement. Our Foundation is particularly interested in ways to ensure that local communities fully participate in the consideration of new tech solutions, retain control over their application and benefit directly from the use of new frontier tech.

Smart solar for Zimbabwe hospitals Crown Agents Foundation worked with Aleutia and DFID Zimbabwe to secure ‘Frontier tech’ funding to trial a smart solar power solution for remote hospitals in Zimbabwe. The ‘SolarEnabler’ box provides intelligence on power consumption of hospital devices such as baby incubators, scanners, etc and thereby improves allocative efficiency of power supply.

Open Contracting for health Transparency International is advocating for the value of transparent procurement processes and has partnered with the Crown Agents Foundation and the Open Contracting Partnership to produce a report: 'Making the case for open contracting in healthcare procurement'. The report focuses on three case studies, including the Crown Agents success working with the Ministry of Health in Ukraine on the supply chain for oncology drugs.

In the past, Crown Agents Foundation has successful supported capacity building in the least developed countries by providing training and other professional development support to teams and individuals. It has also supported the ability of least developed countries in be considered properly in economic and trade facilitation talks. Some examples include:

- Supporting a number of least developed countries strengthen their voice in trade negotiations by facilitating an opportunity for their requirements to be properly brought to the attention of those leading trade facilitation talks.
- A workshop to help governments of West Africa maximise revenues from the extractive industry to help alleviate poverty and low living standards. 40 people participated from government agencies, international organisations such as the World Bank, International Tax Dialogue, GIZ, AusAID, UNDP and the Revenue Development Foundation.
- The sponsorship of 350 students on training courses and 27 seminars run supporting capacity-building.

Going forward, the Crown Agents Foundation has ambitious plans to diversify its approach, in partnership with others. More information about these plans will be available in coming months.

Members of the Crown Agents Foundation

Crown Agents Foundation members are united by their interest and experience in international development and global affairs. Members come from the public and private sectors, NGOs and civil society and they bring senior leadership and counsel to Crown Agents.

Home Crown Agents Foundation

Your local office is Crown Agents, Blue Fin Building, 110 Southwark Street, London, SE1 0SU. See all offices

CROWN AGENTS
ACCELERATING SELF-SUFFICIENCY & PROSPERITY

OUR WORK WITH THE US GOVERNMENT

Since our incorporation in the United States, we have provided technical assistance services and support to U.S. Government agencies, including the United States Agency for International Development (USAID), Millennium Challenge Corporation (MCC), Department of State (DOS), Department of Defense (DOD), and the United States Trade and Development Agency (USTDA).

USAID

As an implementing partner of USAID, Crown Agents provides expertise in the areas of procurement, public financial management, logistics, health systems strengthening, private sector development, monitoring and evaluation, and agriculture. Our USAID track record includes the following:

- Worldwide: Public Financial Management IDIQ, 2012-2017
- Worldwide: Supply Chain Management System (SCMS), 2005-2015, subcontractor to PfSCM
- Worldwide: Farmer to Farmer Special Program Support (SPS), 2008-2014
- Worldwide: USAID | DELIVER I & II PROJECT, 2006-2015, subcontractor to JSI
- Worldwide: Agribusiness & Agriculture Value Chain Development Assessment (AAVCD), 2010-2014
- Worldwide: Agricultural Knowledge and Program Support Work (AKPS), 2010-2015
- Worldwide: Climate Economic Analysis for Development, Investment, and Resilience (CEADIR), 2014 - 2018
-
- Worldwide: Business Growth Initiative (BGI), 2006-2011
- Worldwide: Evaluation Services IQC, 2010-2015, subcontractor to AMEX International
- Worldwide: Macroeconomic Foundations for Growth IQC, 2011-2016, subcontractor to The Pragma Corporation
- Worldwide:Policy, Planning and Learning-Learning, Evaluation and Research (PPL-LER) IDIQ, 2015-2020, subcontractor to Dexis Consulting Group
- Worldwide: Rule of Law IQC, 2013-2015, subcontractor to Democracy International
- Worldwide: Rural Agricultural Income and Sustainable Environment (RAISE) Plus IQC, 2004-2015
- Africa: Indoor Residual Spraying (IRS) I and II IQC, 2006-2012, subcontractor to Research Triangle International (RTI)
- Africa (COMESA countries + Tanzania): Support for Food Security Activities (SFSA) IQC, 2010-2015, subcontractor to ACDI/VOCA
- Asia and Middle East: Asia and Middle East Growth (AMEG) Best Practices Project, 2012 – Present, subcontractor to Chemonics

- Bangladesh: Feed the Future Monitoring and Evaluation System Design and Initiation (FMSDI) Project, 2012-2014
- Bangladesh: Trade Facility Activity (TFA), 2013 – 2018, subcontractor to IBI International
- Bangladesh, Haiti, Rwanda, Tanzania, Uganda, U.S.: Feed the Future Monitoring and Evaluation System Support, 2011-2013
- Egypt: Technical Assistance for Policy Reform II, 2006-2009, subcontractor to Bearingpoint
- El Salvador: Access to Financial Services (IAFS) Program, 2011-2014, subcontractor to Global Business Solutions, Inc. (GBSI)
- Ethiopia: Health Center Renovation and Coordination Project, 2006-2009
- Ethiopia: Agriculture Growth Program - Agribusiness and Market Development (AGP-AMDe), 2011-2016, subcontractor to ACDI/VOCA
- Guatemala: Policy & Regulatory Support for Economic Growth Project, 2011-2015
- Liberia: Roberts International Airport Equipment Procurement under the Governance and Economic Management Program (GEMAP), 2008-2010, subcontractor to SEGURA/IP3 Partners
- Malawi: National Distribution and Management of Long Life Insecticide Treated Nets (LLINS) to Public Health Facilities Nationally in Malawi, 2011-2015, subcontractor to Population Services International (PSI)
- Nigeria: Nigeria Expanded Trade and Transport (NEXTT) Program, 2012-2016, subcontractor to Carana Corporation
- Pakistan: Support for Privatization Activity (SPA), 2014 - Present
- Rwanda: Private Sector Driven Agricultural Growth (PSD-AG), 2014-2019, subcontractor to International Resources Group (IRG)
- Tanzania: Training in Procurement and Anti-Corruption Strategies for the Prevention of Corruption Bureau, 2007
- Tanzania: Staples Value Chain (NAFAKA), 2011-2016, subcontractor to ACDI/VOCA
- Turkmenistan: Agriculture Technology (AgTech) Program, 2012-2015
- Zambia: Production, Finance and Improved Technology Plus (PROFIT+) Program, 2012-2016, subcontractor to ACDI/VOCA

MCC

Crown Agents USA's track record working with MCC, in both Threshold Programs and in Compact Countries, includes the following:

- Ghana: Financial Management and Procurement Systems Assessment Services Project, 2005-2006
- Honduras: Procurement Oversight/Advisory Services, 2006-2011
- Kenya: MCC Kenya Threshold Program – Reforming the Public Procurement System, 2007-2009
- Mongolia: Procurement Agent Services, 2008-2013
- Morocco: Procurement Services Agent and Procurement Oversight Advisor, 2009-2014
- Namibia: Procurement Agent Services, 2009-2010
- Tanzania: Procurement Agent Services and Oversight Advisory Services, 2008-2014

DOS

As a prime contractor for the Department of State Technical and Advisory Services for Program Evaluation Requirements (TASPER) IDIQ, we provide monitoring and evaluation advisory services to State Department bureaus and overseas missions. Our work under this contracting mechanisms includes the following:

- Bureau of Western Hemisphere Affairs Impact Evaluation for Small Business Development Centers, 2012-2015
- Middle East, Africa, and Asia: Impact Assessment for the Global Innovation through Science and Technology (GIST) Initiative, 2012-2013
- Sustainable Buildings Initiative, 2012-2013
- Evaluation of the International Narcotics and Law Enforcement Affairs (INL) Transnational Crime and Rule of Law Programs in the Russian Federation, 2012-2013
- Bureau of Economic and Business Affairs (EB) M&E of Bureau Programs, Projects, and Activities Agricultural Biotechnology Outreach Funds, 2012-2013
- Office of Weapons Removal and Abatement (PM/WRA), Bureau of Political Military Affairs Program Evaluation, Balkans, 2012-2013
- Office of Environmental Quality and Transboundary Issues (EQT) Mercury Program Evaluation, 2013-2014
- Evaluation of the Nexus Dialogue on Water Infrastructure Solutions, 2014-2015
- El Salvador and Mexico: Bureau of Western Hemisphere Affairs Impact Evaluation for Small Business Development Centers, 2012-2015

DOD & USTDA

- Vietnam: USTDA National Single Window (NSW) Customs Project, 2012
- Global: DOD's Cooperative Threat Reduction Integration Contract (CTRIC) II IDIQ, Subcontractor to Raytheon, 2011-2016
- Botswana: USTDA Procurement Advisory Services to the Ministry of Minerals, Energy and Water Resources, 2015-2016

WIKIPEDIA

Crown Agents

Crown Agents Ltd is an international development company with head office in the United Kingdom. Its main focus is to help governments around the world to increase prosperity, reduce poverty and improve health by providing consultancy, supply chain, financial services and training.[1] In April 2016 its financial services arm (Crown Agents Bank and Crown Agents Investment Management) was sold to Helios Investment Partners, leaving Crown Agents Ltd to focus on offering expertise in the areas of "health, economic development, governance and state building, supply chain services and humanitarian response".[2]

Incorporated as a private limited company Crown Agents Ltd has only one shareholder - the Crown Agents Foundation, a not-for-profit company.[3] Crown Agents Ltd's registered office is in Southwark, London.[4]

Crown Agents Ltd

Type	Private limited company
Industry	International Development
Founded	1833. UK statutory public corporation, 1980-1997 21 March 1997 (Ltd.)
Headquarters	Southwark, London, England, UK
Area served	Worldwide
Key people	Marie Staunton CBE (Chair) Fergus Drake (CEO)
Website	www.crownagents.com (http://www.crownagents.co.uk)

Crown Agents logo

Contents

International development work

Crown Agents is an international development company that helps countries to grow their economies, strengthen health systems and improve financial management, through consultancy, supply chain management and financial services.

Crown Agents works with clients in more than 100 countries, major multilateral agencies, such as the World Bank,[5] European Commission, United Nations agencies and bilateral donors such as DFID, KfW, SIDA, CIDA and the Danish, Japanese and U.S. governments.

It has provided governmental services as large as the Customs system of Angola,[6] transforming the central medical stores in Zambia [7] and the Value added tax (VAT) system of Lesotho. It works on sustainable development supporting more effective trade and transit corridors,[8] food security and health systems strengthening.

Projects include improving the livelihood of poor and vulnerable people in South East Asia (SEACAP (http://webarchive.nationalarchives.gov.uk/20100815072913/http%3A//research4development.info/SearchResearchDatabase.asp?ProjectID%3D3724)) and addressing the challenges of providing reliable access for poor communities in Africa.[9] Crown Agents is active in the environmental change arena[10] and is using emerging technologies to contribute to aid effectiveness and value for money in various projects.[11] Helping governments to overcome corruption is another important development task addressed by Crown Agents, including in the collection of tax and customs revenue.[12] Crown Agents Bank is one of the UK's leading banks for disbursement of development aid.

Crown Agents is a member of the Partnership for Supply Chain Management, a partnership of 13 private sector, nongovernmental and faith-based organizations that implements the SCMS project, providing a reliable, cost-effective and secure supply of products for HIV/AIDS programs.[13]

Sectors

Crown Agents works across a large range of sectors, providing public financial management, humanitarian and crisis response, banking and investment management, procurement and logistics, food security, trade facilitation, health, IT consulting and training.

Subsidiaries

Crown Agents Ltd has subsidiaries in Africa, Asia and the US.

The Crown Agents Foundation

Crown Agents is owned by "The Crown Agents Foundation", a company limited by guarantee, whose objectives include the alleviation of worldwide poverty. Crown Agents allocates sums from its income to the Foundation's social and developmental objectives and applies these at the Foundation's direction.

Members of the foundation are organisations with a keen interest in international development and include firms, non-governmental organisations and international bodies.

These include: British Expertise,The Aga Khan Foundation, The Chartered Institute of Building, The Chartered Institute of Purchasing & Supply, Christian Aid, Charities Aid Foundation, African Medical and Research Foundation, British Council, CARE (relief agency), Commonwealth Business Council, Concern Worldwide, CIBC FirstCaribbean International Bank, Practical Action, International Business Leaders Forum, International Chamber of Commerce, Transparency International and The Royal Commonwealth Society. The British Department for International Development is represented among the Foundation's members.

History

Prior to 1997, Crown Agents was a UK public statutory corporation, overseen by the British Ministry of Overseas Development.[14]

Crown Agents originated as a body conducting financial transactions for British colonies. Agents were first appointed in 1749 to transfer and account for grants made to colonies from the British Treasury.[14] These representatives were known unofficially as 'Crown agents' from at least 1758, and were accountable to colonial governments, though selected on the recommendation of the British government.[14] A single body was created in 1833, when the Crown agents' business was consolidated under two Joint Agents General for Crown Colonies with an office of several staff.[14] In 1861 the office was renamed Crown Agents for the Colonies.[14] Crown Agents' responsibilities on behalf of colonial governments included accounting for Treasury grants, purchasing supplies, recruiting certain staff and raising capital on the markets. Crown Agents also oversaw specific colonial projects, such as certain postage stamp issues and some infrastructure construction.[14]

As decolonisation accelerated, the office was renamed Crown Agents for Oversea Governments and Administrations in 1954, and the rules were changed to allow it to take on projects for independent states (Iraq being the first example).[14] Crown Agents expanded its activities to include more international development projects and investment management. The world's first sovereign wealth funds were managed by Crown Agents.[15] Its anomalous status as an autonomous body with close links to government came into question, and in 1979 Crown Agents was brought under government control as a statutory corporation. From 1987, shifting attitudes to state ownership of business and changes in British international development strategy led the government to support full privatisation of Crown Agents. It became a private company in 1997, ending its formal ties to the British government.[14]

References

1. Crown Agents website (http://www.crownagents.com)

2. "Press Release" (http://www.crownagents.com/news-and-know-how/news-archive/article/2016/04/01/crown-agents-sells-financial-services-businesses). Crown Agents. Retrieved 22 July 2016.
3. Group structure shown at Duedil (https://www.duedil.com/company/03259922/the-crown-agents-for-oversea-governments-and-administrations-limited)
4. "Companies House Webcheck" (https://web.archive.org/web/20081229053844/http://wck2.companieshouse.gov.uk/). Archived from the original (http://wck2.companieshouse.gov.uk//compdetails) on 29 December 2008. Retrieved 20 March 2013.
5. Crown Agents Newsletter Managing Debt (World Bank website) (http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEBTDEPT/0,,contentMDK:22367147~menuPK:4876257~pagePK:64166689~piPK:64166646~theSitePK:469043~isCURL:Y,00.html)
6. Customs reform and modernisation in Angola (Kenya Revenue Authority website (http://www.kra.go.ke/news/newswcocustomreformang161105.html))
7. MSL website (http://www.medstore.co.zm) Archived (https://web.archive.org/web/20100216144219/http://www.medstore.co.zm/) 2010-02-16 at the Wayback Machine.
8. Linking Dar to Durban (This is Africa, FT magazine (http://www.thisisafricaonline.com/news/fullstory.php/aid/94/Linking_Dar_to_Durban.html?current_page=3) Archived (https://web.archive.org/web/20110717051017/http://www.thisisafricaonline.com/news/fullstory.php/aid/94/Linking_Dar_to_Durban.html?current_page=3) 2011-07-17 at the Wayback Machine.)
9. AFCAP (https://www.gov.uk/government/news/dfid-research-african-community-access-programme-afcap-hitting-the-road-to-boost-growth-in-sub-saharan-africa)
10. Crown Agents to install Japan-funded $8.6m solar plant in Uruguay (http://www.newenergyworldnetwork.com/renewable-energy-news/by-technology/solar/development-organisation-crown-agents-to-install-japan-funded-8-6m-solar-plant-in-uruguay.html)
11. Crown Agents ensuring safety and speed with mobile money transfer technology (http://mobilemoneyafrica.com/?p=3353)
12. Honesty for Hire (Hoover Institute) (http://www.insideronline.org/blogarchive.cfm?blogid=6BBE8A4F-0FE0-1950-E5BBAD1BA9BF4D7E) Archived (https://web.archive.org/web/20110726181818/http://www.insideronline.org/blogarchive.cfm?blogid=6BBE8A4F-0FE0-1950-E5BBAD1BA9BF4D7E) 2011-07-26 at the Wayback Machine.
13. SCMS website (http://scms.pfscm.org/scms/about)
14. "Crown Agents - Our History" (http://www.crownagents.com/about-us/our-history). Retrieved 17 December 2016.
15. "Our History" (http://www.crownagentsbank.com/our-history/). Crown Agents Bank. Retrieved 22 July 2016.

Sources

- Sunderland, David (2004). Managing the British Empire: The Crown Agents, 1833-1914. Boydell. ISBN 0-86193-267-6.
- Sunderland, David (2007). Managing British Colonial and Post-Colonial Development: The Crown Agents, 1914-1974. Boydell. ISBN 1-84383-301-8.

External links

- Crown Agents main corporate website (http://www.crownagents.com/)
- Crown Agents Bank website (http://www.crownagentsbank.com/)

Retrieved from "https://en.wikipedia.org/w/index.php?title=Crown_Agents&oldid=833961615"

GovTribe

Vendors / Crown Agents USA Inc. - Washington, DC

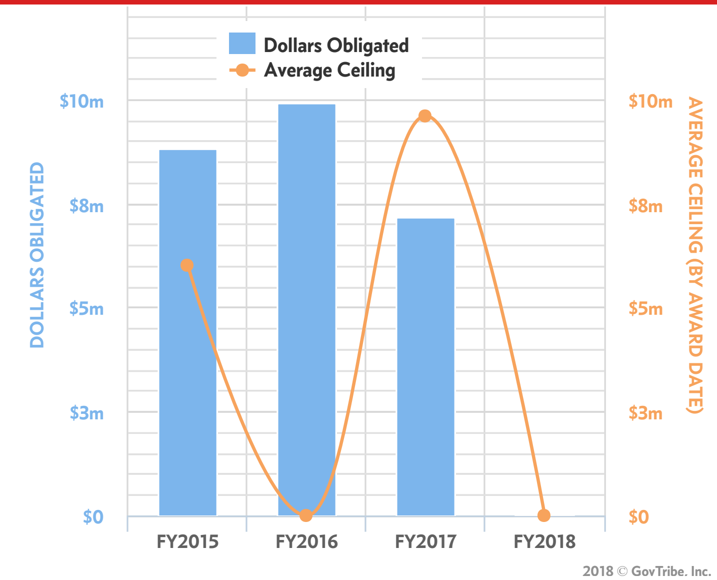
Crown Agents USA Inc. Washington DC Federal Vendor

Add Alert

Last active 4 months ago ☆☆☆☆☆ 0 of 5 with 0 ratings

Name	Crown Agents USA Inc. Washington DC
Division	Not Listed
Parent	Not Listed
Address	1129 20Th St Nw Ste 500 Washington, DC 20036 USA
Website	Not Listed
Primary Category	Administrative Management and General Management Consulting Services (541611)
Size	$182.2M annual revenue / 1,513 employee(s)
Contact(s)	Scott Sayers (E-Business) P: 2028228052 Steve Thomas (E-Business - Alternate) P: 2028228052
Structure	Corporate Entity (Not Tax Exempt)
Designations	Foreign Owned and Located

GovTribe



TOP AGENCIES

Agency for International Devel...	$24.8m
Millennium Challenge Corporati...	$-0

TOP CATEGORIES

All Other Professional, Scient...	$24.8m
Administrative Management and...	$-0
Other Scientific and Technical...	$-24.4k

TOP VEHICLES

Public Financial Management Pr...	$21.1m

4 MONTHS AGO

$ -- AIDOAAI1200038-AID391TO1500001 Delivery Order

THE PURPOSE OF THIS MODIFICATION IS TO: - EXTEND THE PERIOD OF PERFORMANCE - REVISE THE LEVEL O F E...

— Agency for International Development

GovTribe

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 TO DE-OBLIGATE JAMAICA'S $1019,043 FY13/14 DV LAC FUNDS FRO...

— Agency for International Development

5 MONTHS AGO

$ -- AIDOAAI1200038-AIDOAATO1400007 Delivery Order

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 TO DE-OBLIGATE JAMAICA'S $1019,043 FY13/14 DV LAC FUNDS FRO...

— Agency for International Development

6 MONTHS AGO

$1.9m AID611C1700005 Definitive Contract

THE OVERALL OBJECTIVE OF THE ACCOUNTABLE GOVERNANCE FOR IMPROVED SERVICE DELIVERY (AGIS) ACTIVITY IS...

— Agency for International Development

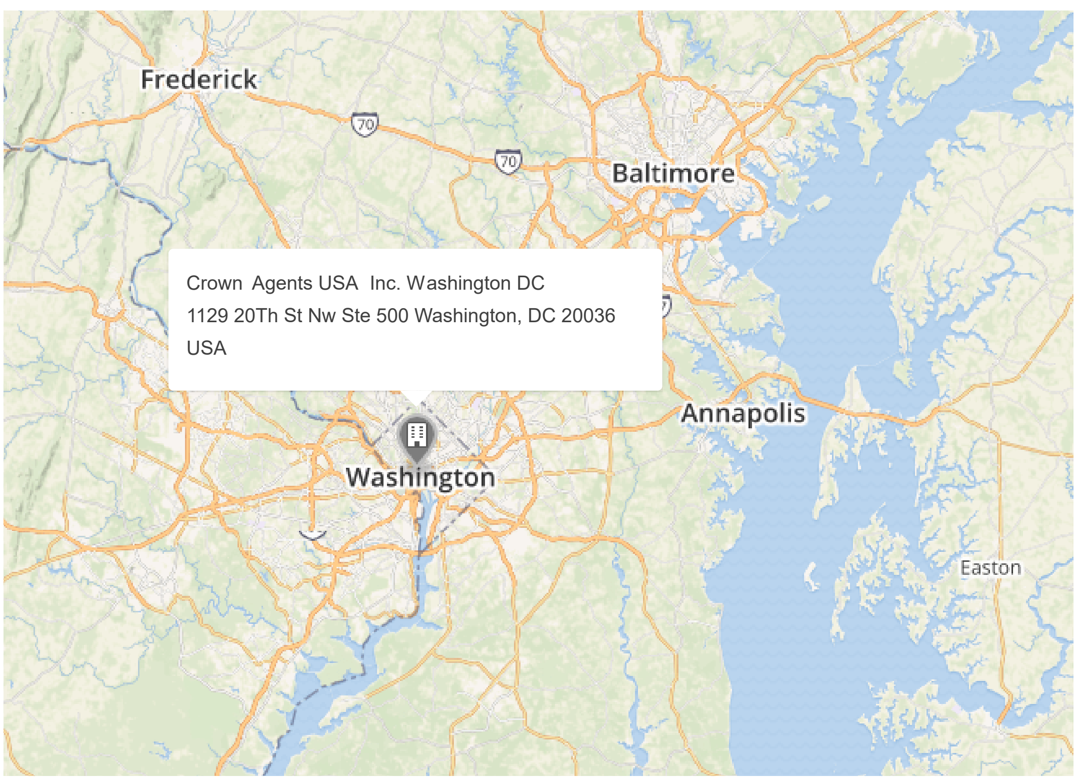
10 MONTHS AGO

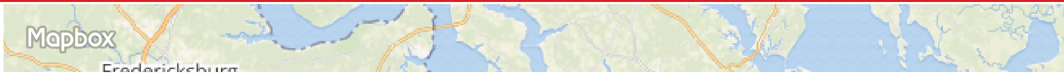
$2m AIDOAAI1200038-AIDOAATO1400007 Delivery Order

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 CEILING INCREASE AND INCREMENTAL FUNDING - BUYINS. MODIFIC...

— Agency for International Development

11 MONTHS AGO





Similar Vendors

Windsor Group

Last active 5 months ago

Parent
Self
Location
Chevy Chase, MD
Primary Category
Administrative Management and General Manage
Designation(s)
Minority Owned Business Self Certified Small Disad
Woman Owned Small Business Woman Owned Bu
Black American Owned Service Disabled Veteran C

Libra Realty Group, Inc.

Last active 1 month ago

Parent
Self
Location
Decatur, GA
Primary Category
Administrative Management and General Manage
Services
Designation(s)
Minority Owned Business
Self Certified Small Disadvantaged Busin...
Economically Disadvantaged Women Small O...
Woman Owned Small Business Woman Owned Bu
Black American Owned

Chandler & Campbelle Investment Group, LLC

Last active 4 months ago

Parent
Self
Location
Palm Beach Gardens, FL
Primary Category
Administrative Management and General Management Consulting Services
Designation(s)
Self Certified Small Disadvantaged Busin...
DOT Certified DBE
Black American Owned

GovTribe

E: help@govtribe.com
3100 Clarendon Blvd Suite 200
Arlington VA 22201

GovTribe

Federal Contracts / Public Financial Management Project / AIDOAAI1200038 / AIDOAAI1200038-AID391TO1500001

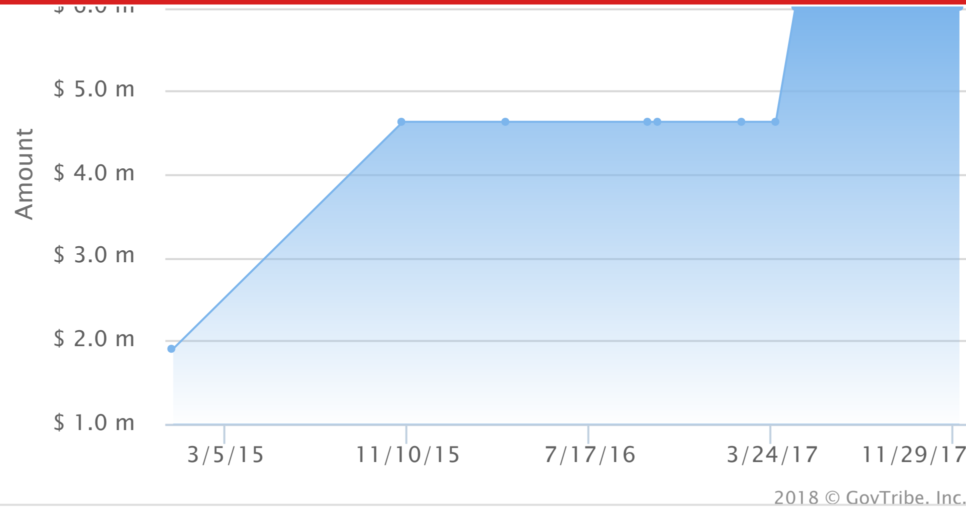
USAID $6m Crown Agents USA Inc. Delivery Order

Add Alert

Last active 4 months ago

Contract #	AIDOAAI1200038-AID391T O1500001
NAICS	541990 All Other Professional, Scient...
PSC	R499 Support- Professional: Other
Set-Aside	Not Reported
Status	Fully Executed
POP	12/24/14 - 2/22/18 (3 years)

GovTribe



$6,010,502 (100% Obligated)

Dollars Obligated	$6m
Base & Exercised Options	$6m
Base & All Options (Ceiling)	$6m
Pricing Type	Time and Materials
Funding Status	Fully Funded
Extent Competed	Full and Open Competition, 1 offer(s)

Description

SUPPORT FOR PRIVATIZATION ACTIVITY: - IN SEPTEMBER 2013, THE GOVERNMENT OF PAKISTAN (GOP) AND THE INTERNATIONAL MONETARY FUND (IMF) REACHED AGREEMENT ON A THREE-YEAR, $ 6.68 BILLION EXTENDED FUND FACILITY (EFF). THE 2013 EFF WILL REDUCE RISKS TO THE ECONOMY IN THE SHORT-TERM WHILE ADDRESSING PAKISTAN S UNDERLYING MEDIUM-TERM FISCAL AND MONETARY CHALLENGES AND WILL ULTIMATELY FACILITATE HIGHER AND MORE INCLUSIVE ECONOMIC GROWTH. DURING TECHNICAL DISCUSSIONS OF THE SECOND REVIEW OF THE EFF, HELD IN DUBAI IN FEBRUARY 2014, THE GOP AND THE IMF REQUESTED TECHNICAL ASSISTANCE AND OTHER DONOR SUPPORT IN MEETING NEW STRUCTURAL BENCHMARKS, INCLUDING THOSE RELATED TO PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES (PSE). THIS ACTIVITY WILL SUPPORT THE GOP'S ACHIEVEMENT OF STRUCTURAL BENCHMARKS RELATED TO PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES UNDER THE EFF AND TO ACHIEVE ITS LONGER TERM PRIVATIZATION AGENDA. THIS TWO YEAR ACTIVITY HAS BEEN FUNDED WITH AN AMOUNT OF $4,918,677. AN AMOUNT OF $1,902,520 BEING USED TO INITIATE THE ACTIVITY.

GovTribe

Close

Agency

Agency for International Development

Office

Not Provided

Awarded Vendor

Crown Agents USA Inc. Washington DC

Contact(s)

Anne C. Sattgast, Joe G Lentini

Project(s)

Public Financial Management

Maps © Mapbox © OpenStreetMap

Amount	Date	Reason For Modification

GovTribe

--	12/7/17	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: - EXTEND THE PERIOD OF PERFORMANCE - REVISE THE LEVEL O F EFFORT (LOE) - REALIGN THE BUDGET

$1.3m	4/26/17	Other Administrative Action
--	3/30/17	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO EXTEND THE PERIOD OF PERFORMANCE OF THE TASK ORDER WITH ONE MONTH.

--	2/13/17	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: - ADJUST THE LEVEL OF EFFORT AND, - REALIGN THE BUDGET

--	10/20/16	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO INCORPORATE RE-ALIGNED BUDGET INTO THE CONTRACT RESULTED FROM MODIFICATION NO: 03 TO THE TASK ORDER # AID-391-TO-15-00001 ACCORDINGLY SECTION B.4 OF THE CONTRACT IS MODIFIED AS FOLLOWS:

--	10/6/16	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: 1- EXTEND THE PERIOD OF PERFORMANCE BY THREE MONTHS 2- ADJUST THE LEVEL OF EFFORT

--	3/25/16	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: 1) REVISE THE SCOPE OF WORK 2) REVISE THE LEVEL OF EFFORT, AND 3) RE-ALIGN THE BUDGET DETAIL OF CHANGES MADE TO THE TASK ORDER NO: AID-391-TO-15-00001 THROUGH THIS MODIFICATION ARE AS FOLLOWS:

$2.7m	11/4/15	Funding Only Action

- ADD FUNDING TO SFP BY $2,726,510 (INCREMENTAL FUNDING). CHANGE OF COR FROM TED HEISLER TO LESLIE SCHAFER.

$1.9m	12/24/14	Not Listed

GovTribe

- IN SEPTEMBER 2013, THE GOVERNMENT OF PAKISTAN (GOP) AND THE INTERNATIONAL MONETARY FUND (IMF) REACHED AGREEMENT ON A THREE-YEAR, $ 6.68 BILLION EXTENDED FUND FACILITY (EFF). THE 2013 EFF WILL REDUCE RISKS TO THE ECONOMY IN THE SHORT-TERM WHILE ADDRESSING PAKISTAN S UNDERLYING MEDIUM-TERM FISCAL AND MONETARY CHALLENGES AND WILL ULTIMATELY FACILITATE HIGHER AND MORE INCLUSIVE ECONOMIC GROWTH. DURING TECHNICAL DISCUSSIONS OF THE SECOND REVIEW OF THE EFF, HELD IN DUBAI IN FEBRUARY 2014, THE GOP AND THE IMF REQUESTED TECHNICAL ASSISTANCE AND OTHER DONOR SUPPORT IN MEETING NEW STRUCTURAL BENCHMARKS, INCLUDING THOSE RELATED TO PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES

Close

GovTribe

GovTribe

Federal Contracts / Public Financial Management Project / AIDOAAI1200038

USAID $23.7m

Crown Agents USA Inc. Indefinite Delivery Contract

Last active 2 years ago

Add Alert

A GovTribe Overview

Want to better understand the GovTribe website? Take a look at our video tutorials.

Show me!

Contract #	AIDOAAI1200038
NAICS	541990 All Other Professional, Scient...
PSC	R499 Support- Professional: Other
Set-Aside	None
Status	Active
POP	9/30/12 - 9/29/20 (7 years)

Description

GovTribe

Agency

Agency for International Development

Office

Not Provided

Awarded V endor

Crown Agents USA Inc. Washington DC

Contact(s)

Not Provided

Project(s)

Public Financial Management

$25,097,940 (95% Obligated)

Aggregate Dollars Obligated

$23.7m

Aggregate Base & Exercised Options V alue

$25m

Aggregate Ceiling

$25m

Pricing T ype

Firm Fixed Price

Single or Multiple Award

Multiple Award

Extent Competed

Full and Open Competition, 14 offer(s)

GovTribe

Agency	Contract #	Vendor	NAICS	PSC	Aside		
USAID	AIDOAAI1200038-AID391TO1500001 Delivery Order	Crown Agents USA Inc. Washington DC	541990	R499	Not Reported	12/7/17	12/24

SUPPORT FOR PRIVATIZATION ACTIVITY: - IN SEPTEMBER 2013, THE GOVERNMENT OF PAKISTAN (GOI
MONETARY FUND (IMF) REACHED AGREEMENT ON A THREE-YEAR, $ 6.68 BILLION EXTENDED FUND FA

Agency	Contract #	Vendor	NAICS	PSC	Aside		
USAID	AIDOAAI1200038-AIDOAATO1400007 Delivery Order	Crown Agents USA Inc. Washington DC	541990	R425	Not Reported	10/27/17	5/19/

PUBLIC FINANCIAL MANAGMENT: THIS ACTION PROVIDES GCC OFFICE FUNDING FOR A NEW EP-MANA
CEADIR- CLIMATE ECONOMIC ANALYSIS FOR DEVELOPMENT, INVESTMENT AND RESILIENCE UNDER T

GovTribe

Follow

E: help@govtribe.com
3100 Clarendon Blvd Suite 200
Arlington VA 22201

GovTribe

Federal Contracts / Public Financial Management Project / AIDOAAI1200038 / AIDOAAI1200038-AIDOAATO1400007

USAID $17.7m

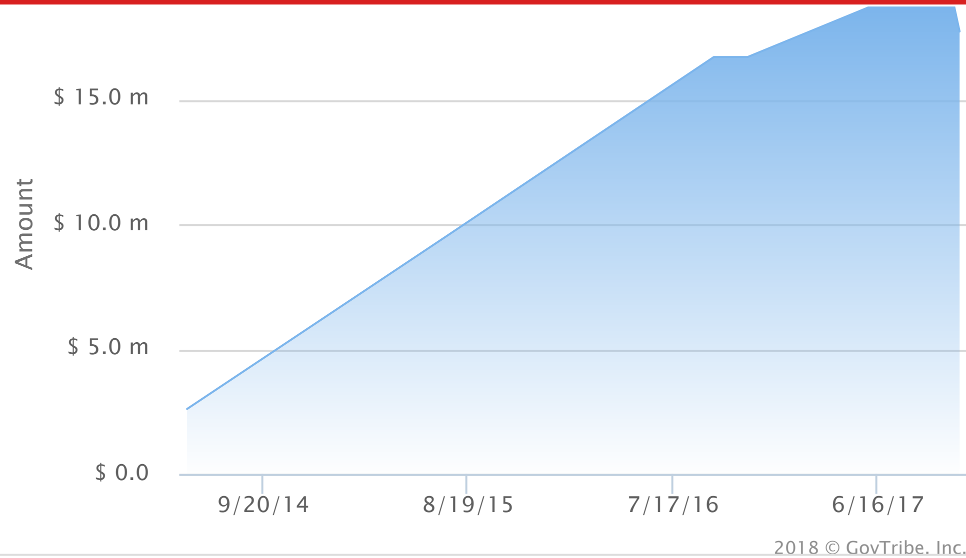
Crown Agents USA Inc. Delivery Order

Last active 5 months ago

Add Alert

Contract #	AIDOAAI1200038-AIDOAA TO1400007
NAICS	541990 All Other Professional, Scient...
PSC	R425 Support- Professional: Enginee...
Set-Aside	Not Reported
Status	Fully Executed
POP	5/19/14 - 9/29/18 (4 years)

GovTribe



$19,087,438 (93% Obligated)

Dollars Obligated	$17.7m
Base & Exercised Options	$19m
Base & All Options (Ceiling)	$19m
Pricing Type	Firm Fixed Price
Funding Status	Partially Funded
Extent Competed	Full and Open Competition, 4 offer(s)

Description

PUBLIC FINANCIAL MANAGMENT: THIS ACTION PROVIDES GCC OFFICE FUNDING FOR A NEW EP-MANAGED TASK ORDER NAMED CEADIR- CLIMATE ECONOMIC ANALYSIS FOR DEVELOPMENT, INVESTMENT AND RESILIENCE UNDER THE PUBLIC FINANCIAL MANAGEMENT (PFM) IDIQ.

Close

Agency

Agency for International Development

Office

Not Provided

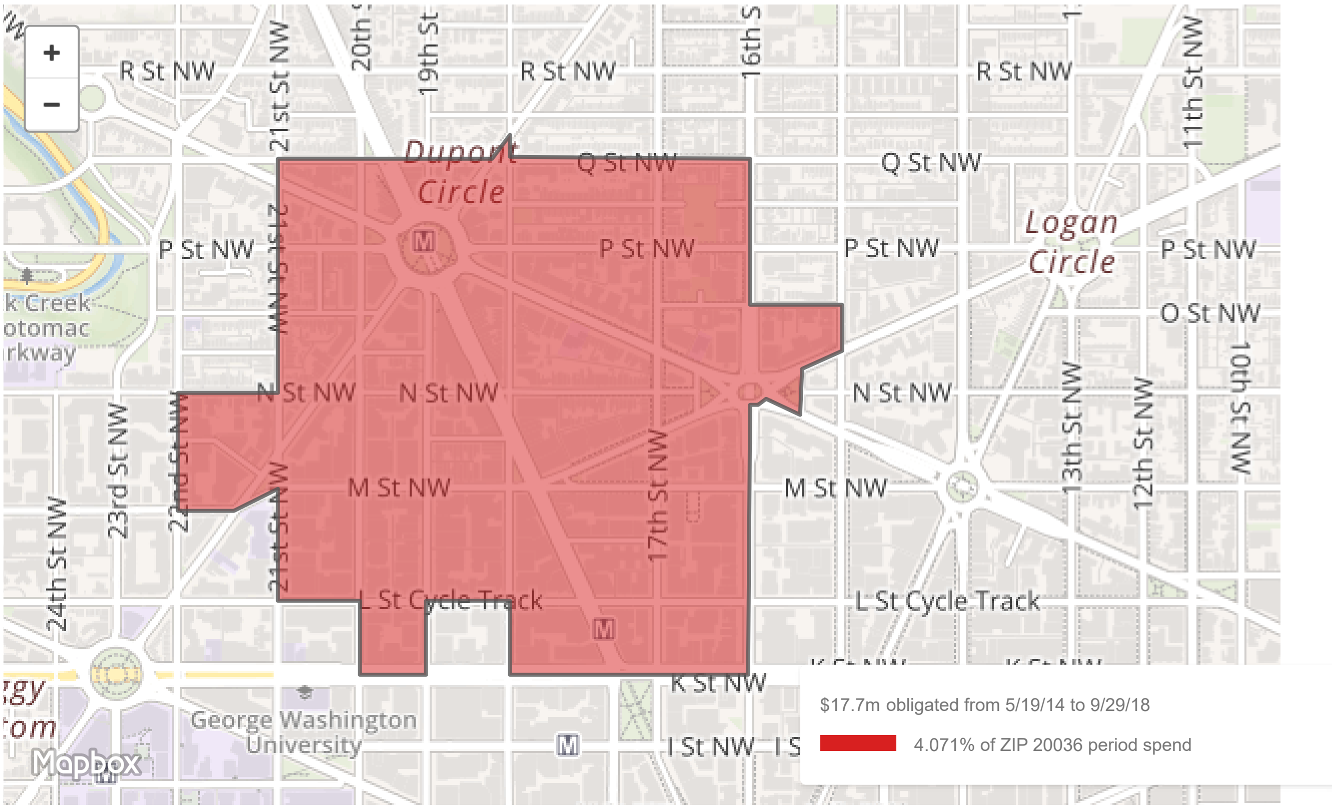
GovTribe

Contact(s)

Anne C. Sattgast, Joe G Lentini

Project(s)

Public Financial Management



Maps © Mapbox © OpenStreetMap

Amount	Date	Reason For Modification
$-1m	10/27/17	Funding Only Action

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 TO DE-OBLIGATE JAMAICA'S $1019,043 FY13/14 DV LAC FUNDS FROM LINE #3 $1.5M. THE BUYIN CAME FROM THE FIELD AND WAS INCLUDED IN THE GROUP REQ.

Amount	Date	Reason For Modification
--	10/18/17	Funding Only Action

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 TO DE-OBLIGATE JAMAICA'S $1019,043 FY13/14 DV LAC FUNDS FROM LINE #3

GovTribe

$2m	6/6/17	Funding Only Action

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 CEILING INCREASE AND INCREMENTAL FUNDING - BUYINS. MODIFICATION #4

--	11/16/16	Funding Only Action

- EGEE/EP_CEADIR AID-OAA-TO-14-00007 BUDGET REALIGNMENT.

$7.1m	9/22/16	Funding Only Action

THE PURPOSE OF THIS MODIFICATION IS TO PROVIDE INCREMENTAL FUNDING IN THE AMOUNT OF $7,192,321.00, FROM $9,498,160.00 TO $16,690,481.00.

$6.8m	7/14/15	Funding Only Action

51135_EGEE/EP PMF CEADIR AID-OAA-TO-14-00007 TO 1) TO DELEGATE AUTHORITY TO APPROVE ECONOMIST CLASS TRAVELS FROM CO TO COR; 3) OBLIGATE BUYINS: JAMAICA 1.5M, GCC 2,692,000, MEX 62,720, CA 2,643,440(SEE GROUP REQ). THE BUYER HAS BEEN CHANGED TO A.REXHEPI.

$2.6m	5/19/14	Not Listed

THIS ACTION PROVIDES GCC OFFICE FUNDING FOR A NEW EP-MANAGED TASK ORDER NAMED CEADIR-CLIMATE ECONOMIC ANALYSIS FOR DEVELOPMENT, INVESTMENT AND RESILIENCE UNDER THE PUBLIC FINANCIAL MANAGEMENT (PFM) IDIQ.

GovTribe

Info

About Blog Help

Terms Privacy

Follow

E: help@govtribe.com
3100 Clarendon Blvd Suite 200
Arlington VA 22201

GovTribe

Federal Contracts / Public Financial Management Project / AIDOAAI1200038 / AIDOAAI1200038-AIDOAATO1400007

USAID $17.7m

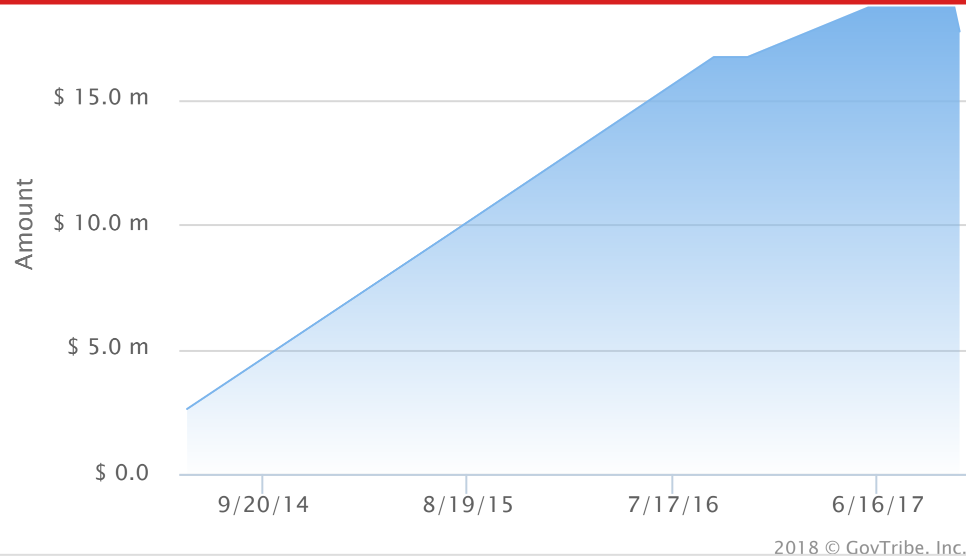
Crown Agents USA Inc. Delivery Order

Add Alert

Last active 5 months ago

Contract #	AIDOAAI1200038-AIDOAA TO1400007
NAICS	541990 All Other Professional, Scient...
PSC	R425 Support- Professional: Enginee...
Set-Aside	Not Reported
Status	Fully Executed
POP	5/19/14 - 9/29/18 (4 years)

GovTribe



$19,087,438 (93% Obligated)

Dollars Obligated	$17.7m
Base & Exercised Options	$19m
Base & All Options (Ceiling)	$19m
Pricing Type	Firm Fixed Price
Funding Status	Partially Funded
Extent Competed	Full and Open Competition, 4 offer(s)

Description

PUBLIC FINANCIAL MANAGMENT: THIS ACTION PROVIDES GCC OFFICE FUNDING FOR A NEW EP-MANAGED TASK ORDER NAMED CEADIR- CLIMATE ECONOMIC ANALYSIS FOR DEVELOPMENT, INVESTMENT AND RESILIENCE UNDER THE PUBLIC FINANCIAL MANAGEMENT (PFM) IDIQ.

Close

Agency

Agency for International Development

Office

Not Provided

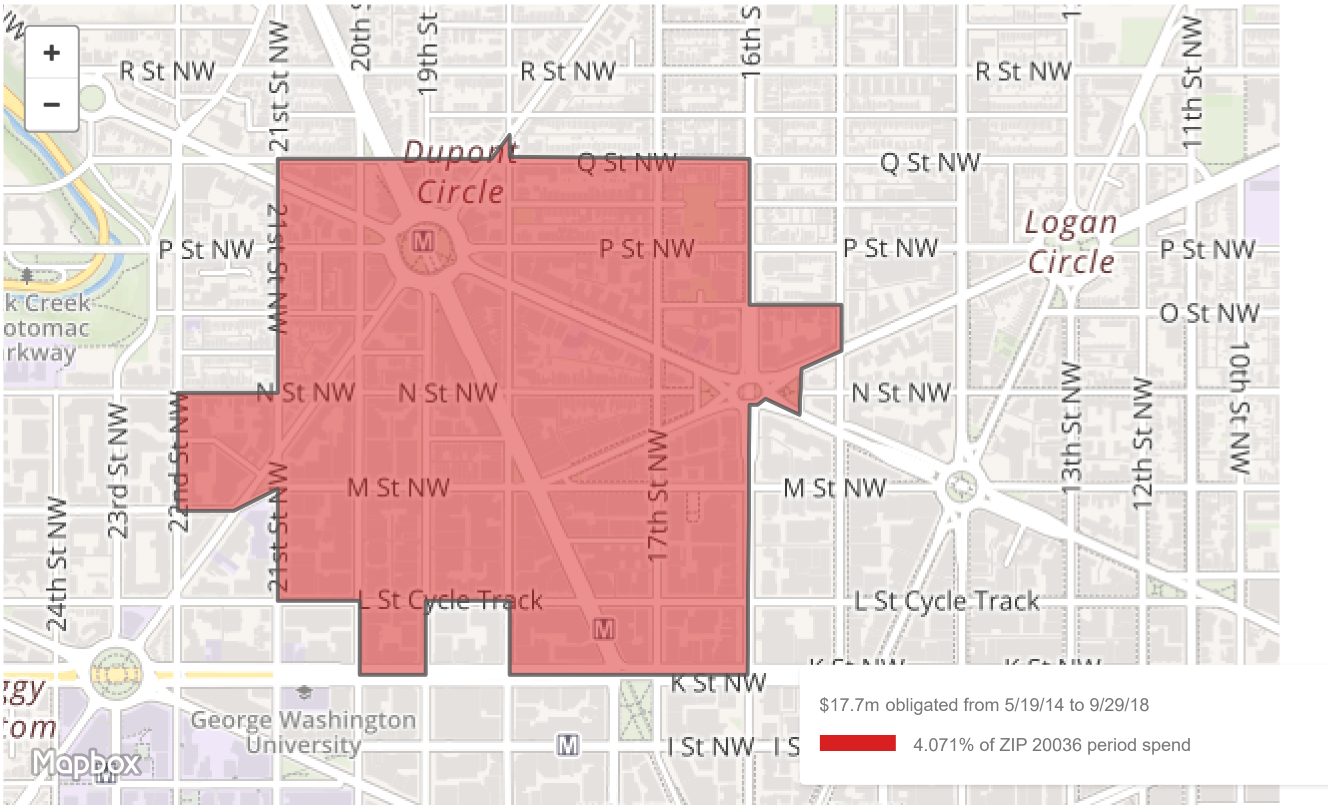
GovTribe

Contact(s)

Anne C. Sattgast, Joe G Lentini

Project(s)

Public Financial Management



Maps © Mapbox © OpenStreetMap

Amount	Date	Reason For Modification
$-1m	10/27/17	Funding Only Action
51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 TO DE-OBLIGATE JAMAICA'S $1019,043 FY13/14 DV LAC FUNDS FROM LINE #3 $1.5M. THE BUYIN CAME FROM THE FIELD AND WAS INCLUDED IN THE GROUP REQ.		
--	10/18/17	Funding Only Action
51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 TO DE-OBLIGATE JAMAICA'S $1019,043 FY13/14 DV LAC FUNDS FROM LINE #3		

GovTribe

$2m	6/6/17	Funding Only Action

51135_EGEE/EP CEADIR AID-OAA-TO-14-00007 CEILING INCREASE AND INCREMENTAL FUNDING - BUYINS. MODIFICATION #4

--	11/16/16	Funding Only Action

- EGEE/EP_CEADIR AID-OAA-TO-14-00007 BUDGET REALIGNMENT.

$7.1m	9/22/16	Funding Only Action

THE PURPOSE OF THIS MODIFICATION IS TO PROVIDE INCREMENTAL FUNDING IN THE AMOUNT OF $7,192,321.00, FROM $9,498,160.00 TO $16,690,481.00.

$6.8m	7/14/15	Funding Only Action

51135_EGEE/EP PMF CEADIR AID-OAA-TO-14-00007 TO 1) TO DELEGATE AUTHORITY TO APPROVE ECONOMIST CLASS TRAVELS FROM CO TO COR; 3) OBLIGATE BUYINS: JAMAICA 1.5M, GCC 2,692,000, MEX 62,720, CA 2,643,440(SEE GROUP REQ). THE BUYER HAS BEEN CHANGED TO A.REXHEPI.

$2.6m	5/19/14	Not Listed

THIS ACTION PROVIDES GCC OFFICE FUNDING FOR A NEW EP-MANAGED TASK ORDER NAMED CEADIR-CLIMATE ECONOMIC ANALYSIS FOR DEVELOPMENT, INVESTMENT AND RESILIENCE UNDER THE PUBLIC FINANCIAL MANAGEMENT (PFM) IDIQ.

GovTribe

Federal Contracts / Public Financial Management Project / AIDOAAI1200038

USAID $23.7m

Crown Agents USA Inc. Indefinite Delivery Contract

Last active 2 years ago

Add Alert

A GovTribe Overview

Want to better understand the GovTribe website? Take a look at our video tutorials.

Show me!

Contract #	AIDOAAI1200038
NAICS	541990 All Other Professional, Scient...
PSC	R499 Support- Professional: Other
Set-Aside	None
Status	Active
POP	9/30/12 - 9/29/20 (7 years)

Description

GovTribe

Agency

Agency for International Development

Office

Not Provided

Awarded Vendor

Crown Agents USA Inc. Washington DC

Contact(s)

Not Provided

Project(s)

Public Financial Management

$25,097,940 (95% Obligated)

Aggregate Dollars Obligated

$23.7m

Aggregate Base & Exercised Options Value

$25m

Aggregate Ceiling

$25m

Pricing Type

Firm Fixed Price

Single or Multiple Award

Multiple Award

Extent Competed

Full and Open Competition, 14 offer(s)

GovTribe

Agency	Contract #	Vendor	NAICS	PSC	Aside		
USAID	AIDOAAI1200038-AID391TO1500001 Delivery Order	Crown Agents USA Inc. Washington DC	541990	R499	Not Reported	12/7/17	12/24

SUPPORT FOR PRIVATIZATION ACTIVITY: - IN SEPTEMBER 2013, THE GOVERNMENT OF PAKISTAN (GOI
MONETARY FUND (IMF) REACHED AGREEMENT ON A THREE-YEAR, $ 6.68 BILLION EXTENDED FUND FA

Agency	Contract #	Vendor	NAICS	PSC	Aside		
USAID	AIDOAAI1200038-AIDOAATO1400007 Delivery Order	Crown Agents USA Inc. Washington DC	541990	R425	Not Reported	10/27/17	5/19/

PUBLIC FINANCIAL MANAGMENT: THIS ACTION PROVIDES GCC OFFICE FUNDING FOR A NEW EP-MANA
CEADIR- CLIMATE ECONOMIC ANALYSIS FOR DEVELOPMENT, INVESTMENT AND RESILIENCE UNDER T

GovTribe

Follow

E: help@govtribe.com
3100 Clarendon Blvd Suite 200
Arlington VA 22201

GovTribe

Federal Contracts / Public Financial Management Project / AIDOAAI1200038 / AIDOAAI1200038-AID391TO1500001

USAID → $6m Crown Agents USA Inc. Delivery Order

Add Alert

Last active 4 months ago

Welcome to GovTribe!

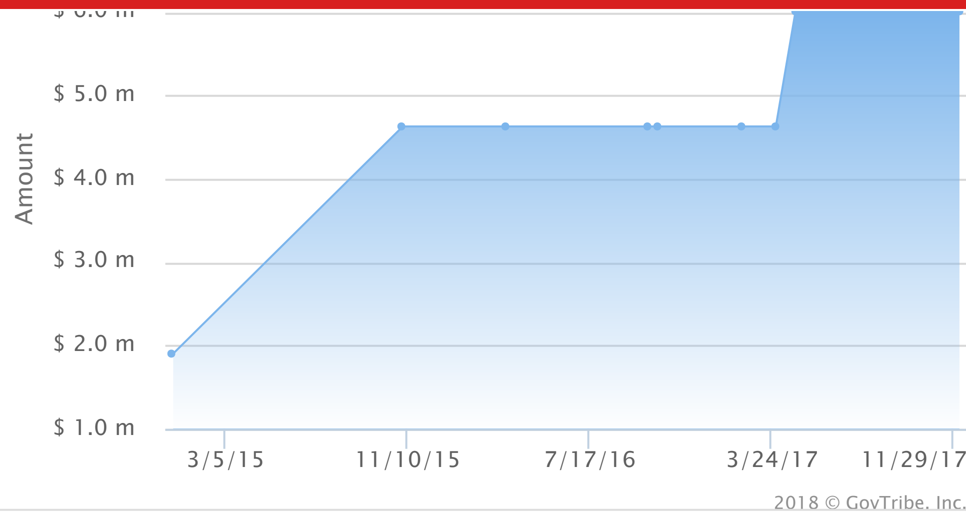
We help you find federal opportunities, scout the competition, and manage your pursuit process.

Plans start at $24 a month.

Try For Free

Contract #	AIDOAAI1200038-AID391T O1500001
NAICS	541990 All Other Professional, Scient...
PSC	R499 Support- Professional: Other
Set-Aside	Not Reported
Status	Fully Executed
POP	12/24/14 - 2/22/18 (3 years)

GovTribe



$6,010,502 (100% Obligated)

Dollars Obligated	$6m
Base & Exercised Options	$6m
Base & All Options (Ceiling)	$6m
Pricing Type	Time and Materials
Funding Status	Fully Funded
Extent Competed	Full and Open Competition, 1 offer(s)

Description

SUPPORT FOR PRIVATIZATION ACTIVITY: - IN SEPTEMBER 2013, THE GOVERNMENT OF PAKISTAN (GOP) AND THE INTERNATIONAL MONETARY FUND (IMF) REACHED AGREEMENT ON A THREE-YEAR, $ 6.68 BILLION EXTENDED FUND FACILITY (EFF). THE 2013 EFF WILL REDUCE RISKS TO THE ECONOMY IN THE SHORT-TERM WHILE ADDRESSING PAKISTAN S UNDERLYING MEDIUM-TERM FISCAL AND MONETARY CHALLENGES AND WILL ULTIMATELY FACILITATE HIGHER AND MORE INCLUSIVE ECONOMIC GROWTH. DURING TECHNICAL DISCUSSIONS OF THE SECOND REVIEW OF THE EFF, HELD IN DUBAI IN FEBRUARY 2014, THE GOP AND THE IMF REQUESTED TECHNICAL ASSISTANCE AND OTHER DONOR SUPPORT IN MEETING NEW STRUCTURAL BENCHMARKS, INCLUDING THOSE RELATED TO PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES (PSE). THIS ACTIVITY WILL SUPPORT THE GOP'S ACHIEVEMENT OF STRUCTURAL BENCHMARKS RELATED TO PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES UNDER THE EFF AND TO ACHIEVE ITS LONGER TERM PRIVATIZATION AGENDA. THIS TWO YEAR ACTIVITY HAS BEEN FUNDED WITH AN AMOUNT OF $4,918,677. AN AMOUNT OF $1,902,520 BEING USED TO INITIATE THE ACTIVITY.

GovTribe

Close

Agency

Agency for International Development

Office

Not Provided

Awarded Vendor

Crown Agents USA Inc. Washington DC

Contact(s)

Anne C. Sattgast, Joe G Lentini

Project(s)

Public Financial Management

Maps © Mapbox © OpenStreetMap

Amount	Date	Reason For Modification

GovTribe

--	12/7/17	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: - EXTEND THE PERIOD OF PERFORMANCE - REVISE THE LEVEL O F EFFORT (LOE) - REALIGN THE BUDGET

$1.3m	4/26/17	Other Administrative Action
--	3/30/17	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO EXTEND THE PERIOD OF PERFORMANCE OF THE TASK ORDER WITH ONE MONTH.

--	2/13/17	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: - ADJUST THE LEVEL OF EFFORT AND, - REALIGN THE BUDGET

--	10/20/16	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO INCORPORATE RE-ALIGNED BUDGET INTO THE CONTRACT RESULTED FROM MODIFICATION NO: 03 TO THE TASK ORDER # AID-391-TO-15-00001 ACCORDINGLY SECTION B.4 OF THE CONTRACT IS MODIFIED AS FOLLOWS:

--	10/6/16	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: 1- EXTEND THE PERIOD OF PERFORMANCE BY THREE MONTHS 2- ADJUST THE LEVEL OF EFFORT

--	3/25/16	Other Administrative Action

THE PURPOSE OF THIS MODIFICATION IS TO: 1) REVISE THE SCOPE OF WORK 2) REVISE THE LEVEL OF EFFORT, AND 3) RE-ALIGN THE BUDGET DETAIL OF CHANGES MADE TO THE TASK ORDER NO: AID-391-TO-15-00001 THROUGH THIS MODIFICATION ARE AS FOLLOWS:

$2.7m	11/4/15	Funding Only Action

- ADD FUNDING TO SFP BY $2,726,510 (INCREMENTAL FUNDING). CHANGE OF COR FROM TED HEISLER TO LESLIE SCHAFER.

$1.9m	12/24/14	Not Listed

GovTribe

- IN SEPTEMBER 2013, THE GOVERNMENT OF PAKISTAN (GOP) AND THE INTERNATIONAL MONETARY FUND (IMF) REACHED AGREEMENT ON A THREE-YEAR, $ 6.68 BILLION EXTENDED FUND FACILITY (EFF). THE 2013 EFF WILL REDUCE RISKS TO THE ECONOMY IN THE SHORT-TERM WHILE ADDRESSING PAKISTAN S UNDERLYING MEDIUM-TERM FISCAL AND MONETARY CHALLENGES AND WILL ULTIMATELY FACILITATE HIGHER AND MORE INCLUSIVE ECONOMIC GROWTH. DURING TECHNICAL DISCUSSIONS OF THE SECOND REVIEW OF THE EFF, HELD IN DUBAI IN FEBRUARY 2014, THE GOP AND THE IMF REQUESTED TECHNICAL ASSISTANCE AND OTHER DONOR SUPPORT IN MEETING NEW STRUCTURAL BENCHMARKS, INCLUDING THOSE RELATED TO PRIVATIZATION OF PUBLIC SECTOR ENTERPRISES

Close

E: help@govtribe.com
3100 Clarendon Blvd Suite 200

EIR

Executive Intelligence Review

August 22, 1997 • Vol. 24 No. 34 $10.00

IMF hyenas circle sick Asian Tigers

LaRouche supports Teamsters' UPS strike

Israel's Netanyahu with his back to the wall

Britain's 'Invisible' Empire unleashes the dogs of war

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 317 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.
World Wide Web site: http://www.larouchepub.com
e-mail: eirns@larouchepub.com

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-65013 Wiesbaden, Otto von Guericke Ring 3, D-65205 Wiesbaden, Federal Republic of Germany
Tel: (6122) 9160. Homepage: http://www.eirna.com
E-mail: eirna@eirna.com Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Post Box 2613, 2100 Copenhagen ØE, Tel. 35-43 60 40

In Mexico: EIR, Río Tiber No. 87, 5o piso. Colonia Cuauhtémoc. México, DF, CP 06500. Tel: 208-3016 y 533-26-43.

Japan subscription sales: O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 3208-7821.

Periodicals postage paid at Washington D.C., and at an additional mailing offices.
Domestic subscriptions: 3 months—$125, 6 months—$225, 1 year—$396, Single issue—$10

Postmaster: Send all address changes to *EIR*, P.O. Box 17390, Washington, D.C. 20041-0390.

EIR

From the Associate Editor

In the dog days of August 1988, Communist East Germany was suffering from food shortages. Responding to growing rumbles of discontent, the regime had incarcerated some 2,400 political prisoners. Newspapers reported that 1.3 million people, nearly 10% of the entire population, were seeking emigration to West Germany. Yet Erich Honecker, the aging chieftain of the East German communist party, reiterated his oft-stated belief that the Berlin Wall would stand for another hundred years. Looking at the barbed wire and the powerful military machine at the disposal of Honecker's state apparatus, most people thought he was right.

But in October of that year, Lyndon LaRouche, at a press conference in West Berlin, forecast the reunification of Germany, and called for a "food for peace" mobilization by Germany and the United States, to build up the economies of Eastern Europe, particularly that of Poland, in the interests of peace and Eurasian development. One year and one month later, the Berlin Wall came down.

Within that short space of time, a population oppressed and downtrodden was transformed by hope and optimism for the future. The axiomatic beliefs of nearly 45 years were cast aside.

Today, almost a decade later, the world is watching the death agonies of a hopelessly bankrupt monetary and financial system. The defenders of the International Monetary Fund system declare, as Honecker did, that their regime will last forever. But now as then, the writing is on the wall.

Is there life after the IMF? That depends upon what we do. The top item on the agenda is to convene a new Bretton Woods conference, to put the current system through bankruptcy proceedings and launch a new world financial system, oriented toward productive investment and the construction of the Eurasian Land-Bridge.

In order to carry out such a revolutionary transformation, we must defeat Britain's "Invisible" Empire. In this expanded issue, you will find explosive new material to help you understand how this empire operates. Our *Feature* needs no further introduction from me, as it is ably introduced by Jeffrey Steinberg, beginning on page 4. A short section of top international news stories begins on page 78.

Susan Welsh

EIR Contents

Photo and graphics credits: Cover, page 35 (North), EIRNS/Stuart Lewis. Page 5, EIRNS. Page 6 (Buckingham Palace), EIRNS/Ian Levit. Page 9, Claudio Celani. Pages 21, 23, 26, 44, 49-51, 53-55, 59, 61, 64, 65, 67, 68, 75, 76, EIRNS/John Sigerson. Page 84, EIRNS/Anthony DeFranco.

Correction: In "If This Is Success, Why Are Ugandans Dying?" (*EIR*, Aug. 8), Figure 9 on page 32 should have been titled "Persons per medical doctor," rather than "Medical doctors per capita."

Feature

The Cathedral of St. John the Divine in New York City is an important entry-point for British intelligence operations in the United States. Shown here: investiture of the Knights of Malta at the cathedral, Nov. 7, 1982.

I. The Dogs of War

Volume 24, Number 34, August 22, 1997

Britain's 'Invisible' Empire unleashes the dogs of war

by Jeffrey Steinberg

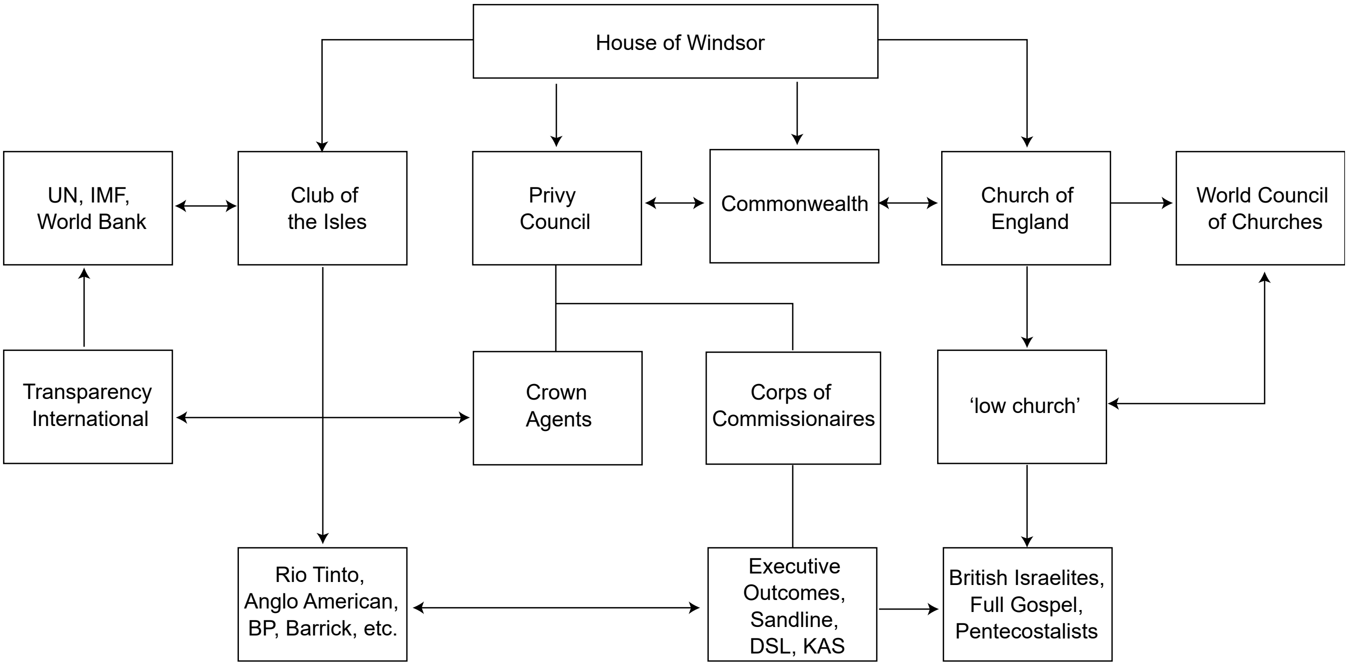
Over the past three years, *EIR* has produced two blockbuster studies of the dominant evil power on this planet,[1] the British Commonwealth/Empire, and many supporting elements of documentation. We have exposed the major battlelines in the global strategic battle before us all, between the British Imperial System, and the system of sovereign nation-states, of which the United States is the leading example. In this issue of *EIR*, we unravel a new set of secrets of the Empire, exposing the way in which the British Crown is using *private* networks—in the military, the church, and business—to carry out its objective of destroying the nation-state, and thus, to maintain its power into what it hopes will be a New Dark Age.

To get the picture, you have to start from the top down. At the top, you find the British monarchy and Privy Council, positioned as the *primus inter pares* of the 3-5,000 families that comprise the inner core of the Club of the Isles. While the Queen herself, contrary to myth, exercises her royal prerogative over the nations of the Commonwealth, and a network of companies, the broader grouping of families runs a set of cartels which functions as a modern-day British East India Company.

For much of the 250 years following its chartering in 1600, the East India Company served as the leading instrument of the British imperium, governing India as "private" territory, employing its own private mercenary armies, and presiding over the Opium War policy against China. The "Company" was administered by a board of stockholders, who reported to a three-man "secret committee," who, in turn, represented the combined interests of the British Crown and the leading City of London financial interests. When circumstances required, "Company" figures, typified by the late-eighteenth-century Earl of Shelburne,

1. See *EIR*, Oct. 28, 1994, "The Coming Fall of the House of Windsor"; and, *EIR*, May 24, 1996, "The Sun Never Sets on the New British Empire."

FIGURE 1
The British 'Invisible' Empire



would even take up posts in the British government, to ensure that the interests of the British oligarchy were always served, with hands-on precision. Shelburne held positions, first, as Colonial Secretary, and then, as prime minister, during the negotiation of the Treaty of Paris, which formally ended the American War of Independence. The presence, today, of Sir David Simon, chairman of British Petroleum and governor of the Bank of England, in the Tony Blair cabinet, is a contemporary example of the same phenomenon.

There is no aspect of society, internationally, which the British Empire does not seek to influence, and control. The British oligarchy has intentionally sought to create an *invisible* empire, which will evade an effective counterattack by its victims. In many cases, the operatives of the Queen's invisible empire don't even know on whose behalf they are acting—until it is much too late.

This major study by *EIR* will lift the veil on a number of critical tentacles of the British Empire that have previously remained hidden. We begin with the military arms, now mostly disguised as "private security firms." From there, we demonstrate the role of these firms with the major cartels, using the Africa example, and then the surprising case study of Papua New Guinea. We then move to the United States, where we uncover the shocking story of British Intelligence's role in infiltrating and subverting the military, and even the churches! The concluding section provides an exhaustive analysis of how the Empire is moving to turn Ibero-America, and particularly Brazil, into the new Africa, in a recolonization effort that represents a direct security threat to the United States itself.

Peeling the onion

This phase of *EIR*'s investigation was set into motion by a report we received of a June 24 seminar sponsored by the U.S. Defense Intelligence Agency (DIA), on "The Privatization of National Security Functions in Sub-Saharan Africa." According to a five-page unclassified summary of the event made available to *EIR*, there were a total of 74 participants, representing the Pentagon, several major U.S. corporations and Department of Defense sub-contractors, embassy officials from four African countries (including Uganda), a dozen academics, representatives of a number of non-governmental organizations and United Nations agencies, and officials from two prominent British Commonwealth "private" security firms, Executive Outcomes, and Sandline International.

While conference participants debated the virtues and dangers of using private, paid mercenary "corporations" to carry out functions formerly performed by government military units and law enforcement agencies, they blithely ignored the strategic reality: The whole project was part of the British imperial drive to redraw the map, and recolonize Africa, in order to facilitate the looting of raw materials, and establishing undisputed choke-point control over the

Queen Elizabeth II, and Buckingham Palace. The "Lizard Queen," as some call her, is the Commander-in-Chief of British and Commonwealth forces worldwide, including a plethora of so-called "private" entities.

entire natural resources wealth of the planet.

Since 1993, Central Africa has been targetted by the City of London-based Club of the Isles for end-game genocide, using colonial "gang versus countergang" tactics perfected during the post-World War II recolonization period by such senior British irregular warfare specialists as Brig. Gen. Frank Kitson. Kitson's counterinsurgency textbook, *Gangs and Countergangs,* recounted his successful efforts in the 1950s in Kenya to create a synthetic, murderous "countergang," the Mau Mau, which wiped out the legitimate nationalists struggling for independence from British colonial rule. Today's African "Mau Mau" countergang leaders are Ugandan Hitler-loving marcher lord Yoweri Museveni, his Rwanda-based right-hand man, Paul Kagame, and their Congo stooge, Laurent Desiré Kabila. This murderous trio, as *EIR* has reported since 1994, is out to destroy all of the nation-states of the Great Lakes region and the Horn of Africa, purportedly to create a "Greater Tutsi Empire."

But behind these pawns stand the British Commonwealth cartels, controlled by 3-5,000 "Families" that comprise the inner core of the Club of the Isles. This is the modern-day British East India Company, chartered by the British Crown to rule a global empire, based not on British jackboots, but on sophisticated former SAS irregular warfare operatives, now wearing the corporate colors of Defence Systems Ltd., Executive Outcomes, Sandline International, KAS, KMS, and so on, and serving the needs of corporate giants such as Anglo American-De Beers, Lonrho, Rio Tinto, British Petroleum, Royal Dutch Shell, the Hongkong and Shanghai Banking Corp., and Barrick Gold—to name just a few of the leading British, South African, Australian, and Canadian elements of the interlocking cartel structure.

EIR researchers in the United States, Ibero-America, western Europe, and Australia have now uncovered the evidence, presented for the first time here, to show that the so-called "private" security firms being employed as the mercenary and counterinsurgency arms of the Club of the Isles' global raw materials grab, are no more private, than the East India Company itself was private, at the height of the eighteenth- and nineteenth-century British imperium. Through two, little-known Crown-chartered agencies, Crown Agents and the Corps of Commissionaires, *EIR* has discovered, the entire private security apparatus of former

British SAS operatives, South African "scouts," British military and police "regulars," and so on, is centrally deployed by high-ranking officials of the British Royal Household and the Privy Council. These British mercenary operations, from Defence Systems Ltd. to Executive Outcomes, are not only *not* rogue operations, in competition with one another. They are an integral, highly centralized component of the British "invisible" empire—Her Majesty's and the Club of the Isles' contract killers.

Ibero-America is next

With Africa in the throes of depopulation and raw materials cartelization, the British Crown apparatus has already sunk its fangs into the next big, untapped repository of natural wealth: Ibero-America. As you will read here, South and Central America have been invaded by the same Club of the Isles financial houses, raw materials cartels, and private "security" fronts that are well along to "de-Africanizing" (i.e., depopulating) sub-Saharan Africa. In short, the British are out to "Africanize" Ibero-America.

The British cartels have already moved into Colombia, Chile, Argentina, Venezuela, Mexico, and Peru. They have targetted Brazil for takeover, employing the same arsenal of weapons and the same recipe they have already displayed in Africa: Mau Mau-style synthetic countergangs and terrorist bands, such as the Brazilian "Landless Movement," linked to wealthy narcotics cartels, create havoc. British- and Commonwealth-centered "private" cartels then move in with their own security forces—in the case of British Petroleum's vast operations in Colombia, Defence Systems Ltd.—with the willing cooperation of local British compradors, such as Colombian narco-President Ernesto Samper Pizano. Samper is a 20-year veteran of Britain's opium war against the Americas.

If Brazil goes, the entire southern half of the Western Hemisphere will be in the hands of the new British East India Company, within a short period of time.

Strategic deception

If the "Red Coat" invasion of the Western Hemisphere described here appears far-fetched, don't be shocked. This effort has been carefully concealed, and is not easily recognized, especially by the targetted victims, including leading circles inside the United States who are among the ultimate targets of this British onslaught.

In fact, the structure of the "new British imperium" *cannot be seen from below.* It is hidden behind a string of myths, beginning with the myth that the British Empire is a relic of the past, and the British monarchy is little more than a prop to lure tourists. The corollary myths that follow from this are: that the United States is the last "imperial power" on the planet; that the world has moved into an era of unbridled free trade, open markets, and "democracy"; and that, with the end of the Cold War, the nation-state system has become an unnecessary piece of excess baggage, a dinosaur that carries with it the last and only threat of general war.

In many parts of the world, the crucial myth, that the United States is the "Evil Empire," has been successfully spread, to the point that rampant anti-Americanism, today, is one of the most valuable tools in the arsenal of the Club of the Isles, blinding its victims to the actions by London. One of the principal objectives of this strategic study is to provide the reader with the in-depth evidence, to see through the smoke screen.

This is particularly important for many in the United States who have lost sight of the historical role of the United States as the leading *opponent* of the British System. For many Americans, who have been lured into a wide range of anti-government "movements," from the militias to the radical environmentalist gangs, the information here is of special importance.

A new pagan pantheon

Another vital element of the Windsor-Club of the Isles structure that is "in play" in the current offensive, is the Church of England, and the Anglican Communion over which it presides. Ever since the reign of Henry VIII, who declared himself "Pontifex Maximus" and established the Church of England as part of the English imperial structure, the Church of England has served, paradoxically, as both a branch of the Christian faith, and as an instrument of social control and manipulation, serving the most bestial requirements of the British Empire.

Today, in particular, through "low church" "evangelical" and "charismatic" sects, through such imperial throwbacks as the Church Missionary Society, and through the Anglican Communion's dominant position within the World Council of Churches, the Church of England serves as a crucial instrument for British "strategies of tension," i.e., terrorism, directed against the populations of Africa and the Americas.

As you will read here, the Anglican "charismatics" and the various British Israelite sects, which have targetted the United States throughout the twentieth century, have repeatedly managed to recruit the cannon fodder for such anti-American movements as the Ku Klux Klan, and the Armageddonist elements within today's militias, in much the same way that the kindred irrationalist "new age" sects of Prince Philip's World Wide Fund for Nature produce today's most rabid eco-terrorists. The leading operatives in both of these efforts frequently possess serious credentials as military counterinsurgency and psychological warfare specialists. In several instances, unearthed in the course of *EIR*'s investigation of the low church penetration and attempted subversion of the U.S. military establishment, the self-described "militia leaders" have turned out to be rabid environmentalists and world-federalists! And in several instances, they also turned out to be paid employees of leading Club of the Isles entities.

Her Majesty's irregular forces

by Scott Thompson

Among her most important "Prerogative Powers" as monarch, Her Majesty Queen Elizabeth II is the Commander-in-Chief of all the armed forces of the British Empire and the Commonwealth, including the Special Air Services (SAS), such nominally "private" irregular warfare agencies as the Corps of Commissionaires, and the plethora of "private" security firms that operate under the Corps' umbrella. She alone has the power to declare war and conclude treaties, and she has the authority to appoint all commanders and officers by land, sea, and air.

These "Prerogative Powers" are exercised through a body known as the Privy Council, comprised of some 400 hand-picked appointees from the House of Lords, the current and former prime ministers and Cabinet officers, leaders of the governing party and the opposition, directors of the leading City of London corporations, the hierarchy of the Church of England, and ranking members of the military, security, and intelligence services. No act of Parliament is in force until it has been approved by "Orders in Council," i.e., accepted by the Queen and communicated through the Privy Council.

The Queen presides over a weekly meeting of the Joint Intelligence Committee, where she—and not the prime minister—is fully briefed on the activities of all of the British secret services. No British "Rambos" or latter-day James Bonds carry out a single covert act, which does not fall under the purview of the Queen.

The structure in Canada

According to the official Canadian document, "The Role and Structure of the Privy Council Office," published in Ottawa by the Privy Council in December 1996, there is a Canadian Privy Council Coordinator of Security and Intelligence, and a Security and Intelligence Secretariat, which both report directly to the Queen, in her capacity as Sovereign over Canada. The Secretariat is chaired by the Clerk of the Privy Council, the Queen's personal administrator. According to a source at the Privy Council Office in Ottawa, the Canadian system is almost certainly a carbon-copy of the structure of the British Empire's central Privy Council in London, although no similar document exists, corroborating that structure.

The Queen keeps in touch with the military services of the United Kingdom and the Commonwealth through the Chiefs of Staff and her Defense Services Secretary. She makes regular visits to service establishments, and is regularly briefed on their activities, according to palace sources.

Although many of the military deployments of the British and Commonwealth services are kept secret, a review of the International Institute of Strategic Studies 1996-97 *The Military Balance,* confirms that British forces are presently deployed in Antarctica, Ascension Island, Brunei, Cyprus, Germany, Gibraltar, Nepal, Taiwan, Thailand, the West Indies, on the Malvinas Islands, and on Diego Garcia in the Indian Ocean. In addition, 455 British military advisers are posted in 30 countries.

British troops are also engaged, as part of United Nations "blue helmet" forces, in peacekeeping missions in the Adriatic Sea, Angola, Bosnia, Croatia, Egypt, Georgia, Haiti, Iraq, Kuwait, Italy, Saudi Arabia, on the Syrian-Israeli border, and in Turkey.

This formal deployment of British forces around the globe does not take into account the global operations of Her Majesty's "irregulars," the so-called "former" SAS and regular military and police officers who take up private sector assignments, but, in reality, never leave Her Majesty's Secret Service.

Operation Lock

In the Oct. 28, 1994 *EIR Special Report,* "The Coming Fall of the House of Windsor," we exposed the role of the 23rd SAS Regiment, ostensibly the SAS's "reserve" detachment, in Prince Philip's murderous covert assassination program, "Operation Lock," which targetted political dissidents in South Africa during 1987-90, under the cover of hunting down and eliminating "poachers" who were allegedly killing off South Africa's endangered black rhinos, and selling their skins and horns on the black market.

With funding and sponsorship from the World Wildlife Fund, and, reportedly, from the Queen Mother, "Operation Lock" financed the establishment of an ostensibly private security firm, KAS Enterprises Ltd., headed by the famous World War II SAS founder, Sir David Stirling, and run, on the ground, by Lt. Col. Ian Crooke, the head of the 23rd

Special Air Services Regiment.

According to sources familiar with the "Operation Lock" fiasco, KAS Enterprises Ltd. was prototypical of the SAS front companies, established in recent years, to conduct "plausibly deniable" clandestine operations. When Sir David Stirling died in 1990, KAS was purchased by Sir James Goldsmith. The SAS operators on the ground in southern Africa, working in tandem with some of South Africa's own sanctioned assassins, like Craig Williamson and Ant White, the accused murderers of Sweden's Prime Minister Olof Palme, didn't miss a beat. Operation Lock was eventually exposed and shut down, but not until hundreds of political figures in Namibia, Zimbabwe, Mozambique, South Africa, the Seychelles Islands, and so on, were gunned down, and thousands more killed in the cross-fire, orchestrated by what came to be known as the mysterious "third force."

Today, despite that exposé, the African continent is crawling with "private" mercenary armies, staffed by "former" SAS men, and South African "scouts," operating under such corporate covers as Executive Outcomes and Defence Systems Ltd.

In this report, you will see that, while there still exists a wall of secrecy surrounding the "official" links of these security firms, they play an undeniable role in the British grand strategy of depopulating Africa, grabbing the continent's raw materials wealth, and moving similarly to take over Ibero-America. And, despite the Official Secrecy, through two little-known but pivotal Crown agencies, unearthed by *EIR* investigators, we can now provide the paper trail, which leads directly to the monarchy and the Privy Council.

Chatham House heralds Crown's imperial revival

by Scott Thompson

On March 29, 1995, the Royal Institute for International Affairs (Chatham House), in association with Her Majesty's government, sponsored a one-day conference, entitled "Britain in the World," at the Queen Elizabeth II Conference Center. The essence of the conference was summed up by commentator Dr. John Ashworth:

"I am afraid the British are getting more assertive because the 30- or 40-year political program which followed 1945, in which the British establishment, the political elite, set themselves the task of the orderly management of decline, has ended. We have had enough of that."

Among the leading speakers at "Britain in the World" were: Prof. Sir Laurence Martin, director, the Royal Institute for International Affairs; former British Prime Minister John Major, Member of Parliament (MP), who had become ineffectual and was turned out of office by the monarchy and the Privy Council, of which Anthony Blair was a member-in-grooming; Sir Henry Kissinger, Knight Commander of St. Michael and St. George (KCMG), who had admitted in a May 10, 1982 Chatham House speech, entitled "Reflections on a Partnership: British and American Attitudes to Postwar Foreign Policy," that he had served as a British agent within the Nixon and Ford administrations; Field Marshal Sir Peter Inge, Grand Cross of the Order of Bath (GCB), who was then Chief of the Defense Staff, Ministry of Defense; Gen. Sir Michael Rose, Knight Commander of the Order of Bath (KCB) and Commander of the British Empire (CBE); The Right Honorable The Baroness Chalker of Wallasey, then Minister of State for Foreign and Commonwealth Affairs, Minister of Overseas Development; Sir Crispin Tickell, Grand Cross of St. Michael and St. George (GCMG) and Knight Commander of the Royal Victorian Order (KCVO);

The Right Honorable Douglas Hurd, MP, then-Secretary of State for Foreign and Commonwealth Affairs; and, His Royal Highness, Charles, The Prince of Wales.

New strategies vs. the nation-state

The remarks at the conference by General Sir Rose, who recently retired as Adjutant General of the British Land Forces, were particularly revealing. Rose, a former commander of the Special Air Services, had just returned to Britain from a disastrous tour as head of the UN "blue helmet" force in Bosnia. In slightly veiled language, Rose called for the use of multinational "peacekeeping forces" as the instrument for dismantling the nation-state system:

"I think we are going to have to develop . . . a whole set of new doctrines, new concepts, and new strategies to try and deal with this new form of world disorder, based on ethnic, religious, and national differences. The United Nations has made a considerable start in doing that. . . .

"When I left my last job I suggested to the secretary general of the United Nations [then Boutros Boutros-Ghali] that a more efficient way of approaching these problems may be to use a regional military power, and subcontract the peacekeeping mission to that regional military power—in this case NATO. This would have all the advantages of a consistent coherent doctrine, an integrated C2, and a knowledge amongst the various peacekeepers which was absent when you have a Tower of Babel. He rejected this proposition out of hand. . . .

"We should possibly learn to work better with aid organizations . . . [i.e., especially non-governmental organizations] because very often those organizations see the military as the causes of all problems rather than the solutions to them. . . .

"All I would say in conclusion is that I think the wider forms of peacekeeping that we are embarked upon in the United Nations is something which has been thought about considerably—and I will now change my hat to my old hat as Commandant of the Staff College—we thought about it enormously long and hard in the various Staff Colleges around Europe and in America; we have run seminars for the last five years between the Frunze Academy, the Air Ecole de Guerre, Leavenworth, and Camberley, and there is a new form of doctrine developing and Britain has taken a lead in it."

Field Marshal Sir Peter Inge pointed out that at the time of the conference, the United Kingdom alone was involved in five UN-sponsored peace support operations. He said: "The consequence is that more than 46,000 of our servicemen and women are deployed outside the U.K.; in the Falkland Islands [the Malvinas], Hongkong, Brunei, Cyprus, Gibraltar, Germany, the Middle East, the Caribbean."

In fact, it was made clear at the conference that the Queen's imperial forces were active in some 40 countries, although many of these troop dispositions remain classified.

Crown Agents: the Queen's managers

by Dean Andromidas

Crown Agents, officially known as Crown Agents for Overseas Governments and Administration, occupies a non-descript office block in Surrey, in the suburbs of London. According to its literature, Crown Agents is a not-for-profit, private corporation, which carries out mundane logistical and administrative sub-contract work for the British Overseas Development Administration, and various development agencies and foreign governments. This is typical British understatement—i.e., strategic deception.

Crown Agents is exactly what its name implies, an agent of Her Majesty the Queen. It was founded in 1833 as Crown Agents for the Colonies, and historically played a vital role in the creation and management of what British historians call the Third Empire.[1] While Lord Palmerston, Cecil Rhodes, Prince Edward Albert ("The Prince of the Isles"), and Lord Milner were providing the geopolitical theory and ideology to justify Britain's global empire, Crown Agents ran the day-to-day affairs. Crown Agents printed the stamps and banknotes of the colonies; provided technical, engineering, and financial services; served as private bankers to the colonial monetary authorities, government officials, and heads of state; served as arms procurers, quartermasters, and paymasters for the colonial armies. In effect, Crown Agents *administered* the British Empire, which at one point in the nineteenth century, encompassed over 300 colonies and nominally "independent countries" allied to the British Crown.

According to its charter, Crown Agents is an "Emanation of the Crown." This gives Crown Agents a status close to the monarchy, yet outside the official government structures of

---

1. In A.W. Abbot (CMG, CBE), *A Short History of the Crown Agents and Their Office* (1959) (although printed by Eyre and Spottiswoode Limited, Her Majesty's Printers at The Chiswick Press, it was only for private circulation), an unofficial history of Crown Agents, written by a former Crown Agent, the author talks of three distinct British empires. The First Empire, according to this account, began in the first half of the sixteenth century as a by-product of England's wars with Spain, and lasted until the American Revolution, which left England in an extremely weakened position, both as a colonial and a European power. Nonetheless, the period between the end of the American Revolution and the end of the Napoleonic wars, is considered the era of the Second Empire, which included the consolidation of Canada and expansion in Asia and Australia. The Third Empire is dated by the founding of Crown Agents in 1833, and is marked by the expansion of the Empire throughout Africa and the Indian subcontinent. This is the empire of Cecil Rhodes, Lord Milner, etc.

the United Kingdom. Through much of its existence, it was overseen by the Colonial Secretary and, later, in the so-called post-colonial era, by the Minister of Overseas Development. Although not formally a department of the government, Crown Agents' entire debt was *guaranteed* by the Exchequer.

In 1996, as the British were in the process of unleashing the dogs of war in Africa, as the cutting edge of its final assault against the nation-state system worldwide, Crown Agents was "privatized," under the new name, Crown Agents for Overseas Government and Administrations Ltd., with its own board of directors and management. In turn, Crown Agents functions as a holding company for dozens of operating companies and joint ventures. Its shares are held in trust by the Crown Agents Foundation, which is presided over by a board of directors and councillors, bringing together an impressive collection of governmental and non-governmental organizations, corporations, banking and business organizations, and so on (see article which follows)—all from the inner core of the Club of the Isles and the formal Crown apparatus.

Providing functions in 'difficult areas'

According to its 1996 annual report, Crown Agents' numerous subsidiaries still carry out the same wide array of governmental functions, from printing postage stamps and bank notes, to running worldwide commercial shipping and air freight operations, to procuring arms and other logistical supplies. Crown Agents, according to spokesmen, specializes in providing these functions in "difficult areas."

And, indeed they do. Today, Crown Agents functions as "agents" for over 150 foreign governments and organizations, which they refer to as "principals." In some instances, they manage vast real estate and financial portfolios, specializing in offshore banking "services." According to its recent public statements, Crown Agents manages over $3 billion worth of projects. Its asset management business alone, has a portfolio valued at over $1 billion.

Typical of Crown Agent's current "discreet" operation are the following:

- It manages the entire customs service for the government of Mozambique;
- Through its chairmanship of a quasi-public entity called Europe SA, it is in charge of all economic reconstruction procurement for Bosnia;
- Through a joint venture with a Monaco-based company called ES-KO, Crown Agents provides all of the food for United Nations peacekeepers in Angola and Bosnia. ES-KO also provides logistical services to private petroleum and mining companies in such "difficult" areas as Algeria and Colombia, and manages the privatization of the state sector of Ghana.

Her Majesty's Murder, Inc.

By now, it may have dawned on some readers that Crown Agents' range of "services"—arms procurement, border controls, offshore banking—also nicely fit the "administrative requirements" of the world's organized crime cartels.

In fact, a careful review of some of the more sordid aspects of the recent history of Crown Agents, suggests that the firm has been at the center of the British Crown's highly sensitive patronage of global organized crime—what *EIR* long ago dubbed Dope, Inc.

Crown Agents' extensive links to international organized crime surfaced in the mid-1970s, when the firm's over-extended real estate portfolio, particularly its London real estate investments, blew sky high. At the time that the London commercial real estate market collapsed, Crown Agents was managing a portfolio of assets, loans, and other financial paper, totalling more than £4 billion. Despite the fact that Crown Agents held no banking charter, it owned a string of banks all over the world, including some unsavory outfits in some of the most notorious hot-money havens of the Commonwealth.

Much of the capital through which Crown Agents built up its real estate portfolio came from Third World governments, which made the unfortunate mistake of placing their trust in the Queen's favorite service agency. Crown Agents heavily leveraged its investment capital, building up debts far beyond its resources. When the 1973 oil shock hit, and the real estate market was one of the first of the bubbles to pierce, Crown Agents, along with many other institutions that were heavily leveraged in the secondary banking markets, went broke.

The Bank of England stepped in to bail out Crown Agents to the tune of several hundred million pounds—more than a decade before the U.S. government would carry out a similar bailout of the savings and loan institutions, ravaged by similar commercial real estate speculation. The collapse of Crown Agents' real estate portfolio led to three governmental and parliamentary investigations.

The surfacing of a wide criminal conspiracy was averted with the timely death of one of the key witnesses, the director of Crown Agents' money market operations, who purportedly blew his brains out shortly before he was to face trial on charges of corruption. According to news accounts at the time, this fellow, whose signature appeared on many of the most outrageous transactions, happened to be a heavy gambler. He had been a member of Crockfords, an elite gambling club, and two other casinos. He was a fixture at London casinos, often signing £1,000 checks. He had a home in Westminister, one of the most expensive sections of London, a country house, and three cars—all on a middle-level civil servant's salary of £5,000 a year.

Part of 'organized crime'

A look at a sampling of Crown Agents' business partners at the time of the real estate blow out, is revealing.

Crown Agents, up until 1983, managed the personal fortune of the Sultan of Brunei. The latter has been a funder of all sorts of private projects of Prince Philip and Prince Charles, as well as funding British intelligence operations all over the world. The Sultan was one of the key financiers of George

Bush's Iran-Contra operations. So large was the task of managing this fortune, that when the Sultan withdrew his £3.5 billion, Crown Agents laid off 400 employees.

Crown Agents provided the capital for a number of offshore banks, especially during the 1960s and 1970s. One such bank that enjoyed the financial backing of Crown Agents was Trade Development Bank, then owned by Edmond Safra. A member of Prince Philip's 1001 Club, Safra was a prime target of investigation by U.S. drug enforcement agencies for many years. In 1990, his flagship New York City bank, Republic National, was identified as a favorite laundromat for both the Medellín Cartel and Lebanese-based heroin and hashish smugglers.

It not only lent to banks of dubious origins, but held controlling interests in them as well. In 1967, Crown Agents bought a 40% controlling interest in the Bahamas-based E.D. Sassoon Bank. This was the first of a network of banks it invested in, or created, throughout the Commonwealth. This bank was founded in the nineteenth century by Sir David Sassoon, who founded banking houses in India and China, where they made their fortunes in the opium trade. The bank moved to the Bahamas in the 1940s, at precisely the point that the British Crown colonies there were being built up as hot-money centers. In 1967, it was controlled by Ralf Yablon, whose mother was a Sassoon. Yablon's wife was the daughter of Max Joseph, who at the time owned the famous Grand Met casinos. The other shareholders of the bank were Continental Illinois and Franklin National Bank. So dubious was the reputation of this bank that even the Bank of England initially refused to give its blessing to its purchase by Crown Agents. When the big bust occurred in the 1970s, E.D. Sassoon Bank was absorbed by the giant Standard and Chartered Bank, which now sits on the Crown Agents Board of Councillors.

The most notorious property investment was with the Stern Group of Companies, controlled by William Stern. It was his personal bankruptcy in the early in 1970s, at the time the largest in British history, that triggered the run on Crown Agents. Stern was an American businessmen, with tight business connections to Murder, Inc. boss Meyer Lansky. The Stern-Lansky ties ran through the National Crime Syndicate boss's most trusted bag man, Sylvain Ferdman. Ferdman was identified in a 1967 *Life* magazine exposé of organized crime as Lansky's liaison to a number of leading Swiss banks implicated in the crime boss's global money-laundering operations. Indeed, Stern fit right into this picture. His brother-in-law at the time was Tibor Rosenbaum, whose International Credit Bank (BCI) was exposed in the *Life* magazine story as a Lansky front, which also serviced the covert financial needs of the Israeli Mossad. BCI went bust at the same time that Stern's bank and Crown Agents fell. Stern's personal bankruptcy was intimately linked to the collapse of BCI, where he had invested over £1 million—which, in turn, he had gotten from Crown Agents. The bailout of Crown Agents, and the mysterious death of its chief lending officer shut down any further probe of the Crown's links to the Lansky syndicate.

By the end of 1974, the Crown Agents collapse was, nevertheless, Britain's most serious financial scandal.

To clean up the "loose ends," and maintain Crown Agents' services to the Crown, Sir John Cuckney, a former high-ranking official of MI-5, was brought in as Senior Crown Agent. Cuckney had already left Her Majesty's Service to become the "City's" leading private spook, in the employ of Lazard Brothers. As soon as he took up his post at Crown Agents, he carried out a "reorganization"—i.e., a cover-up of the scandal. He also set the stage for Crown Agents' subsequent emergence as a leading arms trafficker.

In 1974, as one of his first acts as Senior Crown Agent, Cuckney transferred Millbank Technical Services, the Crown Agents' weapons procurement subsidiary, to the Ministry of Defence. He then consolidated its international networks of legitimate and not-so-legitimate banks and financial institutions, into what later became the Bank of Credit and Commerce International. BCCI, which former CIA Director Robert Gates, in Congressional testimony, dubbed "The Bank of Crooks and Criminals International," was at the center of the Golden Crescent (Pakistan, Afghanistan, Iran) opium trade, which flourished during the 1979-89 Afghanistan War. BCCI's collapse in 1991 was the biggest financial blowout in modern history, with over $20 billion in bank assets disappearing into thin air.

In 1978, having completed the restructuring of Crown Agents, Cuckney left to become a director of Midland Bank, where he soon established a new international division, which engaged primarily in financing international weapons deals. When Margaret Thatcher moved into 10 Downing Street, Cuckney became a leading adviser to the prime minister. He was rewarded for his services by being made Lord Cuckney of Millbank. The "Millbank" in his title referred to Millbank Technical Services, which he untangled from the Crown Agents scandal.

Crown Agents today

Crown Agents' British media apologists claim that the firm has been "reformed," and is now a shadow of its former self. There is no evidence to support this claim. Crown Agents was organizing covert weapons shipments into Africa well into the 1990s, helping to fuel the recent genocidal warfare in the Great Lakes region, and abetting the butcher Yoweri Museveni, in Uganda. The current chairman and Senior Crown Agent is David H. Probert. Probert has been with Crown Agents since 1981. During this period he sat on the board of directors of the Birmingham Small Arms Company, one of the most famous weapons manufacturers in Britain. Another one of his directorships was with a company which reportedly held a majority stake in Defence Systems Limited, one of the preeminent British "private" mercenary outfits, now running around Africa and Ibero-America.

Directors, councillors of Crown Agents

In 1996, Crown Agents was fully privatized. Its relationship to the official British government, particularly to the Department of Overseas Development, for the first time in its history, became contractual. This latest incarnation was renamed Crown Agents for Overseas Governments and Administrations Limited. The new entity has its own board of directors and board of management. All of its share capital is held in trust by the Crown Agents Foundation, which has its own board of councillors, dominated by figures in and around the Royal Household. The British government is a special member of the foundation.

Here are some of the leading figures in the Crown Agents structure today:

D.H. Probert, chairman, Commander of the British Empire: Probert has been with Crown Agents for many years, and was appointed to the rank of Crown Agent in 1981, deputy chairman in 1985, and chairman in 1990. In the 1970s, he was a director of Birmingham Small Arms Ltd., which was one of the most well-known British arms manfacturers. It later produced machine tools, which were sold to Iraq for the production of weapons systems. He also held the directorship of Rockwool Ltd., a British subsidiary of a larger Danish firm, which reportedly once held the majority share of capital of Defence Systems Limited.

A.K. Stewart-Roberts, director: A Crown Agent since 1990, and deputy chairman since 1994, he was formerly vice chairman of S.G. Warburg & Co., one of the City's most famous merchant banks.

P.F. Berry, director of the board and managing director: Following a career in the private sector, Berry became a director of Crown Agents in 1982, and has been its managing director since 1988. He is on the advisory board of Transparency International (see below).

F. Cassell, director: A Companion of the Bath, Cassell was former executive director of the International Monetary Fund and World Bank for Great Britain.

Crown Agents Foundation

Sir David Rowe-Ham, Knight, Grand Cross of the British Empire, chairman.

Corporate members:

Barclays Bank.

Standard and Chartered Bank.

Unilever, a major agricultural products cartel. Like Shell Oil, the company is Anglo-Dutch.

Tate and Lyle, Britain's leading sugar cartel, which has close corporate links to the American firm Archer Daniels Midland. Both Tate and Lyle and ADM are currently under investigation by the U.S. Department of Justice for illegal monopoly practices; several ADM executives have already been indicted.

Securicor plc.: This is a giant private security company specializing in bank security. It handles contracts to run Britain's privatized prisons, and operates throughout the world, including in Africa, South America, and Asia.

Manchester Airport plc.: In addition to being the private operating company for the Manchester Airport, it has been involved in purchasing airports in other countries now being privatized. They are reportedly interested in purchasing airports in Mexico.

British Telecommunications plc.: Britain's privatized national telecommunications company, which has been bidding on newly privatized telecommunications firms all over the globe.

Other organizations on the foundation board:

Prince of Wales Business Leaders Forum: Chaired by Prince Charles, this organization sponsors tours and seminars throughout the world. Its vice chairman is Sir David Simon, chairman of British Petroleum, and currently Minister for European Cooperation in Prime Minister Tony Blair's government.

Aga Khan Foundation: Founded by His Highness the Aga Khan, 29th Imama of the Shia Imami Ismaili Muslims. Prince Sadruddin Aga Khan, a cousin of the Imam, is one of the leading members of Prince Philip's World Wide Fund for Nature.

Transparency International: Under the cover of exposing alleged corruption, Transparency International has been used to destabilize governments throughout the world (see *EIR*, July 25, 1997). As a further indication of the close relationship between Crown Agents and Transparency International, the Crown Agents managing director sits on TI's board of advisers.

London School of Oriental and and African Studies: Formerly the London School of Colonial Studies.

Christian Aid: The official charity organization of 40 British and Irish churches.

The Royal Commonwealth Society and the **Caribbean Council of Europe,** two of the most elite foreign policy organizations of Britain.

Also, the Chartered Institute of Building; the Chartered Institute of Purchasing and Supply; the International Chamber of Commerce U.K.; the Royal Society for the Encouragement of Arts, Manufactures, and Commerce; the British Chamber of Commerce; the British Consultants Bureau; and the British Standards institution.

Miscellaneous other member entities:

Concern Worldwide; Intermediate Technology Development Group Limited; the International Development Law Institute (Rome); and Leeds Metropolitan University.

The Queen's Corps of Commissionaires

by Dean Andromidas

Earlier this year, the government of Papua New Guinea was voted from office, following the worst scandal to hit the country since its independence. It was triggered when the government sought to contract a British mercenary firm, Sandline International, to take on the task of wiping out a local insurgency. For weeks, the press ran articles depicting Sandline as the stereotypical mercenaries, the dogs of war, hired killers. But, there was barely a mention of another company which was also involved in bidding for security work in P.N.G., and which, in fact, had initiated the proposal that the government bring in "private" companies to fill its counterinsurgency needs. The other company, standing discreetly in the shadows, was the Corps of Commissionaires. It was only after the Corps of Commissionaires, which maintains a permanent office in P.N.G., submitted a bid higher than the government's limited budget, that Sandline was given the contract—which, some observers report, was on the Corps' recommendation. Sandline, in turn, farmed out part of the contract to another London-based "private" security firm, Defence Systems Limited.

Sandline and the Corps of Commissionaires appear to be very similar outfits: Both are based in London. Both draw exclusively from the military and police establishments of the United Kingdom and the Commonwealth. Both have Special Air Service (SAS) veterans in their employ. Both take on work for foreign governments and multinational corporations.

The Queen's squadristi

But, in fact, the Corps of Commissionaires is not a competitor to Sandline, Executive Outcomes, Defence Systems Ltd., and the rash of other British and Commonwealth "private" mercenary companies that have surfaced in recent years; it is an umbrella agency, and central hiring hall, which brings the entire collection of so-called "private" services under the direct auspices of the British Crown.

The substantial difference that puts the Corps higher on the pecking order, is that it lists the Queen of England as its official patron and honorary chair. It has sister organizations in Canada and Australia, two countries which are still under the direct sovereign control of the House of Windsor; the Queen is their patron and honorary chair, as well.

A spokesman for the Queen, in a moment of royal indiscretion, admitted to *EIR,* that Queen Elizabeth II serves as head of the various Corps of Commissionaires, as part of her official duties as Commander-in-Chief of all military forces of the Empire. In short, the Corps is an integral part of the military structure of the Crown—albeit a usually "invisible" part.

Given the Corps' royal sponsorship and direction, it should come as no surprise that the British Corps' Board of Governors is dominated by retired senior officers, who have held positions within the Royal Household. Many board members belong to the Order of the Bath, the only chivalric order, which honors military officers who made extraordinary contributions to the Crown. The Order of the Bath was founded, in the eighteenth century, by King George I, in the early days of the Hanoverian-Windsor dynasty.

Her Majesty's mercenary clearinghouse

A spokesman at the Corps' London office, in a recent interview, confidently assured *EIR* that the Corps could draw upon a pool of former military and uniformed services personnel, from ex-SAS veterans, to regular soldiers, to senior offi-

The Corps' key personnel

Great Britain

Her Majesty the Queen, chief patron.

Maj. Gen. David Alexander, Companion of the Bath, president of the Board of Governors, Corps of Commissionaires. His is a former Equerry and Treasurer to Prince Philip, Duke of Edinburgh, and a senior retired officer whose last position was Commandant of the Scottish Police College.

Adm. Sir Nickolas Hunt, Board of Governors, Corps of Commissionaires. Hunt is chairman of the British Chamber of Shipping, representing the British shipping industry, a key institution in the City of London which coordinates with the "Invisibles," the City of London business group that utilizes the Queen's royal yacht for its international business activities.

Vice Adm. Sir Robert Gerken, Knight, Companion of the Bath; Commander of the British Empire; chairman of the Board of Directors, Corps of Commissionaires. Gerken is also Commodore of the Royal Western Yacht Club, whose patron is the Duke of Edinburgh.

Air Marshal Sir Thomas Kennedy, Board of Governors, Corps of Commissionaires; Knight Grand Cross of the Bath; Commander of the British Empire; former Commander-in-Chief of the Royal Air Force in Germany; and, Air Aide-de-Camp to the Queen (1983-86). Director of Dowty Group, a major British defense contractor.

cers up to the rank of four-star general. These include veterans capable of any tasks, from organizing operations of a logistical nature; to military and police training, in Britain and overseas; to more esoteric operations. Although the spokesman denied that the Corps plays any role in recruiting mercenaries, he hedged, "We can do anything in this field, and if we can't do it, we can find someone who can." While advertising its more mundane security services on a well-maintained web site, the spokesman further explained to *EIR* that "other" services are available, but that details would have to be "discussed across the table. Get my drift?"

The scale of operations of the Corps of Commissionaires is staggering, particularly in light of the spokesman's veiled admission that it can provide mercenary services.

The Canadian Corps is the largest of the organizations, with over 13,000 Commissionaires presently on the payroll. By comparison, the Canadian Army, which has forces deployed in United Nations "blue helmet" peacekeeping missions all around the globe, has only 20,000 men and women. Although organized as a not-for-profit private company, the Corps is the official uniformed security service for the Canadian government. Commissionaires can be seen at all Canadian federal facilities. Its chief patron is Canadian Governor General Romeo Leblanc, who holds this position as the official appointee and representative of the Queen. Leblanc is himself a member of the Privy Council.

The Corps of Commissionaires sister organizations in Australian have expanded its role well beyond the traditional. They have established subsidiaries outside of Australia. One of these is P.N.G. Corps Ltd., located in Papua New Guinea.

An Australian spokesmen assured *EIR* that the Corps, as a private company can "supply customers with a wide range of services. . . . We will do anything that's legal. Our men have a wide range of military skills and these can be put to good use in the private sector in areas of security, crowd control, or whatever, as required by our clients." Among their 700 clients are the country's major banks and corporations, including, for example, ANZ Banking Group Ltd., Westpac Banking, Commonwealth Bank, Hongkong and Shanghai Banking Corp., and National Australia Bank.

Australia

Maj. James B. Leslie, chairman of the Board of Governors, British Oil Refineries Australia Ltd. (Boral), 1991-94; International Advisory Board of Chemical Bank New York; chairman, Qantas Airways Ltd., 1980-89; chairman and managing director, Mobil Oil Australia, and Christies.

Maj. Everard Baillieu, president: Commander of the Order of the British Empire (CBE), founder of the Baillieu Allard Real Estate empire and member of the family of brokers which virtually controlled the Australian Stock Exchange.

Will Bailey, board member of the Tasman Institute, a Mont Pelerin Society front group; deputy chairman, ANZ Banking Group, 1984-92; deputy chairman, Coles Myer Ltd. (a retail giant).

Commodore Dacre Henry Deudraeth Smyth, Aide-de-Camp to the Queen, 1975-78; Order of Australia; director, David Syme and Co. Ltd., 1982-94; patron, Animal Welfare League. Son of Gen. Sir Nevill Smyth (London), Victoria Cross, Knight Commander of Bath.

Col. Norman Carlyon, Order of the British Empire; chairman and founder, the Carlyon Hotels Group.

Nobby Clark, board member, Institute of Public Affairs, a Mont Pelerin Society front; chairman, Coles Myer Ltd.

Sir Rupert Clarke, Third Baron of Rupertswood, member, Order of the British Empire; chairman, P&O (Australia) Ltd.; chairman, National Australia Bank, 1986-92; chairman, Cadbury Schweppes Australia Ltd., 1971-92.

Lt. Col. Sir John Holland, director, ANZ Bank 1976-81; chairman, Queen Elizabeth II Silver Jubilee Trust, 1981-87; member and director, Winston Churchill Memorial Trust; patron, Voluntary Euthanasia Society of Victoria; board member (since 1970), Institute of Public Affairs; member, Rhodes Scholarship Selection Committee.

Sir Arvi Parbo, chairman (since 1974), Western Mining Corp.; patron, Australian Drug Foundation (a group which is pushing drug legalization); chairman, Broken Hill Proprietary Co. Ltd. (Australia's largest company, and the third largest mining investor in the Western World), 1989-92; chairman, Alcoa Ltd. (Rio Tinto subsidiary).

Joseph Trethowan, Australia Medal; deputy chairman (since 1988), Mayne Nickless; director (since 1984), National Australia Bank; treasurer (since 1986), Corps of Commissionaires.

Sir Wilfrid Brookes, CBE; former director, Alcoa Ltd., Western Mining Corp. Ltd., and Central Norseman Gold Corp.

Canada

Romeo Lebanc, Governor General of Canada; member, Privy Council.

Lt. Gen. J.A.R. Gutknecht, National Executive Secretary of the Corps of Commissionaires. Officer of the Order of St. John of Jerusalem. He is a 35-year career officer with postings in Vietnam, Pakistan, India, and the United States, and is a representative of Canada on the Military Committee of the North Atlantic Treaty Organization.

Among the industrial firms which employ the Corps are: Imperial Chemical Industries, Unilever, and British General Electric Company. The insurance giant Australian Mutual Provident (the largest insurance company in the country), as well as the nation's most important stock-brokerage, Potter Warburg, both contract with the Corps. Among Australia's largest mining and oil companies, the Corps' clients include: Shell Corp. of Australia, Western Mining Corp., British Petroleum, and Caltex Oil.

As in the case of Canada, the chief patrons of the Corps of Commissionaires in Australia, which are organized by state, are the state governors, who are directly answerable to the Queen. Their directors are drawn not only from retired senior officers, but from the highest level of the Australian establishment which is closest to the Crown.

An imperial history

The Corps of Commissionaires, like its sister agency, Crown Agents, was founded under royal sponsorship in 1859, when the British Empire was at the peak of its power and global reach. The Corps was established, ostensibly, to provide employment for thousands of British soldiers demobilized following the Crimean War. Initially, the "soldiers" of the Corps of Commissionaires were employed principally as armed, uniformed security guards for the prestigious financial houses of the City of London. Their flashy uniforms have been a familiar sight, at the entrances of elite banking and financial establishments of the City ever since.

But, make no mistake. The Corps is not some kind of benevolent society for war veterans, or even a simple uniformed security guard service. It was organized as an integral part of the imperial military system, as evidenced by the Queen's role, to this day.

In the nineteenth century, the Corps of Commissionaires was established in Australia, Canada, East Africa, New Zealand, and South Africa, after a series of resettlement agencies helped relocate a sizable number of British military veterans and their families to the far corners of the Empire, where they also assumed prominent posts within the local military and intelligence establishments.

The Corps was founded by Sir Edward Walter, a retired captain in the Royal Army, whose family also founded the *Times* of London, which has always served as the mouthpiece of the British Establishment.

The official history of the Corps, *Our Sergeant*, writes of Sir Edward's motivation for founding the Corps: "He believed they [Army veterans] could demonstrate, through their military qualities, the essence of their employability to the City of London, the world's financial and commercial capital, the country as a whole, and indeed to the Empire beyond. The City would surely come rapidly to appreciate representatives on the doors of head offices, who embodied discipline and loyalty, men who could guard banks and store houses, men of trust who could carry sensitive valuable items between branches of companies and between companies themselves." On where their loyalties lay, the same book reports that the Corps of Commissionaires' "very existence relied on the establishment, on protecting the property of financial houses, the professions and the major industrial concerns."

The role of the Corps of Commissionaires was substantially upgraded when Margaret Thatcher was elected prime minister in 1979, and the radical "free market" policies of the Mont Pelerin Society were unleashed on the world with new force. In 1984, following a reorganization, drafted by Peter Loyd, executive director of the British Institute of Management, the Corps of Commissionaires moved to expand way beyond its role in the City. Its uniformed security service was converted into a separate division, within the Corps, and new divisions were created to provide "specialist security functions." At the same time, the Corps began recruiting personnel from a broader range of military, paramilitary, and police agencies. The scope of its operational capabilities expanded tremendously, as the use of privatized counterinsurgency forces, suited to operate in zones of instability, became a crucial part of the British bag of tricks.

In 1986, to commemorate this reorganization, a special reception was held at Buckingham Palace in honor of the Corps.

Executive Outcomes vs. the nation-state

by Roger Moore

When the U.S. Defense Intelligence Agency (DIA) hosted its one-day symposium on the privatization of national security functions in sub-Saharan Africa recently, the guest list included five representatives of the London and Pretoria-based private "security" consortium, Sandline/Executive Outcomes (EO): Eeben Barlow, Michael Grunberg, Col. Bernie McCabe (USA-ret.), Tim Spicer, and Nic Van Den Bergh.

According to several Washington sources involved in the preparations of the DIA event, the crew from Executive Outcomes was hardly welcomed with open arms. The firm has gained notoriety in recent months, grabbing front-page headlines in Australia and Papua New Guinea for its role in a fabricated "death squad" plot, which resulted in the fall of the popular prime minister of P.N.G.; receiving coverage in the United States with a puff piece in the February 1997 issue of *Harpers* magazine, and a not-so-flattering segment of "60 Minutes" on CBS in June; and earning the ire of most governments in West Africa, for its role in the recent coup d'état in Sierra Leone, which occurred shortly after the legitimately elected government cancelled a $20 million-a-year military training contract with Executive Outcomes.

Before the EO plug was pulled in Sierra Leone, the government had paid off $16 million in back debts to the mercenaries-for-hire firm, by turning over some sizable diamond concessions to EO's London-based underwriters, Branch Energy, a firm owned by Sandline International's Tony Buckingham, formerly with the Special Air Services (SAS). In league with his South African business partner Eeben Barlow, Buckingham had earlier pulled off a similar diamonds-for-mercenaries deal in Angola, until the Clinton administration stepped in and demanded that the Angolan government give EO the heave-ho.

Never one to pass up a chance to make a quick buck, Buckingham took his Sierre Leone and Angola Branch Energy diamond concessions public, on the Vancouver stock exchange, as Diamond Works. Robert Friedland, a convicted LSD trafficker and Buckingham business associate, set up Diamond Works.

Another Buckingham partner in a raw materials and mercenary venture, is David Steel's Heritage Oil and Gas (which shares London offices with Branch Energy). Steel is the head of the Liberal International, and former president of the Anti-Apartheid Movement in Britain. In 1977, Steel was appointed to Her Majesty's Privy Council, a post he holds today. If there is one thing that EO doesn't lack, it is royal backing for its soldiers-for-hire operations.

Despite these connections, Executive Outcomes may very well go down in flames, in the near future, to be remembered as the corporate mercenary army that everyone loved to hate. The South African government is reportedly moving to regulate the private security industry, and ban South African citizens from engaging in fighting abroad—despite the fact that some former African National Congress fighters, along with some of their former bitter rivals from the Inkatha Party, the South African Civil Cooperation Bureau, and the UNITA forces of Angolan rebel Jonas Savimbi, are reportedly also on the EO payroll.

Even if Executive Outcomes falls, under current circumstances, it will have served its part in an orchestrated effort to create a new, post-modernist, post-nation-state global service industry: corporate armies for hire.

A thumbnail sketch

The February 1997 article in *Harpers* magazine by Elizabeth Rubin was blunt about EO's corporate mission. Citing military historian Martin Van Creveld, whose 1991 book, *The Transformation of War,* trumpeted the idea of "privatization" of combat, Rubin wrote, "Conventional wars waged by nation-states are fading from the map and future 'war-making entities' will resemble those of the pre-modern era—tribes, city-states, religious associations, private mercenary bands, and commercial organizations such as the old British East India Company." EO is out to lead the revival of "pre-modern" warfare.

Executive Outcomes was created in 1989 by Eeben Barlow, a veteran of South Africa's 32nd Battalion special forces unit, and later, of the Civil Cooperation Bureau (CCB), the apartheid regime's not-so-secret assassination squad. Barlow won early contracts for his army-for-hire from the South African Defense Ministry and the DeBeers diamond cartel. In 1993, EO got a $20 million-a-year contract from the Angolan government, to field a mercenary force capable of taking back the diamond-mining region of the country from the UNITA rebels. The contact also included a $20 million-a-year budget for arms and equipment purchases.

In May 1995, EO got a similar contract from Sierra Leone's military dictator, Valentine Strasser. The deal carried a price tag of approximately $2 million a month. Both the Angola and Sierra Leone deals had been arranged through Buckingham's Branch Energy, which also underwrote the salaries of the EO troops, in exchange for the lucrative diamond concessions. What cash payments were made to EO during the early phase of the contract, came right out of Sierra Leone's account with the International Monetary Fund. Once EO's elite killer squads secured the mining areas, they brought in "security guards" from Lifeguard, another firm linked to the Diamond Works/Sandline/EO corporate complex. An EO spokesman told the Johannesburg, South Africa *Weekly Mail and Guardian* that the company was planning a cellular phone network and resort hotel in Angola—and was already in the business of distributing Bibles. Barlow tells reporters that his computerized database of soldiers-for-hire now contains thousands of names, beyond the more than 1,000 troops he currently has in the field.

Defence Systems Ltd.: a Crown jewel

by Dean Andromidas

Of all of the so-called "private" British security firms to surface in the recent period, the outfit that warrants the closest scrutiny is Defence Systems Limited, a London-based firm which has been deeply involved in the British asset grab in Ibero-America; which works side-by-side with the Crown Agents in Bosnia, attempting to sabotage the U.S.-led peace effort, in typical Special Air Services (SAS) style; which has emerged as mercenaries-of-preference for all of the major Club of the Isles cartels; and, which has been specifically deployed to penetrate the U.S. military and national security establishment, at the highest level.

While Executive Outcomes was sending its top corporate public relations men to plead their case at the recent Defense Intelligence Agency conference, the far more prestigious DSL was off making polished sales pitches to the London headquarters of the International Institute of Strategic Studies (IISS) and the Washington, D.C. office of the World Bank. Through a U.S. subsidiary, DSL has managed to snare the "privatized" security contract for the U.S. Embassy in Zaire (now the Democratic Republic of the Congo), Uganda, Bahrain, Abu Dhabi, Angola, and Ecuador—a situation that ought to raise some serious alarm bells, given the British Club of the Isles' ongoing sponsorship of international terrorism.

Today, DSL has its headquarters in Egginton House, London, and branch offices in Washington, Jacksonville, Hongkong, Singapore, Bogotá, Lima, Maputo, Kinshasa, Luanda, Port Moresby, Moscow, Kazakhstan, the Isle of Jersey, and Sarajevo. It presently has private and government contracts in 44 countries, and, as of May 1996, had over 4,000 employees, drawn from 30 countries.

According to a corporate prospectus presented by Stephen Carr-Smith, DSL's Director of Special Developments and the company's liaison to NATO, to IISS on May 31, 1996, DSL has emerged, since 1992, as "the largest supplier of international contract personnel" to the United Nations. Through the intermediation of Britain's sugar cartel, Tate and Lyle, DSL has bagged a similar contract with the World Bank.

Today, DSL is in the process of consolidating a precedent-setting degree of integration with the British Ministry of Defense, through what Carr-Smith described as a "permanent private sector planning team," to be located at the Defense Ministry, with a database of skilled private sector military personnel and private sector security firms, to be drawn on for crisis service and proactive "peacekeeping." In his presentations to IISS and the World Bank, he and other DSL representatives emphasized that, in the post-Cold War era of scaled-back national military forces, more and more security and defense functions must either be taken up by the private sector, or abandoned altogether.

While pressing for what amounts to a de facto privatization of Britain's and NATO's military operations, DSL has, simultaneously, consolidated lucrative contracts with a majority of the Club of the Isles corporations, including: British Petroleum, Royal Dutch Shell, Schlumberger, S.G. Warburg, Crédit Suisse, Robert Fleming, Kleinwort Benson, British Airways, Cadbury Schweppes, Jardine Matheson, and Rothmans. Among their American clients are: Exxon, Mobil, Amoco, Texaco, Chevron, Brown and Root, General Motors, Coca Cola, and Bechtel.

In this special report, you will learn about DSL's involvement, in league with British Petroleum, in Colombia, in support of the narco-regime of President Ernesto Samper Pizano.

All the Queen's men

Defence Systems Ltd.'s meteoric rise to the top of the international mercenary industry is easily understood, as soon as one studies its easily obtained list of patrons and leading personnel. Founded in 1981, in the opening years of Margaret Thatcher's frenetic drive to privatize every function of the British government, DSL was, from the outset, a special project of the British Establishment—their own "have gun, will travel."

Its first managing director was Alestair Morrison, Order of the British Empire. Morrison was formerly second in command of the 22nd Regiment of the Special Air Services (SAS). Prior to founding DSL, he was the managing director of Heckler and Koch, U.K. Limited, the British subsidary of the German manufacturer of the official assault rifle of the German Army, the G-3.

The first chairman of the DSL board was Maj. Gen. Viscount Gilbert Monckton of Brenchley, Companion of the Bath, Order of the British Empire. A former chief of Staff of the British Army of the Rhine, the 2nd Viscount Monckton's family is British Empire all the way. His father, 1st Viscount Walter Monckton, was a member of Winston Churchill's cabinet and chairman of Midland Bank. The elder 1st Viscount led what was known as the "Maidstone Set," one of the elite Tory cliques, named after his Maidstone estate. The current Viscount Monckton's son, Christopher Monckton, was editor of the *Daily Telegraph*'s *Sunday Magazine,* and the social affairs adviser to Margaret Thatcher.

Another founding director, Philip Warner, was a director of Peninsular and Oriental Steam Navigation Company, of British Opium War fame.

DSL's current CEO is Richard N. Bethell, Member of the British Empire. A former officer in the SAS, Bethell is the son of the late Lord Nicholas Bethell, the 4th Baron of Romford. A senior member of the House of Lords, the elder Bethell was a lifelong operative of Her Majesty's Secret Intelligence Services, serving in the Middle East and Soviet sections of MI-6, and as a Lord in Waiting of the Queen. Lord Bethell was a key player in Britain's Afghanistan mujahideen project, which has spawned scores of international terrorist organizations, since the end of the Afghanistan War (1979-89). The idea of Lord Bethell's son directing one of the Crown's most important private "security" arms underscores the role that Britain plays today, as the leading sponsor and protector of narco-terrorism worldwide.

DSL spokesmen are mum about the source of its startup capital, making only vague references to Persian Gulf-based investors. But, following a string of offshore stock transfers, by the end of the 1980s, DSL emerged, briefly, as a wholly owned subsidiary of Hambro's Bank, one of the Crown jewels of the City of London. More recently, shares in DSL have turned up in the offshore portfolios of such major City of London financial houses as NatWest Ventures and Phoenex Fund Managers Limited. The latter is a subsidiary of Brierly Investments Limited. This is the huge, New Zealand-based multibillion-dollar fund run by Sir Ronald Brierly. According to its literature, DSL also enjoys "the full banking support of Rothschilds."

Since its founding, DSL has also been closely linked to another City of London "private" security conglomerate, Control Risk, founded in 1974 to provide risk analysis for Lloyds of London. Control Risk draws its personal and directors from the same high-level British military and intelligence ranks as DSL. Its managing director is former SAS Maj. Arish Turle. Its board of directors has included Gen. Sir John Stanier, former Commander in Chief of U.K. Land Forces and Aide-de-Camp General to the Queen; and Lord Soames, former leader of the House of Lords, senior Tory politician, and the son-in-law of the late Winston Churchill.

Another firm often involved in "logistical support" for DSL operations is Airwork Ltd., part of the corporate empire of the Cayzer family, managed by Lord Anthony Cayzer and Sir Nicholas Cayzer, which also includes the British and Commonwealth Shipping Company, and Caledonia Investments.

Since its founding, DSL has been heavily involved in Africa. It had contracts in Uganda, under President Milton Obote, until he was overthrown in 1986 by Yoweri Museveni. Despite DSL's alleged assassination attempt against Museveni, it was brought back in, and currently provides security for the U.S. Embassy. In 1986, Tiny Roland, chairman of the British African raw material giant Lonrho, negotiated a rapprochement between Britain and the Marxist governments of Mozambique and Angola; under the deal, DSL received the contracts to train special forces for both governments.

Penetrating the United States

In the last 12 months, Armor Holdings, a nominally American firm, bought DSL for $26 million. The British press described the takeover as a U.S. "coup," a claim which is untrue.

With help from circles linked to former President George Bush, DSL has adopted a "made in America" label, in order to penetrate and subvert U.S. national security interests through the "private sector." In fact, DSL began shopping for an appropriate U.S. "partner" for over a year before the "takeover."

Armor was a most unlikely buyer. Armor Holding, formerly the Jacksonville, Florida-based American Body Armor and Equipment Inc., was a small, family-owned firm that had been manufacturing body-armor in New York, since 1969. It went bankrupt in 1992, was placed in Chapter 11 reorganization, and, in 1995, was scooped up by a group of international investors. As early as 1991, as it was teetering on the edge of collapse, the firm was placed in the hands of a British national, Jonathan Spiller, who remains, to this day, a Fellow of the Institute of Chartered Accountants in England and Wales.

The 1995 buy-out and reorganization as Armor Holding, put the firm squarely in the Anglophile camp, as the following background of some of its directors reveals:

- The chairman of the board is Warren B. Kanders, a former senior vice president of Orion Bank Ltd., a merchant bank wholly owned by the Royal Bank of Canada.
- Burtt R. Ehrlich is a director of Armor Holding. His family securities firm, Ehrlich and Boger, is owned by Cater and Allen Bank, a British offshore outfit, with most of its operations on the Channel and Jersey Islands. Ehrlich is also a former treasurer and trustee of the Carnegie Council on Ethics and International Affairs.
- Nicholas Sokolow, a former partner in the rabidly Anglophile Wall Street law firm of Coudert Brothers, is now a senior partner in the Paris-based firm of Sokolow, Dunaud, Mercadier, and Carreras.
- Thomas W. Strauss, another director of Armor, was vice chairman of Salomon Brothers, until he was forced to resign, over a 1992 insider trading scandal, involving the manipulation of sales of U.S. government securities.
- Armor Director Richard C. Bartlett is chairman of the Richmont Group, a Dallas, Texas-based multinational holding company. He is a member of the elite Davos World Economic Forum, the Rothschild-owned Economists Group's Cross Border Monitor, and is chairman and trustee of the Nature Conservancy of Texas. This is the Texas chapter of the Nature Conservancy founded by the British Privy Council in 1946.

Congo-Zaire: The dissolution of the nation-state

by Linda de Hoyos

Kinshasa, capital city of what used to be Zaire (now renamed Congo), was the scene on Aug. 13-16 of a summit of African leaders of the "new breed" so praised by such outlets as the London *Times:* Ugandan President Yoweri Museveni, Rwandan President Pasteur Bizimungu, Eritrean President Isaias Afwerki, and newly self-appointed President of the Democratic Republic of the Congo, Laurent Kabila. Tanzanian former President Julius Nyerere is also due to arrive in Kinshasa for the summit. Just prior to this confab, President Kabila had visited Eritrea, where he met with Afwerki, and also Angola, where he was wined and dined by Angolan President Jose Dos Santos, whose troops provided a major boost to Kabila's successful takeover of western Zaire in May. Simultaneously, Museveni was playing host in Kampala to Tanzanian President Benjamin Mkapa.

The series of visitations suggests the tightening of coordination among the African leaders who have been projected by British intelligence as ushering in a "United States of Africa." But this will not be achieved on the basis of diplomacy among sovereign nation-states. The events unleashed in eastern African since the Ugandan invasion of Rwanda in 1990, orchestrated by former British Minister of Overseas Development Lynda Chalker, and her favorite underling Yoweri Museveni, show that boundaries among states are to be dissolved, and their contents organized as a new business franchise with two purposes: first, the security of foreign investment and seizure of property titles on raw materials by primarily British Commonwealth mining and other companies; and, second, the lining of the pockets of the government enforcers of the policy. In this context, the actual borders of the east African countries will soon cease to have effective existence.

The following dissolutions of borders have occurred.

Rwanda-Uganda. Since the 1994 takeover of Kigali by the Rwandan Patriotic Front (RPF), itself a section of Museveni's National Resistance Army of Uganda, Rwanda has become a virtual satellite of Uganda. Rwanda's change in status was made official in August 1996, when Museveni visited Kigali and Rwandan "President" Bizimungu declared that the two countries would cooperate closely in the areas of "commerce and industry, transport and communications, energy, finance, especially in the fields of *privatization, and tax collection, defense and internal security, justice* and education" (emphasis added). Ugandan citizens are not reaping the benefit of this new attachment, however. There are loud complaints against Rwandan Defense Minister Paul Kagame's constant use of Museveni's own Presidential jet, and also of the fact that Kagame and the RPF leaders have long-standing non-performing loans from the major Ugandan bank, the Ugandan Commercial Bank, which loans were used to finance the 1990 and 1994 invasions. Now, the British-Asian Madhvani family of Uganda has announced the takeover of Rwanda's non-performing sugar industry—extending its slave-labor sugar dynasty southward.

The erasing of the Ugandan-Rwanda border has gone so far, that in 1996, during the elections, Rwandan troops moved in to occupy the Ugandan district of Kisoro, to ensure a turnout for Museveni. Kisoro was formerly part of Rwanda, until it was handed over to Britain's Ugandan colony in 1910.

Rwanda-Congo. This border has also, for practical purposes, ceased to exist. The RPF has made no attempt to hide its desires to convene a modern replay of the Berlin Conference of 1884, whereby the colonial powers carved up Africa to their own perceived best interests. Former leader of the RPF Fred Rwigema was murdered in 1990, for his lack of interest in using Rwanda as a springboard to move into Zaire, according to multiple sources. In the early days of the RPF-Ugandan invasion of Zaire in 1996, Rwandan Foreign Minister Pierre-Celestin Rwigema showed a correspondent for the Brussels paper *Le Soir,* a map in which the Zairean provinces of North and South Kivu are incorporated in "Greater Rwanda." The invasion was launched from "protected areas" (**Figure 1**).

The annexation is not official, but is efficient already today. Idjwi Island in Lake Kivu has already been retrieved by Rwanda, and Rwandan flags can be seen in Kivu towns such as Jomba, Bunagana, Ntamugena, Rugari, Uvira, and Nyangezi. Rwanda and Ugandan businessmen are also looking to set up shop in the area. Aiding this process is the annihilation of the Zairean currency, and the increased usage of the Ugandan shilling as the only reliable tender in the region—especially since the International Monetary Fund and the World Bank have knocked the Kenyan shilling to the floor.

FIGURE 1
Protected areas in Africa

From 1995 to 1996, Uganda registered nearly a tripling of gold exports to $60 million, with the central bank declaring that the gold increase stems from increasing gold leakages from Zaire to Uganda.

Aside from the economic penetration of particularly eastern Zaire, there has been mounting evidence that politically and militarily, Kabila may well be only a front man for the Rwandan-Ugandan takeover of especially eastern Zaire. According to reports, Kabila spends most of his time in Lubumbashi, the capital of the mineral-rich and highly contested province of Shaba, where British Privy Council interests are focussed.

What Congolese army?

The concern over Kabila's actual political power has arisen over the shroud of secrecy that covers the actual command structure of his army. Even the outgoing U.S. ambassador to Uganda noted in an interview with *Le Figaro* on July 25, that "there is also the question, always a timely one, to know if Kabila will be capable of managing the situation, and to what extent he is operating, as his point of departure, *from a political base which is Rwanda*" (emphasis added).

As the reports of the Rwandan troops' mass murder of Hutu refugees in eastern Zaire hit the Western press, finally, in April 1997, it became clear that the Rwandans, not Kabila's Alliance of Democratic Liberation Forces (ADLF), were running the military show. According to anti-Kabila forces, a Ugandan Hima (Tutsi), James Kabari, is the actual commander of Kabila's armed forces today, and the command structure remains under Rwandan-Ugandan control. There is, in fact, no Congo army. Those forces under the label of Kabila control only sections of the country—North and South Kivu, Shaba, and areas around Kisangani and Kinshasa, and are comprised of up to 4,000 Rwandan troops, with Burundian, Angolan, Ugandan, and Eritrean troops also present. The primary mission of this multinational force, according to reliable sources, is to provide security for the foreign mining ventures in the country.

A similar military configuration is currently in Uganda, reportedly preparing for a renewed assault on southern Sudan. This 15,000-man force is comprised of 5,000 Ugandan troops, with the rest from Angola, Eritrea, Rwanda, and Congo, augmented by Tanzanian medical services and trainers.

Another Thirty Years' War

The multilateral forces operating on behalf of the British Commonwealth are mirrored by the makeshift alliances of their on-the-ground opponents. According to multiple sources, remnants of the Rwandan Armed Forces of murdered President Juvenal Habyarimana, remnants of the Zairean Armed Forces of ousted President Mobutu Sese Seko, Jonas Savimbi's Unita in northwestern Angola, and various localized armed opposition groups to Kabila all operate in a loose coalition against the Uganda-Rwanda-Angola-Kabila combine. Such operations are not really a problem for London, as long as business is permitted to proceed unmolested. Meanwhile, entire populations will continue to be caught in the crossfire, pushed back into the *terra incognita* of "the bush" in order to escape certain death. A look at the model, Uganda, where Museveni's wars against the opposition have taken hundreds of thousands of civilians' lives (see *EIR*, Aug. 8, 1997), illustrates the point.

The London *Times* and other misinformation outlets might hail Museveni et al. as the "new breed" of Africans, who no longer listen to the western powers. But the ultimate beneficiary of the dissolution of the Congo is emerging: Rwanda has now officially requested admission into the British Monarchy's Commonwealth, following in the footsteps of Mozambique and Angola.

London reaps a harvest of death

by Richard Freeman

On May 9, in Lubumbashi in western Zaire, less than two weeks before he was to take power over Zaire and its 45 million inhabitants, Laurent Kabila met with top members of the British Commonwealth's oligarchical financiers. The meeting was organized jointly by Kabila and a Canadian mining company, America Mineral Fields (AMF); representatives from approximately a dozen financial institutions attended.

For three years before then, the raw materials cartel had been laying the groundwork for the attack on this huge, mineral-rich country (see **Figure 1**), with an economic invasion of its own. Operating through a series of what are called junior companies—small mining firms, usually with hidden backing and control from such as Anglo American Corp., or else oligarchical financier forces—it began to map out, and, through preliminary contracts, lay claim to the country's various deposits in rich mines of cobalt, tin, diamonds, zinc, copper, etc. This first invasion commenced in 1994-95, and gained substantial force during 1996, when preliminary contracts were signed with the government of President Mobutu Sese Seko. But the Mobutu contracts had too many restrictions limiting the "free-enterprise rights" of the mining cartel to plunder.

Former U.S. President Sir George Bush's Barrick Gold led the mining invasion of Zaire in 1996, when it claimed gold mines at Kilomoto and Doko, in Haut-Zaïre province. Joining Bush in this looting expedition were the Canadian junior companies, which, amazingly, often had office staffs of only 10 people, and little capitalization of their own. But, like America Mineral Fields—which, despite its name, is a Canadian (i.e., British Commonwealth) company—they claimed huge mining properties. AMF had signed a deal to mine the mammoth Kipushi copper mines in Shaba province.

America Mineral Fields was founded in 1995 for exploration purposes. Its stock was first floated on the Vancouver Stock Exchange, and it is now traded on the Toronto Stock Exchange. It is run and owned by Jean-Raymond Boulle and by his British-educated brother, Max. Jean-Raymond Boulle's business partner and president of AMF, is Mike McMurrough, who happens to live in Hope, Arkansas (a town that young President-to-be Bill Clinton left when he was seven years old). They made Hope the temporary headquarters of AMF. There is therefore absolutely nothing to the widely circulated British propaganda lie, that AMF is an

FIGURE 1

Congo's strategic resources

Symbol	Resource
Au	Gold
C	Coal
Cb	Columbium (niobium)
Cd	Cadmium
Cem	Cement
Co	Cobalt
Cu	Copper
Dm	Diamond
Mn	Manganese
Pet	Petroleum
Re	Rhenium
Sn	Tin
Ta	Tantalum
W	Tungsten
Zn	Zinc

Group of producing mines or wells

Underline symbol indicates plant

Railway

"American" firm with "ties to President Clinton." McMurrough neither has, nor had, any business dealings with Clinton. As an AMF official told *EIR* on April 18, "AMF's operation in Hope, Arkansas is just a shell company."

Boulle's pedigree shows that for his entire life, he has worked for the British Commonwealth raw materials cartel. During the 1960s, Boulle ran the Zaire operations of the Oppenheimer family's DeBeers' Diamonds. During the 1970s, he and his brothers set up shop in Dallas, Texas to sell diamonds and jewelry. In the 1990s, Boulle developed a nickel property in Canada, called the Voyseys Bay project, in partnership with Robert Friedland, a Vancouver-based wheeler-dealer. Through selling his share in the property to the Bronfman family's Inco Company, Boulle now sits on the board of Inco, which is based in Canada. In 1996, Boulle lined up business deals in Zaire with Anglo American Corp. Through business deals, Boulle is linked to Tony Buckingham, who oversees Executive Outcomes, the mercenary police force in Africa.

On May 20, an executive vice president of a Canadian investment bank, who attended the Lubumbashi meeting, confirmed and added to what the AMF official reported occurred at the meeting: "Zaire has potential for food growth, timber reserves, and great mineral wealth: diamonds, copper, cobalt, and zinc," he said. Asked why invest now, rather than five years ago, he explained that Kabila promised privatization of Zaire's mineral holdings. During the 1980s, when Zaire produced at its peak, it was one of the five biggest raw materials producing entities in the world. In 1993, the International Monetary Fund and World Bank organized a credit cutoff to force Zaire to privatize its raw materials holdings. As a result, between 1987 and 1993, cobalt production fell 82%, and copper output fell 91%. Though some concessions were made to privatization, basically, it still resisted. The Kabila forces have now levelled that resistance.

At the start of May, as part of the payment to help Kabila to get into power, the Vancouver-based firm, Eurocan Ventures International of Alfred Lundin, which has renamed itself Tenke Company, and which has a large cobalt investment in Zaire, gave Kabila a $50 million payment, as a "down-payment" on its mining project. In April, AMF's Jean Raymond Boulle provided Kabila with a personal plane to fly him around Zaire. By then, AMF had started to refer to Kabila's government as the actual government.

The corporate invasion

The British Commonwealth raw materials cartel operated behind and through the Canadian juniors in Zaire:

• The Canadian mining company, America Mineral Fields of Jean-Raymond Boulle, lined up to purchase for approximately $1 billion, the Kolwezi project and the Kipushi copper and zinc mine in Shaba province from Gecamines. The Kipushi mine is one of the largest copper and zinc mines in the world (copper and zinc are often mined together), and mining operations started here in 1925. Its known and probable reserves stand at 22.6 million tons, grading 2.1% copper and 13.8% zinc. AMF will realize more than $20 billion in revenues from the mines, achieving a very high rate of return.

• Tiny Consolidated Eurocan of Vancouver, which renamed itself the Tenke Company in February, is purchasing from the state mining company Gecamines, a 55% interest in the Tenke-Fungurume copper-cobalt deposits in Shaba province. Eurocan/Tenke will pay $250 million over 72 months for its stake, but the stake is worth potentially tens of billions of dollars in revenues. The Tenke-Fungurume mines have geological reserves of 222 million tons of copper and cobalt, with potential reserves of 1 billion tons, the world's largest operating cobalt reserves. Consolidated Eurocan/Tenke is owned and run by Swedish wheeler-dealer Adolf Lundin, who operates from Vancouver. One U.S. mining industry 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.

• Vancouver and Cayman Islands-based Panorama International has obtained cobalt holdings in Shaba.

• Banro Corporation of Toronto, Canada.

Zaire has three eastern provinces: Haut-Zaïre, in the northeast; Kivu, in the central-east; and 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.

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. 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. Thus, Anglo American is the *éminence grise* behind the project.

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—a task which Kabila et al. have dutifully accomplished.

Queen Elizabeth runs a coup: the case of Papua New Guinea

by Allen Douglas and Michael J. Sharp

Over the past several months, there has been a coup in the Southwest Pacific nation of Papua New Guinea. Under cover of a manufactured corruption scandal about the hiring of mercenaries to train P.N.G.'s Army, the government of Prime Minister Julius Chan was ousted in June, in order to open up the nation's vast raw materials wealth to unbridled looting by London-centered financial interests, on the eve of the worst worldwide financial collapse in history.

Papua New Guinea, which has a population of 4 million and shares the island of New Guinea with Indonesia, ranks among the world's top ten producers of copper and gold, and is rich in other raw materials, including oil, natural gas, and timber. The coup which ousted the nationalist Chan, but did not succeed in obliterating his party or his political influence—and is, therefore, still ongoing—is a classic case of how a sometimes bewildering array of assets of the British Crown's "invisible empire," are mobilized to attack a nation-state. Surveying these "Many," the thoughtful intelligence analyst, like his cousin, the Platonically trained philosopher, is provoked to search for the "One" that generates them. Here, the One is the Crown; its Many include members of Her Majesty's Privy Council and top officials of her Commonwealth of Nations organization; the intelligence services and foreign affairs apparatus of Commonwealth member Australia; leading firms of Her Majesty's raw materials cartel, Rio Tinto (formerly Rio Tinto Zinc) and Broken Hill Proprietary Co. Ltd. (BHP), the second and third largest mineral companies in the world; the World Bank; Transparency International, the Prince Philip-World Bank spawn which mobilized the mobs to dump Chan; assorted mercenary clones of the British Special Air Services (SAS)—among them, Executive Outcomes, DSL, and Sandline International, all under the direction of Her Majesty's Corps of Commissionaires—whose activities provided the nominal excuse for the coup; Commonwealth media barons Kerry Packer and Rupert Murdoch, who daily trumpeted the latest "revelations" against the Chan government; and, finally, street mobs provided by sanctimonious "low church" evangelical-pentecostal churches and non-governmental organizations (NGOs).

In the old days of "gunboat diplomacy," the British Empire used to just shoot down individuals or regimes it didn't like. That method is still used on occasion, but the Crown prefers these days to rally the natives under the banner of "transparency" and "fighting corruption," to help overthrow their own governments, as it did in Italy in the early 1990s. Prince Philip's new organization, Transparency International, is a special instrument for such projects. When you hear that "such-and-such a government is corrupt," you may be quite sure—unless it be a government tied to that one-man army of real corruption, George Bush—that the Empire has it in its crosshairs. The hordes of zombies, marching with shining eyes and outstretched arms, and chanting "Transparency!" are agents of Her Majesty, whether wittingly, or not.

Now, to our case study.

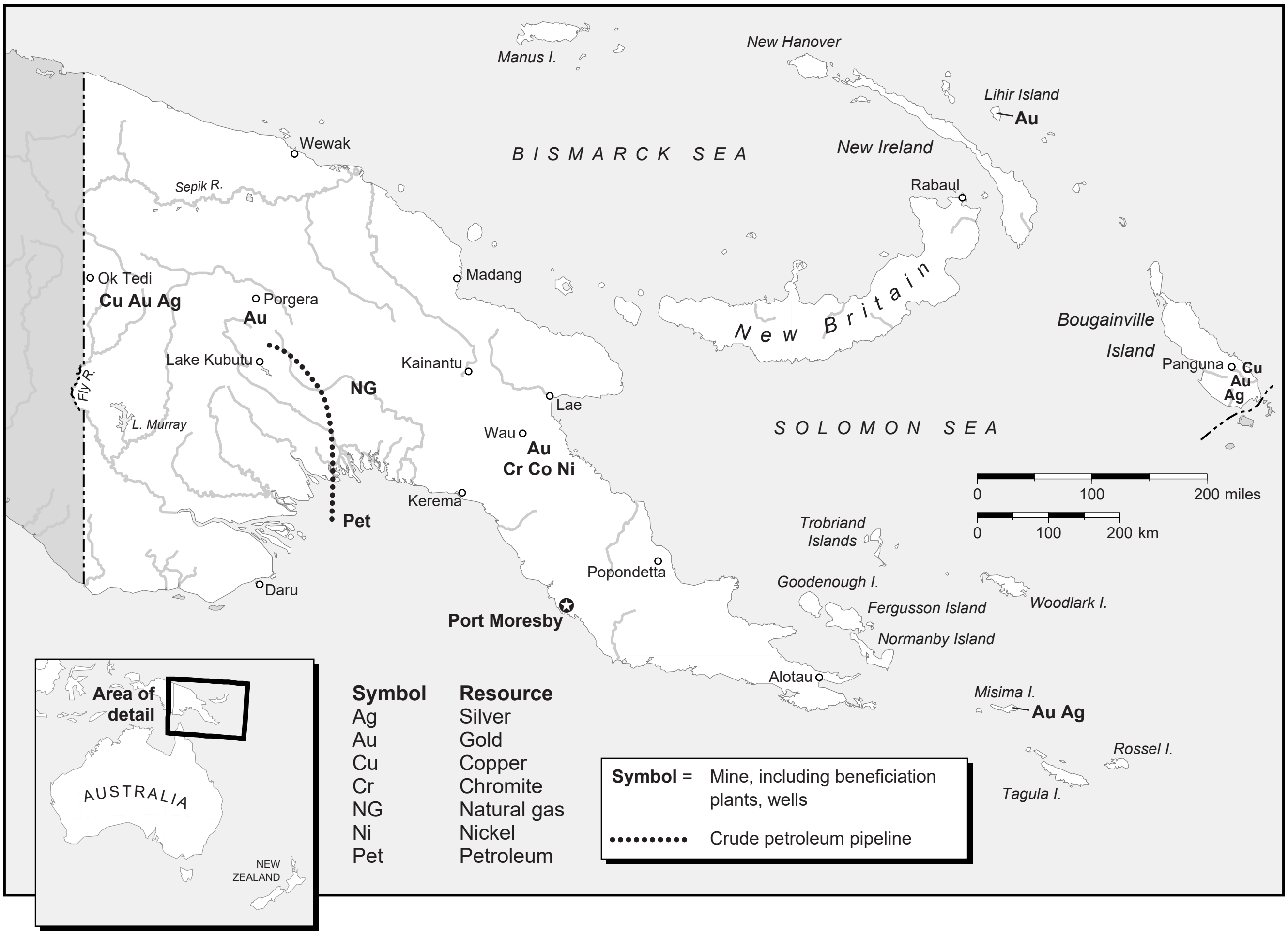
Chan versus the World Bank

In 1994, Julius Chan was elected prime minister of Papua New Guinea, a Commonwealth country whose sovereign is Queen Elizabeth, for the second time. P.N.G. is today, just as when it was granted independence in 1975, a poverty-stricken, developing-sector nation, with little infrastructure. There are still unpaved roads leading out from its capital, Port Moresby. Besides mining, the P.N.G. economy is based on subsistence agriculture. The life expectancy is 55 years, for men and women alike.

The country has also been the scene of the bloodiest conflict in the South Pacific since World War II, because of an insurgency by the indigenist Bougainville Revolutionary Army (BRA) on P.N.G.'s island-province of Bougainville, which began in 1989. Bougainville is the location of the Panguna copper mine, jointly owned by Rio Tinto and the government; Panguna was the world's largest open-cut copper mine and provided 40% of the government's annual revenue, until the insurgency shut it down. The insurgency was to flare again, simultaneously with Prime Minister Chan's clash with the World Bank in 1996.

Former Prime Minister Chan was one of the "best and the brightest" of this former British (and Australian) colony. He had been groomed as a colonial administrator: after various positions in P.N.G.'s House of Assembly, he became a gover-

FIGURE 1
Papua New Guinea: major raw materials deposits



nor of the International Monetary Fund (IMF), the World Bank, and the Asian Development Fund; was made a Commander of the British Empire in 1975; was elected a fellow of the International Bankers Association in 1976; and, was appointed a member of the Privy Council in 1981, when he became prime minister for the first time.

Yet, Chan, like many of his fellow countrymen, developed a keen sense of nationalism. He fought fiercely against the World Bank in 1996, when it demanded that he sack thousands of public servants, freeze wages, eliminate price controls on basic foodstuffs, eliminate controls on foreign investment, and sell off ("privatize") P.N.G.'s mineral wealth. Declaring that the World Bank had "destroyed many countries," Chan kicked its petulant, arrogant representative, Pirouz Hamadian Rad, out of the country.

The World Bank's most crucial demand was that P.N.G. privatize its Mining Resources Development Company (MRDC), which controlled the government's share in six major mines that, after the 1989 closure of Panguna, constitute the bulk of the country's economy.

National sovereignty: an effective military

By mid-1996, under immense pressure from the World Bank, which threatened to cut off $340 million P.N.G. had been promised in international aid, and a renewed BRA insurgency, Chan capitulated to some of the World Bank's demands, including the sale of 49% of MRDC, now known as Orogen Minerals Limited. But, Chan planned to deal with P.N.G.'s two most severe problems, the Bougainville insurgency and the lack of revenue for economic development, at one stroke. His plan was to train and equip P.N.G.'s Army to finally settle the Bougainville conflict, to buy out Rio Tinto's majority share in the Panguna mine, to recommission it, and to plough its revenues into building the nation. Toward this end, the Cabinet, in early 1996, had adopted a Defense White Paper which budgeted $80 million to upgrade the Army.

Requests to P.N.G.'s allies, the United States, Australia, and New Zealand, to carry out the proposed upgrading were rebuffed, as per the worldwide IMF-World Bank policy of dismantling military forces—the guarantors of national sovereignty. P.N.G. officers bitterly charged that Australia, in particular, wanted to limit the effectiveness of P.N.G.'s Army, while Chan said, apropos of the fighting in Bougainville, "I'm sick and tired of seeing our boys coming back in body bags."

Finding no governmental assistance, Chan was forced to "go private." According to numerous accounts, the first to propose hiring mercenaries for the training, was P.N.G. Corps Pty Ltd., a subsidiary of the London-based Corps of Commissionaires, headed by the Queen. In proposals to the P.N.G. government, which were later leaked to the Melbourne, Australia *Age* newspaper, the Corps recommended that the government establish a force modeled on the British SAS, which, it said, "had a fearsome reputation throughout the world." Army commander Brig. Gen. Jerry Singirok lobbied Chan for this project, and proposed that, given budget cuts, Rio Tinto could discreetly fund it. Ultimately, P.N.G. struck a deal for $36 million with Sandline International, a subsidiary of Executive Outcomes, which subcontracted part of the project to another British SAS spin-off, DSL. Sandline also had very close ties to Rio Tinto, as detailed below.

'Assassin squads'

P.N.G.'s negotiations with Sandline began in 1996. Once the mercenaries were in the country, in February 1997, the trap which was to bring Chan down, was sprung. The Packer and Murdoch-dominated Australian press (Murdoch owns the *Post Courier* in P.N.G. as well) suddenly exploded the story, with headlines such as "Outrage at P.N.G. Assassin Squads." The main media theme, however, was that because the deal was "corrupt," Chan and his associates, Finance Minister Chris Haiveta and Defense Minister Mathias Ijape, must step down.

On Feb. 26, two days after the mercenary story first hit the press, the Australian government denounced the Sandline deal as "totally unacceptable," and threatened to cut off Australia's $240 million in aid to P.N.G. Shortly before, the *Australian Financial Review*, controlled at the time by Canadian media baron Conrad Black, had let the cat out of the bag as to what was really afoot: "The Papua New Guinea Government teeters on the brink of again elevating a spurious form of economic nationalism above rationalism."

Amid the press uproar over Sandline, Chan asked, "Is there some political agenda that is behind their motives, to possibly destabilize the government and disrupt the June elections?" P.N.G.'s National Intelligence Organization, in a document leaked to the press, charged that a "cabal of prominent P.N.G. citizens," aided by environmentalist NGOs and a network of "born-again Christians," including Army commander General Singirok, was conspiring to replace Chan with Privy Councillor Sir Michael Somare, P.N.G.'s first post-independence prime minister.

On March 17, General Singirok charged that he had evidence of "corruption" in high places, and publicly called upon Chan to resign. Singirok's mutinous troops and allied NGOs surrounded Parliament house, and for the next ten days, the country teetered on the brink of anarchy. Chan finally agreed to step down, pending the results of a judicial inquiry into the hiring of Sandline.

An investigative commission headed by an Australian judge found Chan and his chief cabinet ministers innocent of any wrongdoing, but the damage was done. After 29 years in parliament, Chan lost even his own seat in the June 14 election, by 110 votes.

Dramatis personae

The above is a broad outline of what happened. To understand *how* it happened, one must look more closely at the plot's chief actors—those in center stage, and those standing discreetly in the wings:

Her Majesty's Australian government: Australia's intelligence services, which have been a subsidiary of British intelligence ever since they were set up by MI-5 chief Sir Roger Hollis in the 1950s, were intimately informed, from the very beginning, of every step which Chan took to hire the mercenaries. The *Canberra Times* of April 4, 1997 noted, "Australian technology is used almost exclusively in P.N.G.'s communication infrastructure, and it is widely understood that Australia monitors virtually everything the P.N.G. government does." In addition, the Australian Secret Intelligence Service had two informants, ASIS official Warren Reed told Australia's "Four Corners" TV program recently, one an Australian mercenary, and the other an official in Chan's government, keeping them abreast of all developments.

Had Australian government officials such as Prime Minister John Howard and Foreign Minister Alexander Downer, who later howled about the mercenaries, genuinely wanted to stop the operation, they could have privately taken the same measures which they later took publicly, such as threatening to cut off all Australian aid, *before* the mercenaries landed in P.N.G. This would have stopped the affair before it got started. But, said Chan, the Australian government had not only known about the plan, it had *supported* it: "P.N.G. is being accused of hiring mercenaries—not trainers but mercenaries—by the media of a country which endorsed the strategy in the first place," he said.

Her Majesty's Commonwealth of Nations apparatus: Deployed in tandem with the Australian government, were top personnel of the official Commonwealth apparatus. One of these, Commonwealth Secretary General Chief Emeka Anyaoku, was visiting Australia when the P.N.G. crisis broke out. He made a lightning visit to P.N.G., during which he convinced Chan to step aside pending the judicial inquiry into Sandline, despite Chan's having just won a resounding parliamentary vote of support. Said Anyaoku, "I believe my conversation with Sir Julius was helpful for him in making up his mind." Anyaoku also said, about coup leader Singirok, "I was impressed by Brigadier General Singirok and his evident devotion to the P.N.G. defense command. His whole position . . . was motivated by that devotion"—curious praise for a man who had just led an armed insurgency against his own government.

A second Commonwealth official involved in the plot, was its former deputy secretary general during 1990-95, Sir Anthony Siaguru, who is now chairman of the recently established P.N.G. chapter of Transparency International. Transparency led the campaign to mobilize public outrage over the Sandline affair as one of alleged "high-level corruption." Siaguru told Australian investigators that he had been recruited to head Transparency in P.N.G., by his old friend Jeremy Pope, who had formerly been the Director of the Commonwealth Secretariat under him, and who was now Transparency's managing director. A member of the elite law firm of Blake Dawson Waldron in Port Moresby, Sir Anthony handles the accounts for a number of key multinationals in P.N.G.—the same multinationals which brought Transparency into the country.

Transparency International: In its literature, TI proclaims itself to have been jointly spawned by the British Crown and the World Bank, out of a series of "ethics in business" seminars personally organized by Prince Philip. Former World Bank chief Robert McNamara was present at its founding meeting in 1993, and several bank officials were involved, including its chairman, Peter Eigen, for 25 years a senior official managing programs in Africa and Ibero-America, and its vice-chairman, Frank Vogl, another former senior executive. No wonder, then, that Eigen bragged, at a TI conference in Italy on Jan. 20, 1997, that "James Wolfensohn, president of the World Bank, publicly committed this institution to make of the fight against corruption a central point in the coming years."

Wolfensohn is a trusted operative of the Crown, who was knighted by Queen Elizabeth as "Sir James," in May 1995, just days before he took up his post as chief of the World Bank. He is a fine one to preach about corruption: As a protégé of London financier Sir Sigmund Warburg, Wolfensohn was one of a handful of bankers who in the 1960s founded the international drug-money laundromat known as the Eurodollar market. He is also a longtime business partner of Kerry Packer, the Australian multi-billionaire who was investigated by an Australian Royal Commission in the early 1980s for murder, drug-pushing, money-laundering, and other alleged crimes. That commission was shut down by Packer's political allies, before it completed its investigation.

In an interview with the Australian Broadcasting Corp.'s Radio National on April 2, 1997, Siaguru described how TI set up shop in P.N.G.: "There was a growing feeling among people in business, in the private sector . . . that the excesses that we see happening in other countries were starting to get themselves established here. There was a lack of transparency and lack of accountability on the part of public office holders. . . . That's what led to actions being taken by members of the private business community, to invite Transparency International to come in and consider establishing a chapter here in P.N.G. So, two existing institutions in P.N.G., the Institute of National Affairs and the Business Council of P.N.G., organized a seminar. And out of that came two things: the first was a decision to establish a Code of Conduct, the second is the establishment of a chapter of Transparency International."

The Business Council of P.N.G. is a front for Rio Tinto and BHP, which finance the Institute of National Affairs (INA). The Business Council's longtime president, until his death in 1996, was BHP's P.N.G. managing director, Kipling Uiari, Order of the British Empire. The INA is a rabid "free market" think-tank that has repeatedly attacked the government. One of its main clients is the World Bank.

The Business Council and the INA sponsored a seminar, "Ethics in Business," in July 1996, which was attended by P.N.G.'s Anglophile elite, including the Australian and British High Commissioners and various NGOs. In an interview on Aug. 4, 1997, Anne McDermott, TI's P.N.G. manager, recalled, "As a result of that one-day seminar, it was thought that something should be done. There were some people who knew Transparency International."

On Jan. 24, leading officials of Transparency International, Australia, including its British-born chairman, Henry Bosch, flew to P.N.G. to inaugurate the new chapter. TI Australia had itself been set up at the initiative of Royal Dutch-Shell, the leading sponsor of the World Wide Fund for Nature (WWF), another project of Prince Philip and his friend, Prince Bernhard of the Netherlands. Acting Chief Justice Sir Kubulan Los officially launched TI P.N.G. In a press release, the new organization announced that it had "declared war on corruption and secrecy" in the country. Its chairman, Siaguru, emphasized that TI would be holding a series of events, in order to shape the outcome of the national elections on June 14.

Her Majesty's minerals cartel: As documented elsewhere in this *Special Report,* and in "The Sun Never Sets on the New British Empire" (*EIR,* May 24, 1996), the still-existing British Empire, now known as the Commonwealth, is the single greatest financial and political power on this planet. One key to that power, is its extraordinary control of the world's raw materials, through British and Commonwealth firms. The number-two and the number-three largest raw materials firms in the world, the London-based Rio Tinto, and the Australian-based BHP, are part of this cartel. They own the major mines in P.N.G.

Rio Tinto: Rio Tinto holds 53% of the Panguna copper mine on Bougainville, and is the majority shareholder in the newly opened Lihir Gold Mine, one of the largest in the world outside South Africa. Rio Tinto was founded in 1873 in Spain by Hugh Matheson, using profits from Jardine Matheson, his family's dope-trading Hongkong firm, ties to which have lasted until today. In 1962, the First Bank of Boston, long associated with the drug trade, provided the financing for the merger of Rio Tinto and the Anglo-Australian firm, Consolidated Zinc. The resulting London-based firm, known as Rio Tinto Zinc, recently merged with its Australian subsidiary, RTZ/CRA, and is now called Rio Tinto.

The company is controlled by a mere 120 "accounts," which represent the family funds of Britain's leading aristocrats, including the Queen. Her holdings of Rio Tinto are so extensive, that former RTZ Chairman Sir Mark Turner once observed, "You're running into problems of what the government is going to say about the Queen's involvement."

The insurgency which Chan faced on Bougainville was caused by Rio Tinto in the first place. Beginning when it opened the Panguna mine in 1969, the company dumped millions of tons of toxic waste into a nearby river, and expropriated or destroyed thousands of acres of land near the mine, enraging local landowners and residents. Instead of negotiating compensation with the injured parties, Rio Tinto chose to take a hard line, precipitating the insurgency. That behavior toward the native population of Bougainville is all the more curious, given that Rio Tinto is the chief funder of indigenism in Australia through the Australian Conservation Foundation, which Prince Philip founded in 1963. The ACF organized the "aboriginal land rights" movement in Australia (see *EIR*, April 28, 1995). In just the last several months, Rio Tinto has paid out $45 million in "land rights compensation" to Australian aborigines, while the company's energy division chief, Leigh Clifford, took a leading role in a recent 2,000-delegate "Aboriginal Reconciliation" convention in Melbourne in late May.

Given Rio Tinto's support for "indigenism," consider the evaluation of one of Australia's senior counterterror experts, about who finances the BRA: "Look at the mining companies, particularly in Queensland [Australia]. You will definitely find big Australian money backing them." Rio Tinto is the biggest mining company in Queensland.

Would the company allow, or finance the shut-down of its own mine? It would certainly not be the first time a cartel took product off the market—and Rio Tinto has repeatedly tried to corner the world copper market, ever since it was founded. Nor would it be the only time the company shut one of its mines under a pretext. Workers at Rio Tinto's Hunter Valley No. 1 coal mine in New South Wales, now engaged in a bitter strike against Rio Tinto, have charged that the company deliberately ran down the coal mine, previously one of the most profitable in Australia, in order to provoke a strike, to break the unions at Hunter Valley as a precedent to smash all unions in the country.

Nor would it be the first time Rio Tinto has schemed to overthrow a government. Rio Tinto helped oust two Australian prime ministers in the 1970s, Liberal Prime Minster Sir John Gorton in 1971, and Labor Prime Minister Gough Whitlam in 1975. Though of differing political outlooks, both Gorton and Whitlam were nationalists who wanted to use Australia's great mineral wealth for the good of the nation, instead of for the enrichment of Rio Tinto, with which they each clashed bitterly.

Rio Tinto is no more a stranger to mercenaries than it is to indigenism. The manager and biggest shareholder of P.N.G.'s Lihir gold mine is Southern Gold Bahamas Ltd., a 75-25% partnership between Rio Tinto and a company named Vengold, a relation which may shed light on how Sandline International wound up in P.N.G. Until recently, Vengold was owned by Sydney-based Robert Friedland, known as "the King of the Canadian Juniors." These are smaller mining companies which front for the majors in various dirty deals that the latter want to keep at arm's length. According to a report broadcast on ABC Radio National on April 6, 1997, Friedland's corporate empire is staffed "by a number of former RTZ senior employees." Additionally, one of the directors of one of Friedland's companies, Diamondworks, is Col. Tim Spicer, who led the Sandline International mercenary team into P.N.G. Although Spicer at first denied it, it emerged during hearings into the Sandline affair, that Sandline had offered to take its payment in government-owned shares in Rio Tinto's Panguna mine. Another of Friedland's companies is Branch Energy, which, according to the Radio National story, reportedly owns Executive Outcomes, the parent company of Sandline.

There is another curious intersection between RTZ partner Friedland and the Sandline story. Friedland recently appointed two senior executives from the Hongkong office of Jardine Fleming Bank to run his main holding company, Ivanhoe Capital, which has reportedly raised $6 billion in capital since 1993. Jardine Fleming is a subsidiary of the Jardine Matheson firm long associated with RTZ, and oversaw the World Bank-forced privatization of the P.N.G. state mineral company. It also brokered the P.N.G. government's hiring of Sandline.

Broken Hill Proprietary Co. Ltd.: Since the closure of Rio Tinto's Panguna mine, all of P.N.G.'s copper now comes from the huge Ok Tedi mine near the country's western border. Owned 60% by BHP, and 20% by the P.N.G. government, the mine provided 20% of the value of P.N.G.'s total exports for 1994. BHP is headquartered in Melbourne and was long known as "The Big Australian," because its production of steel, minerals, and so on comprised as much as 1.5% of Australia's Gross National Product. It cannot boast quite as colorful a past as Rio Tinto, but, with its army of 65,000 employees in 59 countries, it, too, has now become entirely globalized, as part of the Queen's world minerals cartel.

Her Majesty's 'low church' mobs: As documented elsewhere in this *Special Report*, the Church of England, which is officially headed by the Queen, deploys the rabble-rousing mobs of the "low church" through various vehicles, including the local branches of the World Council of Churches. ABC Radio National's interviewer John Cleary, in an interview with Sir Anthony Siaguru, TI's P.N.G. head, summarized the forces which coalesced, with funding provided by Rio Tinto and BHP, to form the anti-Chan coalition: "The churches have had a word, as you say, the private sector has had a word. In some way Transparency International has become a little bit of an umbrella body here. How do the churches connect with Transparency International?" Siaguru replied that Transparency runs "a worldwide coalition against corruption," a chief component of which is the churches.

On cue, at a press conference in early June 1997, just before the national elections, the chairman of the Melanesian

Council of Churches, Major Tau Pala, declared that, unlike "the old conservative times . . . the church ministries' responsibilities now also extend to witnessing the political world." Therefore, he said, the churches should not only "pray for the type of leaders they wanted to put into Parliament," but should demand that all candidates and elected leaders "sign the national integrity pledge with the recently established P.N.G. chapter of Transparency International."

Heeding this call, the evangelical and pentecostal churches, together with the Catholic Commission for Justice and Peace, launched "Operation Brukim Skru" (pidgin for "Bended Knees") against "corruption" in the Chan government. The Queen's chief representative in P.N.G., Gov. Gen. Sir Wiwa Korowi, was a key leader of Brukim Skru, while Brukim Skru founder Roger Hau'ofa, in an interview with Radio National, praised Singirok as "a strong Christian" who was closely associated with the movement. Singirok is a typically corrupt asset of Transparency: Following his anti-Chan uprising in March, it emerged that the born-again Singirok had secretly been on the payroll of J&S Franklin, the British arms dealer, the whole time, and that entries in his diary from February, showed that he was already then planning a coup.

Her Majesty's 'no-good organizations': The coalition which TI rallied to overthrow Chan also featured a gaggle of non-governmental organizations. The term "NGO" was coined by the British Commonwealth Foundation in the 1960s; the organizations were established to attack sovereign nation-states, under cover of "human rights," "environmentalist," or other pretenses. There are now over 500,000 NGOs in Britain alone, with an annual turnover of $30 billion. The most important of these, such as Amnesty International, are led by ranking members of the British aristocracy.

Such sponsorship, together with the NGOs' own actions, belie their claims to be championing "democracy" and "people's power." When Singirok called on March 17 for the overthrow of Chan, three NGOs took to the streets to back the call: the Melanesian Solidarity Organization (Melsol), which later sponsored a tour by Singirok through P.N.G.'s Highlands provinces; the Individual and Community Rights Advocacy Forum (ICRAF); and the P.N.G. Watch Council. When the leaders of these organizations were later arrested, Amnesty International immediately proclaimed them to be "prisoners of conscience."

Even before they took to the streets, ICRAF head Powes Parkop, and Melsol activists, proclaimed that Chan, Deputy Prime Minister Haiveta, and Defense Minister Ijape should be subject to "citizen's arrest," if authorities did not prosecute the three government leaders over the Sandline affair. Chan accused the NGOs of "playing a dangerous game." Furthermore, he said, "I question their motives. It is not just my government they are attempting to bring down. They are attacking the very form of government itself that Papua New Guinea works under. . . . There is no law laid down by God that says that anyone working for an NGO is automatically a saint." Indeed, they receive some of their funds from a good approximation of the devil, the World Bank.

In January 1997, the same month Transparency announced its "war against corruption," some 100 NGOs met to set up the People's Alternative Social Action Program (PASAP), as an "alternative system" to the P.N.G. government. Overseeing the meeting was World Bank representative Pirouz Hamadian Rad, who had been kicked out of the country the previous year, and who now pledged $11 million to PASAP. PASAP was designed by the P.N.G. Watch Council, founded in August 1996, almost contemporaneously with the "Ethics in Business" seminar which generated TI, P.N.G. The P.N.G. Watch Council says it is a "coalition of NGOs and *resource owners*," whose purpose is to "strengthen the role of civil society in P.N.G." (emphasis added). According to the *Post Courier* of Aug. 14, 1996, the Watch Council was established as a funnel "through which the international development donor and service agencies, and the World Bank . . . can sensitively reach their grass roots." These "international donors" include the Australian and Canadian governments, the latter of which has really poured in the funding, both through the individual Canadian NGOs and through the government's own Canada Fund.

The next phase

Though Her Majesty's minions ousted Chan, they have not yet achieved all they set out to. According to the report of P.N.G.'s National Intelligence Organization, Transparency's plan was to install Privy Councillor Sir Michael Somare as prime minister. Somare, who organized his campaign for parliament around the theme of "fighting corruption," is a typical Transparency asset: As prime minister in 1985, he intervened to secure the release of three Australian businessmen, over the strident objections of his police and Customs officials, whose drug-sniffing dogs had gone wild over the Australians' plane at Port Moresby airport.

Somare was defeated by Bill Skate in the vote for prime minister. Skate had fiercely criticized Chan over the Sandline affair, but Chan helped to broker Skate's election as prime minister. Evincing the nationalism often common to political opponents in P.N.G., Skate said that P.N.G. had been "misled by many people" over the Sandline affair, warned against "interference from foreign sources," and said that he looked forward to receiving advice from Chan, and from former Prime Minister Paias Wingti, whom the Transparency crowd also knocked out of parliament.

The situation remains highly fluid. In late July, Army troops loyal to Singirok arrested the new Army commander, Brig. Leo Nuia, whom Chan had appointed to replace Singirok. They also sprung Maj. Walter Enuma, Singirok's deputy in the March uprising, from jail at gunpoint. Nuia has since been released, and Singirok is expected to be charged with sedition, but Her Majesty's grab for P.N.G.'s raw material wealth has clearly just begun.

Who is wagging your neighbor's tongue? The militias and Pentecostalism

by Anton Chaitkin

> "The greatest threat from terrorism in the United States comes from people who are associated with a British Church of England-run Pentecostalist movement inside the United States. It is this apparatus which has structured the militia. Now, most people in the militia movement, or associated with it, have no part of the intentions of those who are behind it, particularly that section in the Episcopal Church, or Pat Robertson, who's part of this same movement, who are barking—authentically barking—Pentecostalists, who, with their connections with the military, deeply embedded in the military, including the . . . corps of chaplains in the U.S. military, are largely controlled, presently, by outright barking Pentecostalists. . . . This is the . . . main source of the internal threat of the potential for terrorism, and other kinds of treason inside the United States, today."
>
> —Lyndon LaRouche, "EIR Talks," July 30, 1997.

Two years after the bombing of the Oklahoma City Federal building, a stream of lies is pouring through British-run media sewers, preparing credulous populists to view terrorism, or even civil war, as inevitable.

The grotesque joke is on the American populists. Their paramilitary militias, and Pentecostal sects, are creations of the very "Godless internationalists" they believe they are resisting. The British Empire high church apparatus seeks to reduce the American mind to that of a clown, a hypnotized "Christian" who babbles or barks like a dog; a "patriot" numbed by anti-government gossip and Armageddonism, so that he sees his own nation as his enemy.

Will these Americans provide cover, and become patsies, for criminal outrages by professional terrorists? In hopes that, instead, they will get out of the game, and turn their righteous anger against their manipulators, we offer this report on how the game is rigged.

This investigation began with a probe into the armed standoff between police and "Republic of Texas" members demanding the secession of Texas, in April 1997. This writer telephoned into the besieged compound and interviewed Richard Otto, alias "White Eagle," who said he was asking members of militias around the country to come to the site, armed for a shootout.

I checked Otto's background, and then shared my findings informally with militia members and others who might have been drawn into the provocation. Otto, it turns out, had been trained and set into motion by an Air Force officer who toured the world practicing New Age pagan rituals, in consultation with senior British intelligence drug-rock-sex gurus such as Gregory Bateson. This unappetizing profile, subsequently spread around by wary militants themselves, helped to discredit and defeat the provocation.

While Otto and his band surrendered on May 3, reports flooded into this news service of continuing, outrageous provocations. Among these was the bizarre case of an anti-government Texas demagogue with important military connections, one Jim Ammerman, whose incitements have been widely circulating among separatists and militia members.

A Pentecostal clergyman and retired Army colonel, Ammerman now controls chaplains currently serving in the U.S. Armed Forces around the world, as well as within prisons, and even in the Federal Bureau of Investigation. He claims supernatural prophetic powers, preaches the imminent end of the world, denounces the U.S. government as illegal, and says the President has deserved execution. During the April siege, Ammerman "mediated" between the Texas separatists and the FBI.

As *EIR* inquired further into the origins of the Ammerman operation, and how it is protected within the U.S. military, a much broader picture came into view. Described here are:

- Colonel Ammerman's agent methods;
- Britain's militia adventures among Ammerman's clients, and the Oklahoma City bombing;
- the highest-ranking U.S. general who was captured by Pentecostal mind-benders, and who created Ammerman's anti-government agitation bureau;
- how British Empire master-race theorists concocted Pentecostalism; their colonial religious experiments among blacks in the United States and Africa;
- the America-hating, feudalist, high church aristocrats

Church and state

The irony is, that atheists are often so obsessed with protecting the state from the influence of the church, that they blind themselves to the menace of a state-controlled church. Worst of all, is the control of a large part of the religious bodies inside the U.S.A. by a foreign empire, the covert control over large parts of many denominations by the British Empire's currently reigning Pontifex Maximus, Elizabeth II.

All of the old pagan empires used state-regulated religious belief as the principal means of governmental mind-control over subject populations. Each of the fallen empires of Mesopotamia practiced this. The Cult of Apollo, originally the Gaea-Python cult at Delphi, was the principal such enemy of civilization inside ancient Greece. The Roman and Byzantine empires used state-regulated pantheons as the principal method of control of subject peoples.

As it became a world empire, the British monarchy imitated precisely such practices of its Roman and Byzantine predecessors. King Henry VIII's declaring himself the Pontifex Maximus of England was used as an established precedent for the Church of England's adopted role of regulating the sundry varieties of religious beliefs among the subjects of the British Empire, and used religious channels for persisting efforts at attempting to reconquer the U.S.A. from within.

The most successful forms of such attempted subversion are, naturally, the charismatic cults. The advantage, that a purely arbitrary doctrine, by its nature, as the old pagan religions did, conceals its true purpose from the light of reason. Thus, the British monarchy's control over key sections of the U.S. military, and its top-down control over the so-called "militia" and related strata in the U.S. today, is now the single greatest security threat to the continued existence of our republic.

In short, free our religious communities from the control of such foreign, pagan powers as the British monarchy and its World Council of Churches.

—Lyndon H. LaRouche, Jr.

and globalists who pushed through "charismatic renewal"; and

- the national security danger from this British-owned military, paramilitary, and religious apparatus, including such operatives as Pat Robertson.

Colonel Ammerman: treason in the Army

A videotape is circulating among the militia networks, entitled "The Imminent Military Takeover of the United States." This is a speech by the Rev. Jim Ammerman to the Prophecy Club of Topeka, Kansas. Ammerman warns that the President, aided by masses of foreign troops already on American soil, will soon put the nation under martial law—if God does not end the world before the current President can act. Ammerman decrees that President Bill Clinton should long ago have been executed, for avoiding the Vietnam draft.

Ammerman, who retired in 1977 as a U.S. Army colonel and chaplain, is described by the Prophecy Club as a former Green Beret and "CIA official" with 26 years in the military, and top-secret security clearance. He is the leader of some 200 chaplains now serving in the U.S. Armed Forces under the banner of his group, the Chaplaincy of Full Gospel Churches. His chaplains presumably speak in tongues and perform supernatural cures, as does he. He tells his audience that his chaplains provide him with inside information about military activities ordered by what he claims is the illegal dictatorship of the U.S. President.

Ammerman's frantic tapes and faxes have been pushed all over the populist and Pentecostal milieu, and to the members of the Republic of Texas group. Douglas Towne, manager of a ghostly Ammerman-led intelligence group called the Mount Rushmore Foundation, told this reporter that the Ammerman circle had extensive communications with the chief provocateur in the siege, Richard Otto ("White Eagle"). Towne calls Otto "a real soldier . . . just like Tim McVeigh [convicted in the Oklahoma City bombing], . . . who can't be shaken or broken, confident that he has backing."

In recent weeks, Ammerman has spread the warning, or threat, that some form of terrorist act will soon occur, giving the "illegal" U.S. government the pretext for the imposition of martial law.

Why is our government "illegal"? Ammerman's fellow Prophecy Club speaker, Ralph Epperson, explains that the United States was founded by Luciferians, Illuminati communist-masons, in order to usher in Satan's rule.

Ammerman himself is a furious Anglophile. He warns of foreign soldiers on U.S. bases, especially *Germans,* whom he calls "enemy troops"; but to him, nothing British is foreign. He reviles the U.S.A. historically. John Kennedy's mafia background got him killed, after he had passed the time during the Bay of Pigs crisis by womanizing; Abraham Lincoln was a dictator, understandably murdered, he claims. Ammerman lies that President Clinton has murdered many people to cover his crimes. He thus creates a climate in which Clinton's murder would be "understandable." Meanwhile, he pretends to strangers that God has told him secrets about their personal problems, and that he has supernatural powers to help those who will suspend their reason.

This purported Christian minister, on whose authority the Pentagon employs a large number of its chaplains throughout the world, is no single bad apple. As we shall see, his chaplaincy is a British intelligence and Anglican Church project, involving a former top-level U.S. Army general with responsibility for counterinsurgency, whose brain was scrambled by Pentecostal operatives.

Ammerman lies, whipping up anti-government activists, maneuvering them into terrorism or what looks suspiciously like terrorism. The British have acted through other channels, in tandem with Ammerman, triangulating propaganda fire against the same audience of potential patsies.

Britain's U.S. militias and Oklahoma City

Just before the April 19, 1995 Oklahoma City bombing, Lord William Rees-Mogg, the London *Times*'s strategist of the Conservative Revolution, issued a false report designed to provoke armed clashes between "citizen militias" and the U.S. government. Rees-Mogg's report was in the March 22, 1995 *Strategic Investment* newsletter, which is published jointly by himself and James Dale Davidson, the head of the U.S.-based National Taxpayers Union. The Rees-Mogg provocation was very widely circulated, by fax and other means, among populists in the U.S. Western states. It read as follows:

"The slaughter of dozens of women and children in Waco by government stormtroopers under the command of Field Marshal Reno may pale in comparison to what has been planned for late March [elsewhere the date is given as March 25]: a nationwide BATF/FBI assault on private militias as the prelude to a possible declaration of martial law throughout the United States. All leaves have been canceled for BATF/FBI personnel. . . . Government agent provocateurs are set to plant fully automatic and heavy weapons, like rocket launchers, on the property of militia leaders. Every militia in the country—and there are dozens, many of which are well-armed and well-led by former or even active duty officers—is on a state of Red Alert. Should Reno be stupid enough to actually attack them militarily, there is going to be a lot of blood.

"The establishment media is programmed to immediately thereafter thunderously bellow for nationwide gun confiscation and even martial law."

In a later interview with this reporter, *Soldier of Fortune* writer James Pate claimed credit for originating the story put out by Lord Rees-Mogg; Pate pretended it was fed to him by a source in the Treasury Department Bureau of Alcohol, Tobacco and Firearms (BATF). Colorado-based *Soldier of Fortune* magazine, a global recruitment channel for mercenaries and assassins, was started up in the 1970s with seed money from British Special Air Services operatives in Africa.

On March 25, 1995, reacting to the Rees-Mogg provocation, about 125 hapless militia activists turned out at Cuero, Texas, to see whether they would be arrested or slaughtered on the predicted date. At the rally, Texas Constitutional Militia attorney Carl Haggard, touted as a national militia spokesman in the *Soldier of Fortune* April issue then on the newsstands, demanded that the militiamen drop politics, and prepare themselves with straight military training. Haggard is a former corporate attorney for the Anglo-Dutch multi, Shell Oil.

The same day as Lord Rees-Mogg's memo went out, March 22, 1995, a very spooky British agent named Jon Roland faxed and e-mailed this warning to journalists and militias: "We have . . . reports of possible plans for atrocities to be committed by agents against innocent persons and blamed on militia activists. The atrocity targets include . . . homes and families of . . . government agents, judges, and elected officials. This would provide a pretext for labeling militiamen 'terrorists.'. . . Crowded public places, to be bombed and the bombings blamed on militia leaders, with evidence to later be planted on them." Four weeks later, 168 died in the Oklahoma City blast.

Jon Roland, the bizarre "prophet" of the bombing, had earlier been promoted in the British press as a leader of angry Americans. Ambrose Evans-Pritchard, the London *Sunday Telegraph*'s Washington correspondent, from a prominent British intelligence family, had begun his reportage on America's anti-government paramilitary groups in a Dec. 4, 1994 article datelined Dallas.

"The Texas Constitutional Militia," or "TCM," wrote Evans-Pritchard, "is growing at phenomenal speed. . . . 'We have penetrated the government's electronic intelligence system and we've turned it against them,' says Jon Roland, a former civil rights and environmental activist who helped set up the TCM. 'There are lots of Little Brothers watching Big Brother.' " The quote refers to George Orwell's novel *1984*, in which the dictatorial government, "Big Brother," creates false opposition movements secretly under its control. Orwell's novel is modelled on British Empire practice, as in Kenya, where the British set up ineffective opposition to colonialism as "countergangs" to subvert true independence movements.

The private Texas Constitutional Militia was in fact started by Roland. Militia members say that Roland showed up in south Texas in April 1994, around the first anniversary of the Waco massacre. He advertised for patriots to turn out to a "muster," telling those who showed up that he would put them into business as a private militia. He prescribed the form of organization, such as he had used to start up militias in other states: seven-man, self-contained cells, within county groups, to guard against treachery. And he produced a list of contacts which would keep them in touch with authentic information about the national scene.

The conservatives who joined were a bit puzzled when Roland identified himself as a "secular humanist," which is anathema to Christian conservatives—but perhaps his other credentials were in order.

In an April 27, 1995 interview with this author, Roland spoke expansively about his background. He said that his "good buddy" Ambrose Evans-Pritchard had put him "in touch with intelligence agents around the world." He meets periodically with these Evans-Pritchard intelligence community contacts, Roland said, and they give him "inside information."

Roland said he had been sarcastic when he told the militia members he was a secular humanist, and that he is currently a Zen Buddhist. He explained that he has long been an activist of the "international federalist movement"; he advocates the formation of a "true constitutional world government." An ultra-Malthusian environmentalist, Roland has "worked closely with the leadership of the Friends of the Earth," as well as Greenpeace, inhabitants of Prince Philip's stable of environmentalist groups. Roland claims that even as few as "tens of thousands of people, using modern technology, will eventually destroy the Earth" if they are allowed to exist "scattered all over the landscape." Echoing Prince Philip and the World Wildlife Fund, Roland said that "overpopulation" causes Africans "to kill each other."

Militia founder Roland has been a computer specialist for the U.S. Air Force, as an officer and contractor, since 1967. He says that he received specialized training from the Army's 101st Airborne Division at Fort Campbell, Kentucky/Tennessee, the home of the psychological warfare unit that assaulted Panamanian leader Gen. Manuel Noriega. He has written on "Third Wave" computer strategy themes in the *Futurist*, organ of the World Future Society. He was long a member of a British intelligence front, the L5 Society, promoting Britain's utopian counterstrategy to the hated John Kennedy's Apollo space program.

Six days after the Oklahoma City bombing, NBC TV's "Dateline" program featured an interview with Roland, portrayed only as an angry militia leader and computer specialist, who warned of a civil war in America.

Speaking later to this author, Roland provided a list of his associates in the militia movement that Roland has worked at organizing throughout the United States. First on the Roland list was Bradley P. Glover, a Kansas paramilitary leader.

During July 1997, Glover and six other persons were arrested on charges of plotting to bomb U.S. military bases, beginning with Fort Hood, Texas. The FBI said that Glover and an associate were arrested on July 4 near Fort Hood, in possession of various weapons, and that others in on the alleged plot were charged with possession of pipe bombs and machine guns. The arrests allegedly resulted from Missouri state police infiltration of paramilitary groups. Glover was featured in the *Wichita Eagle* on April 30, 1995, as perhaps the pre-eminent Kansas militia leader. He is said to lead about 1,000 armed men in the southern half of the state. In a 1995 interview, Glover told this reporter that he had initiated the militia movement in Kansas in November 1994. Glover said he was a former Naval Intelligence officer, but that any contacts that he might have with intelligence agencies at present are "none of your business."

Glover created a movement "against the globalists." Informed by this reporter about Jon Roland's British and World Federalist affiliation, Glover replied that he would have to decline to state whether he himself favored or did not favor world government.

General Haines and Operation Garden Plot

There is an ironic reality, a dangerous half-truth, in the provocative warnings about martial law and military takeover, issued by the British lords and their U.S. assets.

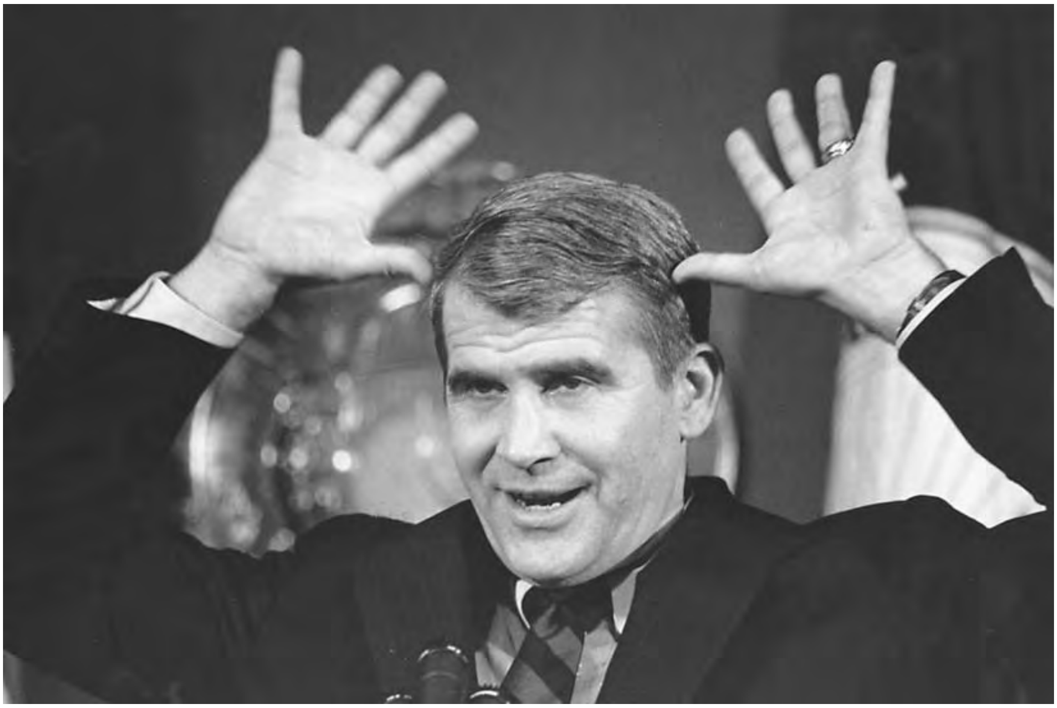
Interviewed by this reporter on May 22, 1997, Jim Ammerman stated: "There is a network of colonels and above, throughout the military, who would stand by the Constitution and against the President. They know who they are, and they are in close communication with each other. They could control the country if they need to."

The "multi-jurisdictional task force" is a repeated theme in Ammerman's exhortations to the militias. The military is allegedly now combined, under the Federal Emergency Management Agency, with other departments of the Federal government and with local governments. When the President tries to use this overreaching military against the people, Ammerman maintains, the "good" military officers will side with armed citizens against the President.

Curiously, Ammerman's own organization was created at the request of an Army officer, Gen. Ralph E. Haines, Jr., who personally supervised the military policing of the population, against which Ammerman directs his rhetoric.

General Haines had been vice chief of staff of the U.S. Army in 1967-68, when he was in charge of counterinsurgency preparations in the continental United States. He worked with the full resources of the Army under him, including military intelligence capabilities, to plan to cope with black ghetto riots and civil disturbances during the Vietnam War. Haines moved his troops into Detroit and Washington, D.C., as riots hit American cities before and after Martin Luther King's assassination. General Haines went public in an April 11, 1968 press conference, describing his "Operation Garden Plot." He had planned and directed the military arrangements for the takeover of every single American city, and arranged the linkages between the military and Justice Department, local police, and state governments.

The April 14, 1968 *New York Times* reported that Haines "said that detailed military planning for the summer began in February. The 'garden plot' preparations were national, he said, including 'every city you can think of.' Many officers who were to be assigned to specific cities in a military mobilization visited them in mufti [civilian clothes] to familiarize themselves with the terrain, the social and economic problems of potential riot areas, and the police with whom they would



Episcopalian charismatic Lt. Col. Ollie North (ret.), friend of George Bush and the British.

work if called, the general said."

It was this General Haines who asked Ammerman to create his Full Gospel Chaplaincy. In his book, *Supernatural Events in the Life of an Ordinary Man,* Ammerman says that at first he resisted the Haines project, but at length acceded to it.

The Defense Department received the petition for acceptance of the Full Gospel Chaplaincy in June 1983. After 13 months of resistance by military traditionalists, expressed by a bitter fight within the board of chaplains, the petition was approved in July 1984. This was at the height of the covert operations run though the military and the National Security Council by then-Vice President George Bush and his London allies, and such of their flunkies as Lt. Col. Oliver North (ret.), an Episcopalian speaker-in-tongues.

Colonel Ammerman, the pretended "anti-New World Order crusader," gave George Bush a thank-you salute. Ammerman's 1991 book, *After the Storm,* about the religious conversions of U.S. soldiers during the Persian Gulf War, opens with President George Bush's prayer proclamation as a preface.

The Haines-Ammerman project was a component of Britain's Pentecostalist political initiative, set in motion within the United States following World War II. This British initiative was to leap ahead in the United States in the 1960s. Haines would be inducted, dazed, and mind-battered into its service in 1971, while he was commander of the Continental U.S. Army Command. Retiring from the Army in 1973, at age 59, Haines then embarked on a second career, in the netherworld of political and covert operations peopled by active-duty, retired, and reserve officers.

In 1978, Haines led a group of American Episcopalian speakers-in-tongues, to Canterbury, England, for a global meeting of the Anglican Church under Queen Elizabeth's Archbishop Donald Coggan. Haines and others, colonials and Brits alike, launched a world crusade to spread Pentecostalism under Anglican guidance.

An Episcopal colleague of Haines, Gen. Albion Knight, U.S. Army (ret.), in a discussion with this reporter on June 5, 1997, lavishly praised the Haines-Ammerman project. A nuclear weapons and logistics specialist, Knight is now a Conservative Revolution leader in Howard Phillips's Taxpayers Party. He explained the strategy put in gear at the 1978 Canterbury meeting: Get away from stuffy high churchism. Get with the people. This hard-charging Anglicanism is "exploding in the Third World"; Africa is especially targetted. Intimately identified with the British authorities and the Church of England, General Knight manages the Church Information Center, which, he says, "feeds information to around 125 leaders, an intelligence network in the Anglican world."

How the general got zapped

In an interview with this reporter on July 28, 1997, General Haines said he asked Colonel Ammerman to initiate the new chaplaincy organization when he and Ammerman were in Europe in the late 1970s. They had both been speaking at a Heidelberg, Germany, military unit of the Full Gospel Businessmen's Fellowship International—a covert, masonic-like core organization of the British religious initiative created in the early 1950s.

Haines described his own fall into the "spirit-filled" world. At that time, military officers, scientists, and others leaders of America's military-industrial complex were being hunted as prizes. He said his wife was "baptized in the Holy Spirit" around 1967 or 1968, some three or four years before his own induction. This gave her "something to occupy herself with" while Haines was commander of the Army for the Pacific region (1968-70), with responsibility for the logisitics of the Vietnam War.

In 1970, Haines became commander of Continental Army Command, headquartered at Fort Monroe, near Norfolk, Virginia. His wife began working with the Pat Robertson organization as a volunteer. Through his wife, and one of Robertson's close associates, an invitation was issued for Haines to speak at a rally of the Full Gospel Businessmen's Fellowship, at a Buffalo, New York hotel, on July 24, 1971.

He said he went there thinking he would give a moderate Christian speech, such as he had given before to the Kiwanis and Rotary clubs. He showed up July 23, the day before he was to speak, in order to "case the joint." But they had him sit at the head table, next to Harald Bredesen. This Bredesen is one of a small central clique of operatives in the Pentecostal initiative, working under the coordination of British Empire agent David J. du Plessis, whose career will be reviewed below. Bredesen is a professional mind-bender in what is best termed Britain's "occult bureau." He inducted Robertson into the game around 1960; Bredesen and the Full Gospel Businessmen then built up Robertson into a multibillion-dollar political empire.

This is how Haines depicted his capture: "The 'businessmen' [in the audience] testified; tears ran down their cheeks. I was getting very uncomfortable. I signalled to my aide, let's get going, let's get out of here. But Harald leaned over to me; he said, Are you charismatic? I thought it over. I answered, I don't think so. What did charismatic mean? I thought of George Patton.

"Harald was the speaker. I thought, when in Rome, shoot Roman candles. People were putting up their hands [in uncontrolled fervor]. I put my hands up a little bit—the discreet Episcopal level. People asked me, 'General, what's your problem—why only half mast?'

"After Harald gave his talk, there was renewed praising of the Lord. My hands crept up to fully extended. I felt things happening to me. I felt things beyond my comprehension. It was not elation. I was dazed by it. Everyone crowded around me—they could all see something was happening. People closed in on me—I got out—I went to my room; I wanted to be alone. Harald came and ministered to me for a short time.

"The next day I saw that the speech I was to deliver was pabulum. What would satisfy these people? The people were saying, 'The general got zapped last night.' So though I used the core of what I had prepared, I now spoke differently, tailoring it to what had happened. I then thought, I don't know what God wants of me but I'm ready to do what He says."

What happened, when General Haines became possessed "by the Holy Spirit" at that rally? In a recent article in Stephen Strang's *Charisma* magazine, Bredesen explains "the way demons operate. Unclean spirits come into a medium, violate her personality and speak through her." But rest assured, what Bredesen and his sponsors are doing is different. "The Holy Spirit doesn't want mediums, robots or zombies." Do you want to become God's partner? Bredesen instructs you, "Don't speak words your mind understands. As long as you do, your mind will remain in control.

"Don't listen to yourself. Can you imagine a little child learning to talk? Does he say, 'Ma-ma-ma-ma,' and then stop with, 'I can't say that. That's not language'? No, he just hugs his daddy's neck and prattles away."

Charisma publisher Stephen Strang is a trustee of a U.S.-based core leadership team of mind-benders, incorporated as the Charismatic Bible Ministries, along with Ammerman, Oral Roberts, and others in this British outreach initiative. Strang also publishes *New Man* magazine, organ of the recently formed Promise Keepers cult. In a recent issue, under the title "Worm Training," a cult guide named Wellington Boone explains the religious problem and how this gang solves it:

"People have not yet learned how to become broken. . . . We are called to be 'worms.'. . . A worm never protests. . . . Can you say, for Christ, 'I am a worm and am no man'? . . . Jesus was crushed like a worm. He was slapped. They spat in His face until it ran down His cheeks. . . . God doesn't raise anything that is not dead.

"If we allow God . . . to work into us the idea of 'worm-training,' it would be revolutionary. We would gain a worm's-eye view of what God wants. . . . When we really meet Jesus and allow ourselves to be crushed . . . the impact will rock this world."

The 'mystery' of British-Israel, solved

Nowadays, 50,000 men and boys are periodically herded into a stadium to babble incoherently, to weep and laugh hysterically for the Promise Keepers. Or, at a specially rigged church at the Toronto, Canada airport, troubled worshippers come from far way to be miraculously cured; they fall into trances on the floor and bark like dogs, in "worship." Civilized humanity is obliged to ask, how has this come about?

The main figure in the creation of today's Pentecostalism, British agent David J. du Plessis, insisted that this phenomenon has *no history whatsoever:* It simply happened. Writing in 1956, du Plessis claimed, "It [is] clear that it was no man-made cult of 'tongues.' Only the 'power' of which Jesus spake, could have caused its miraculous growth and establishment" up to that point, from the beginning of the twentieth century. As the "charismatic renewal," a new Pentecostal movement, was just then being geared up in the 1950s, du Plessis lied that "there has never been a man or a movement than can claim the credit for having planned or propagated this world embracing Pentecostal Revival. It is simply the supernatural work of the Holy Spirit . . . to bring the 'Full Gospel Message' to the whole world in this generation. . . . This sudden move towards mass evangelism lately . . . cannot be attributed to anything else than the spontaneous move of the Holy Spirit."

We shall give here the first serious historical account of the "planning and propagating." We speak now of the high church principalities and powers who have built this new Tower of Babel, who look down with contempt upon their captive babblers, their low churchers, the herd, the worms.

It is necessary first to bring to light a myth known as British Israelism, which stands behind Pentecostalism. This is an evil piece of historical race gossip, spread into American religion, into the ranks of American populists, poisoning the minds of separatists and Armageddon terrorists.

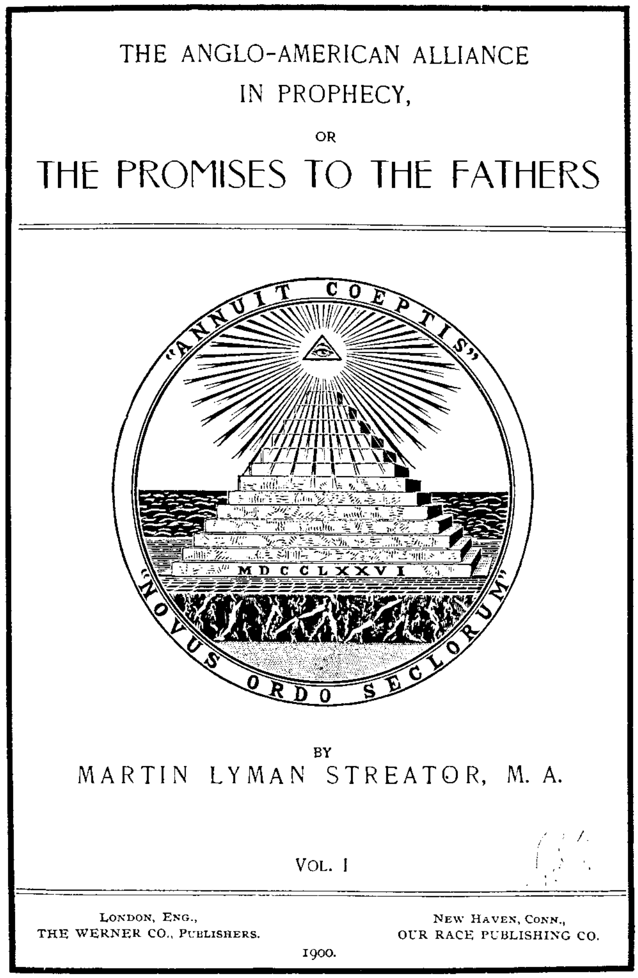
The British monarchy and its prime ministers and Foreign Office fabricated British Israelism in the nineteenth century, from earlier versions of the story. They claimed that Queen Victoria was descended from the Biblical King David, and was thus a descendant of the Davidic family tree that produced Jesus. They taught that the tribes of Israel wandered into northern Europe; that by this supposed genealogy, the British are the real Chosen People, and the British Empire is thus God's empire.

The modern Jews, by this British account, are not the historical Hebrews of Old Testament Israel, but rather, the British are. But, says the British Israel myth, in a leap of logic, the Jews need to be put into Palestine, to fulfill prophecy, get slaughtered in a war with the Muslims, and bring about the End Times.

To provide fuel for this mythology, the royal family asked the British Grand Lodge of Freemasonry to establish the Palestine Exploration Fund. In the 1870s, they dispatched soldier-archeologists to the Holy Land, to dig up supposed religious relics that might impress the cheap fancies of the beggarly masses.

British Israelism designed its Jewish angle to be worked in many politically useful ways, along a spectrum from Nazi anti-Semitism to radical Zionism. The cynical character of this entire travesty may be seen, in the way the story was *changed* to suit imperial politics. During the 1870s, Germany broke from its allegiance to British free trade doctrines. The London "prophets" then reconfigured ancient history. Suddenly, it wasn't Britain and Germany, collectively the Nordic Aryans, who were the wandering Chosen People, but only Britain. Modern Germans, it had been discovered, are the ancient Assyrians!

In his book *Religion and the Racist Right: The Origins of the Christian Identity Movement,* author Michael Barkun



THE ANGLO-AMERICAN ALLIANCE
IN PROPHECY,
OR
THE PROMISES TO THE FATHERS

BY
MARTIN LYMAN STREATOR, M. A.

VOL. I

LONDON, ENG.,
THE WERNER CO., PUBLISHERS.

NEW HAVEN, CONN.,
OUR RACE PUBLISHING CO.

1900.

British Empire race mythology underlies Pentecostalism. Published in 1900, when Pentecostal founder Charles Parham was inducted into British Israelism, this freemasonic-flavored tract demands that Britain's fellow "lost-tribe descendants" give up their misguided American Revolution.

presents a nagging paradox, which he never solves. He reports that British Israelism originates with the British military, the Anglican Church, the British upper classes, who are fanatical loyalists to the government, the British Empire. Yet, this mother has given birth to the Christian Identity Movement, whose racist paranoia and paramilitary anger are aimed against the government, the United States government. Barkun cannot puzzle out the mystery, how the same historical movement can both support the government, and oppose the government!

The British Empire invents Pentecostalism

According to Pentecostal lore, the movement began when a woman spoke in tongues in the church of Charles Fox Parham in Topeka, Kansas, in 1901. Reverend Parham spread the method until it blossomed in the famous Azusa Street, Los

Angeles, revival of 1906; from there, disciples took it around the world.

During the year preceeding the launch-time, Parham had caught fire with British Israelism. He had been indoctrinated into the Empire's mystery cult by emissaries of one Frank Sandford, who ran a cult center called Shiloh, near Durham, Maine. Parham made a pilgrimage and studied under Sandford at Shiloh, after which the two of them went on tour through Canada.

Sandford had made the New England Toryism of his fancy Anglophile family relations into a career, travelling back and forth to England, working to inculcate Americans into the British Empire gospel.

In those days, British Israelism was not shy. Its literature, such as *The Anglo-American Alliance in Prophecy, or The Promise to the Fathers,* published by Our Race Publishing Co., featured the masonic mummery of a pyramid topped by an all-seeing eyeball. The Egyptian pyramids allegedly contained coded secrets for understanding prophecy. The explicit message of the British Israel propaganda was, Americans should give up their mistaken Revolution, and reunite with their Anglo-Saxon racial brethren in the English fatherland. The movement's masonic Anglomania was proudly displayed. Parham's biography, written by his daughter, includes a photo of a mystery gavel, brought back from Palestine and donated by Parham to his masonic lodge.

With British Israelism as his theory of man's cosmic destiny, Parham began teaching Americans how to die mentally, to speak in tongues, as a religious exercise, allegedly re-creating the descent of the Holy Ghost upon Christ's Apostles during the Jewish feast of Pentecost. He took this show on the road from Topeka, and in Houston, Texas, a black preacher named William J. Seymour, the son of a slave, became part of his audience. The catch was, that Parham, being a crazed racist, would not permit Seymour inside the lecture hall; he had to listen at the window, or in the hallway.

Much is made of Seymour's spreading of the technique to a mostly black congregation on Azusa Street in Los Angeles, and of the fascination and novelty it held for visiting religious adventurers who took "Pentecostalism" out to the world. The movement was widely condemned by Christians as scandalous exploitation, and its historical origins faded into the mist. Frank Sandford spent ten years in jail for manslaughter, after many of his cult members died. Charles Parham's religious vocation was destroyed when he was charged with sodomizing a young male follower in Texas; Parham went on to a new career as a stump speaker for the Ku Klux Klan.

In 1908, British and allied American missionaries, who had observed the success of the experiment among blacks in America, brought Pentecostalism to South Africa. The British Empire had just then completed its conquest of that country in the Boer War against the Dutch-immigrant Afrikaner settlers. The great majority of the population were black Africans, including the rebellious Zulus, whom the British had militarily subdued in 1906. The new British masters shaped a uniquely brutal system of racial separation and slave labor, called apartheid.

The cultists and hypnotists went to work on the Zulus of South Africa. At the new Apostolic Faith Mission church, Zulu worshippers, in trances, would fall into heaps, clustered around the altar. British Empire South African strategist Cecil Rhodes congratulated the Pentecostal mind-benders for pacifying the natives as no military could have done.

Americans had better reflect deeply about what the British have done to Africa. For it was precisely the British Empire's apparatus for colonial conquest in Africa, which fashioned irrational Pentecostalism as one among the weapons used against America's "uppity" spirit of Reason and Progress.

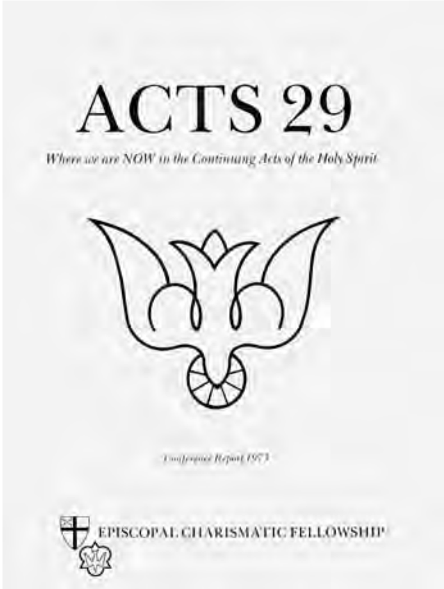
Du Plessis comes to America

We shall now review the career of South African David du Plessis (1905-87), the 1930s head of the imperial cult-master Apostolic Faith Mission denomination, who came to America and supervised the creation of Pentecostalism, and who managed the body-snatchers working on Gen. Ralph Haines.

With his British passport clearing him to reside as an alien in the United States, British subject David du Plessis came north in the late 1940s. By the early 1950s, du Plessis was a consultant to the International Missionary Council, a group formed by the British authorities who had spun off from it the World Council of Churches. Du Plessis strategized on the British rule in Tanganyika, Nyasaland, and Rhodesia with the Missionary Council's chairman, Briton John A. Mackay, who had earlier moved to America to head the Princeton Theological Seminary. Mackay, du Plessis's prime public sponsor, had been for many years a close collaborator of the Anglophile political-religious strategist John Foster Dulles, in Britain and at Princeton.

Simultaneously, du Plessis was employed on two other 1950s projects, in the world of covert intelligence:

- Du Plessis was a paid agent of the Far East Broadcasting Company, a religious cover for the official intelligence agencies operating in Asia (based in the Philippines) and Europe (based in Greece). This arrangement was especially cozy beginning in 1953, when John Foster Dulles became Secretary of State and his brother Allen became Director of Central Intelligence.
- Du Plessis was the master chef cooking up the Full Gospel Businessmen's Fellowship International, with Oral Roberts, Gordon Lindsay, front man Demos Shakarian, and later, Harald Bredesen. The FGBFI has penetrated Central and South America, Asia, and the Middle East as an occult intelligence agency, working in aggressive insurrectionary



This 1973 booklet described a conference on Episcopalian "charismatic renewal." Featured speakers were Gen. Ralph Haines (right), who would later launch Col. Jim Ammerman's provocative anti-U.S. chaplaincy; and David du Plessis (left), a British agent who spread the charismatic movement under World Council of Churches protection.

politics since its 1952-54 founding.

During the 1950s, du Plessis was adopted by the executive apparatus of the World Council of Churches, to ram Pentecostalism down the throats of Christians in America, and to "charismatize" the Catholic Church through agents at the Vatican. This was accomplished through the instrumentality of the Church of England.

The 'high church' gathers its forces

The British spread religious irrationalism to subdue and destroy that dangerous, typically American concept that man is created in God's image, dignified and self-governing. We will see this strategy, unadorned, by briefly inspecting the actions and words of du Plessis's employers.

The World Council of Churches was founded in England in 1937, under the direction of Anglican Church missionary leader J.H. Oldham, based on a plan developed by Lord Lothian and other members of the Round Table group.

World Council co-founder John Mackay (later du Plessis's sponsor) published a book, *The Universal Church and the World of Nations*, expressing the new World Council's desire for the reordering of global political affairs under a world government. The lead article was written by Lord Lothian, entitled "The Demonic Influence of National Sovereignty"; another article was written by Mackay's crony John Foster Dulles, who represented the Presbyterian Church at the World Council founding. Lothian and Dulles argued that national sovereignty, such as the political and juridical independence of the United States, causes wars.

The Round Table group had been organized by South Africa's British governor, Lord Alfred Milner, to fulfill the strategy of British South Africa leader Cecil Rhodes for a new-style white racialist world empire, in which the annoying independence of the republican United States, in particular, was to be extinguished. The core of the Round Table group was assembled from among the aides to Lord Milner in South Africa. Lord Lothian was the first editor of the *Round Table* quarterly, and was the chief executive of the Rhodes Trust, administering the Rhodes Scholarships to bring Americans and other "colonial" students to Oxford University.

John Foster Dulles and his brother Allen met the principal Round Table members after World War I, and were informally inducted. In a letter to Round Table founder Lionel Curtis, Lord Lothian expressed the racial views which the British Round Table shared with the Dulles brothers, in opposition to the viewpoint of American nationalists:

"The real problem is going to arise from the treatment which must be accorded to politically backward peoples. . . . There is a fundamentally different concept . . . between Great Britain and South Africa on the one side and the United States . . . on the other. . . . The inhabitants of Africa and parts of Asia have proved unable to govern themselves . . . because they were quite unable to withstand the demoralizing influences [i.e., the desire for modernization] to which they were subjected in some civilised countries, so that the intervention of a European power is necessary in order to protect them from those influences. . . . The American view . . . is quite different."

How they got away with 'charismatic renewal'

In May 1960, an English-born Episcopal priest, Dennis Bennett, told his Van Nuys, California parishioners that he had begun speaking in tongues after baptism in the Holy Spirit. This was the beginning of present-day Pentecostalism. The controversy over Bennett's announcement spread quickly, with coverage in *Time* and *Newsweek* magazines. The publicity, interpretation, and proselytizing for the new movement within the American church community and worldwide, was handled personally by David du Plessis.

Both Protestants and Catholics, who had earlier looked upon Pentecostalism as a freak show, or a Satanic influence, placidly accepted what was termed "charismatic renewal," as a respectable, non-threatening addition to Christendom. This succeeded because the British authorities and the World Council of Churches put their stamp of approval on David du Plessis, as the designated—by them—world representative of the new, "improved" Pentecostalism.

Between 1952 and 1954, John Mackay and World Council of Churches General Secretary Willem Adolf Visser 't Hooft introduced du Plessis to scores of the highest level Protestant and Eastern Orthodox church officials. The World Council executive shopped du Plessis around to the Ivy League U.S. colleges and seminaries, to speak of the religion of the future. Through Cardinal Augustin Bea and Cardinal Jan Willebrands, the World Council got du Plessis invited to the Vatican II council, and set up an official, global, "Catholic-Pentecostal Dialogue," which consisted of du Plessis talking to Vatican officials. Vatican officials did so despite the fact that when the World Council of Churches invited du Plessis to take part in its 1954 global meeting, he represented no Pentecostal religious body whatsoever; he was merely a British political agent. (The previously established Pentecostal churches were hostile toward the World Council and the Catholics.)

In England, Anglican Churchmen Michael Harper and other partners of du Plessis cemented the ties of Catholics around the world to the new movement.

Following Bennett's Episcopal Church outbreak of 1960, du Plessis, aided by Bennett, published *Trinity* newsletter. This was circulated in the United States and England as the spur for the new charismatic movement. *Trinity* was edited by Jean Stone, a wealthy American Anglican loyalist who mediated between du Plessis and the high-society bankrollers of the Episcopal Church. The organization publishing *Trinity* was chaired by Harald Bredesen, by then a well-established British intelligence operative.

Du Plessis instructed clergymen and parishioners who were pulled into the babble-boom, to follow the Bennett example, and "stay in your church, do not form a new church denomination." Many charismatics followed the advice of du Plessis, who was publicized as "Mr. Pentecostalism"; so, the regular church denominations were decimated by those who stayed, as well as those who left their fold for wilder, newer sects.

General Haines, who had been "zapped" in 1971, resigned from active duty on Jan. 31, 1973. Two weeks later, Haines, du Plessis, and Bennett were the star speakers at the Dallas founding meeting of the Episcopal Charismatic Fellowship. By that time, Episcopals were the driving force for the spread of Pentecostalism. According to Haines, 20% of Episcopalians were then already speaking in tongues.

Haines says that when he led the American delegation to the 1978 Canterbury Cathedral meeting, launching the Anglicans' worldwide drive for charismatic renewal, he was struck by the spectacle of dancing around the altar led by the representative (white) South African Anglican bishop.

Haines went on to commission Ammerman's Full Gospel Chaplaincy, on whose board Haines sits today, and whose serving chaplains Haines addresses. Public statements promoting armed conflict between citizens and the government, Haines leaves to Colonel Ammerman to make.

The security problem, defined

The danger involved in this British initiative is not a matter of wrong or heretical religious beliefs. At issue is the buildup of a hostile, irrational, foreign-directed network within our military and civilian political life.

The political intelligence group known as the Mount Rushmore Foundation, mentioned above, illustrates the problem. Ammerman is the political adviser and "chaplain" to the group. Manager Douglas Towne says the foundation "studies the Patriot movement," and "participates in it." Towne's longtime political partner, Rushmore Foundation board member Gen. Benton Partin, U.S. Air Force (ret.), is an expert in high-explosive devices, including nuclear weapons. Partin has received extensive news media coverage for his critical analysis of the Oklahoma City bombing; he has made an apparently reasonable case, that it would have been technically impossible for Timothy McVeigh to have done it acting alone.

Less well known is General Partin's sponsorship of an ongoing, catastrophic shooting war in Africa, which lends a more sinister character to his hatred of the United States government. Partin is a founder and board member of the Front Line Fellowship, a group of commando-missionaries taking active part in the war against Sudan and other African states viewed as enemies of the British Crown. The Fellowship members are former "scouts" of the South African Army. Partin describes his partner, Fellowship leader Peter Hammond, as a "former South African army and government officer."

That General Partin's "Christian" organization is at heart merely the British military irregulars, who are generally incinerating Africa to recolonize it, may be judged from the Fellowship's book, *Faith Under Fire in Sudan.* Chapter Three is a celebration of Charles "Chinese" Gordon, who led British regulars in a war in China against the uprising of a British-organized pseudo-Protestant cult. After 20 million Chinese died in this game, Gordon was sent to try to subdue Sudan as Britain's governor, but he died, defeated at the hands of Sudanese nationalist forces. Chinese Gordon was *not* a drunken homosexual pederast, Partin's group says, but Britain's Christian model for us to follow into war.

The British have never forgiven Sudan, nor the United States for the American Revolution. To the Ammerman circle, the U.S. government is "communist." General Partin says that even Abraham Lincoln was put into the Presidency by the creators of international communism. Partin has received from London, since the 1940s, the intelligence reports published by Kenneth Hugh de Courcy, geopolitician of the British Israel movement.

Observe the Pat Robertson empire. Robertson writes that his family's aristocratic lineage, linking it to the British Churchill family, gave his mother, Gladys Churchill Robertson, confidence that Pat would succeed. His father, Sen. A. Willis Robertson, was London's and Wall Street's chairman of the Senate Finance Committee.

Originally a playboy, Pat began speaking in tongues, and exchanging prophecies in a circle like ouijah board players, under the guidance of master spook Harald Bredesen. The ghost-written Bredesen autobiography, *Yes, Lord,* explains that Robertson's mentor was himself trained by the International Christian Leadership group. Bredesen proved himself to the group by speaking in tongues, in ancient Arabic, to an Egyptian heiress. This feat by their trainee was observed and attested to by the president of the Leadership group's British branch, Ernest Williams, who was simultaneously "a member of the directing staff of the British Admiralty," and "a member of the Archbishop of Canterbury's Commission on Evangelism."

International Christian Leadership was designed specifically to capture wealthy or influential leaders of society, into a network controlled by the group's patrons. It was initiated during World War II by Col. Sir Vivian Gabriel, a British Air Commission attaché in Washington, and leaders of the Episcopal Church. The Netherlands royal family became the group's prime sponsor and center of world operations in the 1950s. Bredesen wrote that his personal trainer, Abraham Vereide, claimed to have "won [Netherlands] Prince Bernhard for Christ." A strange Christ it must have been, because the former Nazi SS officer Bernhard was just then busy launching the globalist Bilderberg Group's conferences and creating the World Wildlife Fund, with Britain's Prince Philip.

Pat Robertson started off as assistant pastor to Bredesen, the operative of the Anglo-Dutch monarchies' Leadership group. Then, David du Plessis's Full Gospel Businessmen raised the money to expand Robertson's and Bredesen's Virginia-based Christian Broadcasting Network (CBN) toward global power status.

In a Feb. 1, 1997 column in the Virginia *Richmond Times-Dispatch,* Robertson told critics why he had used "Operation Blessing" aircraft to transport supplies for his own personal diamond-mining venture in Zaire, rather than for Christian charity, as expected by CBN viewer-contributors. Robertson claimed that he really went into Zaire at President George Bush's request, to pressure the government to give up *all* Zaire's mines to foreign owners. Later, when British mining companies paid for the invasion that killed hundreds of thousands of people, Robertson invited the bloody Laurent Kabila to be his guest in America; and, he put Britain's Africa slaughter-coordinator, Baroness Caroline Cox, on his television network.

In this regard, consider U.S. Rep. Frank Wolf (R-Va.), a member of the international board of referents of Baroness Cox's blood-smeared British intelligence front, Christian Solidarity International (CSI). Wolf has made the Toronto Airport church his own spiritual stopping point, where the participants fall in heaps, jerk about on the floor, and bark.

Lady Cox is the Anglican high priestess of the Pentecostals. An August 1997 *Charisma* magazine story, headlined "Just Call Her Saint Caroline," explains, "Baroness Caroline Cox—a member of London's House of Lords—is spending lots of her time in war zones these days. She's dodging bullets to help the world's persecuted Christians. . . . She attends mainline Anglican churches but says she also enjoys 'the sort of robust and very expressive forms of worship' found in charismatic fellowships. . . . Many CSI board members and supporters are from the more evangelical and charismatic end of the church spectrum, she notes."

Finally, consider the Promise Keepers, who train their men to be worms, to be broken, to die mentally. Promise Keepers national spokesman Mark DeMoss is a professional at preparing fanatics for Armageddon warfare. As chief of staff to Jerry Falwell, DeMoss was the administrator of the self-proclaimed "Christian Embassy" in Jerusalem. The embassy serves as a bridge between End Times Christians, lunatic freemasons, and right-wing Israeli Zionists. This is a pivotal component of the Temple Mount initiative to foment a religious war over the holy sites in Jerusalem, to "fulfill Scripture." This covert network is engaged in the most dangerous terrorist provocation, which may yet bring on End Times unless it is handcuffed.

At Fort Bliss, Texas, DeMoss's Promise Keepers were engaged to train the nation's highest-ranking non-commissioned officers. Earlier this year, the United States Army Sergeants Major Academy advertised "training with 'Promise Keepers' " as a "spiritual fitness program," on the Army unit's official Internet web site.

It is time for Christians and patriots to clean their house, before Her Majesty's legions blow it up.

London's policy of 'Africanization': The next target is Brazil

by Cynthia Rush, Lorenzo Carrasco, and Silvia Palacios

The British Empire is on an offensive across the continent of Ibero-America of a scope unseen in 100 years, whose objective is to "Africanize" the southern half of the Western Hemisphere. Should it succeed, this assault would have consequences as catastrophic for the United States, as for the targetted nations themselves.

The British attack is under way on every front: They are seizing control of Ibero-America's banks; they are invading its mines; they are redrawing national boundaries; they have spawned irrationalist religious sects of every imaginable stripe; and they have launched Jacobin hordes of narco-terrorists to destroy all aspects of national institutional life in the region. In short, the British are embarked on a policy of annihilating the very existence of the nation-state and the culture which sustains it, and of massively depopulating the region.

This is precisely what the House of Windsor has already done to the Great Lakes region of Africa, and beyond.

In all essentials, London's policy is being executed in Ibero-America by the same cast of characters as in Africa, as we document here: It is the same mining companies, the same banks, the same British lords and ladies, the same private security companies, the same Pentecostalist and charismatic sects, and the same international terrorist networks steeped in the nihilism of Martin Heidegger, Jean Paul Sartre, and Frantz Fanon. The British policy will predictably have the same genocidal consequences in Ibero-America that it is having in Africa, only in this case, it will be on the U.S.' very doorstep, and with the added, deadly feature that Ibero-America is the world's premier drug-producing region, a crime against humanity which is also under London's control.

The particular, immediate target of attack—and the one whose planned disintegration will have the gravest strategic consequences—is the nation of Brazil. In the spring of 1997, two decisive events occurred there:

- In late March, the flagship bank of Britain's global drug trade, the Hongkong and Shanghai Banking Corp., seized 100% control of Brazil's Bamerindus bank, the sixth largest in the country—and threatened to soon take over others, and to "stay for 100 years."
- On May 6, the third largest mining company on the face of the earth, Brazil's state-run Companhia Vale do Rio Doce (CVRD), was privatized and handed over for a song to a financial consortium headed by the notorious international speculator George Soros, whose strings are pulled from London.

In between these two landmark events, on April 1, *EIR* founder Lyndon LaRouche explained their significance to a radio audience: "It's simply part of the raw-material assets grab process of the HongShang Bank. . . . They plan to do to Brazil, what you see being done by the British Commonwealth in Africa. Carve the base up, condemn most of the place to *terra incognita,* into so-called primitive indigenous peoples' areas, and grab off the assets, the iron, the greatest iron mine in the world, essentially, things of that sort—carve them up among the speculators. And the HongShang is moving in to carve up that turkey. It's a sign of the times, and it stinks."

The British move on Brazil takes on particular significance in light of the fact that U.S. President Bill Clinton is scheduled to visit that country in October. British agent-of-influence Sir Henry Kissinger has urged President Clinton to use that trip to develop a full-scale strategic alliance with Brazilian President Fernando Henrique Cardoso, whom Kissinger has described as a "philosopher" and a "statesman." Why such praise? Because Cardoso has eagerly met every demand Britain has made of Brazil, so much so that he will be knighted by Queen Elizabeth in December—thereby becoming the first sitting (or perhaps kneeling is a more apt description) President in the Americas ever to be so "honored." President Cardoso is reliably reported to be spending most of his waking hours boning up on royal protocol, in order to know which parts of the Queen's anatomy are to be kissed during each part of the ceremony.

London corrects a 'historical mistake'

The current British assault was conceived, outlined, and even prepared in some detail back in the 1980s, when London's Royal Institute for International Affairs (RIIA), and its Latin America Study Group, argued that Britain should take advantage of the increased tensions between the United States and Ibero-America (many of which had been orchestrated by the British themselves) to build up its own presence in the region. "Further delinking [of Ibero-America] from the U.S. can be expected," they predicted hopefully.

But the operational stage of the offensive has been in motion over only the last 18 months, beginning in early 1996.

The basic idea was stated succinctly on Jan. 1, 1997 by British Chancellor of the Exchequer Kenneth Clarke, while on a diplomatic mission in Mexico City: "Historically, the British had strong ties in Latin America, but in modern times, we made the error of considering it a part of the world dominated by the United States. That was a mistake."

To follow up on the thrust of Clarke's remarks, the highest levels of the British Commonwealth's policymaking elite convoked two, decisive, back-to-back conferences in London in early February of this year. On Feb. 10, the British Foreign Office hosted a glitzy "Link into Latin America" gathering, on the nominal topic of how to increase "business" between Ibero-America and the United Kingdom. Brought in to be enlightened were the Presidents of Brazil, Panama, and Peru, as well as the foreign ministers of a number of other Ibero-American countries.

The event was sponsored by private companies at the heart of the empire, such as Rio Tinto (the mining giant which is now sinking its claws into Ibero-America, as it has Africa). And, it was chaired by the Rt. Hon. Tristan Garel-Jones, in representation of the inner policy core around Queen Elizabeth II. From 1986 to 1990, Garel-Jones was a member of the Queen's Royal Household, serving in three of the top six positions in the Queen's direct service: Comptroller, Treasurer, and Vice Chamberlain. (The current Lord Chamberlain of the Queen's Household is the Earl of Airlie, who is on the board of directors of the Royal Bank of Scotland, one of the leading banks involved in the financial takeover of Ibero-America, as we document in this section.) From 1990-93, Garel-Jones served as British Minister of State for the Foreign and Commonwealth Office, and in 1991, was made a member of the Queen's Privy Council.

The organizing thrust of the Foreign Office conference, was enunciated by Foreign Secretary Malcolm Rifkind: "Britain is Latin America's friend and ally in Europe. . . . This conference sets the seal on a new bond of friendship between Britain and Latin America. . . . We are together forging a new alliance."

The president of the British Board of Trade, the Rt. Hon. Ian Lang, explained: "Latin America is once again open for business," because it has cast off the old, state-dominated, protectionist economic model of the 1970s and 1980s. That means it is open season for a banking and raw materials grab.

The next day, on Feb. 11, a complementary conference, "Britain's Place in Latin America's Growing Economies," was held at the semi-private Canning House in London, which was founded in 1943 to disrupt the positive wartime relationship that was developing between the nations of Ibero-America and the FDR government in Washington.

This conference featured speeches by various British government officials, and gathered 550 people from the *crème de la crème* of Britain's raw materials, energy, and banking elites, including top officers from many of the companies you will read about in the sections that follow: Hongkong and Shanghai Bank, Rothschild, Shell, Rio Tinto, and so on. Reflecting its policy importance, it was chaired by the Earl of Limerick, at the time also the president of Canning House. His family traces its title to Baron Glentworth, who was made first Earl of Limerick in 1790 by King George III.

The current Earl of Limerick was a board member during 1984-91 of the British Invisibles, a powerful private company which in 1992 used the Queen's yacht, the *Britannia,* to organize a conspiratorial meeting off the coast of Italy to target that nation for destruction (see *EIR*, Feb. 12, 1993). The good Earl is also chairman of Thomas de la Rue, a specialized printing company and mint which just lost a bid to produce the Venezuelan government's new national identity cards. In response, they got in bed with the Venezuelan associates of Colombian cocaine kingpin Justo Pastor Perafán, to try to destabilize Venezuela's government.

This was no mistake. About a year earlier, in early 1996, the British saw their big opening to try to drive a political wedge between the United States and Ibero-America—by siding with the drug cartels against the Clinton administration! On March 1, Clinton commendably decertified the Ernesto Samper government in Colombia for its non-cooperation in combatting drugs—not surprising, given that Samper had "won" the Presidency with $6 million in drug cartel money. In response, the British House of Lords staged an official discussion to attack the U.S. action, and to offer its support to narco-President Samper.

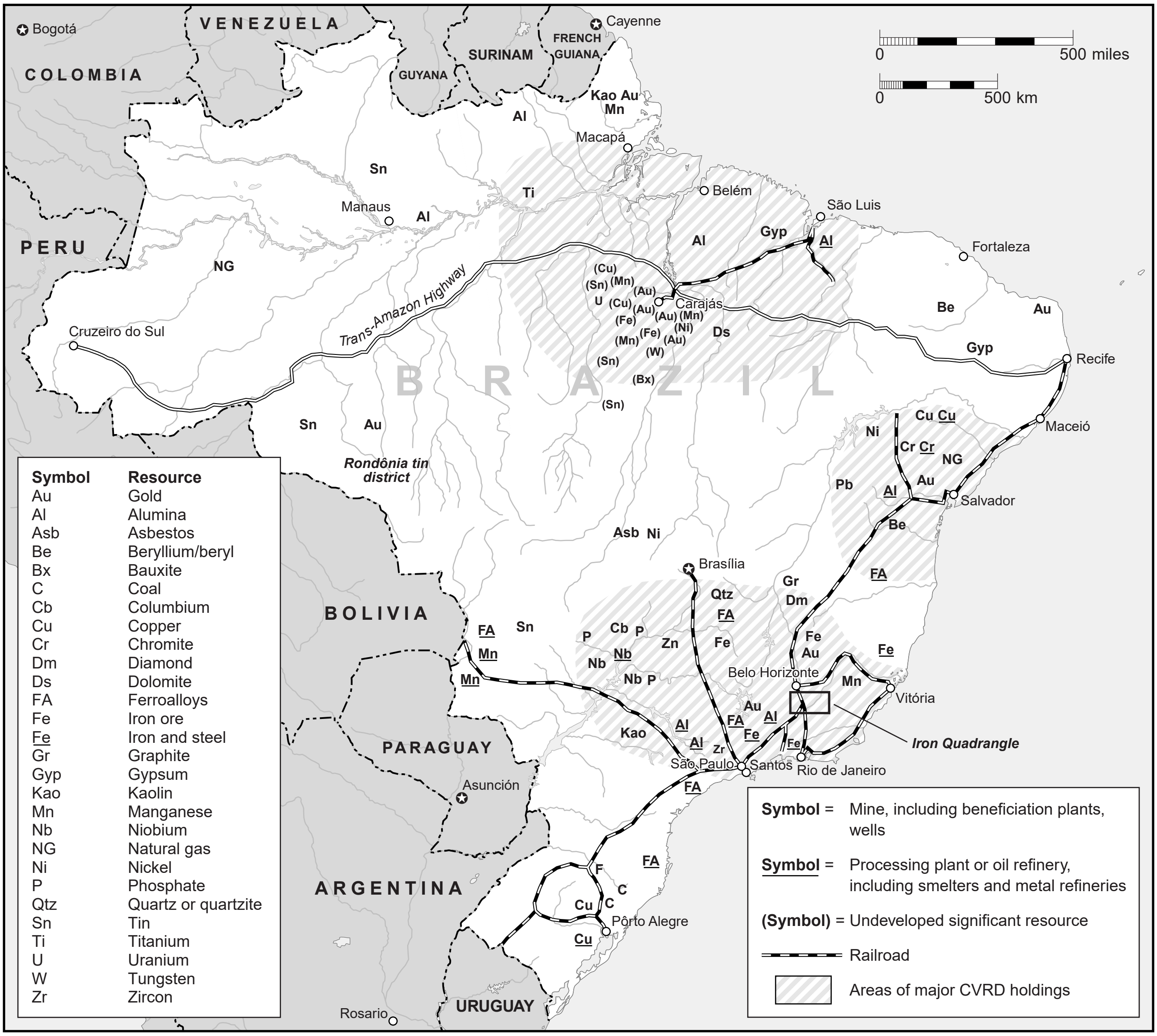
The discussion was initiated by Viscount Montgomery of Alamein, son of Field Marshal Montgomery of World War II notoriety, who demanded that the British government "make representations" to the U.S. government to reverse its policy. Pointing to Colombia's "impeccable democratic credentials," the Viscount said, "Surely we should be supporting a country which has made such determined efforts and is so successful in bringing so many drug barons into custody." Samper "has been an extremely efficient President. I think it's all very sad, really," the Viscount sniffed.

London simultaneously acted to press its advantage elsewhere in Ibero-America. In April 1996, RIIA ran a pair of conferences in London, one of them entitled "Mexico: Back in the Ring," which was chaired by the rather ubiquitous Earl of Limerick. The second was "Brazil: the Re-Awakening Giant," and it featured speakers from the Hongkong and Shanghai Banking Corp., Rio Tinto, and the private security outfit, Control Risk.

Brazil: the jewel of the Empire

There is a reason why the Queen wants to get her hands on Brazil, most especially. Historically, this country has served as a beachhead for the monarchy's geopolitical machinations against the rest of the Ibero-American continent—particularly against any efforts to replicate the republican achievements of the United States. From the time that British ships escorted the Portuguese royal family to relocate their monarchy in Brazil, following the Napoleonic invasion of the

FIGURE 1
Brazil's mineral wealth



Iberian peninsula in 1808, the British-allied oligarchy has dominated this nation.

It did not become a republic until 1889. Beginning in the 1870s, a school of economists identified with the American System policies of the United States' first Treasury Secretary, Alexander Hamilton, and Abraham Lincoln's adviser, Henry Carey, unsuccessfully battled London's hegemonic free trade dogmas, in an effort to launch Brazil's industrialization. It was not until the "Lieutenants' Revolution" of 1930, and the era of nationalist President Getúlio Vargas (1930-54), that Brazil's development as a sovereign nation really began.

For example, much to Britain's chagrin, President Vargas developed an important working relationship with U.S. President Franklin Roosevelt during the 1940s, which included U.S. backing for Brazil's 1942 expropriation of the U.K.'s Itabira Iron holdings, which then became the basis for the state's CVRD mining complex—which was only recently retaken by the British (see box). This, combined with the 1940 FDR-Vargas agreement to build the Volta Redonda steel plant, laid the basis for Brazil's industrial development.

Brazil today is indeed a coveted prize. It is a virtual continent unto itself: With 8,000 square kilometers of territory, it is larger than the continental United States. It possesses one of the world's largest reserves of mineral and natural resources; half of its territory is located in the Amazon rainforest region, much of whose mineral-rich area remains unexplored, and its resources untapped.

In terms of raw materials, Brazil could perhaps be compared to the Congo, or even to the entire African continent. Yet, Brazil possesses something more. It is an industrial powerhouse in its own right—the tenth largest economy in the world. Over the past 60 years, largely under the aegis of the Brazilian state, it has developed basic industry, scientific infrastructure, and impressive technological capabilities in the areas of nuclear energy, medicine, rocketry, and aerospace industries. Brazil has also played a crucial role in transferring advanced technology to other developing nations.

London not only wants to steal Brazil's extraordinary wealth for itself; it wants to make sure the Brazilian people cannot use it for their own, sovereign development. Compared to the rest of the continent, Brazil is still relatively virgin territory, in the sense that the looting of its national assets has only just begun. On behalf of the British, the soon-to-be-knighted Fernando Henrique Cardoso is committed to quickly ramming through the privatization of state-owned companies, pension funds, banks, and other national assets.

A sociologist by profession, Cardoso is steeped in the existentialism of Sartre and other followers of Heidegger and Friedrich Nietzsche. He has vowed to put an end "to the era of Vargas," or to what these networks call "the patrimonial," or dirigist, state. He has defined this as a personal goal, starting first as foreign minister; then as finance minister, where he shaped the current free trade economic policy; and finally, as President.

Cultural warfare

London's alternative to Brazilian industrialization is national dismemberment, plunging the nation and its people into Jacobin madness, civil war, and genocide, as is now occurring in Central Africa.

Once unleashed, Brazil's disintegration could unfold at lightning speed, since it lacks the historical legacy of strong

The significance of Brazil's CVRD

Companhia Vale do Rio Doce (CVRD), which the government of Brazil privatized in May 1997, is the third largest mining company in the world and the largest in all of Ibero-America. It has enormous proven reserves of countless minerals and precious metals, and potential deposits that are still not fully quantified. CVRD holds concessions on the largest and most promising areas of mineral exploitation in the country, totalling 23 million hectares, and an additional 600,000 hectares of commercial forest lands. At the point it was privatized, CVRD was at a take-off point in the production of gold, copper, silver, molybdenum, and uranium.

In gold, it is Brazil's largest producer, with an output of 18 tons per year. It also has the country's most promising holdings, with 108 tons of proven and probable gold reserves—not counting the recent finds in Sierra Leste (150 tons), or the 413 tons in various other deposits.

CVRD is the world's biggest producer of iron ore, with an annual output that is about 25% of the world total. It has 3.3 billion tons of proven and probable reserves of iron ore, and an additional 38 billion tons which CVRD describes as "other mineral deposits," which, at current levels of production, would last for another 200 years.

In bauxite, the company controls 199 million tons of proven and probable reserves, which is 98% of the nation's total and 14% of the world's deposits. As for copper, CVRD owns 529 million tons of proven and probable reserves; 23.7 million tons of manganese; 4.4 million tons of potassium; and so forth.

CVRD also owns the most significant transportation and logistical infrastructure grid in the country, which includes 2,000 kilometers of railroads; a fleet of 22 ships that it owns, and 15 more that it leases; 6 seaport facilities; 8 steel plants in Brazil and 3 abroad; 3 paper and cellulose factories; and, above all, an invaluable capacity for generating new companies, based on the accumulated know-how and experience of its technicians and executives.

Apart from its physical and human assets, Brazil's CVRD has enormous historical and political significance as well, because it symbolizes the fight by Brazilian patriots to industrialize their country.

The company was founded in 1942, as a result of the so-called Washington Agreements signed by U.S. President Franklin Delano Roosevelt and Brazilian President Gen. Getúlio Vargas. The two obliged Britain to hand over to the Brazilian state the deposits of the Itabira Iron company in Minas Gerais, which had been founded at the end of the 1920s by British agents Muley Cotto and Percival Farquhar. Thus, CVRD was born.

Cotto and Farquhar were front men for the British-controlled Brazilian Hematite Syndicate. The concessions which earlier Brazilian governments had granted them, led to a generalized nationalist reaction, especially in the ranks of the Brazilian Army, against the British holdings. This ferment eventually exploded in the 1930 revolution, which brought General Vargas to power, along with a generation of young officers committed to the idea of sovereign industrial development for Brazil.

political institutions that many other nations of Ibero-America have. In Brazil, such institutions are relatively young, fragile, and vulnerable to manipulation. Moreover, the process of industrialization which began in the 1930s did not succeed in eradicating the oligarchical legacy which the British East India Company bequeathed to Brazil.

This legacy explains why Brazil was one of the last countries in the world to abolish slavery, at the very end of the nineteenth century. Even after this occurred, Brazilian society remained divided into a white, privileged class, and a nominally "free," but in reality still enslaved, poor and black population. The nationalist government of Getulio Vargas, which ended in 1954, and some among the later military governments which ruled from 1964 to 1985, achieved notable economic progress—but they all failed to address the *cultural* belief structure of the majority of the population, still victimized by the legacy of slavery. Were the fragile veneer of Western Christian civilization to be stripped away, below it would be found a people sunk in syncretism, animism, hedonism, radical fundamentalism, and other synthetic belief structures, which London has used historically to advance its cause.

These products of the oligarchical tradition make Brazil, with the second largest black population in the world after Nigeria, the most immediate candidate for London's "Africanization" treatment. It is this degraded cultural milieu that permits Brazil's Landless Movement (MST), the São Paulo Forum affiliate which is central to the dismemberment strategy, to operate and expand its ranks. President Cardoso's policy of "economic opening," which is tearing down national industry and agriculture in order to repay the cancerous foreign debt, has created a mass of enraged unemployed, willing recruits to the MST's campaign to create an "army of millions" from both rural and urban areas, to wage war, not on Cardoso and his British masters, but on the nation-state.

Brazil's Landless Movement, more appropriately called the "Mindless Movement" (see box), is a product of the existentialist, pro-terrorist networks operating especially inside the Catholic Church, which have spawned groups such as the Zapatista National Liberation Army (EZLN) in Mexico, and like-minded narco-terrorist groups elsewhere on the continent. British control over these groups is no secret. Mexican Bishop Samuel Ruiz, considered to be the EZLN's real "commander," attended the founding meeting of the Interfaith Peace Council at St. George's House at Windsor Castle, in November 1995. St. George's House is a policy-planning center for the British monarchy and imperial policy, where Royal Consort Prince Philip often presides over cultish "religious" ceremonies.

One vehicle used by these networks is a variety of schismatic, New Age "charismatic" sects, which are today rapidly expanding across Ibero-America from their epicenter in Brazil. At a July 22, 1997 conference of the Ninth Inter-Ecclesiastical Encounter, attended by 2,359 delegates from Ecclesiastical Base Communities (CEB) across Brazil, and presided over by MST ideologue Frei Betto, the major topics discussed were "popular catholicism," "pentecostalism," "Afro-Brazilian religions," and "indigenous peoples." The final resolution, the São Luis Charter, demands greater respect for "the growth of pentecostalism, inside and outside the Church," and greater respect for the CEBs themselves. "We must overcome certain preconceptions with regard to the members of the pentecostal churches, and, inside the Catholic Church, for Charismatic Renewal." The charter complains that the Catholic Church hasn't yet learned to assimilate Indian culture. The CEBs hope, the manifesto says, that there will be continued demarcation of Indian lands, as well as greater respect for "indigenous myths, rites, and spirituality."

A related British strategy is the deployment of the international environmentalist movement, combined with the creation of ecological and Indian reserves, predominantly along

'Mindless Movement' out to bury Ibero-America

Five hundred representatives of parties and movements of 20 countries of Ibero-America and the Caribbean gathered in Pôrto Alegre, Brazil from July 31 to Aug. 3, for the VII Plenary of the São Paulo Forum, the terrorist international founded in 1990 by the Cuban Communist Party and Brazilian Workers Party. The final communiqué hailed Mexico's Zapatista National Liberation Army (EZLN) and Brazil's Landless Movement (MST) as the "new model of politics" for the Americas.

This "new model" is nothing but the Ibero-American version of the British killing machine which is devastating Central Africa. Leaders of the MST, the EZLN, the São Paulo Forum, are the Kabilas, the Musevenis, the Kagames, of Ibero-America. The São Paulo Forum was spawned by the same mother who produced the mass murderers in Africa. Like Uganda's Yoweri Museveni, they are followers of the Nazi existentialist movement of Martin Heidegger and Jean Paul Sartre, and of its most wretched student, Frantz Fanon. Like Fanon, the Forum believes in a "program of complete disorder" to be brought about by "searing bullets and blood-stained knives."

Take the case of Brazil's Landless Movement. They have a cadre force of well over 5,000 militants, many militarily trained. Their stated objective is to organize 100 million of Brazil's 160 million people, to rise up and seek revenge against the state and civilization itself, for the wrongs they have suffered. As one leader put it, the MST will create "a new form of production, consumption, and destruction."

border areas. Brazil was an early target of this operation, with the arbitrary and provocative creation in 1991 of the Yanomami Indian reserve along the mineral-rich Venezuelan-Brazilian border, by George Bush's good friend, then-President Fernando Collor de Mello—who was subsequently removed from office for corruption. The creation of the reserve for the Yanomamis, who live a Stone Age existence, was decided upon in the 1960s in discussions at Buckingham Palace between Queen Elizabeth II and Prince Philip. Among the reserve's defenders is Lady Lynda Chalker, one of the chief coordinators of the genocide now ripping the African continent apart. In preparation for a visit by Prince Charles to Brazil, Lady Chalker visited there in 1991, bearing "medical aid" for Yanomami communities.

Since one of London's goals in its raw materials heist is to turn Brazil into one of the world's largest gold producers, companies such as George Bush's Barrick Gold are already thinking ahead about setting up the private mercenary forces to protect their deposits. *EIR* has learned that in the gold-rich Amazonian state of Pará, Barrick is negotiating directly with independent wildcatters, or *garimpeiros.* Because of the unregulated, extremely precarious, and often barbaric conditions under which they operate, it is not difficult to envision the *garimpeiros* being turned into private mercenary armies which, as in Africa, could be hired to protect London's raw materials cartels.

Thus, the parallels with Africa, not only of Brazil, but of all Ibero-America, are growing day by day. We turn to document the major features of this process in the following sections.

"The interior of Brazil can become a Colombia. Things will be out of control, there will be social convulsions, and society will come apart," MST leader João Pedro Stedile exulted on Brazilian Independence Day, Sept. 7, 1996. "There are 40 million hungry people in Brazil, and 11 million unemployed, who represent an organic force which is calm now, but could awaken at any moment," the MST's military chief, José Rainha, Jr., a professed Maoist and convicted murderer, threatened in June 1997.

The MST has set out to organize not only the Landless, but also the Jobless, the Homeless—in short, all of the "wretched of Brazil." In July, Stedile called upon teachers to occupy urban schools, in the same way that MST shock troops regularly invade farms in Brazil's interior. As a manifesto issued in 1996 for a planned MST takeover of a major hydroelectric plant in the north of the country declared: "At the moment, our forces are small. . . . We have to wage a guerrilla war. We have to wage psychological terrorism—destabilization. . . . We are chaos."

To prepare for such nihilism, the Landless are first transformed into the Mindless. MST members are subjected to daily brainwashing sessions in the style of Peru's deranged butchers from Shining Path—who are involved in training the MST cadre. Poems sanctifying violence are recited. Facing a MST flag, militants must swear allegiance to the movement's goals, and shout, "I am the MST flag. My red color represents the blood of dead peasants."

The hard-core members of the MST are recruited out of the Theology of Liberation networks in Brazil, in particular the Ecclesiastical Base Communities (CEBs) and their political front, the Workers Party (PT).

Three Brazilian ideologues are key to the MST/PT project of the past three decades: "deschooler" Paulo Freire; New Age guerrilla Frei Betto, today editor of the São Paulo Forum's magazine *America Libre;* and the defrocked lunatic Leonardo Boff. All are exponents of the irrationalism, hatred of Western civilization, and purgative violence which also drives London's Nazi Museveni project in Africa.

London's African and Ibero-American networks meet most directly in the person of Freire. An avid Fanonist, Freire took part in the same political science course at Tanzania's Dar Es Salaam University, for which Museveni wrote his chilling study of "revolutionary violence" in Mozambique. (See *EIR Special Report,* "Never Again! London's Genocide Against Africans," June 1997.) A founding member of the PT, Freire will rightly be remembered as the Pol Pot of liberation theology. His "education" program, used for indoctrination from Sandinista Nicaragua to the CEBs of Brazil, starts from the premise that education—even language—is a form of Western oppression. In Africa, he advised nations to abolish all schools, arguing that the "re-Africanization" of intellectuals requires that they commit "class suicide." A true racist, he also wrote that the natural language of Africans is pantomime.

Frei Betto, a close friend of Fidel Castro and the "spiritual adviser" to PT leader and Presidential candidate Luis Inácio "Lula" da Silva, is another MST guiding light. His ties to terrorism go back to the late 1960s, when he was one of a group of Dominican friars who joined the National Liberating Alliance of Carlos Marighella, the theoretician of urban warfare whose *Mini-Manual of the Urban Guerrilla* was used to create killers around the world.

Frei Betto, like his close friend and fellow MST/PT ideologue Leonardo Boff, is devoted to destroying Western "rationality," and promoting in its stead astrology, superstitution, "spiritualism," and so forth. In the 1970s Boff became an ardent follower of Heidegger, after participating in a weekly seminar at Boff's Franciscan seminary in Petropolis, the former seat of the Brazilian monarchy, taught by a Brazilian Heideggerian, Carneiro Leao.

—*Gretchen Small and Silvia Palacios*

British banks establish death grip over Ibero-America

by Dennis Small

Over the course of 1996, and escalating into 1997 to date, British and British-controlled banks, many of them prominent in international drug-money laundering, have launched a blitzkrieg assault to take over the failing banking systems of Ibero-America. They are succeeding: As of mid-1997, they controlled more than half of the national banking assets in most countries in Ibero-America, a continent which has about $1 trillion in total banking assets.

Figure 1 gives a bird's-eye view of just how far the foreign banking takeover has advanced. In the principal countries of Ibero-America, with the notable exception of Brazil, foreign banks today either own outright, or hold controlling shares in most of the major banks in each country. In Mexico, for example, the indicated foreign banks now control the second, third, fourth, sixth, seventh, and ninth largest banks in the country. In Argentina, eight of the Top 10 banks are in the hands of foreigners. In Peru, six of the Top 10 are foreign-run. (Throughout this study, we conservatively estimate that 20% or more direct ownership gives a foreign bank effective control over the bank in question.)

If we look at the 1997 total assets of each national banking system, the percentages held by foreign or foreign-controlled banks is shocking. As noted on the map, in most cases it is about half of the national banking assets, ranging from 41% in Venezuela up to a stunning 59% in Mexico. Again, Brazil stands out as the exception—for reasons to be discussed below—with a relatively low 14%, which brings the average for the continent down to "only" 35%.

And which world power dominates among the new financial overlords? Many readers will be surprised to learn that it is *not* Wall Street, but the City of London. Banks directly owned and headquartered in the British Commonwealth (such as London's notorious dope bank, Hongkong and Shanghai Banking Corp.), and other foreign banks under de facto British political and financial control (such as Spain's Banco Santander, which turns out to have a "strategic alliance" with a Scottish bank run directly out of the Queen's Household), have seized the lion's share—by far. In Argentina, for instance, 54% of the assets of the country's Top 10 banks are in the hands of British-controlled banks, as compared to a mere 7% owned by other foreign banks. In Colombia, the British control 38% of the Top 10's assets, against 4% in the hands of other foreign banks (see **Figure 2**).

London's control of Ibero-American banks does not mean pictures of Big Ben and Piccadilly Circus on people's checkbooks. It means *drugs*—tons upon tons of cocaine, heroin, and marijuana exported every year, largely to the United States.

Scorched earth

If we compare the situation today with what it was only five years ago, the changes are dramatic. As **Figure 3** indicates, in 1992 only 11% of Colombia's banking system was foreign controlled, compared to 51% today. In the case of Mexico, in 1992 there was only one foreign bank operating in the country (Citibank), whose asset share was a mere 1.5% of the total. Even in Argentina, which had a relatively high level of foreign control in 1992, it stood at only 18% of the total banking system, about one-third today's level.

What happened?

British-sponsored banking privatization and deregulation is what happened. Chile pioneered with changes in the 1970s and 1980s, based on British "free market" policy directives conduited through the radical libertarian Mont Pelerin Society, and their notorious "Chicago Boys." But the floodgates were only opened with the January 1994 implementation of the North American Free Trade Agreement (NAFTA) among the United States, Canada, and Mexico. NAFTA was a British project from the outset: the policy was unadulterated British free market economics; and it was executed by Canada's Prime Minister Brian Mulroney (today on the international advisory board of Barrick Gold), the Anglophile U.S. President Sir George Bush (also on the Barrick advisory board), and Mexico's Carlos Salinas de Gortari, a notorious "Bush baby" and now-disgraced protector of London's international drug cartels.

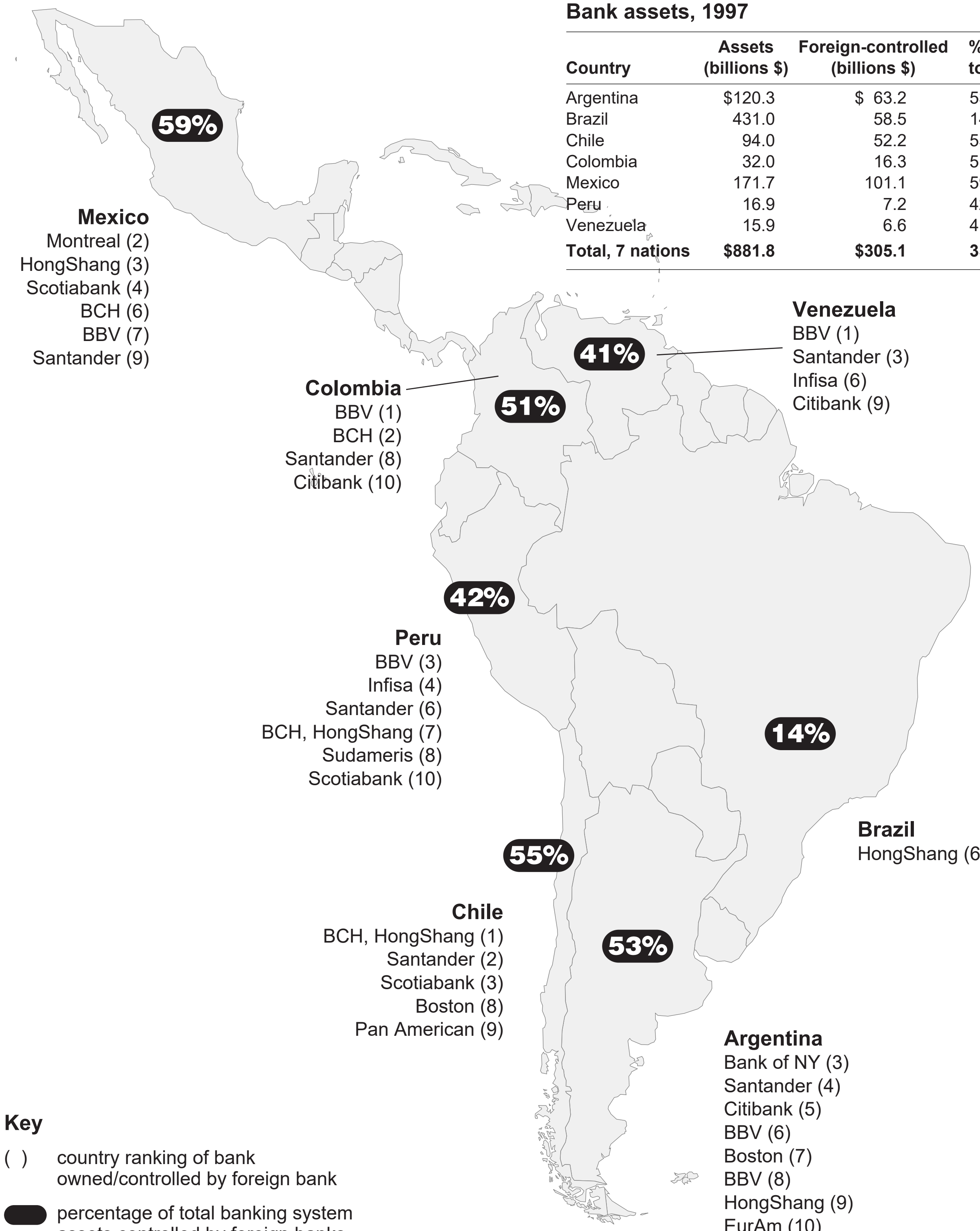
In May 1991, almost three years before NAFTA's formal implementation, an *EIR Special Report,* "Auschwitz Below the Border," warned of its consequences: "NAFTA will also reorganize the entire Ibero-American banking structure, and thereby create the conditions under which the vast financial flows originating in the Ibero-American drug trade can be

FIGURE 1

Foreign banks with control of Top 10 banks, by country

Bank assets, 1997

Country	Assets (billions $)	Foreign-controlled (billions $)	% of total
Argentina	$120.3	$ 63.2	53%
Brazil	431.0	58.5	14%
Chile	94.0	52.2	55%
Colombia	32.0	16.3	51%
Mexico	171.7	101.1	59%
Peru	16.9	7.2	42%
Venezuela	15.9	6.6	41%
Total, 7 nations	**$881.8**	**$305.1**	**35%**



Key

( ) country ranking of bank owned/controlled by foreign bank

percentage of total banking system assets controlled by foreign banks

FIGURE 2
British control of Top 10 banks' total assets

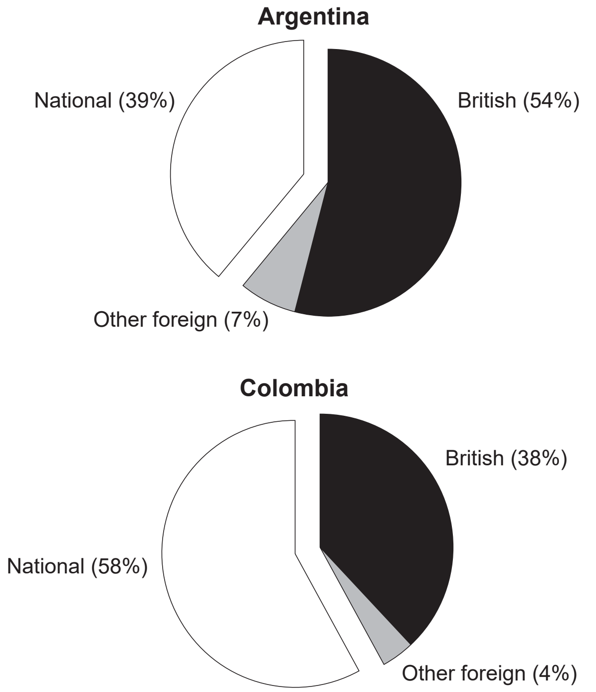
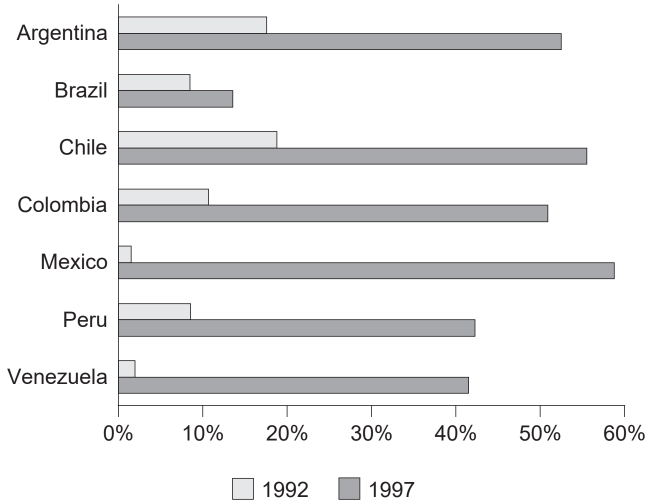


FIGURE 3
Foreign-controlled bank assets
(percent of country's total bank assets)



more readily laundered into the cash-strapped Anglo-American banking system."

Even before NAFTA was formally adopted, in 1992, Mexican President Salinas privatized the country's entire banking system, which had been nationalized and run by the state sector ever since President José López Portillo's 1982 showdown with the International Monetary Fund (IMF). With the banks back in private hands, the stage was set: In January 1994, NAFTA was put into effect, including its secretly negotiated provisions facilitating foreign banking takeovers (see *EIR*, Oct. 8, 1993). One month later, Mexico adopted a new banking law which, for the first time, permitted limited foreign bank holdings in domestic banks—with provisions for raising the percentage over the coming years.

It wasn't a long wait. In December 1994, the global debt bomb exploded in Mexico, and the world financial system nearly disintegrated. In Mexico, more than a decade of IMF policies had destroyed the country's physical economy. And then over the course of 1995, large chunks of Mexico's privatized banking system went bankrupt—caught in the vise of being creditors of non-performing domestic debt portfolios reaching 50% of total loans outstanding, and simultaneously being debtors owing tens of billions of dollars to foreign banks. Worse still, these foreign loans were denominated principally in dollars, which became nearly twice as expensive for the Mexican banks as a result of the massive devaluation of the peso in Decebmer 1994.

Over the course of 1995 and 1996, the Mexican government moved in to salvage the banking system, shelling out about $29 billion, or 8.4% of the country's 1996 GNP, to bail out the private banks. They then proceeded to sell these cleansed banks to foreign bankers, for a pittance. In early 1996, the Finance Ministry authorized 17 foreign banks to operate freely in the country, in order to facilitate the handover.

Consider one case in point: Banca Serfín, the country's third largest, with close to $25 billion in assets. In 1995, the government's bailout agency, Fobaproa, handed over about $1.3 billion to purchase bad loans held by Serfín. After eating all the garbage, the government turned around and gave up control of the juicy remainder of the bank, for the paltry investment sum of $300 million, paid happily in March 1997 by London's Hongkong and Shanghai Banking Corp., the world's premier drug-money-laundering bank.

Privatization mania

As the so-called "tequila effect" spread across Ibero-America, other countries responded similarly to Mexico. Peru, for example, which had begun to privatize its state-sector banks in 1992, only fully deregulated its banking system in 1995. Venezuela approved a new banking law in 1994 which permitted 100% foreign participation in local banking, but it wasn't until after the country was hit with a wave of banking failures over the course of 1995, that it was forced to actually implement foreign bank participation in 1996.

To date, only Brazil, among the major nations of Ibero-America, has still not approved banking liberalization legislation to allow a full foreign invasion to occur. Such legislation, however, has been drafted and is being aggressively promoted by Brazil's President, Fernando Henrique Cardoso.

This changing control of the banking systems of Ibero-America's major countries can be seen in **Figure 4,** which shows a systematic dismantling of the state-sector banks of the region—which were largely responsible during the post-war period for what state-directed infrastructure and industrial development did occur. The loss of influence of state-sector banks, and the growing dominance of private foreign banks, has essentially been a marker of the more fundamental shift out of productive and into speculative—and drug-related—financial activities. With the power of the state in retreat, Dope, Inc. has moved in and taken over.

Thus, over the course of the 1990s, the physical economies of the nations of Ibero-America collapsed—in the case of Mexico, by 15-20%. Meanwhile, the area's foreign debt, much of it owed by the newly privatized banks, grew by about 40% (in the case of Mexico, it was closer to 90%).

As Figure 4 shows, between 1992 and 1997, Argentina's state-sector banks shrank from 47% of total assets to 32%, while foreign banks more than tripled their share, from 17% to 53%. There is currently intense international pressure on Argentina to finish off the job, by privatizing the Banco de la Nación and Banco de la Provincia de Buenos Aires, still the two largest banks in the country. In Peru, the state-sector banks were all privatized, while the foreign component grew about fivefold. And in Chile, the foreign sector nearly tripled to 55%, while the single state-sector bank in the country, Banco del Estado, dropped in ranking from first to third, and its share of total assets shrank accordingly. There are persistent rumors in the financial community that it, too, will be put up for privatization shortly.

Brazil still has the continent's largest state-run banking sector, in both absolute and relative terms (48% of the national total), which foreign banking interests are desperate to get their hands on.

Another key element of the British financial blitzkrieg has been the forced privatization of the pension funds of the Ibero-American nations. These are a source of enormous liquidity, which the British are also drooling over, in order to shore up their financial empire. Here, too, Chile led the way in the early 1980s, and its privatized funds today total about $25 billion, and are in the hands of the same foreign financial interests which also control the banking system. Argentina and Peru both approved pension privatization legislation in 1994, and their funds already add up to about $7.3 billion and $1.4 billion, respectively. Mexico privatized in 1996, with about $8 billion currently involved. And Venezuela did the same just this year, with about $5 billion up for grabs.

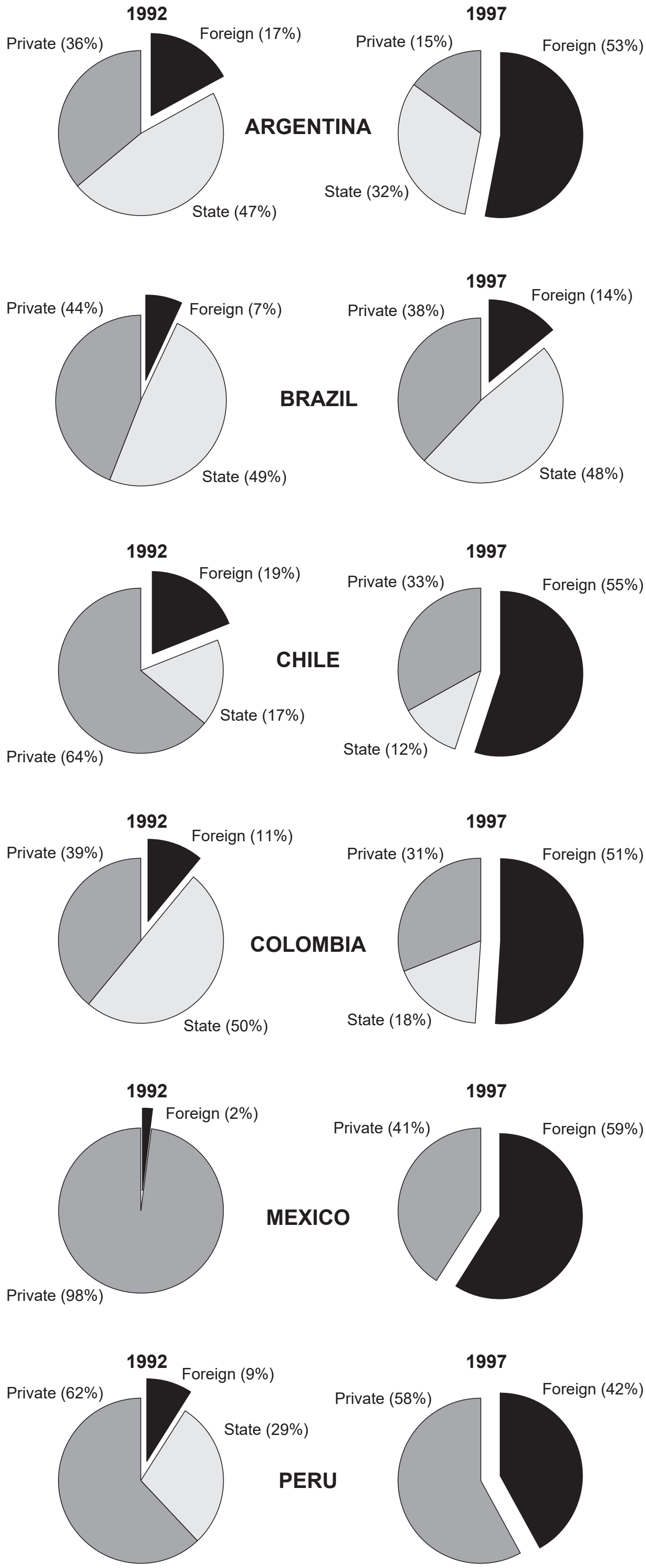
Brazil, once again, is the lone hold-out: Pension privatization is under discussion, but it has not yet been implemented. Upwards of $50 billion in official pension funds alone, are at stake.

With these changes in financial legislation, and with the domestic banking systems razed by the world financial crisis,

FIGURE 4

Changing control of bank assets, 1992-97

(percent of country's total bank assets)



foreign banks moved in for the kill. The real avalanche of foreign takeovers only began in late 1995: first in Mexico; then in Chile in mid-1996; then in Venezuela in late 1996; and finally, in Argentina and Peru in early 1997.

Brazil is next on the chopping block.

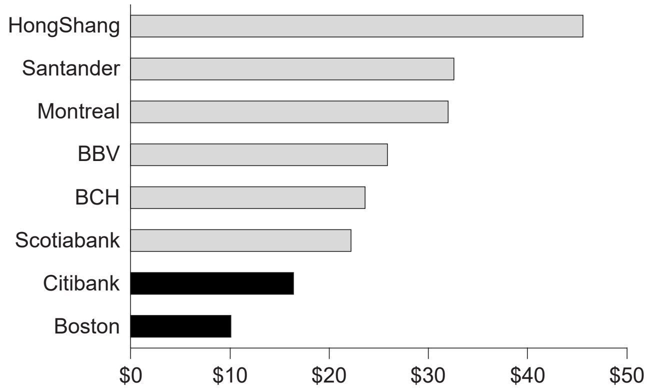
Meet the new owners

Wall Street and other U.S. banks may have been the dominant foreign force in Ibero-American banking in the decades following World War II, but they are not today. The banking systems of the nations of Ibero-America are currently dominated by a half-dozen British-run financial groups, with Wall Street taking a decidedly back seat.

The detailed evidence presented in **Table 1** has been summarized to produce **Figure 5.** The giant continental asset blocs are controlled by three directly British Commonwealth banking groups (HongShang with control over $46 billion, Bank of Montreal with $32 billion, and Bank of Nova Scotia with $22 billion); and by three groups, nominally Spain-based, which are demonstrably fronts for the British Empire (Banco Santander with control over $33 billion, BBV with $26 billion, and BCH with $24 billion).

Citibank, which for 80 years has been Wall Street's flagship operation in Ibero-America, is a distant seventh, with control over a mere $16 billion in assets. It is true that Citibank still possesses a unique regional network, with branches in nearly every Ibero-American country, but the British-run newcomers are quickly replicating that capability as well. The Boston Brahmin First National Bank of Boston, which is in reality more British than American, and which has historically also had an important presence in Ibero-America, controls about $10 billion in assets.

FIGURE 5
British groups dominate foreign bank presence in Ibero-America
(assets controlled, billions $)



Hongkong and Shanghai Banking Corp.

Leading the assault for the Queen is the century-old *Hongkong and Shanghai Banking Corp.* (HSBC). HongShang, as it is widely known, is the flagship bank of the global drug-trafficking enterprise properly known as "Dope, Inc." It is the fifth largest bank in the world. With headquarters in London, and branches around the world, HongShang is the crown jewel of the British oligarchy. Founded in the middle of the nineteenth century to serve as the backbone of the financial network of the East India Companies, it financed London's Opium Wars against China, in which the modern narcotics trade actually began. Since that time, it has served as a kind of rediscounting facility for laundering dirty money from the drug, gold, and diamonds trade. HongShang has kept up this tradition to the present, as *EIR* has documented in its bestseller book, *Dope, Inc.*

As for its Ibero-American prey:

• In early March 1997, HongShang purchased a 20% controlling interest in *Banca Serfín,* Mexico's third largest bank with close to $25 billion in assets, as noted above.

• In May 1997, HongShang completed its 100% purchase of *Banco Roberts* of Argentina, number nine in the country, with nearly $4 billion in assets, of which it had previously bought 30%.

• In late March 1997, HSBC bought 100% of Brazil's *Bamerindus,* the country's sixth largest bank, with over $14 billion in assets.

Although somewhat smaller in size than Mexico's Serfín, HongShang's Bamerindus purchase is of particular strategic significance, because it was the first major breach of the Brazilian banking system, which had otherwise been largely off limits to major foreign predators.

Brazil's Constitution prohibits the entrance of foreign banks into Brazil without reciprocity. HongShang got around that problem in the Bamerindus case by the personal intervention of Brazilian President Cardoso, who took advantage of a banking holiday to issue a surprise Presidential decree, published in a special edition of the *Official Daily,* pronouncing the Bamerindus sale to be "in the interest of the Brazilian government."

Cardoso had already used the same loophole in 1996, in an earlier foray by foreign banks chomping to get into Brazil: At that time, he authorized the Swiss bank *Union Bancaire Privée* (UBP)—also notorious as a dirty-money laundry, owned by Syrian-Jewish families from Aleppo—to participate with its Brazilian partner *Banco Excel,* in the purchase of *Banco Econômico,* the 18th largest private bank in the country.

An important pioneer of foreign dirty banking in Brazil is the nominally Brazilian Edmond Safra, whose *Banco Safra* is the eleventh largest in Brazil, with about $5.8 billion in assets. Safra is the reported front man of the Aleppo mafia (in 1990, the U.S. Drug Enforcement Administration (DEA) and Customs Service reported that Safra was the banking link between the Syrian and the Colombian drug cartels), and has over the years been associated with American Express and the filthy Republic National Bank of New York (which Safra owns).

In the case of Bamerindus, HongShang paid a meager $1 billion, and that only after the Brazilian government bailout agency, Proer, had paid out $5.7 billion to cover Bamerindus's non-performing portfolio—just as happened in Mexico in the Serfín and other cases.

Michel Geoghegan, the newly named president of HongShang in Brazil, explained that Bamerindus "will be the centerpiece for the development of our business in the region. We want to be the Banco del Mercosur," he asserted, referring to the regional trade pact of Brazil, Argentina, Chile, and Uruguay. As for Brazil itself, "We don't reject the possibility of acquiring other financial institutions," he said, adding ominously: "We have been in several countries for more than 100 years, and it won't be any different here."

In 1995 and 1996, HongShang had positioned itself for its current major moves, by setting up a strategic alliance with Chile's *Luksic Group* and Spain's *BCH.*

Banco Central Hispano

The *Banco Central Hispano* (BCH) is Spain's third largest bank, with over $90 billion in assets. All three top Spanish banks are currently on a much-publicized buying spree in Ibero-America, over the last two years shelling out over $5 billion among them, to snap up Ibero-American banks. Less well known, is the fact that all three of the Spanish banks are operating as de facto fronts for British Commonwealth financial interests, with which they are strategically associated, and that they are using Chile and its compliant financial institutions as the staging ground, on Ibero-American soil, for the British raid.

For example, in the mid-1990s, BCH merged its existing Chilean branches with the *Banco O'Higgins* of Chile's *Luksic Group,* owned by Andrónico Luksic, who sits on the international advisory board of Barrick Gold—along with Sir George Bush and former Canadian Prime Minister Brian Mulroney. According to *Forbes* magazine, the midwife for the deal was HongShang: Luksic ended up with 50% of the bank, BCH 25%, and HongShang 20%.

The HongShang-BCH-Luksic axis then used the revamped Banco O'Higgins as the cornerstone to establish a giant financial holding company in late 1995, called *OHCH,* with 50-50 participation from Luksic and BCH, and "in total harmony" with HongShang, according to accounts in the Chilean financial press. OHCH then proceeded to raid other banks inside Chile, and across Ibero-America.

- Chile's *Banco de Santiago* was bought out in December 1995, and then merged with Banco O'Higgins in early 1997, creating the country's largest bank with nearly $13 billion in assets.
- Peru's *Bancosur,* number seven in the country, was bought out in mid-1996 by OHCH, and merged with *Banco Libertador,* which BCH had already taken over in 1995.
- In Mexico, in early 1996 BCH and its Portuguese strategic partner, *Banco Comercial Portugués,* took over 20% of *Banco Internacional,* or Bital, number six in the country, with $10 billion in assets.
- OHCH has also taken over a number of smaller banks in the Southern Cone, including Argentina's *Banco Popular* (which it merged with HongShang's Banco Roberts in 1996), and *Banco Tornquist; Banco de Asunción,* one of Paraguay's biggest banks; and Uruguay's *Central Hispano Banco.*
- In Colombia, where drugs dominate both the economy and the Ernesto Samper government, BCH bought about 30% of the country's second largest bank, *Banco de Colombia,* in October 1996, which had been purchased by the local *Gilinski Group* when the bank was privatized in 1994. Informed sources report that the Gilinski interests are closely linked to London-run arch-speculator George Soros.

Another interesting strategic alliance of BCH's, is its recently inked pact with the British Rothschild group, to jointly develop "private banking" services—which are frequently a cover for high-level drug money laundering.

Banco Santander

Chile is also the Ibero-American staging ground for another British-run Spanish bank, *Banco Santander,* Spain's largest with over $150 billion in assets. What HongShang is to BCH—its financial and political sugar-daddy—the Royal Bank of Scotland and the British Morgan banking interests are to Santander.

In 1988, Santander forged what they have called "a long-term and fruitful alliance" with the *Royal Bank of Scotland* (RBS), and with *Metropolitan Life Insurance* of New York, controlled by the British Morgan financial interests. The House of Morgan was founded in London in the 1840s by Queen Victoria's favorite, George Peabody. One of the immediate offspring of this *ménage à trois* was the Santander-Met Insurance Society. In the words of the journal *American Banker,* "Banco Santander of Spain and the Royal Bank of Scotland . . . own shares in each other and have a close strategic alliance"; specifically, they each own 10% of the other's stock.

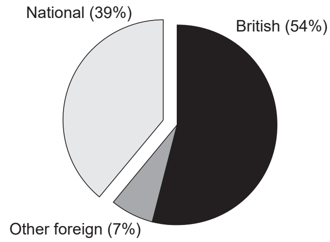
RBS, which proudly dates its roots to 1727 and proclaims itself "one of the United Kingdom's leading financial institutions," had over $80 billion in assets as of September 1995. The most significant member of its board of directors is Rt. Hon. The Earl of Airlie, KT, GCVO, PC, JP, whose Ogilvy family traces its nobility to the fifteenth century. The current Earl of Airlie is the brother-in-law of Princess Alexandra, Queen Elizabeth's first cousin; a Privy Councillor; and is Lord Chamberlain of the Queen's Household—i.e., he heads up the innermost sanctum around the Queen. Until 1984, he was chairman of Schroeders plc, the London merchant banking group which helped finance Hitler's rise to power in the 1930s.

TABLE 1
Top 10 banks, by country

Argentina

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Nación	$ 15.0	12%	state		
2	Provincia de Buenos Aires	10.1	8%	state		
3	Galicia	8.0	7%	foreign	27%	Bank of New York
4	Río de la Plata	7.3	6%	foreign	35%	Santander
5	Citibank	4.6	4%	foreign	100%	Citibank
6	Francés	4.3	4%	foreign	30%	BBV
7	Boston	4.3	4%	foreign	100%	Bank of Boston
8	Crédito Argentino	3.9	3%	foreign	72%	BBV
9	Roberts	3.6	3%	foreign	100%	HongShang
10	Bansud	3.5	3%	foreign	28%	Euram Capital
	Sub-total, top 10	*$ 64.7*	*54%*			
	Country total	**$120.3**				

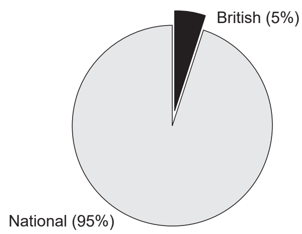
Who controls the Top 10 banks' assets



Brazil

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Caixa Econômica Federal	$ 80.3	19%	state		
2	Banco do Brasil	79.6	18%	state		
3	Bradesco	28.6	7%	private		
4	Unibanco	21.1	5%	private		
5	Itaú	19.9	5%	private		
6	Bamerindus	14.1	3%	foreign	100%	HongShang
7	Banrisul	12.1	3%	state		
8	Real	10.6	2%	private		
9	Banco de Crédito Nacional	9.1	2%	private		
10	Nossa Caixa	8.6	2%	state		
	Sub-total, top 10	*$284.0*	*66%*			
	Country total	**$431.0**				

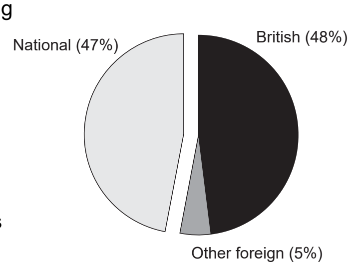
Who controls the Top 10 banks' assets



Chile

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Santiago	$12.8	14%	foreign	48%	BCH, HongShang
2	Santander	11.3	12%	foreign	75%	Santander
3	del Estado	11.1	12%	state		
4	Chile	9.6	10%	private		
5	Sud Americano	7.6	8%	foreign	28%	Scotiabank
6	Crédito	6.4	7%	private		
7	Edwards	4.4	5%	private		
8	Boston	3.6	4%	foreign	100%	Boston
9	BHIF	3.6	4%	foreign	36%	PanAm Holdings
10	Bice	3.3	4%	private		
	Sub-total, top 10	*$73.7*	*78%*			
	Country total	**$94.0**				

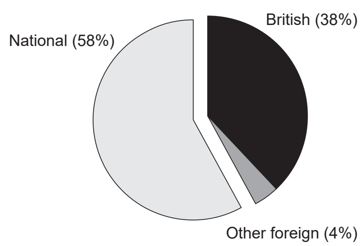
Who controls the Top 10 banks' assets



Colombia

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Ganadero	$ 3.8	12%	foreign	40%	BBV
2	Colombia	3.2	10%	foreign	30%	BCH
3	Bogotá	2.9	9%	private		
4	Bancafé	2.9	9%	state		
5	Caja Agraria	2.3	7%	state		
6	Industrial Colombiano	2.0	6%	private		
7	Popular	1.8	6%	private		
8	Bancoquia	1.6	5%	foreign	55%	Santander
9	Occidente	1.4	4%	private		
10	Citibank	1.0	3%	foreign	100%	Citibank
	Sub-total, top 10	*$23.0*	*72%*			
	Country total	**$32.0**				

Who controls the Top 10 banks' assets



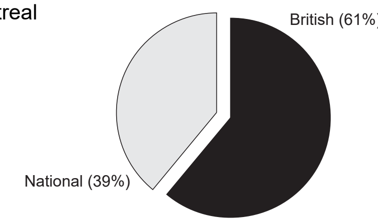
(continued on following page)

TABLE 1 *(continued)*

Mexico

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Banamex	$ 33.5	20%	private		
2	Bancomer	32.0	19%	foreign	20%	Bank of Montreal
3	Serfín	24.6	14%	foreign	20%	HongShang
4	Inverlat	14.3	8%	foreign	55%	Scotiabank
5	Bancrecer	14.2	8%	private		
6	Bital	10.4	6%	foreign	20%	BCH
7	BBV	8.0	5%	foreign	70%	BBV
8	Atlántico	7.0	4%	private		
9	Santander	6.8	4%	foreign	75%	Santander
10	Promex	6.2	4%	private		
	Sub-total, top 10	*$156.9*	*91%*			
	Country total	**$171.7**				

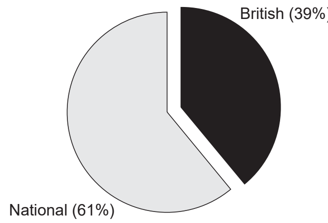
Who controls the Top 10 banks' assets



Peru

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Crédito	$ 4.9	29%	private		
2	Wiese	3.1	18%	private		
3	Continental	2.4	14%	foreign	34%	BBV
4	Interbank	1.3	7%	foreign	91%	Infisa
5	Latino	0.8	4%	private		
6	Santander	0.7	4%	foreign	95%	Santander
7	Bancosur	0.6	4%	foreign	97%	BCH, HongShang
8	Lima	0.6	3%	foreign	53%	Sudameris
9	Nuevo Mundo	0.4	2%	private		
10	Sudamericano	0.3	2%	foreign	25%	Scotiabank
	Sub-total, top 10	*$15.0*	*88%*			
	Country total	**$16.9**				

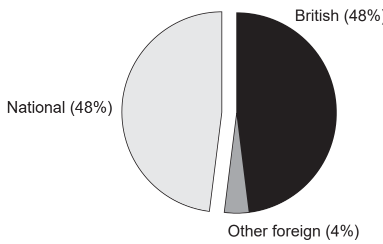
Who controls the Top 10 banks' assets



Venezuela

Rank	Bank	Assets (billions $)	% of total assets	Control	% foreign ownership	Dominant foreign bank
1	Provincial	$ 3.4	21%	foreign	52%	BBV
2	Mercantil	2.1	13%	private		
3	Venezuela	1.5	10%	foreign	94%	Santander
4	Unión	1.1	7%	private		
5	Industrial	1.0	6%	state		
6	Consolidado	0.9	6%	foreign	93%	Infisa
7	Banesco	0.7	4%	private		
8	Caribe	0.6	4%	private		
9	Citibank	0.4	3%	foreign	100%	Citibank
10	Interbank	0.4	3%	private		
	Sub-total, top 10	*$12.0*	*75%*			
	Country total	**$15.9**				

Who controls the Top 10 banks' assets



Sources: *Argentina:* Central Bank; *Brazil: Gazeta Mercantil*; *Chile:* Office of the Superintendent of Banks and Financial Institutions; *Colombia:* Banking Association of Colombia; *Mexico:* Mexican Stock Market; *Peru:* Office of the Superintendent of Banking and Insurance; *Venezuela:* Office of the Superintendent of Banking.

The chairman of the RBS board of directors is Lord Younger of Prestwick, KT, KCVO, TD, DL, who is also a member of the Queen's Privy Council, and has held the offices of Secretary of State for Defense and Secretary of State for Scotland. There are numerous other nobles on the RBS board, including Sir Ian Grant, JP, DL.

Banco Santander and the Royal Bank of Scotland also have interlocking directorates: Scotland's Lord Younger of Prestwick and Sir Ian Grant are on the board of directors of Santander; and Santander's chairman, Emilio Botín-Sanz de Saurola y García de los Ríos, and its first vice chairman, Jaime Botín, are on the Scotland board.

The Morgan role in Santander is not limited to the Met Life connection. Santander's rising young star, and CEO of its Santander Investment division, is the 38-year-old Ana Patricia Botín, daughter of the bank's chairman. After graduating from Harvard with a bachelor's degree in economics in 1981, Ms. Botín joined the Madrid office of J.P. Morgan. Rising through the Morgan ranks, by 1986 she had been appointed vice president and head of their Latin American unit. In 1988, her apprenticeship with Morgan apparently over, Ms. Botín returned home to work for daddy at Santander.

Also of note is that Banco Santander in 1991 became the single largest shareholder (13.3%) in First Fidelity Bancorporation of New Jersey, a bank with widely reported links to drug-money laundering. It is also the largest shareholder in First Union Corporation, the sixth largest bank in the United States, which in turn has a representative on the Santander board.

Banco Santander, unlike BCH, prefers to buy Ibero-American banks outright (they have invested over $3 billion there so far), rename them, and then use executives from their Chilean operations to run the expanded ventures. They got into Chile in a big way by taking over the large *Banco Osorno* in mid-1996, and merging it into their existing, but smaller, Banco Santander, and thereby producing the country's second largest bank, with over $11 billion in assets. Their other major moves in Ibero-America have been:

- In Mexico, they bought up the failing *Banco Mexicano Somex* in October 1996, after the Mexican government was kind enough to take over $2.37 billion of its bad debt. Santander ended up with a clean bank, Banco Santander, today Mexico's 9th largest with $6.8 billion in assets.
- In December 1996, Santander bought 97% of Venezuela's second largest bank, the *Banco de Venezuela,* which was a state-sector bank that had gone belly-up in 1994.
- Also in 1996, they took over Colombia's eighth largest bank, *Bancoquia.*
- In Argentina, in May 1997 Santander purchased 35% of the country's fourth largest bank, *Banco Río de la Plata,* which today has over $7 billion in assets.
- And in Peru, Santander acquired the *Banco Interandino* and the *Banco Mercantil,* and merged them to form the Banco Santander, which is today the country's sixth largest.
- Santander has also made a first foray into Brazil, buying the mid-sized *Banco Geral do Comércio* in March 1997.

Also linked to the Banco Santander is the Chilean *Infisa* group, run by Alvaro Saieh. Saieh was the owner of Chile's Banco Osorno, and when he sold it to Banco Santander in mid-1996 for nearly $1 billion, he took $400 million of that money and set up Infisa in early 1997. As one Venezuelan banker put it: "Santander has concrete interests in Infisa."

Infisa's start-up capital totalled $750 million. Some $400 million came from Saieh, as noted; $100 million was put up by the Blackstone Group (of Wall Street's Peter Peterson and Stephen Schwarzman); another $100 million came from the U.S.'s Hicks, Muse, Tate & Furst; $75 million was from Chase (Manhattan) Capital Partners; and a final $75 million was from Natcan Holding International, a subsidiary of the National Bank of Canada. Other participants in Infisa are Sir George Bush's former Treasury Secretary, Nicholas Brady, former Peruvian Economics Minister Carlos Rodríguez Pastor, and former Chilean Finance Minister Sergio de Castro.

Banco Bilbao Vizcaya

The *Banco Bilbao Vizcaya* (BBV) is the third major Spanish group that is building an Ibero-American banking empire—for the British. Formed by the merger of the Banco de Bilbao and the Banco de Vizcaya in October 1988, BBV today is the number two bank in Spain, with $132 billion in assets, but unlike its two Spanish sisters, it does not have significant holdings in Chile. BBV has instead bought two major banks in each of Argentina and Mexico, and the lead banks in Colombia and Venezuela.

- The Mexico move began in 1995, with the purchase of the failed *Probursa* bank, which was then merged with a second bank, *Banco Cremi,* to form the *BBV* of Mexico, today the seventh largest in the country with over $8 billion in assets.
- In Argentina, BBV bought 30% of sixth-ranked *Banco Francés* in September 1996, and then 72% of eighth-ranked *Banco de Crédito Argentino.* There are reports that BBV intends to merge the two shortly, which would make the resulting bank the largest private bank, and the third largest overall, in the country.
- In late 1996, BBV also made major moves into Colombia and Venezuela, taking control of the largest bank in each of those two countries. In Venezuela, BBV bought 40% of *Banco Provincial,* teaming up with the Quantum Fund of George Soros, the world's most prominent drug legalizer, which came in with 12% of the capital. And in Colombia, BBV purchased 40% of *Banco Ganadero,* the number-one institution in that drug-infested banking system.
- A year earlier, BBV had bought a 34% controlling share of Peru's third bank, *Banco Continental.*

BBV seems to have a predilection for shady associations—to put it mildly. Perhaps the most notorious is the case of Monzer al-Kassar, the Syrian arms- and drug-runner who emerged as a major player in the 1980s, after his brother Ghassan married the daughter of Gen. Ali Duba, the head of Syrian intelligence, who oversaw narcotics production in occupied Lebanon. Arrested repeatedly throughout western Europe, and officially under investigation by U.S agencies, including the DEA, CIA, and FBI, al-Kassar nonetheless worked closely with the Bush Contra-crack operation during the mid-1980s, had ongoing contact with Colombian kingpins Pablo Escobar and Jorge Luis Ochoa, and was in all likelihood instrumental in the Pan Am 103 terrorist bombing, over Lockerbie, Scotland in December 1988.

According to accounts published in Germany, a June 20, 1986 document of the West German Federal Criminal Bureau

(BKA), reports that "al-Kassar holds 51% of the capital of this bank," referring to the Banco de Bilbao (which two years later merged with the Banco de Vizcaya to form BBV). The BKA document adds that General Duba, Syrian dictator Hafez al-Assad, and his brother and heroin kingpin Rifaat al-Assad, all maintained sizable accounts at the Banco de Bilbao. Al-Kassar himself reportedly had a multimillion-dollar account there, which was used to launder all his drug- and weapons-trafficking proceeds.

BBV has kept the same kind of company on this side of the Atlantic.

- In Venezuela, BBV Foundation head and bank board member José Angel Sánchez Asiaín, was part of a select "international advisory board on foreign investment" set up in 1992 by Socialist International leader, President Carlos Andrés Pérez—who was deposed from office a year later, convicted of corruption, and held under house arrest until 1996. Also serving on Pérez's committee were Sir Henry Kissinger, American Express President James Robinson, and other Anglophile luminaries. Sánchez Asiaín and BBV chairman Emilio Ybarra y Churruca were themselves indicted in Spain in 1995, charged with irregular financial contributions to the ruling PSOE party, which, like Venezuela's Pérez, is part of the Socialist International.
- When BBV bought control of Venezuela's Banco Provincial in 1996, they reportedly did so in coordination with Venezuela's Cisneros group, whose head, Gustavo Cisneros, described the BBV takeover of his Provincial rivals as "excellent news." Cisneros has for decades been the financial angel behind the corrupt ex-President Pérez. The Cisneros family earned their fortune through their links with international financial circles tied to drug money laundering, as documented in *EIR*'s *Dope, Inc.*
- Argentina's Santiago Soldati is another frequent BBV partner, largely in electricity, water, and communications joint ventures. Soldati is a multi-millionaire businessman of Swiss descent, financed by British Rothschild money, who is said to be a front man for Marc Rich, a fugitive from U.S. justice who currently resides in Zug, Switzerland, who reportedly has Israeli mafia links, and who has major raw materials holdings worldwide.

What is the guiding hand behind all this filth? *EIR* has learned from sources inside the international department of BBV itself, that they have "strategic pacts" with a select handful of British and American banks, including Midland Bank (owned by HongShang), Morgan Guaranty Trust (whose British origins were reported above), and Wall Street's Chase Manhattan Bank.

Otherwise, the Venezuelan newspaper *Universal* reports matter-of-factly that BBV's real owners are General Electric; France's largest insurance company, Axa; and Japan's Nippon Life—connections confirmed in part by BBV's own annual reports and other official filings. Although *General Electric* is reported to have sold off its holdings in BBV just a few months ago, it was a guiding force there for years. GE is a Morgan company through and through, and Morgan, as noted above in the Banco Santander case, are British financial interests. As for Axa, its head, Claude Bébéar, was a close business associate of a major City of London financier, the late Sir Jimmy Goldsmith.

Also worth noting is that in October 1996, BBV bought up the London-headquartered *Latinvest,* an investment bank with important existing networks across Ibero-America, which BBV intends to use as a wedge to further its financial penetration of the continent.

The Canadian connection

The picture of the British Commonwealth's banking invasion of Ibero-America is rounded out by looking at two Canadian banks: *Bank of Montreal,* and *Bank of Nova Scotia.* To put a fine point on it, we quote from *EIR*'s authoritative 1986 bestseller, *Dope, Inc.:*

"This [Dope, Inc.] command structure contains the following main groups: The British combination that controls offshore banking and precious metals trading, i.e., the Hongkong and Shanghai Bank, the Oppenheimer gold interests, top British financial institutions such as Eagle Star Insurance and Barclay's Bank, and their Canadian cousins such as *Bank of Montreal* and *Bank of Nova Scotia.* . . ."

Bank of Montreal has a decisive share in only one major Ibero-American bank, but it is one of the region's giants: *Bancomer,* whose $32 billion in assets make it the second largest in Mexico, and the fourth largest in the whole continent. In 1996, the Mexican government's Fobaproa bought up $15.6 billion in bad debt from Bancomer—more than half the $29 billion they have spent to date on bailouts for the entire Mexican banking system. Bancomer then turned around and announced its "association" with the Bank of Montreal, which purchased close to 20% of the bank on the spot, with an option for up to 55%.

The *Bank of Nova Scotia,* or Scotiabank as it is often called, has also established a beachhead in Chile, with its 28% ownership of the *Banco Sud Americano,* the fifth largest in the country, with $7.6 billion in assets. It also owns 25% of a bank of the same name in Peru, which is that country's tenth largest. But its largest holding is Mexico's *Banco Inverlat,* another bank which went belly-up in 1995. In the now-familiar fashion, the Mexican government bought 48% of Inverlat, put it in receivership, and then in March 1996 sold a 55% share to Bank of Nova Scotia. Although Inverlat is still officially reported as in receivership, the reality is that Scotiabank now controls Mexico's fourth largest bank, with $14.3 in assets.

Where will the Canadian banks, and their British cousins, and their Spanish front groups turn next for plunder? The answer is evident. As the trade journal *The Banker* never tires of repeating, "The obvious missing link in Latin America is Brazil."

British cartels break up Brazil's CVRD, target continent's raw materials

by Richard Freeman and Cynthia Rush

On May 6 of this year, the British Commonwealth raw materials cartel took a major step toward dismembering Brazil as a nation-state, a step that the oligarchy views as decisive in its plan to reduce Ibero-America to colonial plantation status, and loot it of its raw materials patrimony. On that date, under intense British pressure to "globalize" its economy, Brazil privatized a major portion of the state-owned mining company, Companhia Vale do Rio Doce (CVRD), which is Ibero-America's largest raw materials company and the third largest in the world. Brazil sold 30% of CVRD for $3.2 billion. The purchaser was the Brazil Consortium, a group of investors led by Sweet River Investments of speculator George Soros. Sweet River Investments was incorporated in the drug money-laundering haven of the British Cayman Islands, only days before the sale, expressly for the purpose of gobbling up part of CVRD. The true worth of the mining property of CVRD, within the 30% snatched up by the British for a song, is several hundred billion dollars.

The super-wealthy Anglo-Dutch and other oligarchical families that control the companies of the raw materials cartel, are working on a time-table bounded by the fact that the world financial system is headed toward disintegration. For two years, they have been moving out of bloated financial assets and stampeding into ownership of hard physical assets—raw materials, energy supplies, and increasingly scarce food supplies. Even better than owning a raw material commodity, they calculate, is to own the physical property that mines and produces the commodity.

As the pace of financial disintegration accelerates, the oligarchy steps up its raw materials takeovers. When the smoke clears and 90% of the world's financial assets have been vaporized by the crash, the oligarchy expects to emerge owning 70% or more of the world's raw materials, and mining facilities. This means the oligarchy would have a chokehold on the flow of goods upon which all human existence depends: By squeezing off production, it could blackmail nations, shutting down their industrial and agricultural production, depopulating the globe.

Countries such as Brazil, which are giving up control of their raw materials, will be consigned to the scrapheap. Indeed, most of Ibero-America's population of 490 million will be written off as expendable. The only people the oligarchy will tolerate (aside from its own family members) will be those needed to work the mines, transport the minerals to the ports, and serve as chauffeurs and chambermaids for the mine owners.

This end-game is now playing out in Africa, where marcher-lords such as Uganda's Yoweri Museveni and Zaire-Congo's Laurent Kabila, are wiping nations off the map and reducing economic life to standards of the Dark Ages. This is what awaits Ibero-America, starting with Brazil, economically the most advanced, with one-third of the continent's population.

This is the Africanization of Ibero-America: Its initial phases have already been under intensive implementation for a few years. Here, we look at the raw materials cartel's offensive to seize raw materials. We first look at the location and density of raw materials that the cartel seeks in Ibero-America; who and what the raw materials cartel is, and its reach globally; and finally, the dangerous advance this assault has made.

The wealth of a continent

Ibero-America is a treasure trove of raw materials. The populations of the Western Hemisphere, as well as parts of East Asia, South Central Asia, and Europe, depend on many of its raw materials, to fashion the goods of their existence.

Minerals and metals can be sorted into three groups:

1. Precious metals: largely gold, silver, and the platinum group, all of which have industrial uses, but are held, in this instance, for their value as a monetary reserve or as a hoard (often in the form of bullion, coins, and jewelry).

2. Industrial/base metals: Seven of these—bauxite, copper, iron, lead, nickel, tin, and zinc—account, by weight, for 70% of all the non-carbon-, non-wood-, non-stone-based finished manufactured products in the world. No industrial society can exist without the finished products that come from them, to manufacture everything from machine tools and tractors to electric generators.

3. Strategic metals and minerals: These are usually used as alloys because they are frequently lightweight, have high tensile strength, or resist heat well. They are often used in defense and high-technology production.

Table 1 shows the amount of world mine production, in

TABLE 1

Ibero-America’s share of world mining production or refining

(all tons are metric tons, 1995 output; numbers highlighted in **bold** indicate that country is one of world’s top six producing nations of the cited commodity)

			Percent of world production in:					
Mineral or metal	World production	Unit of production	Ibero-America	Brazil	Chile	Mexico	Peru	Other*
Precious								
Gold	2.25	thousand tons	12%	3%	2%	1%	3%	3%
Silver	14.6	thousand tons	41%	1%	**7%**	**16%**	**13%**	3%
Base/industrial								
Aluminum	19.4	million tons	10%	**6%**				4%
Arsenic trioxide	41.3	thousand tons	29%		**15%**	**11%**		3%
Bauxite and alumina	109.0	million tons	28%	**8%**				**20%**
Bismuth	3.0	thousand tons	63%			**30%**	**33%**	
Boron	2.4	million tons	11%		**4%**		1%	**6%**
Cadmium	18.5	thousand tons	6%	1%		4%	1%	
Copper (mine production)	10.0	million tons	32%		**25%**	3%	4%	
Copper (refine y)	11.7	million tons	18%	1%	**13%**	2%	2%	
Feldspar	6.1	million tons	10%	2%		2%		5%
Fluorspar	3.9	million tons	15%	2%		**13%**		
Graphite	718.0	thousand tons	11%	**5%**		**6%**		
Gypsum	98.1	million tons	8%	1%	1%	5%		2%
Iron ore (metal content)	554.8	million tons	27%	**22%**	1%	1%	1%	2%
Lead	2.7	million tons	16%			**6%**	**9%**	1%
Nickel (metal content)	1.0	thousand tons	14%	3%				**11%**
Sodium sulfate (natural)	2.5	million tons	21%			**21%**		
Strontium	135.0	thousand tons	53%			**53%**		
Tin	187.0	thousand tons	28%	**9%**			**12%**	**7%**
Zinc	7.1	million tons	20%	2%		**5%**	**10%**	3%
Strategic								
Beryllium	6.8	thousand tons	13%	**13%**				
Cobalt	22.1	thousand tons	9%	2%				**7%**
Columbium (metal content)	17.8	thousand tons	86%	**86%**				
Manganese (metal content)	7.6	million tons	14%	**12%**		2%		
Molybdenum	126.0	thousand tons	20%		**14%**	**3%**	3%	
Tantalum (metal content)	356.0	tons		14%	14%			
Vanadium	63.5	thousand tons	8%		**4%**			**4%**

* Argentina, Bolivia, Cuba, Dominican Republic, Jamaica, and Venezuela.

Source: U.S. Geological Survey.

1995, of 26 precious, base/industrial, and strategic minerals and metals (and the refinery output of copper and aluminum). Then, for each commodity, it shows the percent of world mining output that Ibero-America represents; that the four biggest mining countries in Ibero-America each represent—Brazil, Chile, Mexico, and Peru; and that the rest of the nations of Ibero-America combined represent. **Table 2** shows for the essential 26 minerals and metals, the name and world rank of each nation in Ibero-America that is among the top six producers of that mineral or metal.

Ibero-American countries are the top producers in the world of five minerals or raw materials: Mexico, silver; Peru, bismuth; Chile, copper; Mexico, strontium; and Brazil, columbium (niobium). Three Ibero-American nations produce more than half of the world’s output of three minerals: bismuth (Peru, 63%), strontium (Mexico, 53%), and columbium (Brazil, 86%). The continent also boasts nine countries that rank as second largest world producers of a mineral or raw

TABLE 2
World rank of Ibero-American nations as raw materials producers

Commodity	Nation (rank)
Precious	
Gold	*none in top rank*
Silver	Mexico (1), Peru (2), Chile (5)
Base/industrial	
Aluminum	Brazil (6)
Arsenic trioxide	Chile (2), Mexico (4)
Bauxite and alumina	Jamaica (3), Brazil (4), Venezuela (5)
Bismuth	Peru (1), Mexico (2)
Boron	Argentina (3), Chile (5)
Cadmium	*none in top rank*
Copper (mine production)	Chile (1)
Copper (refinery)	Chile (2)
Feldspar	*none in top rank*
Fluorspar	Mexico (2)
Graphite	Mexico (3), Brazil (5)
Gypsum	*none in top rank*
Iron ore (metal content)	Brazil (1)
Lead	Peru (4), Mexico (6)
Nickel (metal content)	Dominican Republic (6)
Sodium sulfate (natural)	Mexico (2)
Strontium	Mexico (1)
Tin	Peru (3), Brazil (4), Bolivia (5)
Zinc	Peru (4), Mexico (6)
Strategic	
Beryllium	Brazil (2)
Cobalt	Cuba (6)
Columbium (metal content)	Brazil (1)
Manganese (metal content)	Brazil (5)
Molybdenum	Chile (2), Mexico (6)
Tantalum (metal content)	Brazil (2)
Vanadium	Venezuela (5), Chile (6)

Source: U.S. Geological Survey.

material. There are only four of the listed 26 minerals and metals, in which an Ibero-American nation is not among the top six producers.

Ibero-America produces 15% of the world's output of two of the seven most important base/industrial metals; 20% of the world output for one of the metals; and at least 25% of the world output for three metals. It produces one-third of the world's output of copper. It is no small wonder that the British Commonwealth raw materials cartel assigns the greatest strategic importance to controlling this mineral output and the reserves of these minerals, which are even greater still.

Who owns the raw materials

In 1990, between 75% and 80% of all mining properties in Ibero-American nations were owned either by state-owned mining companies, or by private concerns owned by that country's nationals. These nations saw raw materials as a patrimony to be used for the industrialization of the nation. Most countries, if they did allow foreign ownership of mining properties, restricted it to no more than 49% ownership—i.e., minority ownership. The one exception was Chile, which, following the dictates of the Mont Pelerin Society, had "liberalized" its mining laws, over 1978-85, to allow both majority foreign ownership, and more widespread foreign ownership. But, as the accompanying box shows, in 1993-95, as part of the British push to spread the disease of "globalization" to Ibero-American financial markets and mining sectors, these nations changed their laws along the Chile model. Several also adopted privatization, or selling off state-held mining companies to private owners.

The outcome is that today, in several Ibero-American nations, foreigners, both in their own names and through dummy corporations, own between one-third and two-thirds of the nations' mining properties.

Of the foreigners, by far, the principal owners are companies of the British Commonwealth raw materials cartel.

Figure 1 shows the leading members of the Commonwealth raw materials cartel, operating in the principal mineral-rich countries of Ibero-America, along with the symbol for the name of the raw material property that they own in the respective country. All the entities are from Britain, Canada, South Africa, or Australia. There are other foreign mining firms which operate in these countries, but these listed firms are the British Commonwealth firms, and they own the majority of projects in most countries. For 150 years, Australia, Canada, and South Africa have acted as the vanguard for London interests.

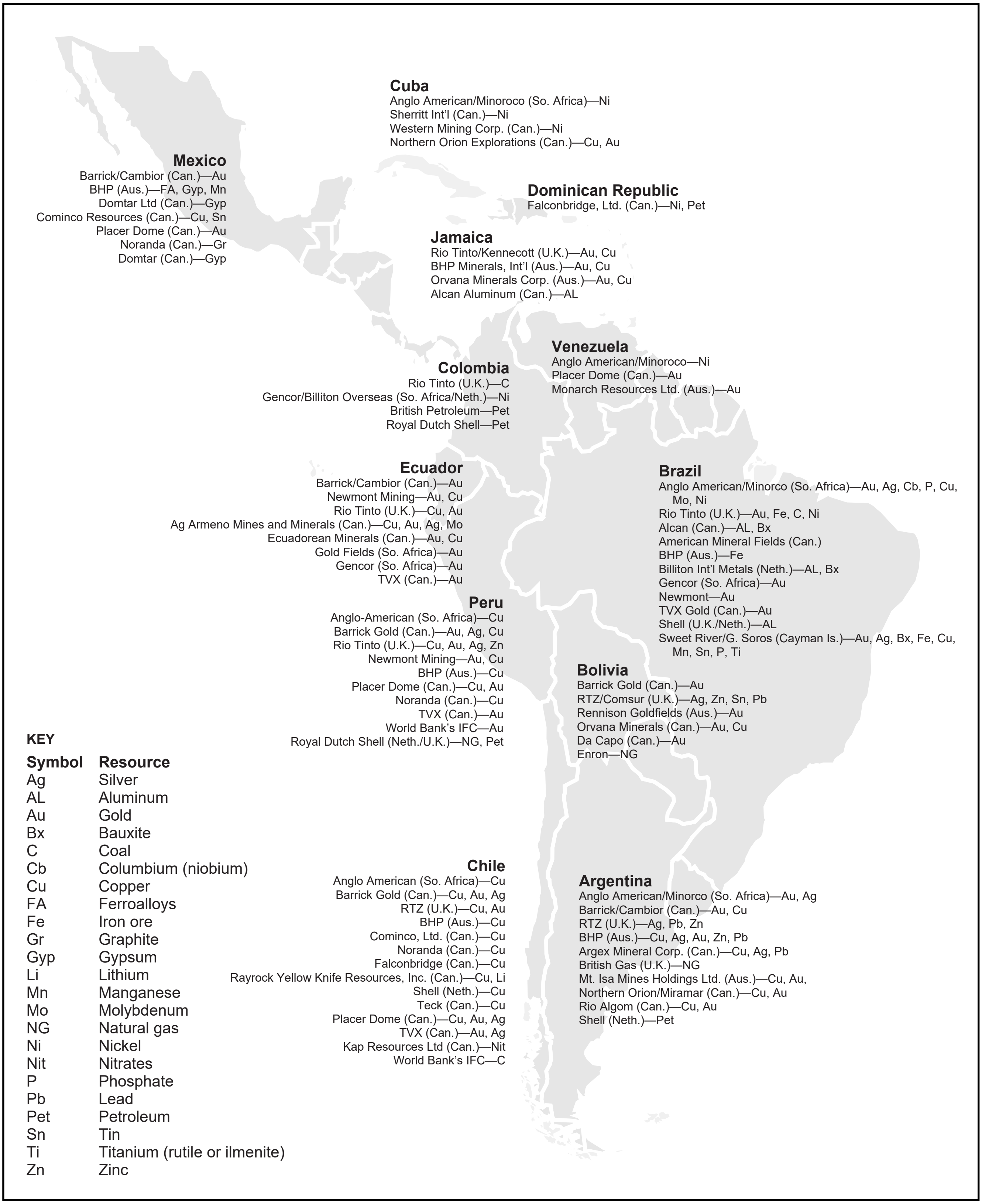
Notice that these firms operate in Cuba as well, which has maintained close economic and political links with London, and especially, Canada, since the 1959 Castro revolution.

The British Commonwealth is the most formidable economic force on this planet. It encompasses 24% of the world's land mass and 29% of its population. Grouped around the Anglo-Dutch monarchies, it operates as a single cartel, which is divided up into subordinated categories: a raw materials cartel, an energy cartel, a food cartel, and a financial cartel (see the flow chart on p. 5). These firms, through their share ownership in each other, and through tightly interlocked boards of directors, comprise a single operation. Operating through Britain's Royal Privy Council and its Commonwealth subsidiaries, and through the British Overseas Development Office (formerly the Colonial Office), they shape imperial affairs.

At the nerve center of the raw materials cartel are four powerful companies—Anglo American, Rio Tinto, Barrick Gold, and Newmont Mining—which are coordinating and enriching themselves through the raw materials grab in Ibero-America. Together, in Ibero-America, these four companies own and operate 47 mining projects, covering 16 different raw materials.

The history of this "gang of four," particularly their activities within Ibero-America during the last five years, prepares

FIGURE 1
British Commonwealth mining companies, by country and raw materials produced



one to understand how the British Commonwealth plan for domination of Ibero-America is unfolding.

Anglo American: The world's largest raw material firm, based in Johannesburg, South Africa, is key in the raw materials cartel. Through the cross-ownership of shares, Anglo American is one entity with DeBeers Diamonds and the Luxembourg-based Minorco minerals, all owned and controlled by the immensely rich Oppenheimer family (two Anglo American subsidiaries, ARH and Amgold, own 45.6% of Minorco's shares, and DeBeers owns another 23% of Minorco's shares). DeBeers Consolidated and DeBeers Centenary, the two Oppenheimer-owned DeBeers diamond companies, control the Central Selling Organization, which in turn controls 80% of the world's diamond market. The Anglo American/DeBeers/Minorco combine is the world's single biggest producer of gold, platinum, diamonds, palladium, antimony, tungsten, and vanadium.

Harry Oppenheimer, the Cambridge-educated patriarch of Anglo American, is part of the oligarchy's 1001 Club, which operates under the aegis of the World Wide Fund for Nature of Britain's Prince Philip, the flagship of environmentalism and anti-industrial strategies globally.

Rio Tinto (formerly Rio Tinto Zinc): The world's second largest raw material firm, Rio Tinto is headquartered in London. Rio Tinto Zinc was formed in the 1870s by China opium-trader Hugh Matheson, a principal in the Hongkong-based Jardine Matheson, who pushed to expand the British Empire. According to published reports, today, Queen Elizabeth II owns a significant share of Rio Tinto stock.

The immense power of Anglo American and Rio Tinto taken together is shown in **Table 3,** which shows their share of the Western world's raw materials production. There are 16 commodities, in which Anglo American and Rio Tinto combined have 10% or more of the Western world's output, and of these, there are 9 in which they control 20% or more of Western world output.

Barrick Gold, based in Toronto, is as much a political as an economic power. Sir George Bush helps direct this company, from his position, created in 1995, as honorary senior member of Barrick's international advisory board. While he was vice president of the United States (1981-89), Bush worked inside the U.S. government to manage London-directed illegal weapons- and drug-running operations. Financier Adnan Khashoggi, who underwrote Bush's Contra operations, formed Barrick in 1981. Peter Munk, who was a protégé of the British royal household, eventually became chairman of Barrick. Through guidance by the oligarchy and Harriman-Bush networks, Barrick leapt from out of nowhere to become the second-largest gold producer in the world. In 1996, Barrick muscled in to obtain a concession to mine gold at the Kilomoto and Doko mines in Haut-Zaïre, Zaire's northeast province. In return, it helped bring to power genocidal dictator Laurent Kabila.

TABLE 3
Anglo-American and Rio Tinto 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

Mining laws favor raw materials grab

Since the early 1990s, most Ibero-American governments have enacted legislation which facilitates the looting of natural resources by London's raw materials cartels. Earlier legislation which protected ownership and exploitation of these resources, in most cases by the state, was scrapped in favor of laws which, at the very least, put foreign mining and energy firms on an equal footing with national companies, offering all manner of tax breaks, as well as advantages for profit repatriation.

The leader was, no surprise, **Chile,** whose 1973 "revolution" made it the guinea pig for the Mont Pelerin Society's nation-wrecking economic policies. Mining legislation enacted in 1978 began the process, specifically offering protection for the property rights of foreign companies which discovered or purchased mining deposits. This was the signal for such companies as Anglo American, Rio Tinto (formerly Rio Tinto Zinc), and Barrick Gold, to move aggressively into its rich copper belt.

But some countries, such as **Peru,** have sought to "out-Chile" Chile: Legislation enacted in June 1992, according to the deputy mines and energy minister, was intended to "give Peru a competitive edge over our nearest neighbor, Chile." It established that companies would only pay taxes on profits rather than on total sales; it guaranteed tax stability for ten years—i.e., the government would offer contractual promises that foreign corporations wouldn't have to

Newmont Mining, based in Denver, Colorado, is an example of a firm that is based in America, but is decidedly British. The company is controlled by British asset George Soros and his friends (see *EIR* Special Report, "Never Again! London's Genocide against Africans"). Newmont was founded in 1921 by J.P. Morgan banker William Boyce Thompson. In 1989, Hanson Plc, a large British takeover conglomerate, bought Newmont. In 1991, Hanson sold 49.97% of Newmont to British financier, the late Sir Jimmy Goldsmith. In 1993, Goldsmith sold 14% of Newmont to Soros. According to Newmont's records, today, Soros owns 7.88% of Newmont; the estate of James Goldsmith owns between 2 and 3%; and Lord Jacob Rothschild owns 2%. Fidelity Mutual Fund, which represents the Boston Brahmin drug interests, owns another 10.22%.

The tentacles of this octopus reach everywhere: **Table 4** shows their stake in Ibero-America, by project (including exploration) and commodity. Anglo American owns and operates 14 projects in 7 countries; Rio Tinto owns and operates 12 projects in 8 countries; Barrick Gold has 16 projects in 7 countries: Newmont Mining runs projects in 5 countries.

But beyond the sheer number, several of these projects are pivotal in controlling the minerals of the nations of Ibero-America:

- Anglo American owns two key mining projects in Brazil: a 50% stake in the Solobo deposit in Carajás, Brazil, which has an enormous 1.2 billion tons of reserves of copper, gold, molybdenum, and silver; and also a 31.5% stake in a columbium-producing mine in Goiás state.
- Rio Tinto owns 33% of the Cía Minera del Sur, S.A. (Comsur) in Bolivia, a huge mining concern which produces 80% of Bolivia's lead, 65% of its zinc, and 37% of its silver. Comsur is the company of the family of Gonzalo Sánchez de Lozada, President of Bolivia from 1991 until Aug. 5, 1997. While President, Sánchez de Lozada has further opened up Bolivia to the raw materials cartel.
- Newmont Mining bought, in 1996, a 51% ownership stake in the Yanacocha mine in Peru, the continent's largest gold mine, producing nearly 1 million ounces of gold per year.

---

pay any new taxes imposed by some later government. A tax "drawback" system allowed recovery of taxes paid to the Peruvian state by exporters, the minimum area for a mining concession was reduced, and joint ventures were allowed in all areas of mining.

The pattern has been the same around the continent.

In **Bolivia,** note the role of President Gonzalo Sánchez de Lozada, who for years was Rio Tinto's representative in the country. Before leaving office, he forced through a new mining code in early 1997, described by foreign mining sources as the continent's "most progressive." It offers a single procedure which covers all prospecting, exploration, and mining production activities, granting concession holders full property rights. Sánchez de Lozada, a member of the Inter-American Dialogue, also opened up bidding on portions of the state-run Comibol mining firm, which will effectively privatize its tin and antimony smelting company, Empresa Metalúrgica Vinto, the world's fourth largest.

The British-loving President of **Brazil,** Fernando Henrique Cardoso, wasn't far behind. In 1995, he was able to ram constitutional amendments through Congress which allowed both domestic and foreign private sector companies to invest in the mining, petroleum exploration, natural gas distribution—among other sectors—via privatization, joint ventures, and deregulation. According to studies by the U.S. Geological Survey, foreign firms could now own 100% of any company or property, including those previously owned by the Brazilian state. Moreover, the provisions of Federal Law No. 9249 established that, as of Jan. 1, 1996, there would be no taxes for repatriation of profits. In addition, even though this latter tax was eliminated, a foreign mining company can still apply the *old* 25% tax on profit repatriation against a 35% income tax, reducing the latter to 10%. So, the foreign firm pays no tax on profit repatriation and only 10% income tax. These provisions are what have London's raw materials cartels salivating over the Brazilian riches to be stolen.

In **Argentina,** several liberal mining laws and decrees were enacted between July 1993 and November 1995. "Tax stability" is a key feature of these, guaranteeing that tax levels prevailing when a mining feasibility study is prepared, will remain in force for 30 years! Another provision allows mining operators advance rebates on their goods and services tax payments.

In 1989, there were only four foreign mining firms operating in Argentina. By 1995, some 62 foreign companies had established operations in the country, 42 of them from Commonwealth nations. Today there are 70 foreign companies engaged in minerals exploration, covering an area of 18.4 million hectares. Eighty percent of this area is located in the Andean mountain range, which Argentina shares with Chile. These two governments are about to sign a Mining Integration treaty, which will grant extraordinary concessions to foreign mining companies wishing to exploit resources on both sides of the border.

Provisions of protocols signed in January 1997, in advance of the anticipated Mining Integration law, have already allowed Barrick Gold to begin setting up a no-man's land straddling the border in this strategic area. As the laws are now written, the only real government in these regions will be Barrick.—*Cynthia Rush*

TABLE 4

Four British Commonwealth mining companies' holdings in Ibero-America

Country	Local project or local company	Foreign company's percent ownership	Mineral or metal	Comment
Anglo American/Minorco				
Argentina	Minera Mincorp, S.A. Cerro Vanguardia (Sta. Cruz prov.)		gold, silver	1995 feasibility study shows 3.2 million ounces of gold.
Brazil	Minerão Morro Velho, S.A.	100%	gold	Second-largest gold-producing project in Brazil; half owned by Bozano Simonsen, a subsidiary of Minorco. Operates 7 mines in Bahía and Minas Gerais states; in 1995, produced 16.5 tons of gold.
Brazil	Copebrás (in Goiás state)	9%	phosphate rock, carbon black	
Brazil	Solobo (Pará state)	50%	copper, gold, molybdenum, silver	This holding is enormous; a feasibility study showed the Solobo deposit in Carajás, to have 1.2 billion tons of reserves, having a grade of 0.84% copper with associated gold, molybdenum, and silver. Annual production is planned at the rate of 200,000 tons of ref ned copper, 27 tons of silver, and 240,000 troy ounces of gold.
Brazil	Jacobina, and Serra Grande (Bahía & Goiás states)	100%	gold	
Brazil	Codemin, and Morro do Niquel	100%	nickel	
Brazil	Minerão Catalão (Goiás state)	100%	columbium/ niobium	Brazil is the world's largest columbium producer.
Chile	Empresa Minera de Mantos Blancos (Antofagasta)	88%	copper	One of Chile's top four private copper companies.
Chile	Mantoverde		copper oxide	Has 101 million tons of reserves.
Chile	Collahuasi	50%	copper	Anticipated to produce 330,000 tons per year; production to start in late 1998.
Cuba			nickel	
Mexico			copper, gold	
Peru	Empresa Minera de Mantos Blancos/Quellaveco	88%	copper	
Venezuela	Loma de Níquel	85%	nickel	
Rio Tinto				
Argentina	Aguilar (Jujuy province)	30%	lead, zinc, silver	
Argentina	Tincalayú (Salta province)	100%	boron-borax	
Argentina	Sulfacid (Santa Fé province)	33%	zinc	
Bolivia	COMSUR		lead, tin, silver, zinc	Rio Tinto owns 33% of COMSUR (Cía. Minera de Sur, S.A.), which produces 80% of Bolivia's lead, 65% of its zinc, and 37% of its silver. It owns and operates a combined 12 mines, located in La Paz, Cochabamba, Oruro, and Potosí departments.
Brazil	Río Paracatú Minero/ Mondo do Ouro	51%	gold	In 1995, in association with TVX Gold, it produced 5.5 tons of gold; located in Minas Gerais state.
Brazil	Corumbá (Matto Grosso do Sul state)	49%	iron ore	
Brazil	Fortaleza (Minas Gerais state)	100%	nickel	Mine's annual output to be increased to 10,000 tons of nickel per year; deposit also has copper, cobalt, and platinum metal group.
Chile	Empresa Minera Escondida (Antofagasta)	30%	copper, gold	Chile's second-largest copper deposit, with 26 million tons of proven reserves; Chile produces 25% of the world's copper.
Colombia	Oreganal	75%	coal	By 2000, mine's annual output will be 6-7 million tons of coal.
Ecuador	Western Cordillera	100%	copper, gold	

(continued on following page)

TABLE 4 *(continued)*

Country	Local project or local company	Foreign company's percent ownership	Mineral or metal	Comment
Jamaica		100%	copper, gold	Rio Tinto owns project through its 100%-owned subsidiary Kennecott Corp. (formerly Kennecott Copper).
Peru			copper, gold, silver, zinc	Claims 1.6 million hectares in mining concessions.
Barrick Gold				
Argentina	Cambior/Veladero-Del Carmen (San Juan province)	40%	copper, gold	
Argentina	Barrick Exploraciones/ La Ortiga (San Juan)	100%	gold	
Argentina	Barrick Exploraciones/ Río Cenicero (San Juan)	100%	gold	
Argentina	Cía. Minera San José/ El Pachón (San Juan)		copper, molybdenum	
Argentina	Barrick Exploraciones & Triton/Manatial y Espejo (Santa Cruz province)	20%	gold, silver	
Bolivia				Seeking concessions.
Brazil		100%	gold	In exploration.
Chile	Cía. Minera San José/El Indio (Coquimbo)	83%	gold, silver, copper	Chile's largest silver, and second-largest gold producer. Mine's gold reserves are 5 million troy ounces; in 1995, production was 192,465 troy ounces of gold, and 35,000 tons of copper.
Chile	Cía. Minera San José/Tambo (Coquimbo)	83%	gold	
Chile	Pascua mine (Coquimbo)	80%	gold	Mine has currently identif ed reserves of 3.4 million ounces.
Ecuador	Cambior	100%	gold	In exploration.
Mexico	Cambior/Metates (Durango)	100%	gold	
Peru	Arequipa Resources/Pierina (Ancash)	95%	gold	Arequipa Resources has estimated reserves of 10 million troy ounces of gold, of which Pierina has 6.5 million.
Peru	Cambior/La Granja		copper	One of the ten largest copper deposits in the world, with about 14 million tons of copper.
Peru	Quicay		gold	
Peru	Cerro Corona		gold	Barrick purchased prospecting rights to Cerro Corona.
Newmont Mining				
Ecuador	Quimsacocha		copper, gold	
Haiti/ Dominican Republic	Pueblo Viejo		gold	Granted exploration rights to area covering 2,580 square miles.
Mexico	La Herradura	100%	gold	
Peru	Minera Yanacocha, S.A., (Cajamarca department)	51%	gold	Ibero-America's largest gold producer; in 1996, production was 811,400 troy ounces.

The sell-off of CVRD

This set the stage in May for Brazil's President Fernando Henrique Cardoso to package off 30% of CVRD. Both former President José Sarney, now president of the Brazilian Senate, and former President Itamar Franco, opposed the sale. Cardoso's action followed a series of destructive mining and tax reform measures in 1995, that included making possible foreign ownership of 100% of equity in Brazilian mining concerns. On May 6, the Brazilian government sold 45% of the common shares of CVRD; since the common shares control two-thirds of the voting power of the company, and the preferred shares control one-third of the voting power, the government in effect sold 30% of the voting control of the company (i.e., 45%×67%=30%). The wealth of the CVRD is concentrated in two regions of Brazil: the Carajas region and the area surrounding Minas Gerais (see p. 44, Figure 1). The

CVRD owns in these regions enormous deposits: 3.3 billion tons of proven and probable iron ore reserves, with an additional 38 billion tons of possible reserves; bauxite deposits that equal 14% of the world's bauxite reserves; potentially 500 tons of gold, etc.

The Brazilian government will sell another 26% of the common shares of CVRD, through investment banks such as Merrill Lynch, in January 1998. For his slavish application of British policy, Brazilian President Cardoso will be knighted by Queen Elizabeth II this coming December.

The purchaser of the shares is the Brazil Consortium. Members of the CVRD reported that they did not know who all the members of the Brazil Consortium were, since it was put together only days before the scheduled sale. It includes the private Brazilian steel company, CSN, and George Soros's Sweet River Investments, as well as Citibank and NationsBank, two of the high-rollers in the international financial derivatives casino.

This is far from Soros's only venture on the continent. He has a significant position in Newmont; the Soros family's investments, through George Soros's brother Paul, are represented on the board of TVX Gold of Canada, which is active in Peru and Ecuador; and Soros is also a heavy funder of the "human rights" intelligence front, America's Watch. While America's Watch attacks the military and national sovereignty of governments on the continent, Soros's mining ventures pick up the pieces cheap from the destabilized governments.

The reader now has enough information to see through a common myth: that American companies own the raw materials of Ibero-America. Take the case of Brazil, where 30 foreign mining companies own projects of significance: Of these, three are American (and one of these only nominally); more than half are British Commonwealth, 11 of which are listed in Figure 1. Indeed, the oligarchy is drooling over the huge amount of untapped and unexplored resources in Brazil.

The future of Ibero-America

In many countries, raw materials very much influence the economic life of that country. In Bolivia, in 1995, minerals and fuels accounted for 54% of Bolivia's total export earnings. As indicated above, Rio Tinto also has exercised a very tight influence over the Presidency of Bolivia, through its 33% ownership of Comsur, the mining company of the family of former President Gonzalo Sánchez de Lozada. In Peru, in 1995, mining, including petroleum, accounted for 52% of total export earnings. In Mexico, if one excludes the exports of the *maquiladoras* (sweat-shops near the U.S. border), mining and petroleum account for a very large share of export earnings. While in other countries, mining and fuel might not comprise half of their exports, the proportion remains significant.

The amount of money pouring into Ibero-American mining is very large. In 1995, in Chile, foreign direct investment into mining totalled $1.81 billion, while foreign direct investment into industry totalled $321 million, and into services, $314 million. That is, the foreign direct investment into mining was nearly three times the investment into industry and services combined. As of 1996, the cumulative outstanding amount of foreign direct investment of all kinds into Chile stood at $15.5 billion; of that, more than half was in mining. Much of this foreign investment financed takeovers. In Mexico, as foreign investment into mining streams in, the number of mining claims issued has doubled from 2,000 annually to 4,200, and the land area covered by mining concessions has risen from 2.8 to 7.1 million hectares.

The World Bank has issued a report forecasting that by the year 2000, over one-third of all world mining investment will be in Ibero-America (it places the level of that investment at a low of $11.6 billion and a high of $24 billion).

These figures leave no doubt as to what the oligarchy's intent is: the theft of the raw materials patrimony of Ibero-America. It intends to achieve this objective well before the World Bank's target date of the year 2000. But once in control of the raw materials, the British Commonwealth cartel hopes to unfold the full policy of Africanization of the continent: squeezing off the supply of minerals and metals, to collapse production, cut population by genocide, and overthrow national sovereignty, along the lines that it is effecting via the break-up of Brazil's Companhia Vale do Rio Doce.

British run private armies in Colombia

by Javier Alamario

FIGURE 1
Drugs and terrorism in Colombia, 1995

In 1996, some 60,000 soldiers, approximately half of Colombia's military force of 129,140 soldiers (not counting the police), were deployed to guard infrastructure and installations belonging to the state-owned Ecopetrol oil firm, and its multinational partners, among them, British Petroleum (BP), the Anglo-Dutch firm Royal Dutch Shell, and Occidental Petroleum, founded by the notorious Anglo-Soviet agent, Armand Hammer.

Aside from the "war tax" which these, and all large companies operating in the country, pay to the government to help defray special security expenses, they reportedly have an additional agreement with the Colombian government directly, by which they cover part of the cost of the military deployment. The oil multinationals say they pay $150 million annually for these expenses; sources close to the Army insist this is greatly exaggerated, and that the multis only provide food, helicopters, and other logistical supplies to the troops deployed to protect them.

Whatever the reality, this is an odd case of private monies being paid to the national Army. As is well known, in private business, the person paying for a service is the one who runs the show. Among multinational corporations operating in the country, there is debate over whether they should continue to pay this sum. Some of their advisers argue that, just as citizens have the right to services provided by the state's security agencies, by virtue of paying taxes, the taxes paid by the oil multinationals should be sufficient to maintain security at their installations. Others, such as BP, have already begun to hire mercenaries or private foreign troops, including former members of Britain's elite Special Air Services (SAS). This is the same model the British Crown uses in Africa, employing private armies to protect the corporate members of its raw materials cartel.

This trend toward foreign private armies accelerated after an international scandal broke out in late 1996, when human rights non-governmental organizations (NGOs) denounced BP for allegedly financing Colombian right-wing paramilitary groups, which the NGOs claim are fronts for the Colombian military. BP denied any involvement, arguing that they only paid money directly to the Colombian military, and didn't know what the latter then did with the funds. The military denied receiving any BP funds. In the aftermath, BP shifted its emphasis to foreign private security agencies, especially the London-based Defence Systems Ltd. (DSL), which has offices in Bogotá (see Chapter I.).

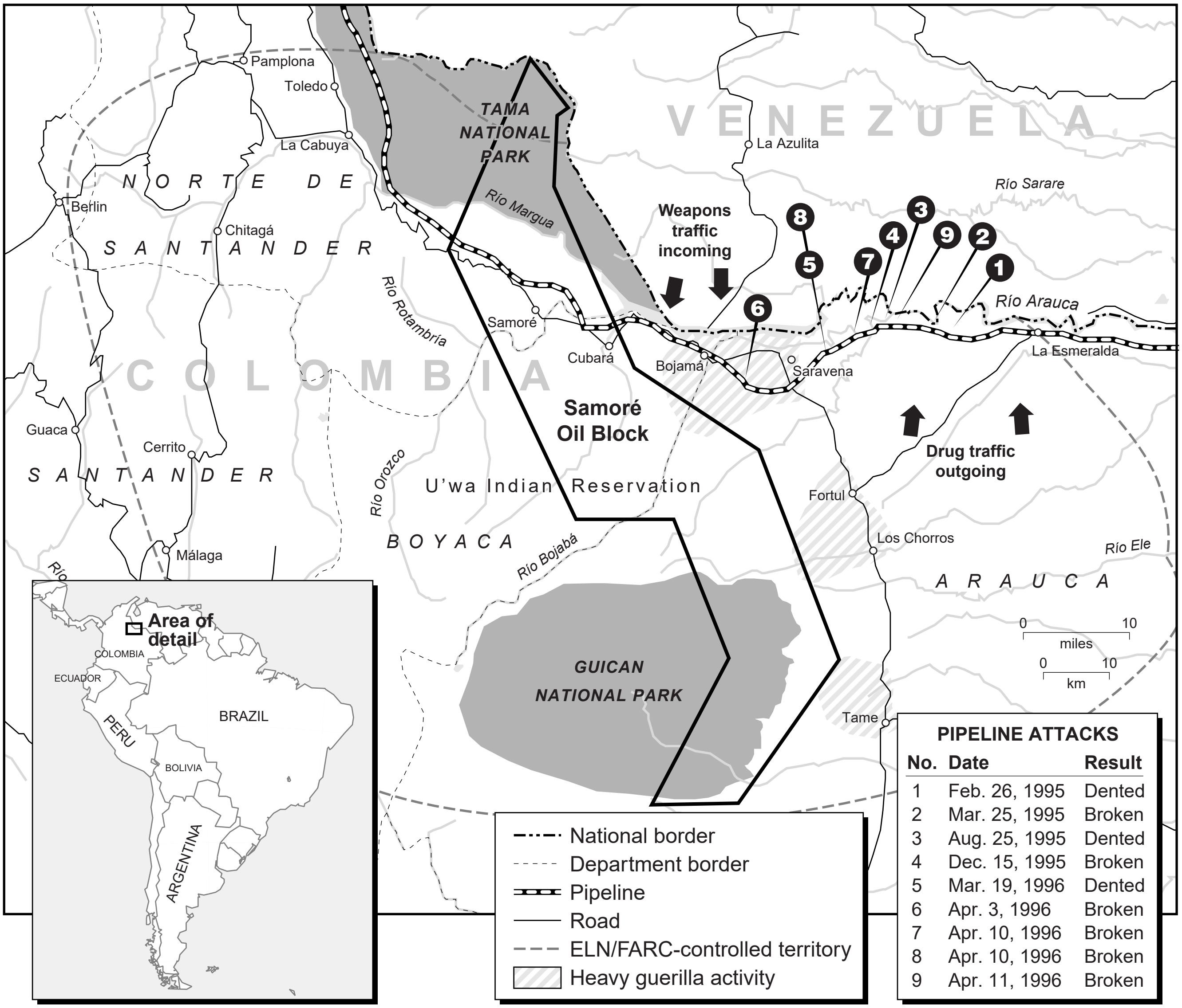
In all of this, it is the case that the Armed Forces deploy 50% of their forces to protect the oil industry, leaving the other 50% to protect the nation. Taking into account experts' recommendation, that overall troop strength be the equivalent of 1% of the total population, which would be 400,000 for Colombia, the situation is even worse: Today, the combined forces of police and Armed Forces, including civilian personnel, total 290,000 people.

Worse, these same oil companies, and the British security companies which "advise" them, protected by 60,000 soldiers, collaborated to *create* the country's grave security crisis. This is typical British *modus operandi:* First create a crisis, then employ the methods of "conflict resolution" to smash the sovereign nation-state and its institutions.

Occidental and the ELN

A specific example is the Caño Limón-Covenas pipeline, built at the beginning of the 1980s to transport crude oil from the Caño Limón oil field in the northeastern department of Arauca, to the port of Covenas on the Caribbean coast (see **Figures 1** and **2**). The oil field is run by Occidental, in partner-

FIGURE 2
ELN and FARC target Colombia's oil pipeline



PIPELINE ATTACKS

No.	Date	Result
1	Feb. 26, 1995	Dented
2	Mar. 25, 1995	Broken
3	Aug. 25, 1995	Dented
4	Dec. 15, 1995	Broken
5	Mar. 19, 1996	Dented
6	Apr. 3, 1996	Broken
7	Apr. 10, 1996	Broken
8	Apr. 10, 1996	Broken
9	Apr. 11, 1996	Broken

ship with Ecopetrol and Shell Oil. Had there been good relations with Venezuela, it would have been possible to build a small, 50 kilometer-long pipeline to intersect that country's pipeline system, and either export oil from a Venezuelan port, or transport it to Colombian refineries.

Shell and Occidental decided to hire a German construction firm, Mannesmann, to build the 1,500 kilometer pipeline, and together with their foreign partners, contracted German superspy Werner Mauss to handle security for the project. Under Armand Hammer's strategic guidance, Mauss came to an agreement with the narco-terrorist National Liberation Army (ELN), which was then close to extinction, whereby the ELN would protect the pipeline under construction for $200,000 monthly. The almost-defunct ELN became revitalized, bought better weapons and new uniforms, and began to recruit as never before. In a 1984 press conference, Hammer bragged, "We're giving jobs to the ELN. We hired them as suppliers."

Subsequently, Mauss continued to deal with the ELN, but was arrested on Nov. 18, 1996 in Medellín, after negotiating the release of a kidnapped German national. He paid the group a huge sum for his client's release. Some sources have even suggested that Mauss is a prominent ELN agent in Germany, whose job it is to get families of European kidnap victims to pay their ransom. These same sources say that Mauss collects a commission from families or companies of the kidnap victims, and is also paid by the ELN. Currently, he is free on bail in Colombia.

Some sources assert that Mauss was busted by Colombian authorities at the insistence of a competing—and far larger—foreign "security consulting" firm: Britain's Control Risk, one of the country's major private security companies. There is more than a little evidence to bolster that assertion. But the relevant fact is that both Mauss *and* Control Risk—and in fact the entire security "industry"—have the identical *modus operandi* for countries like Colombia: distance yourself from the host government and its official military; and build up a good working relationship, financial and otherwise, with the surrounding community, including narco-terrorist elements.

This doctrine was laid out with shocking openness in an article by Justine Barrett, senior analyst on the Americas desk of Control Risk, and published in the June 9, 1997 issue of the *Oil & Gas Journal*, as part of a feature story on Occidental and BP's security problems in Colombia. The article outlined how to operate: "Build a sound and lasting relationship with the local community. . . . Companies have to find a way to ensure good relations with the local military while maintaining a clear distance. . . . Good relations with the local community must be at the heart of any long-term security strategy. . . . [Get] input from social scientists—typically sociologists and anthropologists—in the design of a successful community relations program."

In the case of the Caño Limón-Covenas pipeline, the machinery used to build the pipeline in the 1980s was decorated with the ELN's black and red flag. The workers employed to build it had all been recommended by the ELN. The narco-terrorist group became a type of employment vehicle, through which it recruited and gained influence all along the pipeline's 1,500 kilometers. When the Colombian Army exposed the multinationals' financing of the ELN, unleashing a scandal which led to the agreement's undoing, the ELN began to blow up the pipeline, claiming "non-compliance" with the arrangement. At that point, the multinationals washed their hands of the whole deal, and handed management of the pipeline over to Ecopetrol.

In conclusion, the pipeline is extremely vulnerable: Almost all of it passes through the ELN's sphere of influence; it has been subjected to 1,000 bombings since it was built, and any adequate protection system would require at least four soldiers for every 100 meters, as well as armored helicopters, or a 1,500-km security fencing system, and a specialized immediate-response group.

One of the most attacked stretches of the pipeline runs very close to the Venezuelan border, through the departments of Arauca, Boyacá, and Norte de Santander (see map, which notes some of the attacks through April 1996 only). This is an area of intense weapons- and drug-trafficking by the ELN, and even has protected park areas and a reservation of the U'wa Indians. Overlapping all of this is Occidental Petroleum's Samoré oil block. Perhaps one of the wildest security situations anywhere on the planet has developed here, where the 5,000-member U'wa tribe, under ELN pressure, has threatened to commit collective suicide—they say they will all jump off a cliff!—if Occidental proceeds with exploration and development in the area.

The fact is that Colombia as a whole is rapidly being turned into a no-man's land of competing private armies: drug traffickers, narco-terrorists, British private security companies, and so on. Between them, the ELN and the larger Revolutionary Armed Forces of Colombia (FARC), exercise control in about half of the country's 1,050 municipalities; and they have announced that they will not permit elections to be held in at least 13 of the country's 38 departments (states). Over 1,500 kidnappings for ransom occur in Colombia every year. The murder rate is by far the highest in the world, at about 100 per 100,000 inhabitants. And drugs, especially cocaine and heroin exported to the United States, continue to dominate the economic and political life.

Oil and terrorism

After having hired the ELN as its private mercenary army, the oil multis looked for others. According to Venezuelan sources, Occidental hired Keenie Meenie Services (KMS), founded by Col. David Walker (ret.), to handle security for its Colombian installations. These sources were very concerned that the multis might be sponsoring ELN terrorism in Venezuela, as a way of pressuring the Venezuelan government into accepting greater presence of the multinationals there. Nonetheless, KMS isn't registered in Colombia as a legally constituted company. Its president, Walker, helped Oliver North to organize the private military training and financing network for the Nicaraguan Contras.

British Petroleum recently admitted that it hired Defence Systems Ltd. to protect its installations (see Chapter I). BP also hired Control Risk to carry out "security planning studies." In fact, it was Control Risk which first recommended hiring DSL, made up of retired SAS mercenaries. The book *Secret Conspiracy, Inside the Secret Service in the '90s*, by Stephen Dorrill, affirms that Control Risk is the most important of the private secret services run by Queen Elizabeth II's Privy Council. According to the same sources, the recommendation to hire DSL was due to the fact that "one Defence System agent is equal to 100 Colombian Army soldiers, and that the British want to employ former SAS agents." Among Control Risk's responsibilities in Colombia, where its competitor is Werner Mauss, is negotiating ransoms for kidnap victims.

The British aren't just interested in protecting BP, however. Since the eruption of the scandal over how the drug cartels bought the Presidency for Ernesto Samper Pizano, the narco-President decided to move Colombia toward the British, to evade the Clinton administration's persistent attacks. The British moved quickly to support Samper—but not for free. BP demanded better conditions for its exploration and exploitation contracts, and the Samper government mandated the signing of several agreements for collaboration with the British in training Colombia's security personnel. Among these was the stipulation that Scotland Yard train agents of Colombia's Administrative Security Department (DAS), and that MI-5, Britain's secret intelligence agency, train the elite units of both the Colombian National Police and Army. Special British interest in DAS's rural section is said to be related to British oil investments—curious, given that the rural DAS is known to be composed largely of amnestied narco-terrorists.

Through another public scandal which erupted recently, over the presence in Colombia of Defence Systems mercenaries, the police revealed that a cooperation agreement exists, by which SAS trains a group of police agents. Although Defence Systems and BP say that DSL employees have nothing to do with training police, the truth is that it is very difficult to distinguish between an SAS agent and an ex-SAS agent.

The drug connection

The presence of ex-SAS mercenaries is not new, however. According to the Aug. 13, 1989 issue of the London *Times*, that year the Cali Cartel hired a group of retired SAS agents, led by Peter McAleese, David Tomkins, Alex Lennon, and Geoffrey Adams to train the private army of kingpin-brothers Miguel and Gilberto Rodríguez Orejuela, and to carry out an operation to kidnap rival Medellín cartel chieftain Pablo Escobar Gaviria. The British mercenaries were all veterans of the independence war in Zimbabwe. Curiously, the operation to kill Escobar failed. But on Aug. 18, five days after the

London, the new lord of Mexico's skies?

Britain is out to seize control of Mexico's national airport grid, when the planned privatization of 35 of Mexico's 57 state-run airports (including two of the most important, the international airports of Mexico City and Guadalajara) finally goes ahead. A delegation of *six hundred* British officials and businessmen visiting on July 21-25, announced during a seminar on "U.K.-Mexico Airport Links" in Guadalajara, that they plan to invest $2 billion in Mexican airports.

The security implications of who controls Mexico's airports, and their related electronic communications grid, are staggering: 70% of the cocaine entering the United States comes through Mexico, some by land, some by sea, but much by air. Air transport routes were so upgraded under the reign of Juárez cartel kingpin, Amado Carrillo Fuentes, that he was given the nickname "Lord of the Skies." (Lord Carrillo arranged flights from Colombia of entire Boeing 727s packed with cocaine, until he died from complications during a liposuction surgery gone awry in early July.)

Mexican security officials are on alert, as to just what agency will provide security for the soon-to-be privatized airports. The officials report that the issue of privatized security is now on the table in a big way in Mexico, because of the ongoing privatization of the infrastructure previously owned, run, and *protected* by the state. When Mexico's highways were privatized a few years back, for example, the hottest issue was: Who would patrol them and provide security? When the highways were run by the federal government, security was provided by either the military or the federal highway patrol. For the moment, the military is still assigned to the job.

The delegation of the British Airport Group was led by its president, Sir Gil Thompson. He brought along with him the commercial director for Capital Projects of DERA, the scientific and research agency of the British Defense Ministry, as well as officials from Britain's Department of Trade and Industry, and Trevor Hines, the Second Trade Secretary at the British Embassy, with responsibility for "aerospace, airports, ships and ports, urban transportation, security equipment and tourism." (Hines's previous assignment, during 1990-95, was consul in Belize.)

Among the representatives of leading British imperial corporations were:

- David Thornton, director for global business of Midland Bank PLC, in Mexico City. Midland Bank is part of the Hongkong and Shanghai Banking Corp.
- Roger T. Nunn, president of BP-Mexico.
- Carl R. Griffiths, manager for business development, Mexico and Central America, AIR BP, a "worldwide commercial network within the BP group, related to the marketing of fuel and technical services for aviation."
- Roberto Latapi, Mexican representative of Barclays Bank PLC, one of the member banks of the Crown Agents Foundation.
- Phil Baker, general manager for commercial development, Manchester Airport, PLC, another Crown Agents corporation. Among their specialties is the provision of security systems for airports.
- Nigel Smith, sales manager for Simoco International, Ltd., "one of the leading firms in the world in radiocommunications and related services . . . [including] in the area of public transportation and local government security."

Times exposé, the leading Presidential candidate and anti-drug crusader, Luis Carlos Galán, was gunned down at a rally, by hit-men hired by the drug cartels. Could the British ex-SAS team have been involved?

At the same time, Pablo Escobar Gaviria, Gonzalo Rodríguez Gacha, and the Ochoa Vásquez brothers of the Medellín Cartel, hired retired Israeli Col. Yair Klein to train their private army. Escobar also sought out the mercenary services made up of former Israeli Army officers, to train his army of hit men. One of Yair Klein's partners, Eytan Koren, is the owner of Telesentinel, a company which monitors electronic alarms; it is the legal representative of the General Security Co., a subsidiary of a Miami-based company of the same name. It is suspected that the company's real owner is the Mossad, Israel's secret intelligence service.

During the government of César Gaviria, at the end of 1990, for the first time in Colombia, the justice minister used private bodyguards provided by the General Security Co., known as the "black ants." Until then, bodyguards for ministers and the President had always been provided by agencies such as the DAS or the National Police. The same firm was hired by the Justice Ministry to design and build the "maximum security" prisons at Itaguí and Envigado. It was from the Envigado prison that Pablo Escobar so easily escaped in 1991.

This wasn't the end of it. In 1995, Ernesto Samper hired Kroll Associates, the Wall Street investigative firm, whose advisory board includes Henry Kissinger, to profile his political enemies, and to counter whatever the latter might do regarding revelations on the drug cartels' financing of Samper's election campaign. Among those profiled by Kroll was Gen. Harold Bedoya, at that time head of the Army. Kroll recommended that Samper set up a special file, in which Bedoya would be accused of human rights violations, copies of which would be available at all Colombian embassies, in the event that Bedoya attempted any action against the narco-President. Curiously, the Samper government used the same argument of human rights violations as the pretext for removing Bedoya as head of the Armed Forces in July 1997. Kroll Associates is another in the British-run nest of companies which conduct security profiles, and negotiate ransoms for employees of multinational companies kidnapped by the ELN and its partner, the FARC.

Finally, a word about the Swiss company, Swipco. When Samper's former campaign director, Fernando Botero, was later Samper's defense minister, he hired Swipco to organize a list of the Armed Forces' suppliers. This sizable contract, later suspended because of the scandal it provoked, called for a 4% commission for each purchase made using the pool of suppliers provided by Swipco. Swipco has a number of contracts with the Defense Ministry. As for Botero, he was subsequently convicted and jailed for funneling $6 million in drug money into the Samper Presidential campaign.

Swipco brags in its literature that it handles 100% of Uganda's defense budget, from soldiers' rations, to weapons purchases, to troops' wages and uniforms.

The plot against the Armed Forces

These private security companies and mercenary forces have emerged precisely at the moment when the Armed Forces are under fierce attack. On the one hand, the human rights NGOs, affiliated with the UN and financed by such mega-speculators as George Soros, work with the Samper narco-government to eliminate both the concept of military jurisdiction over its own personnel (including administering justice), and due obedience. On the other hand, the International Monetary Fund, and several Colombian agencies which follow its orders, have presented plans to vastly reduce the size of the Armed Forces. Already in 1997, the budget was cut from $1.9 billion to $1.2 billion—an almost 40% reduction.

Now, these same institutions are proposing that troop strength be cut in half, supposedly improving the quality of each soldier, and that wages and benefits of officers, non-commissioned officers, and soldiers also be cut. The immediate result of this policy, were it to be applied, would be the disintegration of national territory, and the proliferation of private armies very similar to those under feudalism. Under these conditions, the mercenary armies, or "soldiers of fortune" as they are euphemistically called, would have plenty of work replacing Colombia's Armed Forces.

The ‘parks for peace’ ploy for bloody border wars

by Gretchen Small

Great Britain has unleashed war and conflagration across Central Africa, to eliminate existing nation-states and their current inhabitants, and install, over their corpses, regional satrapies of varied forms, all under control of the British Crown. Now, the opening shots of Great Britain’s war to redraw the map of Ibero-America in similar fashion, and with similar consequences, have already been fired. The City of London’s *The Economist* magazine flaunted this intent, in an Oct. 12, 1996 special survey on Mercosur, the free-trade zone formed by Brazil, Argentina, Uruguay, and Paraguay. Provocatively entitled “Remapping South America,” *The Economist* depicted Mercosur on the opening spread of the survey, as a big eraser, wiping out the borders of the area’s nations. A smaller version of the same eraser at work, held by a very Visible (British) Hand, was run on each of the survey’s 30 pages.

The “eraser” is aimed at all national functions. Last year, the governments of Argentina and Chile, the latter an associate member of Mercosur, presented their legislatures with bills drafted by the British Commonwealth mining cartels, which would declare mineral deposits along the Argentine-Chilean border to be “transnational,” and thus exempt from national mining laws, to be exploited under terms of a special, supranational enclave. Those bills are pending before the respective legislatures.

Similarly, on July 31 of this year, the British lackey who serves as Argentina’s defense minister, Jorge Domínguez, presented Brazil with a detailed proposal for the formation of a joint “Mercosur Army,” designed to supersede the countries’ national armed forces.

But the British have also taken aim at the very existence of national borders or boundaries as such, using an historical dispute between Peru and Ecuador—which exploded into border warfare in January 1995, under British provocation. And, they are trying to rope the Clinton administration into the operation, via Anglophile networks in the U.S. State Department, to place blame at *Clinton’s* doorstep when things explode into violence and mayhem, as they are designed to do.

An often overlooked component of the “Invisible” Empire, like its mercenary armies, is its extensive, ostensibly “privatized” intelligence capabilities. Investigation into the Peru-Ecuador border war trap uncovered precisely such an overlooked capability: the mapping, control, and exploitation of international border conflicts. The operation is run out of an unlikely location: the International Borders Research Unit (IBRU), set up out of the century-old School of Geography at the University of Durham in England.

The IBRU: Lord Curzon’s ‘marcher lords’

The IBRU defines “boundary issues” to include the gamut of the globalist agenda, from refugee movements, to “peacekeeping operations in borderlands,” cross-border crime, “ethno-territorial conflicts,” and “Fourth World faultlines and the remaking of ‘inter-national’ boundaries,” the last the subject of a major IBRU study. They interject themselves into border disputes across the globe—everything from the Spratly Islands in the South China Sea, to Ibero-America’s numerous hot spots, to the potential for Quebec’s secession from Canada, and even the alleged possibility of Montreal’s secession from Quebec!

What is the IBRU’s aim? They themselves are unambiguous: The website of the IBRU offers, as its guiding ideological document, “the complete, unexpurgated” speech on frontiers delivered in 1907 at the University of Durham, by Lord Curzon of Kedleston, Viceroy of India (1898-1905) and British foreign secretary (1919-24). Lord Curzon was one of the most notorious architects of imperial strategy, who defined borders as “the razor’s edge on which hang suspended the modern issues of war or peace, of life or death to nations.” He expounded upon the “pressing necessity” for Britain, then the “greatest sea-power . . . and greatest land power in the universe,” to treat “frontier policy . . . as a branch of the science of government,” a matter, even, of racial imperative. Britain’s frontiers must be expanded across the “vacant spaces of the earth,” because it “provides laborious and incessant employment for the keenest intellects and the most virile energies of the Anglo-Saxon race,” he raved.

The IBRU’s founding ideologue concluded: “Along many a thousand miles of remote border are to be found our twentieth-century Marcher Lords. The breath of the Frontier has entered into their nostrils and infused their being. . . . Let there come forth the invincible spirit and the unexhausted moral fibre of our race. Let the advance guard of Empire march forth. . . . The Empire calls, as loudly as it ever did, for serious instruments of serious work. The Frontiers of Empire continue to beckon."

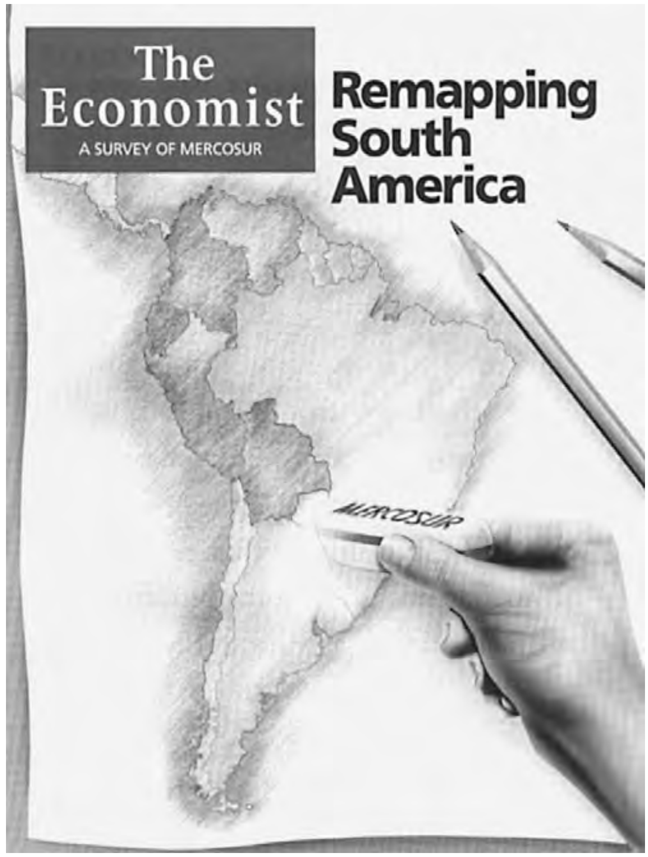
This is the "serious work" for which the IBRU was founded in 1989. It built upon the archives, maps, and intelligence files accumulated over nearly a century of British intelligence profiling of the "hinterlands," carried out through the University of Durham's School of Geography. Its director and founder, Gerald Blake, a Middle East specialist, explains that he got his first "practical knowledge of what it was like to trample up and down colonial boundaries," as a member of "a curious colonial regiment called the Royal West African Frontier Force." Deputy director Clive Schofield hails Curzon as "a landmark boundary maker." Indeed!

The IBRU promotes itself as the world's only intelligence outfit dedicated solely to land and maritime border and territorial conflicts, anywhere and everywhere. They offer—for a fee—publications, research capabilities, access to their database and global "network of personal friends," and "conflict resolution" services. Their clients range from governments, to non-governmental organizations (NGOs), to corporations, such as law firms, and oil and shipping companies.

The IBRU has successfully penetrated other governments on behalf of the British—including the U.S. State Department. The State Department does have its own Office of the Geographer, located in the Bureau of Intelligence and Research, whose responsibilities include producing reports for the secretary of state on all aspects of border conflicts (cartography, history, current status of a dispute). The staff at State's Office of the Geographer, however, works closely with the IBRU, Geographer sources admit. (One member of the staff was, in fact, just at the IBRU.) The IBRU is viewed as "a very valuable resource," to which the State Department turns when files are needed on areas of the world, such as the Middle East, where Britain has a much longer history of involvement than the United States, staff members explain.

The only other center in the world similar to the IBRU, one former State Department official reported, is also British: the Geopolitical and International Boundaries Research Center (GRC), based at the University of London's School of Oriental and African Studies. It is a small circle: The director of the GRC, Richard Schofield, worked for years with IBRU director Blake.

U.S. State Department dependence on British intelligence in this area has worsened in recent years, due to budget cuts implemented in the 1980s. State once produced its own boundary studies, as a standard function. Now, that program has been abandoned, and only one official at State is still doing such studies, Robert Smith, in the Bureau of Oceans and International Environmental and Scientific Affairs. Smith, the IBRU reports, is a member of its Board of Advisers and Professional Associates.



The City of London's view of globalization.

Baiting the trap

The IBRU is active in the project to rip up the borders and nations of Africa. The Winter 1996-1997 issue of its quarterly, *Boundary and Security Bulletin,* carried a piece by one of their regulars, Richard Griggs, an official of Independent Projects Trust, a South Africa-based NGO dedicated to "conflict resolution." Griggs argues that the genocide now occurring in the Great Lakes region—blamed, of course, primarily on the Hutus, the U.S. government, and African "overpopulation"—provides the opportunity to "dismantle" the centralized governments of the region, such that "at least Zaire, Rwanda, and Burundi, if not Uganda and Tanzania," can now be eliminated as nation-states, and replaced by "a confederation of autonomous provinces." Borders, the IBRU piece argues, must be viewed as "soft, flexible, and mobile."

The IBRU is similarly active in the various Ibero-American border disputes, including maintaining direct channels into the State Department team working on the Peru-Ecuador conflict. The next issue of the IBRU quarterly, due out in

August, includes an article on that conflict written by Bradford Thomas, who only in January retired from the Office of the Geographer after decades. Thomas is an active member of the IBRU's "network of friends." He served on the State Department-run inter-agency task force on Peru-Ecuador; although now retired, he remains close to the negotiations.

In 1994, the IBRU published a monograph on "The Boundary between Ecuador and Peru," written by their leading expert on Ibero-American conflicts, Ronald Bruce St. John. The study asserts that the disputed area involves three entire departments (states) of Peru: Maynas, Tumbes, and Jaén. All three departments have been part of Peru since 1822, and in 1942, both Ecuador and Peru signed an international treaty, the "Rio Protocol of Peace, Friendship and Boundaries," which set a border between the two countries which acknowledged that fact. Under the Rio Protocol, all that remains, is to demarcate a 78-kilometer stretch of the border, located in the dense jungle of Maynas, along the Cordillera del Cóndor mountain range.

One effect of that 1994 IBRU study—one of their best-selling reports, albeit in the specialized policy-making circles which it targets—was to encourage Ecuador to believe it stood to receive international support for its efforts to break out of the Rio Protocol, were it able to force Peru back to the negotiating table. In January 1995, Ecuadoran troops did in fact provoke a new round of border fighting; the trap had been sprung. Major international pressure is now being applied to force an immediate settlement of the dispute, with no restrictions as to what can be negotiated—i.e., disregarding the Rio Protocol. (See *EIR*'s June 27, 1997 exposé, "Soros Minerals Grab behind Peru-Ecuador Border Conflict," for other means by which British interests suckered Ecuador into reopening the conflict.)

The 1994 IBRU study acknowledged, that were the Rio Protocol to be called into question, this could reactivate border conflicts across Ibero-America. "In seeking to void unilaterally a recognized treaty of limits [the Rio Protocol], the Ecuadorian government is challenging a rule of international law whose overthrow would signal chaos for a region where dozens of such treaties have been negotiated since independence," the study concluded.

With the aid of the State Department, this British scenario is proceeding. State has demanded that Peru and Ecuador agree to a final settlement by the Second Summit of the Americas in March 1998, a formula for provoking conflict, which the British are confident will blow up in President Bill Clinton's face—not theirs.

Who runs State Department policy on Peru-Ecuador? Luigi Einaudi, an official brought into the State Department in 1974 by then-Secretary of State, now Sir, Henry Kissinger. Einaudi has devoted his career to breaking up the Ibero-American military, with a sub-specialty in destroying the nation of Peru, going back to the 1960s, when he worked at the utopian-dominated RAND Corp. While he formally retired from the Foreign Service this past July, Einaudi's grip on State Department policy is still such, that he has been kept on as a "consultant"—*the lead* consultant, according to a State Department press spokesman—to the ongoing Peru-Ecuador talks.

Parks for war and genocide

The British having helped create the conflict, Prince Philip's anti-human "conservation" movement has stepped forward to provide the "solution" (see **Figure 1**). According to sources close to the negotiations between Peru, Ecuador, and the Guarantors of the Rio Protocol (the United States, Argentina, Brazil, and Chile), the International Union for the Conservation of Nature (IUCN) is the key group working up a proposal to "solve" the dispute—by creating a transnational border park in the disputed Cordillera del Cóndor region, effectively denying both countries sovereignty in the area. The IUCN is an instrument of the British Crown itself: Founded in 1948 by the racist eugenicist Sir Julian Huxley, its constitution was written by the British Foreign Office, and to this day its personnel overlaps with The Fauna and Flora Preservation Society, first named the Society for the Preservation of the Wild Fauna of the Empire.

One of the IUCN's leading projects today is to replace borders around the globe with territories under direct British Crown control. Already, some 100 cross-border parks have been created, many run by the IUCN or its associates (World Wide Fund for Nature, Nature Conservancy, etc.). Arguing that the "international legal status" of the parks is not, however, guaranteed, the IUCN is currently organizing a conference jointly with the South African Peace Parks Foundation and the World Bank, to map out the next phase of supranational control. The misnamed "International Conference on Parks for Peace" will be held in Cape Town, South Africa, on Sept. 16-18, 1997, with the self-assigned task of drafting the international agreements, laws, and codes of conduct through which parks can be permanently removed from national control.

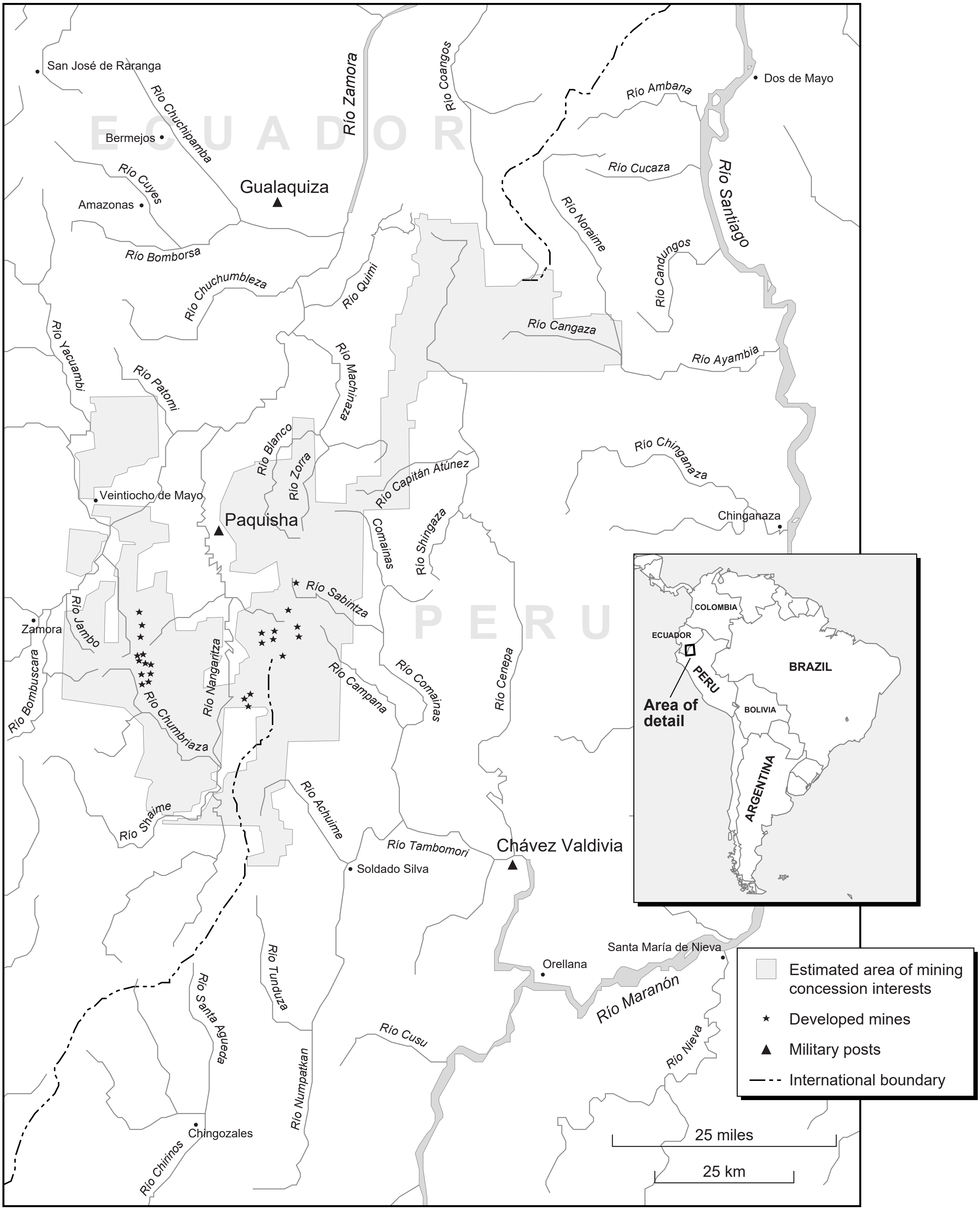
"The international legal status of the trans-boundary area is unspecified. Even though areas on either side of the frontier may be protected areas under national law, a legally binding bilateral or multilateral agreement should be entered into, to govern the trans-boundary area," the IUCN conference invitation argues. Discussion is also to focus on a non-binding "code of conduct to govern activities" in cross-border parks until such time as supranational laws can be imposed, as well as on an IUCN-proposed "Draft Convention on the Prohibition of Hostile Military Activities in Internationally Protected Areas," that would "empower the UN Security Council to designate areas of great ecological or cultural importance as non-target areas in which hostile military activity shall not be permitted."

The depth of hatred for human beings which underlies the border parks project, is revealed with the IUCN's explanation that conference attendees intend to seek UN Security Council

FIGURE 1
Protected areas of South America, as of November 1994

FIGURE 2

The Cordillera del Cóndor border region, according to Conservation International



international guarantees to keep "wildlife preserves"—and *tourism* to those "preserves"!—from being affected by any genocide being committed against human beings nearby. That millions of people are being killed in Africa's Great Lakes region doesn't bother the IUCN; its organizing document, "Draft Concept Paper on Parks for Peace," instead argues: "Another important issue is how to avoid the ecological destruction of trans-boundary protected areas during periods of conflict. The potential for tourism and other forms of community development associated with protected areas has been significantly undermined by wars in Rwanda, Zaire, parts of former Yugoslavia, and elsewhere. Refugees who settle in protected areas can cause significant impacts on the natural and human environment. Deforestation in Virunga National Park (Zaire) has been estimated at 300 hectares per day and threatens the globally significant mountain gorilla population living in the region."

Using Peru-Ecuador as a precedent

Among the 60 invited conference guests, is IBRU director Gerald Blake, scheduled to speak on "The Geopolitics of Trans-Boundary Cooperation," and to run the workshop on establishing guidelines for managing parks. Blake has worked extensively with the IUCN on the parks project, writing a study on trans-border parks which the IUCN published. Also playing a high-profile role will be Avecita Chicchón, director of the Peruvian office of Conservation International (see **Figure 2**), another tentacle of the British Crown's global "conservation" movement which is busy promoting the creation of a bi-national park in the Cordillera del Cóndor area (see *EIR*, June 27 article on "Soros Minerals Grab").

The conference is taking up the Peru-Ecuador conflict, as a precedent in the use of transnational parks to "solve" border conflicts, by eliminating the very concept of borders itself. In the process, the British Crown intends to grab direct control of territory in the heart of South America, at the headwaters of the Amazonian river system. As Lyndon LaRouche has warned, no greater threat to continental security could be devised. In his September 1995 Presidential campaign document, *The Blunder in U.S. National Security Policy,* LaRouche warned: "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." *EIR* has documented how such "protected areas" and parks, in Africa and Ibero-America, have served as centers for terrorism, arms- and drug-trafficking, and the proliferation of diseases.

Yet, according to numerous sources, the IUCN's park program has been adopted by the State Department team on Peru-Ecuador, as the preferred "solution" for the conflict. No one has formally raised the proposal yet at the negotiating table (the talks are said to be focussed still on procedural issues), but participants say they expect the park proposal to be pulled out "when it's time to break the logjam."

Differing versions of the proposal for a "joint, ecological park, along the crest of the ridge where the Protocol goes," have been discussed by Einaudi's team. Some say that, to ever be accepted, a border down the middle of such a park would have to be agreed on and delineated; others argue that the full IUCN program—using the park to eliminate the border altogether—should be stuck to. All the park proponents agree, however, that "the authority of the state will be truncated" at the park. The key, said one former member of Einaudi's interagency task force, is that "all agree that this would be non-military . . . devoted to indigenous people only. . . . They would be barred to settlement by other than native peoples, and nothing except a police chief, and for that matter, they ought to be native police chiefs, if they have them. No armies, and have it demilitarized."

Alexander Watson, director of the Nature Conservancy's Latin American and Caribbean Program, another institution central in the Crown's ecological movement, is one of the people involved "up to his eyeballs" in the park project. Watson was a career diplomat, before moving to the Nature Conservancy in 1996. He served as U.S. Ambassador to Peru (1986-89), and then as Assistant Secretary of State for Inter-American Affairs (1993-96), and was deeply involved in the Peru-Ecuador conflict. He continues to work on Peru-Ecuador from his new post at the Nature Conservancy, an organization founded in Britain in 1949 by royal charter. The chairman of the Texas branch of the Nature Conservancy, today sits on the board of the Queen's mercenary outfit, Defence Systems Limited (see article in Chapter I). Its ties with the imperial mercenaries is not surprising: The founder of the Nature Conservancy, Max Nicholson, published a history of the postwar environmentalist movment in 1970, under the arrogant subtitle: "A Guide for the New Masters of the Earth."

Watson freely outlined to a reporter his preferred version of the British park proposal: "You could have a park, which contains territory which is *indisputably* Ecuadorian, and territory which is *indisputably* Peruvian, and also, between that include the area which is in dispute. So you could have a *bi-national* park that belongs to both countries. It is administered, by an administration of some sort, which is either bi-national, or neutral, or maybe even a third party. Maybe IUCN. Or some NGO. Or some combination of Peruvian and Ecuadorian NGOs—or something like that. As neutral as you want to make it, as non-governmental as you want to make it."

Such thinking is reminiscent of Lord Curzon's instructions, back in 1907, that borders are better set by the Great Powers, with little, if any, consultation with the governments of the countries affected. As Lord Curzon explained, "Where native agents are admitted, usually in a subordinate and advisory capacity, they are apt to interpret their functions as justifying an exceptional measure of vacillation, obstruction, and every form of delay."

The British, however, are in a hurry.

Derivatives disintegration, not stocks, fuels the panic

by Marcia Merry Baker and John Hoefle

The month of August saw the breakout in certain U.S. media, of a message that has been in the headlines for months in Europe: Watch out for the coming stock market crash. So far, two prominent publications, *Time* magazine and the *New York Post*, following the lead of earlier fictionalized predictions in Europe, have run elaborate scenarios of minute-by-minute accounts of what the "day of the crash" would supposedly look like.

What stands out about these kinds of prognostications, is that there is no truth, even in the sense of truth as fiction, in them. They present an expected crash as a phenomenon of a cyclical crisis of the type, "what goes up, must come down." But, the reality is that we are faced not with some crisis limited to the stock markets, nor a containable currency crisis, nor some other isolated event. We are dealing with a *systemic* crisis of the *entire* financial system.

As of mid-August, the financial crises under way in almost every time zone around the world underscore the point. In Southeast Asia, currency devaluations and banking and financial crises are rippling throughout all five major nations in the region, and are causing chain-reaction impacts in Japan, South Korea, and so on. The International Monetary Fund-engineered emergency action for Thailand, announced on Aug. 12, is a disaster for that nation, and only raises the prospect of "other Thailands" in the making, as the IMF era draws to a close.

To address what is required, Lyndon LaRouche plans a presentation at the end of August, on "Toward a New Bretton Woods System," at a conference near Washington, D.C. In a radio interview with "EIR Talks" on Aug. 12, he said, "As I speak, unless something happened in the last several hours that I don't know about, I can say that no government, no central banking system, no International Monetary Fund, or any combination of institutions on this planet presently has *any plan which would be adequate for what is hitting the world now.*

"In other words, on the basis of the present program of all governments, including the United States, the IMF, and so forth, that if the crisis hits tomorrow, or October, or at the end of the year, which are the dates most often discussed, there's no government, or combination of governments, on this planet which is presently, as of this moment, prepared to do anything to prevent the *entire financial system from disintegrating,* that is, the financial system, and the banking system."

Derivatives hide and seek

In the United States, there is a little side drama taking place in Washington, related to the issue of accounting practices and derivatives, which reflects the bursting-point condition of the financial bubble.

The Financial Standards Accounting Board (FASB), which sets accounting standards for U.S. corporations, has proposed new rules that would require U.S. corporations, including banks, to report derivatives holdings on their balance sheets, and to value their holdings at current market value. The FASB first proposed these rules in 1996, and plans to put them into effect on Jan. 1, 1999.

The response to this rather mild directive, reveals volumes about the real fear of the bankers and their regulators: that the global derivatives bubble will burst, triggering a chain-reaction disintegration of the international financial and monetary systems.

Federal Reserve Chairman Alan Greenspan, for example, has sent three letters to FASB Chairman Edmund Jenkins, in an attempt to block the imposition of the rule. "The proposal may discourage prudent risk management activities and in some cases could present misleading financial information," Greenspan claimed, in a July 31 letter to Jenkins.

Greenspan's contention is absurd, on all levels. The idea that derivatives are "prudent risk management activities," a view widely touted by the financiers, is false. Derivatives are "risk management" only in the sense that betting both on the red and the black in a game of roulette, is risk management. Derivatives are bets, and the derivatives market is the biggest casino in the world. To discuss risk management in such a context, is an exercise in virtual reality. Greenspan's claim that reporting derivatives exposures on the balance sheet "could present misleading financial information," is also ridiculous. Who in their right mind would believe that forcing companies to reveal millions, billions, and even trillions of dollars in off-balance-sheet side bets would be more misleading to investors, than would keeping those bets hidden? The only way Greenspan's statement would be true, is to turn it on its head, and argue that for companies to attach any value to derivatives, on or off the balance sheet, is misleading.

To add weight to his position, Greenspan's letter stated that "major companies in a number of industries that use derivatives have expressed serious concerns" about the proposed accounting rules. Greenspan was referring to the heads of 22 corporations, who also sent a letter to FASB Chairman Jenkins on July 31, in what was clearly a coordinated attempt to put political pressure on the FASB to back down.

Pandora's box

Which are these companies, that are fighting to keep their derivatives exposures hidden? The signers of the letter include the heads of Bankers Trust, Chase Manhattan, J.P. Morgan, NationsBank, Wells Fargo, BankAmerica, First Chicago NBD, Goldman Sachs, and American International Group, to name a few, plus Senate Banking Committee Chairman Alfonse D'Amato (R-Wall Street), kook economist Sen. Phil Gramm (R-Tex.), and U.S. Reps. Tom Bliley (R-Va.) and Michael Oxley (R-Ohio). In short, the major derivatives players and their pet politicians. What are these guys trying to hide?

Take Chase Manhattan, for example. As of March 31, Chase Manhattan Corp. had $20.7 billion in stockholders' equity, $340 billion in assets, and $6.6 trillion in derivatives. or $19 in derivatives for every $1 in assets, and $316 in derivatives, for every $1 in equity. How about J.P. Morgan, the so-called conservative bank? As of March 31, Morgan had $11.2 billion in equity, $225 billion in assets, and $5.3 trillion in derivatives, or $23 in derivatives for every $1 in assets, and $473 in derivatives for every $1 in equity. Among the other signers, Bankers Trust had $16 in derivatives for every $1 in assets and $386 in derivatives for every $1 in equity, compared to $10 and $124 for First Chicago NBD, $7 and $84 for BankAmerica, and $6 and $69 for NationsBank, respectively. Overall, the U.S. commercial banking system had $22.4 trillion in derivatives as of March 31—of which 94% was held by eight banks—versus $390 billion in equity and $4.6 trillion in assets, with another $8-10 trillion in derivatives held by investment banks. That's about $4 in derivatives for every $1 in Gross Domestic Product, a ratio which is rising.

The banks have consistently fought tooth-and-nail against all attempts to shed light on their derivatives exposures, and the exposures of their clients, because exposure almost always brings them trouble. What little light has been shed, is due primarily to the efforts of former House Banking Committee Chairman Henry B. Gonzalez (D-Tex.), who, after reading reports of derivatives exposures in *EIR*, held hearings in 1993 on the banks' derivatives activities, and forced the Comptroller of the Currency to release the figures. With the cat out of the bag, the Federal Deposit Insurance Corp., which had been tracking derivatives since 1990, suddenly added a new line to its Quarterly Banking Profile, "off-balance-sheet derivatives," which then stood at $12 trillion. Once those numbers came out, the banks launched a major propaganda campaign to portray derivatives as "risk management" tools, a campaign which backfired spectacularly when billions of dollars of derivatives losses surfaced, putting a spotlight on the weakest link in the financial system. Since then, they have attempted to put derivatives back in their Pandora's box.

Disintegration

The sudden outpouring of stock market hysteria in the United States, is due to the fear that the derivatives market will collapse. With some $100 trillion in derivatives outstanding, and some $1 quadrillion in derivatives and related turnover annually, the failure of even one major derivatives player could send shock waves of defaults through the system, triggering a chain-reaction collapse of bank after bank, until nothing was left standing. The terms "crash" and "collapse," which are often used to describe 10% or 20% drops in the stock markets, do not begin to describe what is coming, the disintegration of the global financial system, virtually overnight, when the derivatives bubble goes. This is what the bankers are trying to hide.

"What you're seeing in this crisis here, is an eruption, a decay, in the *weakest* part, the most *rotten* part of the system, which is the financial and banking system—it's about to collapse because there is *very little underneath it,* that is, there's very little economy," LaRouche said on Aug. 12. "So, this is like the fall of Sodom and Gomorrah. This is not like the '29 Wall Street Crash, as the *New York Post* might have you believe with its fictional story—and others, too. It's nothing like that. It means we've got to recognize we have made a fundamental mistake in the basic assumptions of economic and related policy-making over the course of 30 years. This means, we have to junk—except for civil rights—about every change we have made in policy, or in way of thinking, during the past 30 years. If we are not willing to do that, then, 'Look, Ma, no country!' This country will disintegrate, along with many others, somewhere toward bridging the end of this century, unless we can make that change."

Hyenas closing in on 'Asian Tigers'

by Michael and Gail Billington

How do you know when lunacy has taken over the teaching of economics? When "experts" tell you that the International Monetary Fund (IMF) "stabilization" program for Thailand "should give investors a nice, warm feeling about the whole situation." Try telling that to Thailand's more than 60 million people; or, better yet, try taking that to a bank in Thailand—forget finance companies, more than half have been closed.

The full details on the more than $16 billion bailout announced on Aug. 12 are not yet available, nor will they be until the IMF executive committee signs off on the accords, probably by the end of August. But everyone, from IMF Managing Director Michel Camdessus on down, is putting the best possible face on the agreement, which has been tagged, repeatedly, if not monotonously, as the second biggest bailout since Mexico's $40 billion deal with the IMF in 1995. Despite that "nice, warm feeling," the week following the agreement gave rise to increasing speculation about who No. 3 on the IMF's list of "successful" bailouts will be, and No. 4, and so on.

The truly sad part is that Thailand, and the rest of the Asian Tigers, got into this mess by doing exactly what the IMF and World Bank have been telling them to do all along. The so-called "tiger" model sprang up with the 1993 release of the World Bank's "East Asian Miracle" report, which sold the idea that countries with tens of millions of people (in Indonesia's case, now almost 200 million) could achieve the economic and financial "growth" rates of city-states such as Singapore and Hongkong (with 3-5 million populations), which are totally dependent on food and capital-goods imports, which carry out production in for-export, assembly industries, and which are heavily reliant on financial services and speculation—the more "offshore" the better.

Don't worry about in-depth infrastructure development, such as roads, rail, shipping, energy density per capita, and water projects, said the IMF-backed "experts," and certainly not on educating and employing scientists, because, without a fully developed industrial production capability, there is no need for R&D. Especially after U.S. Treasury Secretary James Baker III threatened Japan in the mid-1980s, that it would not be allowed to invest in creating "new Japans," Tokyo had plenty of yen to sink into outsourcing, and speculation.

In a radio interview with "EIR Talks" on Aug. 12, Lyndon LaRouche identified three key points in understanding Thailand's situation: first, "the Asian Tigers [are] finished. . . . They're only Cheshire cats, and the smile is fading." Second, "the process by which the Thai financial system collapsed was very much helped by a bunch of hyenas. . . . The chief hyena was named George Soros, . . . a British operative, who runs around the world in billion-dollar denominations, looting countries. . . . The third complication is that governments wanted to pretend they had solved the problem, including the IMF. . . . So, the IMF came up with a bailout package on allowing the hyena, as a cannibal, to eat a certain amount of the Thai people every week."

IMF tries to save itself

What has been said about the Thai package makes clear that the top priority is not to shore up Thailand, which, by all accounts, faces "hard times" in the coming years, but to shore up "investor confidence" in the IMF system itself. That hasn't worked either; the morning after the agreement was announced, the rest of the tiger currencies were hit by "offshore" shocks that sent them plummeting to record lows against the dollar, and led Malaysia and Indonesia to abandon intervention in support of their currencies. Both Malaysia's Prime Minister Mahathir Mohamad and Indonesia's President Suharto have cautioned that continued instability in the capital markets will force reevaluation of some large infrastructural projects and development commitments.

The number of countries that participated in the Thailand-IMF talks in Tokyo in mid-August underscores the point that, when talking about current global monetary and financial affairs, lunacy in the form of a "shared delusional disorder" has taken hold. In attendance for the Aug. 11 meeting were the United States, Japan, Australia, Canada, China, Britain, France, Germany, Hongkong, Indonesia, South Korea, Malaysia, and Singapore. Thailand has said from the beginning that it needs a minimum $20 billion package to salvage its hemorrhaging financial and banking system. At a joint press conference, Thai Finance Minister Thanong Bidaya and IMF Deputy Managing Director Shigemitsu Sugisaki reported on a $16 billion loan package, $4 billion each from the IMF and Japan, with an additional $1 billion each from Australia, Malaysia, Singapore, and Hongkong. South Korea and Indonesia will kick in $500 million each, and, as of Aug. 14, China has committed itself to $1 billion. It remains to be seen if the Asian Development Bank and World Bank will put up the remaining $2 billion.

The following day, Thai authorities were to meet in Tokyo with senior IMF officials (Camdessus was in town for these meetings), and 21 Japanese creditor banks; the objective was to get the Japanese banks to roll over outstanding debts, particularly of the Thai private sector. Thanong had told the joint press conference that of Thailand's $89 billion in foreign debt, some $73 billion was owed by the private sector, and $40 billion matures in less than a year. Japanese banks hold an estimated $36 billion. Thanong also said the entire package would go to shore up Thailand's foreign reserves, a point Hubert Neiss, head of the IMF team in Bangkok, subsequently stressed. "The fund will absolutely not be used to clear up the financial sector," where 58 of 91 firms have been ordered to close, he said.

What does Thailand get in return? In July, the IMF demanded that Thailand float the currency, the baht, and increase foreign ownership in financial institutions to 25%. Added to that, the value-added tax was scheduled to rise to 10% on Aug. 16 (up from 7%); there will be additional, unspecified $3 billion in cuts in the 1997-98 budget; the two-tier baht trading system will be lifted; there will be no government intervention into oil or utility rates (which have already risen); and, targets will be set for reducing the current account deficit, controlling inflation, and strict monetary discipline. Oh, yes, and layoffs—at least 40,000 more by the third quarter of this year, according to estimates of the Ministry of Labor and Social Welfare.

If Thailand is the IMF's second "success," who will be third? Malaysia's Prime Minister Mahathir has incurred the wrath of London's financial establishment because he dared to denounce George Soros, by name, at the recent Association of Southeast Asian Nations meetings as a "rogue speculator" whose operations threaten to undermine everything ASEAN countries have accomplished since regaining their independence from the colonial powers. London's *Economist* magazine for the last two issues has spewed venom at Mahathir for such insolence. Malaysia's currency has been hit by "offshore parties" of late, losing 12% of its value in the past month, despite up to $8.8 billion having been spent in its defense.

In its Aug. 9 editorial, the *Economist* says the root of Thailand's problem has been the "complacency" of its political leadership. The editorial continues that the next "biggest dangers lie" in Malaysia, where the "spiky Mahathir Mohamad" made a scene attacking the leader of the pack of hyenas that are now circling the wounded tigers.

Alex Brummer, in the Aug. 9 London *Guardian,* was even more explicit in justifying the latest phase of IMF conditionalities, stating that the blame for the financial crisis must be pinned on "a rotten and often corrupt political system" in Thailand; political authorities in Malaysia (read Mahathir), who blame Soros or "some international conspiracy against an Islamic regime"; or China, "the least transparent" World Bank customer in the world. Monetary and financial housecleaning is not enough, if the Bretton Woods institutions are to survive, Brummer says. The IMF needs a new mandate: "the message of good governance. That has plainly been absent in Thailand," Malaysia, and, come to think of it, that's what the IMF said was missing in the alleged, "crony-infested" regime of the Philippines' Ferdinand Marcos, before the "tigers" ever roared.

Teamsters' strike targets labor recycling

by Nancy Spannaus

Not only is the Teamster Union's strike against United Parcel Service (UPS) the largest labor action in the last 25 years, but it is targetted directly at the central pernicious labor policy that has taken over during the same period. Teamsters are battling the policy of labor recycling, which officially took off under the Nixon administration's declaration of bankruptcy on Aug. 15, 1971, and called for deliberately cheapening and downgrading the U.S. labor force through wage cuts, speedup, and workfare slave labor.

As Teamster President Ron Carey has emphasized, UPS epitomizes the anti-labor practices which have prevailed over the past 25-30 years, and led to the dramatic gap between the very wealthy, and the majority of working people. AFL-CIO President John Sweeney, who has declared that the labor federation will financially as well as politically back the Teamsters, put it this way in an interview with ABC's "Good Morning America" on Aug. 14:

"This is a critical moment, and it's an indication of the solidarity and the support of workers all across the country in support of the striking UPS workers. . . . The issues here are issues that workers can identify with, and those are crucial issues. UPS is a part of the new economy and has been making a lot of money, and yet their goal seems to be more and more part-time jobs, and full-time workers understand this and feel threatened themselves."

In a country where unionism has shrunk, where companies are being subsidized to put welfare recipients in slave-labor jobs, and where there is a tradition of cutthroat competition for low-paying work, the Teamsters strike has no guarantee of success. That will depend upon an expanding political movement which fundamentally rejects the axiomatic assumptions of a cheap-labor, post-industrial, globalized economy, and returns to the principles of scientific and industrial progress.

UPS slave drivers

United Parcel Service is a privately owned company, which advertises that it is largely controlled by its own workers. However, the largest stockholder is the Annie E. Casey Foundation, the family fund of the Casey family which founded UPS. And, the board of directors includes a number of establishment-connected people, including two prominent associates of former President George Bush. They are Gary E. MacDougal, who was the assistant campaign manager of Bush's 1988 Presidential campaign, and Robert M. Teeter, who managed Bush's 1992 re-election bid, as well as worked on the 1988 campaign.

MacDougal and the Annie E. Casey Foundation both have histories of close involvement with social policy formulation, especially in the field now known as "welfare to work." The Annie Casey Foundation funds think-tank studies which push "workfare," and, in turn, UPS receives government subsidies in order to hire welfare recipients to work in its plants. UPS is experimenting with using welfare recipients in programs in New Jersey, Chicago, Dallas-Fort Worth, Maryland, Pennsylvania, and Virginia.

More than 60% of UPS's jobs are part-time, and begin at $8 an hour. But that does not tell the full story. The part-time workers, who are mostly the warehouse workers and packers, work largely in four-hour shifts, according to reports. A large number are attempting to support a family. They are also subjected to speedup, reminiscent of the most drastic assembly line gearups that occurred in the auto plants in the early 1970s. A report on the New York City plant quotes workers saying that sorters are clocked so that they handle at least 1,000 packages per hour—a back-breaking rate. This speedup corresponds to the official reports, by the union, that UPS has a very high accident rate, and has had at least one death on the job per year.

Not surprisingly, such working conditions, and wages, lead to a very high rate of turnover in the part-time workforce—some say as high as 400%.

One of the major Teamster contract demands is an increase in the number of full-time jobs, as well as an increase in wages for full- and part-time workers. UPS, the only unionized company involved in the overnight delivery business, is offering only minimal concessions in this area, even by its own accounts.

Pension grab

If UPS is prepared to use up and throw away its workforce, it doesn't feel the same way about their money. The second major issue in the strike, from the side of the company, is the pension fund. Presently, UPS pays into several Teamster pension funds, which cover workers from many companies. Union and management both participate in the funds' administration, which is regulated by the Federal government.

UPS is demanding that it be allowed to withdraw its pension contributions, and to set up an independent company fund for UPS employees; UPS calls it, "UPS monies for UPS workers." UPS says that it will increase the level of the pension payments within its independent fund. The union has described this proposal as an attempt to grab the money from the fund, which it will then use to reduce its contribution to the plan, and pad its profits. UPS Vice President for Human Resources Lea Soupata admitted on Aug. 12 that, "if investment income were so significant, it might result in fewer additional dollars going into the plan."

Teamster President Carey commented: "The company has now confirmed what we have been saying all along—this is a multibillion-dollar attempt to rip off our members." Private pension funds in the United States are notorious for bankrupting themselves, and leaving their employees and retirees in the lurch—a danger which is particularly likely in the current period of financial liquidation on the markets.

The political line-up

Various Conservative Revolution governors, led by Virginia's George Allen (R) and Iowa's Terry Branstad (R), have

LaRouche offers support for Teamsters' UPS strike

Democratic Presidential candidate Lyndon H. LaRouche, Jr., issued the following statement on Aug. 12, supporting the strike of the International Brotherhood of Teamsters against United Parcel Service. We have added subheads:

I regard the well-designed strike against United Parcel Service as an important, most timely part of the struggle to return the United States to those principles which plainly underlie our republic's Federal Constitution. Important, because many in the Congress either never learned, or have forgotten our Constitution; timely, because prominent Justices of our Supreme Court have dedicated themselves to overthrowing that Constitution. I write to call your attention to those issues of this strike.

The fundamental law of our Federal Republic is stated in the Preamble of that Constitution. The remainder of the body of that Constitution is a well-considered design of government for implementing that fundamental law. I quote that Preamble, and then address that principle which the Preamble carries forward from the 1776 Declaration of Independence.

"We the people of the United States, in order to form a more perfect Union, establish Justice, ensure domestic Tranquility, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to our selves and our Posterity, do ordain and establish this Constitution of the United States."

Republican principles

Read this in light of some very distinctive and meaningful choice of language featured in the Declaration of Independence: "Life, Liberty, and the Pursuit of Happiness." This is the language which our republic's founding joined House Speaker Newt Gingrich (R-Ga.) and UPS in demanding that President Clinton intervene to send the Teamsters back to work. This he would have to do under Taft-Hartley legislation, which was devised to be applied in the case of national emergency, or to remedy the shutdown of strategic sectors of the economy. If the President invoked Taft-Hartley, he would go to court to seek an injunction against the union, forcing them to keep working while arbitration on a contract was under way.

As AFL-CIO President John Sweeney has pointed out, it is ironic that the company would demand government intervention, when it generally objects vigorously to government intervention on questions of health and safety. The same applies to the Conservative Revolutionaries, who oppose a strong government, except when it calls for suppression of labor.

President Clinton, who has encouraged his Labor Secretary Alexis Herman to "jawbone" both sides into further talks, has so far resisted the pressure to intervene, saying that the damage from the strike has not reached the threshold required

---

fathers adopted from Gottfried Leibniz's exposure of the evil intended by John Locke's "Life, Liberty, and Property." This difference in language was the central issue of our war against the British monarchy's oppression, then, and against the same alien philosophy of our so-called "Thatcherite neo-conservatives" today. Put this central principle of our Declaration of Independence together with the fundamental law of our constitutional Federal republic, its Preamble, and the importance of victory of this strike against the rampage of inhumane "neo-conservativism" should be clear to all thinking citizens.

Our republic was founded by colonists chiefly from the British Isles, Netherlands, and Germany, who settled here under the inspiration of a great struggle for civil and religious freedom then in progress within Europe itself. Those founders sought to do here, what had seemed to be nearly impossible in Europe itself at that time. Thus, in the many struggles against the English and British monarchy and Parliament, from the founding of the Massachusetts Bay Colony, through our Declaration of Independence, our forebears, relatively freer from that sodden hand of feudal oligarchism which still ruled Britain and other European states, framed what has proven itself to be the most suitable design of government yet specified by any people of this planet. Would that we had been able to stay with that design and its intention.

The struggle to free man

The European struggle for liberty, of which the republican leaders of the colonies were representative, was conceived to the purpose of forming national republics which would serve the true interest of all of the people, rather than merely a small minority of overlords and their lackeys. This intent sprang from a Christian reading of *Genesis* 1:26-28, that each and all persons are made in the image of the Creator, that mankind might exert dominion in the world. The intent was to free mankind from the circumstances to which more than 95% of the people of all known cultures had been condemned earlier, to live as slaves, serfs, or, in other guises, as virtual human cattle to be herded, and culled by overlords' exertion of what is called today "property right."

The essential distinction of man and woman, which sets us apart from, and above the beasts, is the developable, creative powers of the individual human mind, the source of humanity's manifest power of dominion over nature about us. Thus, the education of each and every mind, the conditions of family life needed for the cultivation of that same potential, the opportunity to work and live, as adults, in a fruitful manner consistent with the dignity which that implies, are the hallmarks of true human freedom, and the wellspring of a natural right of each and all persons, which is always to be superior in law to the claims of property-right.

Thus, Leibniz replaced Locke's "Life, Liberty, and Property," with "Life, Liberty, and the Pursuit of Happiness." Thus, when slave-owners sought to defend their regression to the most evil practices of past history, the degrading of men and women to the status of cattle, they invoked Locke's slogan as their law, as do, to kindred effect, radical neo-conservatives of today.

The practices against which this strike are directed, express the evil which has taken over much of the economic practice of these United States during the course of the past quarter-century. Cheating human beings of their right to a decent living, and the looting of our enterprises by the scavenger's trick of "just-in-time" policies of inventory maintenance, typify those misconceptions which have ruined the living standards of our people, collapsed our governments' tax-revenue base, and looted our physical economy down to the bone, all for the sake of great speculative short-term paper profits on Wall Street and similar places.

Now, as under the leadership of that President Abraham Lincoln who restored the intent of our 1789 Federal Constitution, it is necessary to go to battle once again, to give flesh and blood to the intent of that Constitution. Every true patriot of our nation, and every lover of true freedom from around the world, should salute those trade-unionists whose battle is our own.

Teamsters on a picket line against United Parcel Service, in Chicago on Aug. 6. "The practices against which this strike are directed, express the evil which has taken over much of the economic practice of these United States during the course of the past quarter-century," said Lyndon LaRouche.

for intervention. When pressed by reporters on Aug. 8 for the President's view toward the union's argument, White House spokesman Mike McCurry said:

"As a general proposition, the President has been concerned about employee benefit coverage for workers in the workforce. One thing we believe is that at a time of near-full employment in our economy, it ought to be more possible for private-sector employers to be somewhat more generous in the provision of benefits to workers, and that includes both full-time salaried positions and then when that's not available, part-time work that's covered with some measure of an acceptable employee benefits package. Pension coverage is important, health insurance coverage important, disability coverage important, and all as part of the private-sector-provided safety net, that works with the government-provided safety net, to provide for the economic security of the American people."

The Teamsters can be expected to get support from the International Transport Workers, and from other AFL-CIO unions in the United States, including the pilots who work for UPS. The pilots are already honoring picket lines.

But the corporate and political pressure for forcing the union back to work can be expected to grow. Businesses dependent upon "just-in-time inventory" delivery will be hit hard. Because UPS held the lion's share of the market in overnight deliveries, and can now only service 10% of its orders with management personnel, its idling is creating a large hole in the motion of goods, and paper, throughout the economy.

If UPS decides to try to resume work by hiring replacements for the strikers, tensions can be expected to escalate quite rapidly.

What kind of economy?

The question called by the UPS strike drives at the heart of what kind of economy the United States is going to have. A prosperous industrial economy, as has not been seen in the United States for approximately 30 years, depends upon long-term investment in labor skills, education, and physical infrastructure. This is the very antithesis of the quick-buck economy which has built up over this 30-year period, as reflected not only in the gambling fever on the markets, but also on the disinvestment in infrastructure and the workforce.

When the U.S. economy shifted into the post-industrial, quick-buck mode, the U.S. labor movement did not respond politically. It staged losing, defensive battles against outsourcing jobs to other countries, and other downsizing. And, it basically bought the monetarist argument about cutting back government spending (including on infrastructure) and forcing welfare recipients to work at low-wage jobs. Those who realized that such actions were destroying the very basis for the future of the society—by undercutting wages and necessary infrastructure—kept quiet.

The only political voice which adequately addressed these questions, in terms of the bankrupt economic theory and financial system, was Lyndon LaRouche, whose movement fought against workfare, and for a new monetary system based on investment in major capital infrastructure projects at home and abroad, from the early 1970s on. LaRouche's statement on the current strike action is included here.

Netanyahu with his back to the wall

by Muriel Mirak-Weissbach

The new American initiative to force Israel back into the Middle East peace process, is serious. Although U.S. envoy Dennis Ross did not announce any clamorous breakthroughs, following his brief visit to the area in mid-August, there are undeniable signs that something is moving. The question mark which remains, is whether the intransigent Israeli prime minister will buckle under to the pressures now being put on him from Washington.

As was confirmed in a *New York Times* article on Aug. 9, President Clinton decided in June to take action to break the deadlock. In an Oval Office meeting on June 19, according to the *Times,* Clinton conferred with Secretary of State Madeleine Albright, Vice President Al Gore, Middle East envoy Dennis Ross, and National Security Adviser Sandy Berger. Reportedly, Albright and Berger were in favor of confronting Benjamin "Bibi" Netanyahu's obstructionism, whereas Gore, known to be close to the Zionist lobby, was of a different opinion. Clinton came out of that meeting determined to engage the United States more forcefully in the region, and, specifically, to pressure Israel to honor its commitments, according to the Oslo Accords. These include, implementing the troop withdrawals from the remaining areas on the West Bank to be under Palestinian Authority (PA) jurisdiction. Clinton followed up the meeting with a discussion in early July, with Albright and Berger, during which the new initiative was decided.

On July 27, it was announced that Ross would travel to the region, for a round of talks. The trip was postponed, when a suicide bomb attack in Jerusalem on July 30, killed 18 and wounded 150 people. As Hemi Shalev, an anti-Netanyahu journalist, commented in the Israeli daily *Ma'ariv,* "Whether on purpose or not, the bombing came at an ideal time for the opponents of the [peace] process." Lyndon LaRouche was more explicit, saying, "The Israelis know that this has nothing to do with the Palestinians, that this was an operation run to try to disrupt the peace process at precisely the time the United States, and particularly the President, was intervening to . . . get it back on track again." LaRouche pointed to the "wild-eyed nuts" in Israel, Netanyahu's backers, who "want a showdown" and "want a bloodbath."

On July 31, Clinton decided to press ahead regardless, and to send Ross back.

Netanyahu had speculated, that the bombing would shift public opinion to the concern for "security," as agenda item number one. But the position taken by Netanyahu did not receive the unconditional support from Washington which the Israeli prime minister had counted on. Netanyahu's demand was, that PA Chairman Yasser Arafat must guarantee security for Israeli citizens, by rounding up, arresting, and handing over to Israel, 130 Palestinians, whom the Israelis identified as "suspects." This, Arafat could not and would not do. First, there was no evidence against the persons listed, to warrant such action, and second, the PA has the right, according to the Oslo agreements, to refuse extradition. Most importantly, Arafat would not have been able to comply with the Israeli demands politically, because any such repressive action on those terms, would have been read, correctly, as an unconditional capitulation to Netanyahu's demands.

'We wanted a witness and a judge'

What was agreed, on the security front, was something quite different: that the PA and Israelis should reestablish cooperation, but with the direct participation of the United States. This, too, was contested by Bibi. When the PA insisted that a third party—or several third parties (like the European Union, the United States, Jordan, and Egypt)—be in attendance, Netanyahu backed down, and opted for just the U.S. presence. As a result, a three-way security panel was set up, with the local CIA station chief representing the United States. His function is to serve as a "referee and arbiter" in the dispute on how to deal with terrorism. The American representative is to take part in evaluating evidence relevant to the Jerusalem suicide bombing, and other cases of terrorism. As PA Planning Minister Nabil Shaath said, the American presence in the panel was required, "because we wanted a witness among us and a judge, because of the lack of trust between us."

If Netanyahu thought that the panel would rubberstamp his claims that the suicide bombers had planned their attack from territory under PA jurisdiction, he was also wrong. Instead, it emerged that the bombers probably travelled to Jerusalem from abroad, and that Israeli intelligence had communicated this fact to Arafat.

Just prior to leaving for the United States, after his four-day tour, Ross told reporters that he had succeeded in restoring security cooperation. "The mission the President and the secretary sent me out on was to affect the security relationship but also to prevent further deterioration, and I think that has happened at this point." This was the condition set by Clinton, for raising the level of U.S. intervention, and sending Albright to the region.

Security is not, and never was, the issue. It has been exploited at every turn by the Israeli government, in an attempt to block progress on any other front. Now that this issue has been redefined, with the United States exerting its authority, Netanyahu may not be able to use it as a stalling tactic.

The foremost issue is the economy

The real issues, as the Palestinians have insisted, are others, first and foremost, the economy. The PA has argued that Israel's punitive measures, taken allegedly in response to terrorism and to prevent further bombing assaults, are exacerbating tensions, not calming them. Following the July 30 deaths, Netanyahu closed off the West Bank and Gaza, blocking Palestinians employed in Israel from going to work. This also entailed blocking the transportation of Palestinian goods out to the Israeli market, and preventing vital necessities from being brought in, especially food and medical supplies. Netanyahu further aggravated the situation, by announcing that he would withhold $70 million in tax revenues owed the PA, promising to release them "partially," if the PA cooperated on security "partially," and "completely," if security cooperation were "complete," i.e., he offered to purchase PA cooperation with money—originally belonging to the Palestinians.

The $70 million in tax revenues owed to the Palestinians, is a significant part of the PA budget, needed to pay salaries of civil servants. In addition, the closure, which has been intermittently lifted but reimposed every time tensions escalated, has cost the PA $4.4 million *per day,* adding up to $6.4 billion over the past four years, according to a United Nations report.

If one looks at the real, physical economy in the PA-administered areas, the figures are worse. Unemployment has grown from 10% to 30%, and in Gaza to 60%. The demographic growth in Gaza is 7.44%, and 47% of the population are under 15 years of age. Yet, there are no adequate social services for them, neither sufficient running water (which only 20% of households have), nor medical and educational facilities. Half the schools in Gaza are still run by the UNRWA, and of the kindergartens financed through humanitarian aid, only 2.5% are in Gaza. One-fourth of the population, officially, lives below the poverty level, defined by an $885 annual income. PA Finance Minister Mohammed Nashashibi has said that the Palestinian Gross Domestic Product had dropped by 18.4% between 1993, when peace was signed, and 1996; this corresponds to $1,726 GDP per capita in the PA, as compared to $14,530 per capita in Israel.

The responsibility for this lies with the British-controlled international organizations, which have detained power over financial flows into the Palestinian-administered areas, since the 1993 Oslo Accords. First is the World Bank, which, as we have documented (*EIR*, April 7, 1995), has consistently refused to finance any major infrastructure project, which would provide the basis for real economic growth. Railways, ports, energy plants, have been listed as low priorities, while minor improvements like building curbstones and small roads, have been okayed. Furthermore, the donor countries, which periodically gather to announce their generous contribution to the peace process, have been utterly negligent in their performance. In October 1996, the donors met and agreed to pledge $885 million, for infrastructure, but thus far only $100 million has materialized. They promised to provide $50-60 million to finance the budget deficit, but came up with only $10 million. Worse still, the entity deployed to deliver the monies, on behalf of the European Union donors, and to audit the books, was the British Empire's own Crown Agents.

If the economic depression engulfing the PA is not reversed, there will be social unrest, upheaval, and clashes leading to a full-fledged conflict—regardless of whatever successes may be scored on the diplomatic plane.

Thus, any real progress in putting Arab-Israeli relations back on a negotiating track, will depend on the extent to which the United States forces through certain moves by Israel, to alleviate economic strains. First, as Ross indicated during his visit there, Israel must lift the closure, to permit a minimum of economic activity for the Palestinians producing in the PA, and those working inside Israel. Following Ross's departure, there was an announcement that the closure had been relaxed in Ramallah and other towns. Second, the taxes owed to the PA must be handed over, immediately. These are preconditions to reestablishing a sense of respect for the accords signed. Israel must also be forced to implement the interim agreements, which include the withdrawal of Israeli Defense Force troops from those areas designated under PA responsibility. And, Israel must effect a halt to its settlements policy, which is also in open contravention to the Oslo Accords. The United States has indicated that these measures are indeed part of the initiative which Secretary of State Albright is to take to the region in September. In addition, it has been reported that the United States will take part in the negotiations on the final status of the Palestinians, essentially brokering these talks.

The crucial factor which will determine whether the new American initiative will succeed, is the economic policy factor, which is eminently political. If there is to be durable peace, the entire World Bank approach—and its British political string-pullers—must be tossed out the window. It is doomed to fail in any case. In a sense, the regional economy is like a microcosm of the world economy: totally depressed, looted by World Bank-IMF methods, and, in the case of Israel's economy, inextricably tied to the worldwide financial speculative bubble. When the world banking collapse reaches its final stage, much of Israel's nominal values will also be wiped out, and new structures will have to be put in place.

In 1993, when the Oslo Accords were signed, and the economic annexes were published, it looked as though the region could have acquired a lever for generating real economic growth, based on a cooperative effort to develop infrastructure. The willful sabotage of that program, by British institutions bent on unleashing chaos, led to the current disaster. To effectively reverse the degenerative process, that initial programmatic approach must be revived.

Iran's new cabinet ushers in a change

by Muriel Mirak-Weissbach

The cabinet presented on Aug. 12 by Iranian President Mohammed Khatami to his parliament, the Majlis, promises to translate his electoral promises into concrete policy shifts. If the appointments are ratified by that body, and the new government moves energetically in the direction indicated by its composition, the result will be remoralizing for the vast majority of Iranian citizens, who voted Khatami in. The wave of optimism which will spread through the population in this case, will be important even beyond the country's borders, because optimism tends to be contagious.

Khatami's almost 70% majority of the popular vote, in the election on May 23, was a mandate for change, particularly regarding domestic economic, social, and cultural policy. Vast numbers of women and youth voted for him, in order to loosen restrictions on cultural life, meaning the press and political associations, and to open the Islamic Republic of Iran up more to impulses from the West.

Judging from the list of his nominees, this is precisely what the 54-year-old moderate, himself a former culture minister, plans to do. There are several striking features in the composition of the cabinet: first, that 17 of the 22 nominees are new; second, that the overwhelming majority of them are engineers by training and profession; and third, that several have been educated in the United States. Politically, they represent a coalition of close collaborators of Khatami's, associates of former President Hashemi Rafsanjani linked to infrastructure and reconstruction efforts, leftists, and a small number of conservative clerics.

For example, **Namdar Zanganeh,** who has been nominated to be oil minister, is a civil engineer, who headed the Construction Jihad Ministry beginning in 1983, and became energy minister in 1988, a post he also held under Rafsanjani's government. He is a member of the Expediency Council, headed by Rafsanjani, and has been teaching at the university level. **Saidi Kya,** slated for the Ministry of Construction Jihad, received his B.S. in civil engineering from Teheran's University of Science and Industry, and has concentrated his work in the rail sector. Railway expansion was at the center of the infrastructure work launched under the previous government, as part of the Eurasian Land-Bridge, or new Silk Road program. Kya was the head of a provincial road and transportation office in 1980, became deputy transportation minister in 1981, and, the following year, took responsibility for the construction of the Bafgh-Bandar Abbas railway. He later headed up Iran's railway renovation office, then became minister of roads and transportation in 1993. He also has an academic career, and has been head of the Railway Engineering Department of the Teheran University of Science and Industry.

The nominee for housing minister, **Ali Abdolalizadeh,** holds a degree in civil engineering. He has served as deputy mayor, and on the Plan and Budget Committee of parliament. **Habibollah Bitaraf,** nominated to become energy minister, is a civil engineer who has served as deputy minister of energy, in which capacity he was in charge of several dam construction projects, and two power plants (Karoun 3 and 4). The nominee for transportation minister, Mahmoud Hojjati, studied civil engineering and was active in the five-year plan. He had administrative responsibility for the giant Karkheh Dam.

Several other of the nominees worked under Rafsanjani: **Gholamreza Shafei,** industry minister nominee, was deputy director general of Iran National Industries Association, then deputy minister of industry, and of mines and minerals; he also served as minister of cooperatives under both terms of Rafsanjani. The nominee for labor minister, **Hussein Kamali,** a political scientist and advocate of workers' rights, was the labor minister in Rafsanjani's first term.

Among the intellectuals with academic careers, are health minister nominee **Mohammad Farhadi,** who has a Ph.D. and further graduate studies in medicine. Dr. Farhadi has held several posts since 1982, in the Culture and Higher Education Ministry, as chancellor of Teheran University, and head of Iran's Institute for Promotion of Science and Research. The nominee for the Minister of Culture and Islamic Guidance, **Atatollah Mohajerani,** holds graduate degrees in history and an honorary degree from Dushanbe University in Tajikistan. Knowledgeable in English, Arabic, and Urdu (the language of Pakistan), he served as cultural attaché to Pakistan, as well as deputy minister and other posts.

An American connection

Most noteworthy is the large number of persons who have had direct experience in the United States, and therefore know something about the country and its culture. **Mohammad Reza Aref,** nominated to be minister of communications, is an electrical engineer, with an M.S. in telecommunications, and a Ph.D. from Stanford University in California. Another nominee who studied in the United States, is **Issa Kalantari,** slated to be agriculture minister. After receiving his Ph.D. from Iowa State, he became deputy minister of agriculture, and has been serving as minister of agriculture since 1988.

Finally, there is the nominee for foreign minister, **Dr. Kamal Kharrazi,** who has been Iran's Permanent Representative to the United Nations, in New York, since 1989. The 53-year-old Dr. Kharrazi, who received his B.A. in Persian Language and Literature from Teheran University, took a master's degree there in education, and received his Ph.D., also in education, from Houston University. Through his tenure at the UN, Dr. Kharrazi has been the highest-ranking diplomat on American soil, and is reputed to be extremely knowledgeable about the political process in the country. The man appointed to replace him at the UN is **Mohammed Hashemi,** who is the brother of the former President, Rafsanjani.

It is therefore reasonable to expect that the Khatami government will seek to improve relations with the United States, although there is still opposition to such a course, on the part of the arch-conservative wing of the clergy in the Majlis. One nominee, slated to become minister of culture and Islamic guidance, Mohajerani, caused a sensation in 1990 when, as vice president under Rafsanjani, he publicly called for direct talks with Washington. Considered an ultra-liberal, his nomination is one of the few which the conservatives may try very hard to block.

There are further positions that Khatami has filled, which do not need to be confirmed through Majlis hearings, among them the head of the Presidential Office. This post has been given to **Mohammad Ali Abtahi,** who formerly held posts in the Ministry of Culture and Islamic Guidance, under then-minister Khatami, and also worked at the Islamic Republic of Iran Broadcasting (IRIB), where Khatami also was active. **Dr. Hassan Habibi** has been named to maintain his position as first vice president; he was a close collaborator with Rafsanjani on infrastructure and reconstruction projects.

Certainly the most revolutionary appointment announced, is one of the vice presidencies. This has gone to a woman, for the first time in the history of the Islamic Republic. **Mrs. Massoumeh Ebtekar** does not appear to be merely a "token" nominee, however. The 36-year-old mother of two studied in the United States, where she earned a Ph.D. in chemistry. She has been teaching chemistry in Teheran University. She worked as a journalist for *Kayhan International,* and later was responsible for a women's magazine, *Farzaneh.* In addition, she has already held positions of political responsibility, though not in government; she was a delegate to the UN conferences in Cairo and in Beijing. Known as a modern, liberal woman, Mrs. Ebtekar is expected to promote greater equality between women and men in Iran.

The ministries considered most sensitive, dealing with intelligence and security matters, have gone to new people. The information minister nominee, **Hojatoleslam Qorbanali Dorri Najafabadi,** is an economics expert, with experience in the budget committee of the parliament, and is considered a conservative. He is joined by **Ali Shamkhani,** nominee for defense minister, and **Abdollah Nouri** as interior minister.

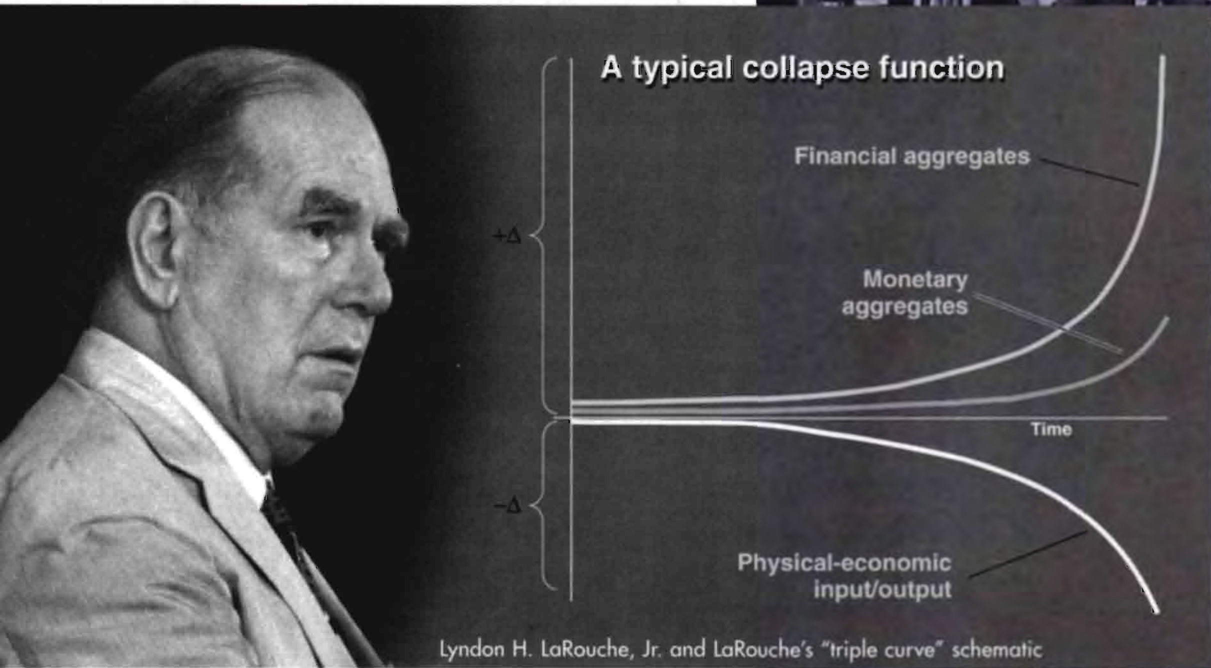
A fight is coming

The confirmation hearings in the Majlis promise to be lively. During the consultations with political figures and groups, Khatami was reportedly put under considerable pressure by the conservatives, who handed him lists of their candidates, in no uncertain terms. One of their press organs, the daily *Jumhuri Eslami,* accused Khatami's supporters of circulating rumors about inordinate conservative pressure tactics—rumors it promptly denied. At the same time, the paper had to comment, sadly, on the cabinet coming into being: "A glance at the circulated list of leading choices points to the fact that the opposition has no share of the proposed cabinet."

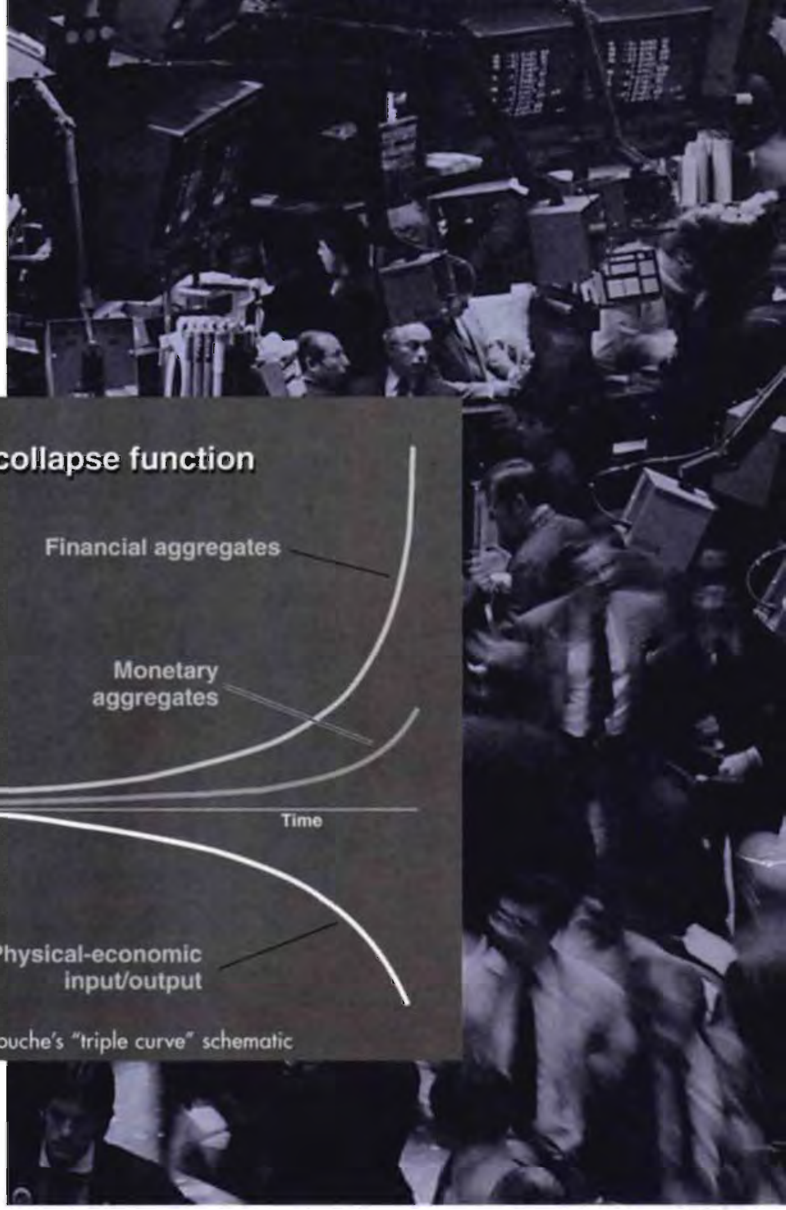
The Speaker of the Majlis, Nateq Nouri, also put the President under pressure, exhorting him in statements made to the press, to deliver his list of nominees quickly. Nouri, who ran on a conservative profile against Khatami, and was roundly defeated, argued that the Majlis would need the time to deliberate, before its scheduled recess on Aug. 22, and therefore, had to have the names early.

This means, there will be a fight. The fact that the fight is of such a nature, signifies that a profound process of change has been initiated in Iran, not only of personalities, but of outlook.

LaRouche And EIR Have Been Right,



Lyndon H. LaRouche, Jr. and LaRouche's "triple curve" schematic



While Others Have Ignored Reality

A recent trading day at the New York Stock Exchange.

The politicians who continue the present posture of stubbornly ignoring the reality of the onrushing financial and economic crisis, will soon be crushed, and swept aside politically, by the reality they ignore. Then, the present writer's objective authority as a policy-shaper, is unique, not only inside the United States, but world-wide. To parody James Carville's delicious book, "They have been wrong, and EIR has been right."

—Lyndon LaRouche, Nov. 1, 1996

THE WORLD BANK
IBRD • IDA
(http://www.worldbank.org/)

Who We Are (/en/who-we-are) / News (http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,pagePK:34382~piPK:34439~theSitePK:4607,00.html)

PRESS RELEASE

Enforcing Accountability: The World Bank Debars UK Company "The Crown Agents for Oversea Governments and Administrations Limited" in the Wake of the Company's Acknowledgement of a Fraudulent Practice

October 19, 2011

(mailto:?body=http%3A%2F%2Fwww.worldbank.org%2Fen%2Fnews%2Fpress-release%2F2011%2F10%2F19%2Bworld-bank-debars-uk-co

WASHINGTON, October 19, 2011 — The World Bank Group today debarred the UK Company "The Crown Agents for Oversea Governments and Administration Limited" and its affiliates for a period of six months for a fraudulent practice in 2006 in relation to a World Bank-executed project.

This debarment resulted from the World Bank's Integrity Vice Presidency's (INT) investigation that revealed that the company misrepresented the availability of a key consultant to work on an awarded contract under the project.

"The World Bank is committed to ensuring that scarce development resources are used for their intended purposes," **said Leonard McCarthy, World Bank Integrity Vice President.** *"When we find fraudulent conduct, we will hold the wrongdoer accountable and work to ensure greater integrity and compliance going forward."*

This debarment action is part of a negotiated resolution agreement which will be imposed on the company and 23 of its affiliates: *Greenshields, Cowie & Co. Ltd., Four Millbank Nominees Ltd., Four Millbank Holdings Ltd., Crown Agents Services Ltd., Great Peter Nominees Ltd., Crown Agents Services (India) Pvt Ltd., Crown Agents (India) Pvt Ltd., Crown Agents Investment Management Ltd., Crown Agents Bank Ltd., Greenshields Cowie (U.S.A.) Inc., Crown Agents International Ltd., Crown Agents SA (Proprietary) Ltd., Crown Agents Zimbabwe (Pvt) Ltd., Crown Agents Southern Africa Consulting Services (Pvt) Ltd., Crown Agents Kenya Limited, Crown Agents Uganda Limited, Crown Agents Mozambique LDA, Crown Agents Services (Tanzania) Limited, Crown Agents USA, Inc., Crown Agents Mongolia LLC (Subsidiary of Crown Agents USA, Inc), Crown Agents Ghana Limited, JCF Nominees Limited, and Crown Agents Nigeria Ltd.*

In addition, the company will be required to review and, if necessary, revamp its corporate integrity compliance and ethics program in line with World Bank standards. As part of the settlement, the company will cooperate with INT on other World Bank investigations.

The Crown Agents for Oversea Governments and Administrations Limited and its affiliates cannot be awarded a contract, or otherwise participate in new activities under World Bank Group-financed or executed projects during the debarment period. The debarment following this negotiated resolution agreement is limited to the World Bank Group only.

MEDIA CONTACTS

In Washington
Dina El Naggar

Tel : (202) 473-3245
delnaggar@worldbank.org (mailto:delnaggar@worldbank.org)

RELATED

Integrity Vice Presidency (http://www.worldbank.org/integrity)

PRESS RELEASE NO:
2012/111/INT

United Kingdom (/en/country/unitedkingdom)

Europe and Central Asia (/en/region/eca)

Governance (/en/topic/governance)

LATEST NEWS

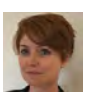
FEATURE STORY
Korea and the World Bank Expand Successful Partnership to Tackle Critical Development Challenges (http://www.worldbank.org/en/news/feature/2018/04/13/korea-and-the-world-bank-expand-successful-partnership-to-tackle-critical-development-challenges)
Apr 13, 2018

PRESS RELEASE
Turkey's Cities Move Towards Social, Environmental, and Financial Sustainability with World Bank's continuing Support (http://www.worldbank.org/en/news/press-release/2018/04/12/turkeys-cities-move-towards-social-environmental-and-financial-sustainability-with-world-banks-continuing-support)
Apr 12, 2018

PRESS RELEASE
World Bank and the Municipality of Braşov Enter Partnership for Urban Development (http://www.worldbank.org/en/news/press-release/2018/04/12/world-bank-and-the-municipality-of-brasov-enter-partnership-for-urban-development)
Apr 12, 2018

BLOGS

Weekly links April 13: militant randomistas, show them the germs, should your next paper not be a paper? and more... (http://blogs.worldbank.org/impactevaluations/weekly-links-april-13-militant-randomistas-show-them-germs-should-your-next-paper-not-be-paper-and)
David McKenzie
Apr 13, 2018



Even duller disasters? How earlier finance can save lives in emergencies (http://blogs.worldbank.org/voices/even-duller-disasters-how-earlier-finance-can-save-lives-emergencies)
Nicola Ranger
Apr 12, 2018

Bringing together the next generation of digital innovators in Pakistan: Meet Zaki Mahomed (http://blogs.worldbank.org/endpovertyinsouthasia/bringing-together-next-generation-digital-innovators-pakistan-meet-zaki-mahomed)
Priya Chopra
Apr 12, 2018

NEWSLETTERS

Enter Email Address

View All Newsletters »
(Http://Web.Worldbank.Org/WBSITE/EXTERNAL/NEWS/0,,ContentMDK:23566264~PagePK:64257043~PiPK:437376~TheSitePK:4607,00.Html)

About (http://www.worldbank.org/en/about)
Data (http://data.worldbank.org)
Research and Publications (http://www.worldbank.org/en/research)
Learning (https://olc.worldbank.org)
News (http://www.worldbank.org/en/news)
Projects and Operations (http://projects.worldbank.org/?lang=en)
Countries (http://www.worldbank.org/en/country)
Topics (http://www.worldbank.org/en/topic)

FOLLOW US

(http://www.facebook.com/worldbank) (http://www.twitter.com/worldbank)
(http://www.linkedin.com/company/the-world-bank) (https://instagram.com/worldbank/)
(https://www.youtube.com/user/WorldBank) (https://www.flickr.com/photos/worldbank)

NEWSLETTER

Enter email to subscribe...

This Site in: ENGLISH (HTTP://WWW.WORLDBANK.ORG)

Legal (http://www.worldbank.org/en/about/legal) Access to Information (http://www.worldbank.org/en/access-to-information) Jobs (http://www.worldbank.org/en/about/careers) Contact (http://www.worldbank.org/en/about/contacts)
REPORT FRAUD OR CORRUPTION (HTTP://WWW.WORLDBANK.ORG/EN/ABOUT/UNIT/INTEGRITY-VICE-PRESIDENCY/REPORT-AN-ALLEGATION)

(http://www.worldbank.org/)

IBRD (HTTP://WWW.WORLDBANK.ORG/EN/WHO-WE-ARE/IBRD) IDA (HTTP://WWW.WORLDBANK.ORG/IDA) IFC (HTTP://WWW.IFC.ORG/) MIGA (HTTP://WWW.MIGA.ORG/) ICSID (HTTP://ICSID.WORLDBANK.ORG/)

Crown Agents Act 1995

CHAPTER 24

ARRANGEMENT OF SECTIONS

Crown Agents Act 1995

1995 CHAPTER 24

An Act to provide for the vesting of the property, rights and liabilities of the Crown Agents in a company nominated by the Secretary of State and for the subsequent dissolution of the Crown Agents; and for connected purposes. [19th July 1995]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Vesting of property, &c. of Crown Agents in a successor company

Vesting of property, &c. of Crown Agents in a successor company.

1.—(1) On such day as the Secretary of State may by order appoint all property, rights and liabilities to which the Crown Agents for Oversea Governments and Administrations (referred to in this Act as "the Crown Agents") were entitled or subject immediately before that day shall become by virtue of this section property, rights and liabilities of a company nominated for the purposes of this section by the Secretary of State.

References in this Act to the appointed day and to the successor company are to the day so appointed and the company so nominated.

(2) The Secretary of State may, after consulting the Crown Agents, by order nominate for the purposes of this section any company formed and registered under the Companies Act 1985; but on the appointed day the company in question must be a company limited by shares which is wholly owned by the Crown. **1985 c. 6.**

(3) References in this Act to property, rights and liabilities of the Crown Agents shall be construed as follows—

(a) the references are to all property, rights and liabilities of the Crown Agents, whether or not capable of being transferred or assigned by them;

(b) references to property are to property of the Crown Agents whether situated in the United Kingdom or elsewhere; and

(c) references to rights or liabilities of the Crown Agents are to rights or liabilities under the law of the United Kingdom or of any part of the United Kingdom or under the law of any country or territory outside the United Kingdom.

(4) An order appointing a day under subsection (1) or nominating a company for the purposes of this section may be varied or revoked by a subsequent order at any time before any property, rights or liabilities of the Crown Agents vest in a company by virtue of this section.

(5) Schedule 1 has effect for the purpose of supplementing the provisions of this section.

Provisions with respect to capital structure.

1979 c. 43.

2.—(1) The commencing capital debt assumed by the Crown Agents under section 17 of the Crown Agents Act 1979 shall be repaid; and the Secretary of State may give directions as to the time and manner of repayment.

(2) If the Secretary of State so directs before the appointed day, the Crown Agents shall be deemed to assume a debt to the Secretary of State of such amount as may be specified in the direction.

The terms of the debt, including the terms as to the payment of interest and repayment, shall be such as the Secretary of State may from time to time determine.

(3) Any sums received by the Secretary of State by virtue of subsection (1) shall be paid into the National Loans Fund; and any sums received by him by way of interest on or repayment of a debt assumed by virtue of subsection (2) shall be paid into the Consolidated Fund.

(4) The approval of the Treasury is required for any exercise by the Secretary of State of the powers conferred by this section.

Initial Government holding in the successor company.

3.—(1) As a consequence of the vesting in the successor company by virtue of section 1 of property, rights and liabilities of the Crown Agents, the successor company shall issue to the Secretary of State such securities of the company as he may from time to time direct.

(2) The Secretary of State shall not give a direction under subsection (1) after the successor company has ceased to be wholly owned by the Crown.

(3) Securities to be issued in pursuance of this section shall be issued at such time or times, and on such terms, as the Secretary of State may direct.

(4) Any shares issued in pursuance of this section shall be of such nominal value as the Secretary of State may direct.

(5) The Secretary of State may not exercise any power conferred on him by this section or dispose of, for consideration or otherwise, any securities issued to him in pursuance of this section, without the consent of the Treasury.

(6) Any dividends or other sums received by the Secretary of State in right of, or on the disposal of, any securities acquired by virtue of this section shall be paid into the Consolidated Fund.

Government investment in securities of the successor company.

4.—(1) The Secretary of State may, with the consent of the Treasury, at any time when the successor company is wholly owned by the Crown, acquire—

(a) securities of the successor company, or

(b) rights to subscribe for any such securities.

(2) The Secretary of State may not dispose of, for consideration or otherwise, any securities or rights acquired by him by virtue of this section without the consent of the Treasury.

(3) Any expenses incurred by the Secretary of State in consequence of the provisions of this section shall be paid out of money provided by Parliament.

(4) Any dividends or other sums received by the Secretary of State in right of, or on the disposal of, any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.

Provisions as to statutory accounts of successor company.

5.—(1) For the purposes of any statutory accounts of the successor company—

(a) all the property, rights and liabilities to which the Crown Agents were entitled or subject immediately before the end of their last financial year ending before the appointed day shall be taken to have vested in the successor company by virtue of section 1, and to have so vested immediately after the end of that year; and

(b) the value or amount (as at the time of vesting) of any asset or liability of the Crown Agents taken to have vested in the successor company by virtue of paragraph (a) shall be taken to be the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the corresponding statement of accounts prepared by the Crown Agents in respect of the financial year referred to in paragraph (a).

(2) For the purposes of any statutory accounts of the successor company the amount to be included in respect of any item shall be determined as if anything done by the Crown Agents (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.

(3) Accordingly, but without prejudice to the generality of the preceding provision—

(a) the amount to be included from time to time in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Crown Agents had been realised and retained by the company; and

(b) the amount to be included in any such accounts as representing the accumulated realised losses of the successor company shall be determined as if any losses realised by the Crown Agents had been realised by the company.

(4) References in this section to the statutory accounts of the successor company are to any accounts prepared by the successor company for the purposes of any provision of the Companies Act 1985 (including group accounts). 1985 c. 6.

Use of "Crown Agents" as part of company name.
1985 c. 6.

6. The words "Crown Agents" may, notwithstanding anything in section 26(2)(a) of the Companies Act 1985 (prohibition of name giving impression of connection with Her Majesty's Government), be used as part of the name of—

(a) the successor company,

(b) any company of which the successor company is a wholly-owned subsidiary, or,

(c) any subsidiary of the successor company or any such company;

and the power conferred by section 32 of that Act (power to require company to abandon misleading name) shall not apply in relation to the use of those words as part of the name of any such company.

Corporation tax.

7.—(1) The successor company shall be treated for all purposes of corporation tax as if it were the same person as the Crown Agents.

1988 c. 1.

(2) The existence or exercise of the powers of the Secretary of State under section 1 shall not be regarded as constituting or creating arrangements within the meaning of section 410 of the Income and Corporation Taxes Act 1988 (arrangements for the transfer of a company to another group or consortium) or as constituting or creating option arrangements for the purposes of paragraph 5B of Schedule 18 to that Act.

(3) Any debt assumed under section 2 shall be treated for the purposes of the Corporation Tax Acts as if it had been assumed—

(a) wholly in consideration of a loan made to the Crown Agents of an amount equal to the principal sum payable under the debt, and

(b) wholly and exclusively for the purposes of the trade carried on by them.

If the terms of any such debt include provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the debt was assumed, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the debt had been assumed at the commencement of that period and, accordingly, as interest on the principal sum payable under the debt.

(4) Any security (other than a share) issued by the successor company in pursuance of section 3 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued—

(a) wholly in consideration of a loan made to the company of an amount equal to the principal sum payable under the security, and

(b) wholly and exclusively for the purposes of the trade carried on by that company.

If the terms of any such security include provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the security was issued, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the security had been issued at the commencement of that period and, accordingly, as interest on the principal sum payable under the security.

(5) Any share issued by the successor company in pursuance of section 3 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to the company of an amount equal to the nominal value of the share.

Dissolution of Crown Agents

8.—(1) The Crown Agents shall continue in existence after the appointed day for the purpose of performing the functions conferred on them by sections 9 and 10 (vesting of foreign property, &c. and final reports and accounts). **Residual functions and dissolution of Crown Agents.**

The period of their continued existence after the appointed day is referred to below as "the transitional period".

(2) During the transitional period—

(a) section 1(3) of the Crown Agents Act 1979 (constitution of the Crown Agents: number of members) shall have effect as if for "not less than six" there were substituted "not less than two"; 1979 c. 43.

(b) at any time when there are only two members of the Crown Agents it shall not be incumbent upon the Secretary of State to appoint one of those members as deputy chairman; and

(c) no remuneration shall be payable to any member of the Crown Agents.

(3) Any expenses incurred by the Crown Agents during the transitional period shall be met by the successor company.

(4) Once the Secretary of State is satisfied that the functions of the Crown Agents under sections 9 and 10 below are substantially discharged, he may, after consulting the Crown Agents and the successor company, by order dissolve the Crown Agents on a day specified in the order.

9.—(1) It shall be the duty of the Crown Agents and of the successor company to take, as and when during the transitional period the successor company considers appropriate, all such steps as may be requisite to secure that the vesting in the successor company by virtue of this Act of any foreign property, right or liability is effective under the relevant foreign law. **Functions with respect to vesting of foreign property, &c. in successor company.**

(2) Until the vesting in the successor company by virtue of this Act of any foreign property, right or liability is effective under the relevant foreign law, it shall be the duty of the Crown Agents during the transitional period to hold that property or right for the benefit of, or to discharge that liability on behalf of, the successor company.

(3) Nothing in subsections (1) and (2) shall be taken as prejudicing the effect under the law of the United Kingdom, or of any part of the United Kingdom, of the vesting in the successor company by virtue of this Act of any foreign property, right or liability.

(4) The Crown Agents shall have all such powers as may be requisite for the performance of their duties under this section; but—

(a) it shall be the duty of the successor company during the transitional period to act on behalf of the Crown Agents (so far as possible) in performing the duties imposed on the Crown Agents by this section, and

(b) any foreign property, rights and liabilities acquired or incurred by the Crown Agents during that period shall immediately become property, rights and liabilities of the successor company.

(5) References in this section to any foreign property, right or liability are to any property, right or liability as respects which any issue arising in any proceedings would have been determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.

Final reports and accounts of Crown Agents.
1979 c. 43.

10.—(1) Notwithstanding the repeal of section 11 of the Crown Agents Act 1979 (annual reports to the Secretary of State)—

(a) it shall continue to be the duty of the Crown Agents to make a report to the Secretary of State in accordance with that section in respect of each accounting year of the Crown Agents ending before the appointed day; and

(b) the Secretary of State shall lay a copy of any such report before each House of Parliament.

(2) Notwithstanding the repeal of section 22 of the Crown Agents Act 1979 (accounts of the Crown Agents and audit)—

(a) it shall continue to be the duty of the Crown Agents to prepare such statements of accounts as are mentioned in subsection (1) of that section in respect of each accounting year of the Crown Agents ending before the appointed day; and

(b) that section shall continue to apply during the transitional period in relation to those accounts and in relation also to the auditing of accounts kept in accordance with subsection (1) of that section in respect of each such accounting year.

Crown Agents Holding and Realisation Board

Constitution, &c. of the Board after the appointed day.

11.—(1) The following provisions have effect in relation to the Crown Agents Holding and Realisation Board as from the appointed day.

(2) In section 25 of the Crown Agents Act 1979, for subsection (2) substitute—

"(2) The Board shall consist of not less than two nor more than ten members appointed by the Secretary of State; and the Secretary of State shall appoint one member to be the chairman, and another member to be the deputy chairman, of the Board.".

(3) For paragraph 1 of Schedule 5 to the Crown Agents Act 1979 substitute—

"Appointment and tenure of members

1. Paragraphs 1 to 6 of Schedule 1 shall apply to the Board as they apply to the Crown Agents.".

(4) For paragraph 2 of Schedule 5 to the Crown Agents Act 1979 substitute—

"Remuneration, &c.

2.—(1) The Board shall pay to each of their members such remuneration and such reasonable allowances in respect of expenses as the Secretary of State may determine.

(2) If the Secretary of State so determines in the case of a person who is or has been a member of the Board, the Board shall pay or make arrangements for the payment of such pension to or in respect of that person as the Secretary of State may determine.

(3) Where a person ceases to be a member of the Board otherwise than on the expiry of his term of office and it appears to the Secretary of State that there are special circumstances which make it right for that person to receive compensation, the Secretary of State may direct the Board to make to that person a payment of such amount as the Secretary of State may determine.".

(5) For paragraph 4 of Schedule 5 to the Crown Agents Act 1979 substitute— 1979 c. 43.

"Performance of functions

4. The Board may authorise any person to perform on behalf of the Board any of the Board's functions, other than a function in respect of which the Secretary of State has instructed the Board that no such authorisation is to be given.".

(6) In paragraph 7(4)(b) of Schedule 5 to the Crown Agents Act 1979 for "the officer of the Crown Agents acting for the Board who so corresponds" substitute "the Chairman of the Board".

(7) In paragraph 8 of Schedule 5 to the Crown Agents Act 1979, in sub-paragraph (3) (ancillary powers exercisable with consent of Secretary of State), after paragraph (g) insert—

"(h) to employ staff;

(i) to incur expenses in respect of office accommodation, office equipment or other office facilities;

(j) to engage the services of any person as consultant or adviser to the Board.";

and omit sub-paragraphs (4) and (5).

(8) The repeal by this Act of any provision of the Crown Agents Act 1979 relating to the Crown Agents which is applied by any provision of that Act in relation to the Crown Agents Holding and Realisation Board does not affect its continued operation as so applied.

Supplementary provisions

12.—(1) An order under this Act may contain such supplementary, incidental or transitional provisions as appear to the Secretary of State to be expedient. Orders.

(2) Any power to make an order under this Act is exercisable by statutory instrument.

13.—(1) As from the appointed day the House of Commons Disqualification Act 1975 is amended as follows— Consequential amendments and repeals. 1975 c. 24.

(a) in Part III of Schedule 1 (other disqualifying offices) insert at the appropriate place—

"Director of the successor company (within the meaning of the Crown Agents Act 1995) being a director nominated or appointed by a Minister of the Crown or by a person acting on behalf of the Crown"; and

(b) in Part II of that Schedule (bodies of which all members are disqualified) insert at the appropriate place—

"The Crown Agents Holding and Realisation Board".

Corresponding amendments shall be made in Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975.

1975 c. 25.

(2) The enactments specified in Schedule 2 are repealed to the extent specified.

The repeals in Part I of that Schedule come into force on the appointed day; and the repeals in Part II of that Schedule come into force on the dissolution of the Crown Agents.

(3) The Secretary of State may by order make such consequential amendments or revocations of subordinate legislation within the meaning of the Interpretation Act 1978 as appear to him necessary or expedient in consequence of this Act.

1978 c. 30.

Any order under this subsection shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Interpretation.

14. In this Act—

"the appointed day" means the day appointed under section 1(1);

"the Crown Agents" means the body corporate established by section 1 of the Crown Agents Act 1979 by the name of the Crown Agents for Oversea Governments and Administrations;

1979 c. 43.

"securities", in relation to the successor company, includes shares, debentures, bonds and other securities of the company, whether or not constituting a charge on the assets of the company;

"subsidiary" and "wholly-owned subsidiary" shall be construed in accordance with section 736 of the Companies Act 1985;

1985 c. 6.

"the successor company" means the company nominated for the purposes of section 1; and

"the transitional period", in relation to the Crown Agents, has the meaning given by section 8(1).

Citation and extent.

15.—(1) This Act may be cited as the Crown Agents Act 1995.

(2) This Act extends to Northern Ireland.

SCHEDULES

SCHEDULE 1

Section 1(5).

SUPPLEMENTARY PROVISIONS AS TO VESTING OF PROPERTY, ETC.

1.—(1) Any agreement made, transaction effected or other thing done by, to or in relation to the Crown Agents which is in force or effective immediately before the appointed day shall have effect as from that day as if made, effected or done by, to or in relation to the successor company, in all respects as if the successor company were the same person, in law, as the Crown Agents.

(2) Accordingly, references to the Crown Agents —

(a) in any agreement (whether or not in writing) and in any deed, bond or instrument,

(b) in any process or other document issued, prepared or employed for the purpose of any proceeding before any court or other tribunal or authority, and

(c) in any other document whatever (other than an enactment) relating to or affecting any property, right or liability of the Crown Agents which vests by virtue of section 1 in the successor company,

shall be taken as from the appointed day as referring to the successor company.

2. Where immediately before the appointed day there is in force an agreement which —

(a) confers or imposes on the Crown Agents any rights or liabilities which vest in the successor company by virtue of section 1, and

(b) refers (in whatever terms and whether expressly or by implication) to a member or officer of the Crown Agents,

the agreement shall have effect, in relation to anything falling to be done on or after that day, as if for that reference there were substituted a reference to such person as that company may appoint or, in default of appointment, to the officer of that company who corresponds as nearly as may be to the member or officer of the Crown Agents in question.

3.—(1) The effect of section 1 in relation to any contract of employment with the Crown Agents in force immediately before the appointed day is merely to modify the contract (as from that day) by substituting the successor company as the employer (and not to terminate the contract or vary it in any other way).

(2) Nothing in this Act affects the operation of the Transfer of Undertakings (Protection of Employment) Regulations 1981 in relation to the transfer of the undertaking of the Crown Agents to the successor company by virtue of section 1; and the Secretary of State shall before appointing a day under section 1(1) give to the Crown Agents such notice of his proposals as he considers appropriate for enabling any provisions of those regulations applicable to the transfer to be complied with. S.I. 1981/1794.

4.—(1) Section 1 is effective to vest the rights and liabilities of the Crown Agents under any agreement or arrangement for the payment of pensions, allowances or gratuities in the successor company along with all other rights and liabilities of the Crown Agents.

(2) Accordingly, for the purposes of any such agreement or arrangement as it has effect as from the appointed day—

(a) any period of employment with the Crown Agents or with a subsidiary of the Crown Agents, and

SCH. 1

(b) any period of employment which would, immediately before that day, have been treated as such employment for the purposes of any such agreement or arrangement,

shall count as employment with the successor company or (as the case may be) with a subsidiary of that company.

Section 13(2).

SCHEDULE 2

REPEALS

PART I

REPEALS COMING INTO FORCE ON THE APPOINTED DAY

Chapter	Short title	Extent of repeal
1975 c. 24.	House of Commons Disqualification Act 1975.	In Schedule 1, in Part III, the entry relating to the Chairman, Deputy Chairman or Managing Director of the Crown Agents.
1975 c. 25.	Northern Ireland Assembly Disqualification Act 1975.	In Schedule 1, in Part II, the entry relating to the Crown Agents for Oversea Governments and Administrations.
1979 c. 43.	Crown Agents Act 1979.	Section 1(7). Sections 2 to 24. Section 27(2). In section 27(3), the words "the Crown Agents or". Section 28. In section 30(3)(a), the words "or 31(2)". In section 31(1)— (a) in the definition of "accounting year", the words from "subject to subsection (2)" to "Crown Agents"; (b) the definitions of "commencing capital debt", "financial year" and "scheduled authority or body". Section 31(2) and (3). In Schedule 1— (a) in paragraph 7, the words "such remuneration and" and "with the approval of the Minister for the Civil Service"; (b) paragraphs 8, 9, 11 and 13 to 15. Schedules 2 to 4.

SCH. 2

Chapter	Short title	Extent of repeal
		In Schedule 5— (a) paragraph 8(4) and (5); (b) in paragraph 23(2)(a), the words "or to the Crown Agents". In Schedule 6, Part II.
1982 c. 39.	Finance Act 1982.	Section 153(4).
1982 c. 46.	Employment Act 1982.	In Schedule 3, paragraph 31.
1985 c. 9.	Companies Consolidation (Consequential Provisions) Act 1985.	In Schedule 2, the entry relating to section 22(6) of the Crown Agents Act 1979.
1986 c. 43.	Crown Agents (Amendment) Act 1986.	The whole Act.
1987 c. 22.	Banking Act 1987.	In Schedule 2, paragraphs 14 and 14A. In Schedule 6, paragraph 8.
1989 c. 40.	Companies Act 1989.	In Schedule 10, paragraph 29.
1992 c. 52.	Trade Union and Labour Relations (Consolidation) Act 1992.	In Schedule 2, paragraph 26.

PART II

REPEALS COMING INTO FORCE ON DISSOLUTION OF CROWN AGENTS

Chapter	Short title	Extent of repeal
1979 c. 43.	Crown Agents Act 1979.	Section 1, so far as unrepealed. In section 30(3)(a), the words "section 1(1) or". Schedule 1, so far as unrepealed.

PRINTED IN THE UNITED KINGDOM BY MIKE LYNN
Controller and Chief Executive of Her Majesty's Stationery Office
and Queen's Printer of Acts of Parliament

o

HMSO publications are available from:

HMSO Publications Centre
(Mail, fax and telephone orders only)
PO Box 276, London SW8 5DT
Telephone orders 0171 873 9090
General enquiries 0171 873 0011
(queuing system in operation for both numbers)
Fax orders 0171 873 8200

HMSO Bookshops
49 High Holborn, London WC1V 6HB
(counter service only)
0171 873 0011 Fax 0171 831 1326
68-69 Bull Street, Birmingham B4 6AD
0121 236 9696 Fax 0121 236 9699
33 Wine Street, Bristol BS1 2BQ
0117 9264306 Fax 0117 9294515
9-21 Princess Street, Manchester M60 8AS
0161 834 7201 Fax 0161 833 0634
16 Arthur Street, Belfast BT1 4GD
01232 238451 Fax 01232 235401
71 Lothian Road, Edinburgh EH3 9AZ
0131 228 4181 Fax 0131 229 2734
The HMSO Oriel Bookshop,
The Friary, Cardiff CF1 4AA
01222 395548 Fax 01222 384347

The Parliamentary Bookshop
12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders 0171 219 3890
General enquiries 0171 219 3890
Fax orders 0171 219 3866

HMSO's Accredited Agents
(see Yellow Pages)

And through good booksellers

LONDON: HMSO

ISBN 0-10-542495-1

9 780105 424956

Crown Agents Bill (Lords)

HC Deb 06 June 1995 vol 261 cc35-117

Order for Second Reading read.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tony Baldry) I beg to move, That the Bill be now read a Second time.

4.30 pm

In August 1993, my noble Friend the Minister for Overseas Development, Baroness Chalker, announced the Government's decision to introduce proposals that would allow the Crown Agents to be transferred to a newly created, independent foundation. The Bill before us gives effect to that decision. It might be helpful to remind the House a little about the Crown Agents. Who is it? What is its history?

The Crown Agents began its work in 1833, when, as Crown servants acting under prerogative, it was appointed to procure goods and services for colonial administrations. Its status was redefined at the turn of the century, when the position of Crown Agents' staff was formalised as analogous to that of civil servants. A new headquarters was opened, and the volume and complexity of work undertaken increased rapidly.

The next milestone came in 1954, when its full name was changed from "Crown Agents for the Colonies", to "Crown Agents for Oversea Governments and Administrations", by which it is still known today, although I suspect that everyone in truth knows it as Crown Agents. That change reflected and assisted its transition from British colonial servants to the present international business, uniquely responsive to the needs of a wide range of overseas clients. It performed that task well for more than a century.

For almost all its 162 years, the Crown Agents has effectively operated in the private sector.

In 1954, Sir George Seel, the Crown Agent, gave a broadcast explaining the change of name for the Crown Agents. I think that what he said was of some interest. He said: “We trace our ancestry as Crown Agents to the private merchants who, in the eighteenth century, handled the London or Bristol business of the several West Indian Colonies.” These private agencies were consolidated by the Treasury in 1833 into one establishment, under two "Joint Agents General for Crown Colonies", who then acted for 13 Colonies; henceforth under Treasury supervision, but still as a private business.

During the 19th century, various adjustments were made, as colonies multiplied and the business expanded, and in 1863 the name Crown Agents for the Colonies was introduced. In 1909, after a parliamentary investigation, the organisation took its present form under the general supervision of the Secretary of State for the Colonies.

“We are still,” said Sir George Seel, in 1954,

“a private business in the sense that we are not paid out of taxes. We live on a modest commission on orders, adjusted from time to time to avoid piling up profits, or of course running into a loss. Our salaries conform to those of the Civil Service, but we depend for continued existence on satisfying our principals, the oversea authorities (now numbering 120) from whom we take our instructions. We are in short a Crown Office carrying on financial and commercial business on a large scale. Last year, we bought and shipped some £60,000,000 of goods, nearly all British. We hold over £800,000,000 of other people's cash and securities.” “We are well known to British firms who export anything from railway engines to pedigree chickens, or from a dredger to a queen bee. We are known to investors in Colonial Stocks, and to thousands who have served overseas, and when on leave or retirement drew their pensions or salaries from our offices overlooking the Thames at 4 Millbank, London." "We act as consulting engineers. We float loans, or acquire house property. We can where authorised act as Universal Aunts for any public authority abroad which has business in this country." "Why change our name? The answer is simple. Twenty years ago `Crown Agents for the Colonies' fitted well enough, but now our clients are by no means all Colonies, or even all British, or even all Governments. Foreign territories like Iraq, Jordan and Libya, once under British administration and guidance but now independent, still find it pays to use our services. So does Ceylon, an independent Commonwealth country. We act for international bodies, and for British Government departments under the Colombo Plan. We are constantly acquiring new clients among local authorities and other public bodies abroad." "For all these clients our name, nearly a century old, signifies quality and service; but many now find it misleading. We have therefore felt bound, although with some reluctance, to change it. In practice, we have always been called just 'Crown Agents', and we had hoped to make that our official title. But there is already a Crown Agent in Scotland, and it would be even more confusing, as well as discourteous, if we tried to poach on his preserves. So, after trying many alternatives, we become 'The Crown Agents for Oversea Governments and Administrations'." "Our friends will no doubt go on calling us Crown Agents for short, and we hope this will continue to stand for efficient service. We've been asked 'What's in a Name?' The answer, for us, is the maximum of business goodwill between Britain and many oversea countries." That was Sir George Seel in 1954. As was clear, Crown Agents was a UK success story, effectively while in the public sector, running as a private business.

Alas, in the 1970s, things got difficult. Crown Agents unwisely expanded its own account business into areas in which it had no specialist expertise.

When the property market failed in the mid-seventies, Crown Agents was left with substantial losses, which Government were obliged to underwrite. That resulted in a Bill in 1979 which provided a tight framework of regulation and Government control—a necessary piece of legislation at the time, supported as a whole by Parliament.

On Second Reading in February 1979, it was clear that the Bill had been introduced against the background of a series of financial disasters, inquiries and investigations, and that the legislation was deliberately tight in order to try to ensure that such mishaps could not occur again.

For the first time in its history, Crown Agents was given statutory authority as a public corporation, responsible to the Minister for Overseas Development and the Secretary of State for Foreign and Commonwealth Affairs. The Secretary of State appoints the chairman and board, and has certain powers of direction over their work. The Act rightly took care to safeguard the traditional confidential nature of Crown Agents' relationship with its overseas principals.

But it is worth noting in the context of today's Bill that if Crown Agents, as a consequence of this legislation, moves into the private sector in the next year or so, it will have spent only about 15 years of its 162 years as a public body.

It is also worth noting that Crown Agents operates at no cost to the taxpayer. Since incorporation in 1979, Crown Agents has not received any subsidies from the Government—quite the contrary. Since 1979, Crown Agents has made payments of more than £20 million in capital and interest to the Government. It has been so successful that today it is one of the world's largest international public sector purchasing organisations.

It provides procurement, management and technical services to around 150 clients, serving 130 countries. It employs about 600 permanent staff, plus 250 overseas and contract staff. Its clients include other countries which give substantial bilateral aid, such as Japan and the Netherlands; and multilateral development agencies, particularly the World bank, the European Union and the United Nations. It is a matter of some pride to all of us that a country such as Japan has such confidence in the Crown Agents that it contracts out its overseas development work to the Crown Agents.

In the former Yugoslavia and in Rwanda, where Crown Agents has worked for the ODA and for the United Nations agencies, its procurement and logistic services have proved invaluable, delivering emergency supplies to those who desperately need them. There is no doubt that, with its help, we have saved many lives.

The heart of Crown Agents' business is, and will remain, the provision of procurement services for all its clients—whether public or private sector—here and around the world. It also provides training and advisory services in procurement. As one of a number of such projects in the former Soviet Union, Crown Agents provided the Russian Government with technical advice, funded by our know-how fund, for the management of a $350 million World bank import rehabilitation loan.

At its own training centre in Sussex and overseas, Crown Agents provides courses in a wide variety of disciplines that are highly relevant to economic reform and human development. The Crown Agents group also includes an asset management arm regulated by IMR0— the Investment Management Regulatory Organisation—and a financial services company which has applied for supervision, following passage of the Bill, by the Bank of England.

Its stamp bureau provides philatelic services for nearly a quarter of the world's postal administrations, and its wholly owned subsidiary Resource is helping the standards organisations of more than 30 newly industrialised countries to establish standards for product testing and inspection.

The Crown Agents ethos is rooted in a long and proud tradition, but it is completely relevant to today's competitive business environment and the needs of a growing army of customers. One of the most important of those is the Japanese Government. My right hon. and noble Friend the Minister for Overseas Development is becoming used to the congratulations of diplomats and officials who have come across the work of Crown Agents. Most recently, the head of the Japanese Economic Co-operation Bureau, Mr. Hirabayashi, made a point of telling Lady Chalker—at a high-level meeting of the OECD development assistance committee in Paris—how much he valued the work done by Crown Agents.

The Japanese Government's appreciation of Crown Agents' professionalism and reliability is no doubt the reason why an increasing volume of Japan's aid programme is routed through Crown Agents. I am sure that the House will be interested to hear about a few of its more recent projects.

In Ghana, Crown Agents is currently organising a major economics consultancy for Japan's OECF to assess the progress of privatisation. For that project, it formed an Anglo-Japanese team—a good example of the new models of partnership and consultation that Crown Agents, as a business at the cutting edge of its field, is developing.

Hon. Members may be surprised to learn that the total value to date of the purchasing programme in the 14 sub-Saharan African countries that Crown Agents manages for the Japanese is around $1 billion. That substantial sum—along with the trust of the Japanese Government which it signifies—places a fair value on the quality of the work that Crown Agents provides for many clients across the world. That is why—along with, I am sure, the whole House—I have every confidence in the future success of Crown Agents.

The House may be most familiar with the work of Crown Agents in emergency relief and humanitarian assistance. It has deservedly won a pre-eminent reputation in that regard. Often operating in very difficult environments, frequently in an unfamiliar legal context, Crown Agents has built up substantial reserves of good will and trust as a result of its courage, professionalism and dedication. Its contribution to the Mostar relief convoy in Bosnia was decisive, and the United Nations High Commissioner for Refugees has placed on record "enormous appreciation" of its “courage, professionalism and spirit … solidarity and dedication under extreme pressure and danger".” But Crown Agents' work rarely ends when the immediate crisis is over. It is also used to planning and building for the future. It has already begun purchasing and supplying equipment, plant and vehicles for the reconstruction of damaged facilities in the war-torn city of Mostar, under the management of the European Union Administration.

Hon. Members will recall that Crown Agents is a truly international organisation, with clients across the globe. It has developed speedy, innovative and flexible responses to emergencies, which take full advantage of their world-wide network of personnel and offices.

That network played an important part in the United Nations' emergency response to the Rwandan refugee crisis. Crown Agents airlifted logisticians and equipment to Zaire; a complex operation to supply water to a refugee camp near Goma was solved only when Crown Agents airlifted from Croatia a water tanker convoy, complete with equipment and spares. The tankers were soon transporting 350,000 litres of water daily into the camp, providing the last vital link in the chain of relief and saving many lives in that beleaguered country.

Crown Agents' many friends in the House and across the world will be pleased to know that it intends to make the best possible use of the expertise that it has developed in so many tragic parts of the world. Indeed, the ODA is currently discussing with Crown Agents plans to provide a full-time emergency response unit on permanent standby to deliver humanitarian assistance anywhere in the world.

The range of Crown Agents' activities is impressive. Its business is constantly evolving. Sixteen years ago, when the 1979 Act was passed, Crown Agents provided the bulk of its services with funding provided through the British aid programme—although it served many other public sector clients around the world. Today Crown Agents obtains more than 70 per cent. of its work from overseas, because that work has increased substantially. New markets continue to be identified, and the benefit of Crown Agents' professional expertise is felt in the more recent areas of development activity—for example, Vietnam, Palestine and the central Asian republics.

My right hon. Friend the President of the Board of Trade opened Crown Agents' latest buying office last year in South Africa, where Crown Agents is making an increasingly important contribution to the development of the economy. Quality assurance and inspection services have been expanded, and a joint venture company established to service the growing volume of interregional trade in that part of the world.

Perhaps the most exciting project is the Soweto skills initiative, which combines commercial shrewdness with a real contribution to development in the poorest part of South Africa. It aims to identify potential entrepeneurs from the township for attachment to UK companies and training in enterprise skills. The project is run jointly with other businesses, both British and South African; host companies have included top-flight names such as Rolls-Royce, GEC and Hill Samuel.

I consider that a fine example of the collaborative, skills-based approach that Crown Agents is now developing. By marketing the expertise that it has built up over its long and distinguished history, it enables poorer economies to develop the qualities and personnel they need to produce and maintain an acceptable and sustainable standard of living for their peoples.

More and more operations are carried out in strategic partnership with other aid institutions or providers of complementary services. Crown Agents is developing multi-disciplinary services, based on its own pioneering work, and supplies management information systems for use by clients. This year will see the installation of a new computerised purchasing system.

Crown Agents is modernising to meet the challenges of an increasingly competitive international market. It is up to Government to ensure that outmoded legal and political structures do not hold back the development of a great British success story that extends throughout the globe. Everyone appears to agree that the 1979 Act no longer meets Crown Agents' needs.

Throughout its history, Crown Agents has adapted—sometimes with the assistance of Parliament—to the continually changing environment in which it must operate. Those changes have not damaged the professionalism and integrity on which its reputation depends; they have strengthened it, and we must not stand in its way. We believe that it is no longer necessary or appropriate for Crown Agents to remain in the public sector, with all the constraints on its work that that involves.

It is our intention to provide the Crown Agents with a legal and financial framework which will enable it to continue to make its distinctive contribution to development by meeting the changing needs of its clients while preserving the essential qualities of probity and impartiality for which it is renowned.

The Bill provides for the transfer of the Crown Agents' business from the present statutory corporation to a successor company, under the Companies Act 1985, wholly owned by the Crown and therefore still in the public sector. However, the Bill then gives the Secretary of State the power to dispose of the successor company to a new owner. It is at that point that Crown Agents will leave the public sector.

The Bill also contains provisions for the future of Crown Agents Holdings and Realisation Board. That was a separate legal entity set up in 1979 to manage and wind up the assets and liabilities of the unincorporated Crown Agents' own account business, to draw a line under its losses. CAHRB will stay in the public sector to discharge its remaining responsibilities. When the last few loose ends are tied up, the board will be wound up by the Secretary of State using his existing powers.

This is an enabling Bill. It cannot prescribe the final form that the business will have in the private sector; nor should it attempt to do so. We have, however, made our intentions clear, and I would like to put them firmly on the record.

Mr. Nigel Forman (Carshalton and Wallington) I declare a constituency interest in the future of Crown Agents, because a number of my constituents work at its headquarters in Sutton.

On the financial aspects of the matter, is my hon. Friend fully aware that the organisation will necessarily have some restructuring costs? Is he further aware that it is healthy for Crown Agents that the pension fund should be in surplus? Can he give some indication whether that situation could continue, because it would help finance some of the restructuring costs?

Mr. Baldry The pension fund and the staff of Crown Agents are very important. I hope that what I am going to say will reassure the House and my hon. Friend that we are seeking to achieve a structure which is strictly in the private sector —that is, one that does not have the Treasury straitjacket that comes from being in the public sector; a structure which recognises the contribution of the staff, protects the interests of existing staff and ensures that the Crown Agents moves into the private sector in a way that guarantees its continuing viability and that it will continue to be a great British success story.

I should like to deal with each of those issues separately. Our intention is that, in due course, the owner of Crown Agents will be a new, independent foundation with a clear developmental mission. I hope that that is clearly understood by the House.

There will be a two-stage process under the Bill. In the first stage, the Bill provides for the transfer of the Crown Agents from its present statutory corporation to a successor company, under the Companies Act 1985, wholly owned by the Crown and still in the public sector.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) Will the Minister give way?

Mr. Baldry If I may finish stage two, I will give way.

In stage two, the Bill gives the Secretary of State the power to dispose of the successor company. It will be our intention that that company will go to a new independent foundation with a clear developmental mission. It is at that point that the Crown Agents will leave the public sector.

Mr. Foulkes The Minister was right to ask me to wait, because I wanted to ask about the foundation.

The foundation was announced by the Government in August 1993, nearly two years ago. Since then, my right hon. and hon. Friends in the other place and here have been pressing very strongly for the memorandum and articles of association to be published, so that we can see what sort of foundation it will be and what will be its purpose, structure and membership. The Government have constantly refused to do that. Can we have some guarantee that they will be published and made available to hon. Members during the consideration of the Bill in Committee, which will otherwise be a total farce?

Mr. Baldry As the hon. Gentleman knows from comments in the other place, our intention is that the memorandum and articles of association should be published as soon as possible.

There are a number of issues which are still under consideration. Perhaps I can share one with the House. Certainly I want the Committee to be as well informed as possible, but I could not give an undertaking or guarantee that the articles will be ready for the Committee stage.

Let me take one issue that we will want to discuss in Committee. One of the ways forward would be for the foundation to be a charity. In that case, one of the issues that would have to be considered is whether the foundation would have charitable status.

Since the Barings debacle, there has been a different approach towards charitable status. Prior to the Barings debacle, it was perfectly proper and sensible for the trustees of a charity to repose all its funds in a particular institution because they may have considered that to be safe. Post-Barings, we can see that that might not be the most sensible way for trustees to fulfil their fiduciary duties. They may find it more sensible to spread their portfolio of investment.

If the foundation were to be a charity—and that matter is still under consideration—and was not able to invest all its portfolio in the operating company of the Crown Agents, there might be some continuing instability, which we would wish to avoid.

We share with the whole House the desire that the maximum amount of information about the foundation should be given and made available just as soon as it can be. Nothing in the Bill should cause a scintilla of concern to any hon. Member who has a genuine interest in development policies and in ensuring that the Crown Agents continues to do the excellent work that it has done in the past.

We have given repeated assurances about the nature of the proposed foundation. We have made it clear, and I repeat again, that we have no intention of selling Crown Agents by means of a trade sale, because that would not meet Crown Agents' needs, nor would it meet the concerns of its overseas clients.

The foundation will be a company limited by guarantee. No profits from the foundation will be distributed to its members. They will be reinvested instead in accordance with the developmental objectives set out in the constitution of that foundation. The memorandum and articles of association will be very tightly drawn, to preserve and build on the ethos which Crown Agents has developed over its long and distinguished history.

The permanent members of the foundation will bring together business ability with wide experience of aid and development. They will be drawn from charities, financial and trading companies, professional and trade organisations and other aid organisations and enduring institutions. Present members of the Crown Agents board may bring their unrivalled experience of the business to the initial membership, providing valuable continuity during the period of transition.

Again, I make it clear that the Government have no intention of having any involvement in determining who are the members. Obviously, we will wish to be satisfied that the founder members possess competence and integrity. The hon. Member for Eccles looks critical. Perhaps I should explain in a little more detail.

We do not start with a clean sheet of paper. We have the existing membership of Crown Agents, together with a number of organizations—the Chartered Institute of Purchasing and Supply, for instance—and charities that have a close interest in Crown Agents. One imagines some of those organisations coming together as founding members of the new foundation.

Human nature being what it is, I imagine that at some point Crown Agents and those who take a close interest in it will come together and tell the Government, "We wish to be the founding permanent members of the foundation." The Government will not determine who those members should be; we feel that Crown Agents and others can well work that out for themselves. We shall simply be concerned to know that they possess competence and integrity, and that collectively they will meet the developmental needs of Crown Agents.

We are still considering the best structure for the foundation. As I explained to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), a number of issues remain to be considered. We shall want to ensure that the new structure enables the foundation to fulfil its social and developmental objectives, while enabling Crown Agents' operating company to trade commercially.

As I have said, charitable status for the foundation is one of the options. It has its attractions, including oversight of the trustees by the Charity Commissioner. It also has difficulties, arising in part from the restrictions imposed by charity law on single investments. Prospective members of the foundation will have their views on this, and no final decision has yet been made.

We want to be assured that the future structure will be fully satisfactory before transfer of the business takes place. We will make sure that the fundamental objectives of the foundation cannot be changed without our agreement for a sufficient period to ensure that the new structure starts life on a proper footing. As to how long that period might be, I am certain that we can explore that in some detail in Committee. It is certainly our intention that there can be no change to the fundamental objectives of the foundation for a substantial period, so that it can start life on a proper footing and establish itself as a new entity in the private sector.

The foundation will be the sole shareholder in the operating company, which will be built on fully commercial lines. There are plenty of analogies for such a system. The Oxfam charity can operate with Oxfam Trading carrying out its business as a straightforward commercial operation whose profits are reinvested for charitable pursuits. The Wellcome Foundation carries out similar operations, too.

The operating company will he limited by shares and will service capital in the usual way; it is the operating company that will generate the surpluses which will enable the foundation to fulfil its developmental objectives.

The capital structure of the new company remains to be settled. The Bill contains provisions allowing us to make the necessary arrangements. We are keen to ensure that the new company does not begin its life overburdened with debt. We want to ensure that Crown Agents has a fair start, to guarantee the continuing viability of the business, not least because our aid programme is, and is expected to remain, a substantial customer of its excellent services. So we shall seek to ensure that the terms of transfer balance the need for a healthy rebirth of Crown Agents in the private sector with the interest of taxpayers in securing value for money for public assets.

To recap: there will be a two-tier structure, with the foundation being the sole owner of the operating company. The foundation will be a company limited by guarantee. My noble Friend the Minister for Overseas Development confirmed that in another place on 24 April. The foundation's memorandum and articles of association will be tightly drawn up to reflect and to build on the social, ethical and developmental principles on which Crown Agents' business is based.

The operating company will operate Crown Agents' business along normal commercial lines, and will be limited by shares. The operating company will be able to pass its profits to the foundation. The foundation will not distribute dividends, but will use any profits from Crown Agents' business in pursuit of its overall objectives.

Members of the foundation, some of whom may serve on the board of the operating company, will not be appointed by Ministers. Existing members of Crown Agents will be among the founder members of the foundation. Other founder members may be drawn from a range of institutions, including finance and trading companies, professional and trade organisations, charities and other developmental aid bodies. Additional new members will be nominated and selected by existing members in accordance with the foundation's articles of association. The Secretary of State will have reserve powers, so that no change can be made to the fundamental purpose of the business, without his consent, certainly for a period of up to five years.

We are working hard with our advisers and with Crown Agents to resolve a number of complex legal issues, which will be made clear in the memorandum and articles of association. We shall make them available to Members of this House and place them in the Library.

Mr. Foulkes The Minister has spelt out the provisions for the foundation and the operating company in great detail. What he has omitted to say—I believe it is the most important element—is whether, after the five-year period, when the foundation becomes free-standing and is no longer subject to the control of the Secretary of State, anything will be written in to the rules to prevent the company selling off all its assets to a private company—Lonrho, Tate and Lyle or some other firm. Will there be safeguards in the memorandum and articles of association? They are essential; I hope that the Government will take that into account if they are not already doing so.

Mr. Baldry I suspect that the House will ultimately have to come to a judgment on that and certain other issues in this Bill. I am sure that we will hear views expressed in this debate on whether the foundation should be described on the face of the Bill, for instance.

To answer the hon. Gentleman's question: the foundation, it should be remembered, will begin with a membership comprising existing Crown Agents and people with an interest in the present ethos and philosophy of the organisation, and in its continuing success. The people who will become founder members of the foundation will all therefore be committed to Crown Agents. They will not be rapacious speculators. I reiterate—they will all be people who want Crown Agents to succeed.

As with any other group, if someone drops out, under the articles of association of the foundation the remaining members will be able to appoint someone else to join. Thus, new members will all be organisations committed to the developmental and philosophical aims of Crown Agents. No organisation will be able to get involved unless it enters as a founder member or is later appointed under the memorandum and articles of association by those who are founder members.

Miss Joan Lestor (Eccles) I am puzzled. The Minister said that the Government would not appoint people. In that case, what absolute guarantee does he have that they will be the sort of people that he describes?

Mr. Baldry I thought that I had explained that. Crown Agents will seek to get around it a number of charitable and business organisations such as the Chartered Institute of Purchasing and Supply, and perhaps the Association of British Chambers of Commerce—bodies which have a genuine interest in the work of the Crown Agents. The Government will have to look at those organisations in the round to see whether we are satisfied about their competence and integrity to take over the foundation when the Secretary of State moves to the second stage of transferring to the foundation the company that the Bill will set up.

It is inconceivable that organisations that are committed to the developmental and philosophical objectives of the Crown Agents will not form a strong foundation that is committed to the development work of the sort that Crown Agents currently carries out. When the foundation is in place and the Secretary of State has transferred to it the company that is set up by the Bill, those founding organisations will control the foundation.

The only way in which any other organisation can become a member of the foundation is by appointment by its existing members under the memorandum and articles of association. Therefore, there is no way in which an organisation could become associated with the Crown Agents unless it was committed to the current developmental and philosophical aims of the Crown Agents.

Mr. Menzies Campbell (Fife, North-East) The Minister's speech is reminiscent of "Candide"— everything is for the best in the best of all possible worlds. However well intentioned and qualified, the people in foundations do not always hold the same views, and there are disputes. If there is a dispute in the foundation about how matters should proceed, how will it be resolved unless the Secretary of State retains some residual power?

Mr. Baldry The foundation will be in the private sector. Let there be no doubt that, when the Secretary of State is satisfied about the competence and integrity of the membership of the foundation, he will transfer the company that is set up by the Bill into the foundation. At that stage, Crown Agents will move into the private sector. It will be a company limited by guarantee, and any disputes in the foundation will be resolved under company law using the process of the memorandum and articles of association. We could all put forward worst case scenarios.

Since 1979, Crown Agents has, in effect, operated in the private sector. That was brought about in 1979 for particular reasons. It has operated successfully throughout the world because it has always had a clear purpose, commitment and idea of its work. That will continue.

Mr. Forman The debate is not overburdened with speakers. Presumably my hon. Friend wishes to draw the attention of the House to the fact that the head of the procurement division, as the briefing says, of the World bank, Mr. Scrinivasan, is perfectly happy with the idea of Crown Agents moving into the private sector at some appropriate stage. He sees that as being to the advantage of Crown Agents and its clients.

Mr. Baldry My hon. Friend makes a good point, and I can reinforce it by telling the House that, as far as I am aware, none of Crown Agents' clients, suppliers or customers is concerned about what is proposed. They all recognise that the legislation will provide Crown Agents with an opportunity to move forward unrestricted by limitations that are placed upon it because it is strictly and formally still within the public sector.

We are working hard with advisers and the Crown Agents to resolve a number of legal issues. They will be made clear in the foundation's memorandum and articles of association, which will be made available to hon. Members and placed in the Library. Some people wish us to put the foundation in the Bill, but that would be unnecessary and would add nothing to what Ministers have said or will say before the Bill leaves the House.

The staff of Crown Agents are its greatest asset. They are distinguished by their courage; many staff members who have been operating in places such as the former Republic of Yugoslavia have shown courage, professionalism and competence in the broadest sense. Those qualities have been displayed in some of the most dangerous parts of the world, and 11 employees of Crown Agents received honours in the past year for delivering emergency aid to the long-suffering people of Bosnia and Rwanda. The Bill rightly protects their best interests.

Nothing in the Bill affects the application of the Transfer of Undertakings (Protection of Employment) Regulations, commonly known as TUPE. The terms and conditions of staff and the continued recognition of trade unions that are recognised at the moment of transfer will be inherited by the new company. Pension funds are held in trust, and current assets are more than sufficient to meet present and future demands. Crown Agents has no plans to alter the present arrangements. The security of trust-based schemes will be further protected by the provisions of the Pensions Bill, which is currently being considered by the House. There will be no change in the assets and liabilities of the funds when the business transfers.

During the transition, we shall take all necessary steps to ensure that clients appreciate that the quality and range of services that are offered by Crown Agents will remain unaltered. Indeed, they should be enhanced. Client confidentiality will continue to be respected, and the change in status from a public corporation to a foundation will make no difference to existing or new contractual obligations.

Nothing in the Bill should cause any concern to anyone working with or for Crown Agents or to any of its customers or suppliers. The Bill seeks merely to ensure that Crown Agents can move into the 21st century with a structure that is fit for the next century. The Bill will allow it to secure its future by freeing it from cumbersome and unnecessary constraints in the public sector while strengthening its ability to develop new commercial opportunities here and overseas.

Crown Agents is a great British success story, and we wish to ensure that its future business has a stable and enduring structure and that the success story continues. I commend the Bill to the House, and trust that hon. Members will give it a Second Reading.

Miss Joan Lestor (Eccles) I and, I am sure, the whole House thank the Minister for the detailed analysis and background he gave about the Crown Agents and about the arguments leading up to the Bill. As we discuss the Bill, it will emerge that the Minister and Conservative Members are more trusting than we are. We shall see how it goes.

5.18 pm

It is important to place it on record that debates on the Crown Agents here and in the other place have been typified, from all quarters, by genuine expressions of good will towards the organisation, as the Minister rightly said this afternoon. I welcome the opportunity to place on record our admiration for the work and the first-class reputation of the Crown Agents and its loyal and committed staff.

As we have heard, the Crown Agents is one of the world's largest international, public sector purchasing organisations. It provides the highest quality of service, advising on the cheapest and most efficient ways in which to supply projects. It continues to play an important part in the Overseas Development Administration's rather shrinking bilateral aid budget.

In recent years, those services have been supplemented by new roles, on behalf of Britain and other donors, such as ensuring the safe delivery of emergency aid, as we have heard, to the stricken areas of Rwanda and Bosnia, and providing assistance in eastern Europe and the former Soviet Union. All that is to be welcomed.

In its annual report, the managing director of Crown Agents accurately reports: “We have remained constant to our core purpose of providing financial, professional and procurement services for the economic development of our clients … We are entirely self-supporting … exposed to and tested by the rapidly changing market place and must deliver services which are contemporary, economic and effective.” He describes the procurement business as "our engine room" and he points out that Crown Agents is "also becoming a catalyst" for change.

Without doubt, the name "Crown Agents" is synonymous with the highest standards of impartiality and probity. Crown Agents is justifiably anxious to maintain that good will and credibility which have been so carefully built up over the years—an anxiety shared by many of its clients. The tradition of service to Britain and to other countries is now under threat, not from within the organisation, but from the Government, and it is all so very unnecessary.

The Minister paints a picture of an organisation that is unable to respond to the commercial challenges presented by a changing world because it is in some way tied by its historic structure. I believe that it is important to have fixed points in a rapidly changing environment, especially if they provide not only stability but a guaranteed quality of service, as Crown Agents does. There is, however, a strong case for allowing the Crown Agents to take on additional functions and to operate in new markets. I shall address that point in greater detail a little later.

What I cannot accept—this is the only choice put to us—is that we have either to privatise the organisation or leave it exactly as it is; I cannot accept that there is no third way. Let us make no mistake. However it is put, we are talking about privatisation, even though some Ministers have been remarkably reluctant to use the P-word. In the light of recent bungled attempts in other sectors, the House will understand that reluctance. Both in the other place and here, Ministers have talked of transfer to an independent foundation or of "a suitably formed foundation", whatever that may mean. Neither we nor the Government know exactly what that means.

We have heard about the Government's intention that Crown Agents will move into the private sector. We have heard that a successor company, wholly owned by the Crown, will be established, and will therefore still be in the public sector. We have heard that “the Bill gives the Secretary of State, with the consent of the Treasury, the power to dispose of the successor company to a new owner.” Baroness Chalker had to admit, however, that “the terms of this future transfer are not specifically addressed in the Bill".—[Official Report, House of Lords, 28 February 1995; Vol. 561, c. 1410.]” The Minister partly confirmed that in his speech.

As a result of this legislation, this public sector organisation will be redefined as being in the private sector. Its assets will be transferred to a company limited by guarantee. Is that not privatisation? There are many reasons why the Government have chosen this bizarre route to privatisation. I am given to understand that some Treasury Ministers favoured straight privatization—sale to the highest bidder—which would have yielded a positive financial consideration and provided the clean break from Government which is so popular in Whitehall circles. There were, however, substantial snags in that option.

For some time, strong rumours have been circulating that some of the major clients of Crown Agents, especially the Japanese Government who are its second largest client, were sensitive about a possible future takeover. They have questioned whether the high standards of probity and impartiality associated with Crown Agents could be maintained if the organisation became part of an international conglomerate. The possibility of the Japanese and others taking their custom elsewhere—that is a big part of the work of Crown Agents—could have jeopardised the sale. Concern has also been expressed about the grossly high salaries and share options that we have come to associate so clearly with British privatisation programmes.

It was as a direct result of those concerns that the Government decided to go for the unusual route of establishing a foundation which would have developmental objectives. It was not an easy decision for Ministers to take, although they now would have us believe that it is the only and obvious choice.

Once again, expensive City consultancies have been wheeled in to chew over the pros and cons. Coopers and Lybrand produced an extensive report in 1992 which has still not been made public. I understand, however, that Coopers and Lybrand recommended a straight trade sale. "They would, wouldn't they?" one might say. Since then, the Government have been dithering over the options—or considering them deeply, depending which phrase one wants to use.

I am sure that the President of the Board of Trade, for example, must have pointed out what a significant ally Crown Agents is in the effort to increase British exports. Crown Agents knows United Kingdom suppliers well and it is, in turn, accessible to them. Some 35 per cent. of aid procurement handled by the United Kingdom is sourced in the

United Kingdom. The link with British industry is worth tens of millions of pounds a year, and let us hope that it can continue. Straight privatisation would have put that relationship in jeopardy.

The choice of a foundation is unusual. Comparisons have been drawn with other organisations: the Wellcome Foundation is a prominent example which bears closer scrutiny. Like Wellcome, the Crown Agents foundation would have twin objectives, trading and development, which would be kept entirely separate. However, Wellcome has been in the news recently because of a takeover battle, and there are interesting parallels with the proposals for Crown Agents, which we should pursue.

The Wellcome Foundation is a registered charity. A trust owned all the shares in the associated drug company until 1986, when a quarter were sold. A further third were put on the market five years later. Each sale required High Court approval, because the will that set up the trust left the trustees in ownership of the company, but without the power to dispose of that ownership. As a result, the trustees had to obtain a scheme from the charity commissioners to override the will. However, it was the clear intention of Sir Henry Wellcome when drafting his will that control of the company should remain with the trustees.

The recent Glaxo bid for Wellcome shares shows how important it is to have specific provision in the articles of association to safeguard the welfare of the company and its staff, to which the Minister has referred. We must ensure that a future Crown Agents foundation is not left vulnerable as the Wellcome Foundation, which has been held up as such a good example, has been.

At the heart of our concern about the Bill is the fact that so many details about the foundation have been left hanging in the air. Despite the Minister's assurances—I am sure that they are given in good faith; but he has greater faith than I have—I am not satisfied, and I do not believe that anyone else is who is concerned about the organisation's future.

The Government still have not made up their mind about the board or the structure of the foundation. The Minister for Overseas Development has said that membership of the foundation will reflect the international character of Crown Agents' activities, and will include representatives from the corporate sector. We can do no more than speculate what that means. I presume that the Japanese national aid agency could reasonably expect an invitation to take up membership.

It is conceivable that Treasury Ministers have suggested that, whichever body assumes responsibility for overseeing the trading activities—presumably it will be the board of directors—it should be composed mainly of hard-nosed business men and women with no direct interest in, let alone commitment to, the developmental aspects of Crown Agents' work. Other Minister have expressed concern that the foundation's objectives may be changed by its members. Indeed, the Bill does not make it clear what safeguards there will be to ensure that membership of the foundation will not eventually pass into the hands of people with radically different ideas about how it should operate.

I understand that the Bill will give the Secretary of State limited reserve powers, possibly for five years, to rein in any attempt to change the fundamental purpose of the foundation. But, as my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) has already asked: what will happen after that? If we need a five-year guaranteed reserve power for the Secretary of State to stop any change in the fundamental purpose of the foundation, there must be the possibility that attempts will be made to change that fundamental purpose. Why else are the reserve powers there?

As I read the Bill, it says that, although we shall watch the situation carefully for five years, after that, open season will be declared.

Mr. Forman Does not the hon. Lady understand that the Crown Agents' strengths lie precisely in the technical, procurement and related activities that support the developmental objective? She must know that. So what possible reason could there be for Crown Agents in the private sector, with greater commercial freedom, not to play to its strengths?

Miss Lestor The hon. Gentleman is making the same point as I. In other words, it is all a matter of faith. There is no guarantee in the Bill that what he wants and expects is likely to happen. As I have already asked, why suggest the five years' reserve powers if everything is bound to be all right? If it were certain that nobody would go in a different direction because everyone is committed, we would not need the five years reserve powers.

Baroness Chalker said in another place that members would not be appointed by the Minister, and the Minister repeated that today. However, in Baroness Chalker's words, Crown Agents is "in touch with a … range of institutions including finance and trading companies, professional and trade organisations, charities and other development aid bodies." How can Ministers give a firm assurance that the proper balance between those different interests will be achieved if there is not control over the composition of the membership?

Lady Olga Maitland (Sutton and Cheam) I have listened with great interest to the hon. Lady's hostility to the whole idea of the private sector's having any role to play in the future of Crown Agents. Does she not accept that the purpose of the transfer is to enable Crown Agents to prosper, flourish and develop? She seems to suggest that it will be incapable of maintaining the integrity that it has shown so far. Will she set the record straight and say where she stands? Does she not trust Crown Agents?

Miss Lestor The hon. Lady has slightly misunderstood my argument. Privatisation is not the same thing as encouraging the private sector in certain areas. [Interruption.] With respect, those two things are not the same. One can privatise an organisation so that it is completely private, or one can have an organisation with elements that make it a public organisation, although the private sector is encouraged to participate up to a certain point. The second alternative is not privatisation.

It is the Government, not the Opposition, who do not trust Crown Agents. I trust Crown Agents and believe that its contribution has been unusual and welcome, and that it still has a long way to develop further. But I do not want the purposes for which Crown Agents was set up to be undermined because the Government are opting out of any control or management of it.

The Government have not set the terms for the transfer of the powers and assets to the operating company. We are told that that can be left to discussions with future foundation members, whoever they may be, once the structure is established in whatever form. Apparently the members might decide to apply for charitable status at some time in the future.

Such a lack of information is not acceptable when we are being asked to allow a Bill of such importance through the House. It shows a disregard for Parliament and a clear intention to thwart the accountability that is achieved through the system of parliamentary debate.

We know that the new company will be limited by guarantee, but we are still waiting for sight of the memorandum and articles of association that their lordships were assured would "reflect … and … build on, the social, ethical and developmental principles on which Crown Agents' business is based."—[Official Report, House of Lords, 28 February 1995; Vol. 561, c. 1410.]" I hope that that is true, but why could such detail not have been included on the face of the Bill? The Minister said that it would not add anything, but its absence suggests to me that something is being hidden. Including the detail would have gone a long way towards addressing the real concerns of people who value the Crown Agents and want it to continue to provide the highest quality of service.

The Bill will have little effect on the working of Crown Agents in the short and medium term. It already operates in a highly commercial way, and there is no suggestion that the developmental objectives will be jettisoned at this stage.

However, after privatisation there will be two obvious changes.

First, any future borrowing by Crown Agents will not count against the public sector borrowing requirement. Secondly, Crown Agents will no longer be limited to serving aid agencies and other public bodies in the developing world. That is another of my concerns. In effect, Crown Agents' services will become available to a much wider range of organisations, including health authorities and local government bodies in the United Kingdom—[HoN. MEMBERS: "Why not?"]

Conservative Members should not get too excited; nobody is saying that that should not happen—but I trust that the enthusiasm for new markets will not lead to too drastic a shift in market focus, and that the developmental aspects of Crown Agents' work will continue to be central to future corporate plans.

The hon. Member for Carshalton and Wallington (Mr. Forman) asked earlier about the welfare of Crown Agents' existing staff, which I understand is giving rise to some concern in his constituency. We must have assurances that there are no plans to make any staff redundant, because we have seen that sort of thing before.

Similarly, it is not unreasonable to require cast-iron guarantees that the pension rights of current and past employees will be safeguarded. I was not sure whether the Minister dealt with that question; perhaps it will come up again later. Not too long ago, Crown Agents gave itself a pension fund contributions holiday in order to break even. The rights of its pensioners must be upheld.

In another place, Lord Judd tried, with the tenacity that those who know him would expect, but sadly without success, to persuade the Government, as we are trying now, to put some flesh on the skeleton Bill. I have great admiration for my noble Friend's political skills; I have known him a long time, and he is an expert at eliciting information from the most reluctant Minister. But even he had to admit that he was up against a brick wall and getting nowhere.

We cannot but conclude that Ministers themselves are still so much in the dark about the details of this unique privatisation that they are not only unwilling but unable to give the reasonable assurances for which we ask. I found it disturbing when the Minister said that he could not guarantee that the memorandum and articles of association would be available for the Committee stage.

Surely, in Committee, it is time to probe deeper, to ask more questions and to put more flesh on the bones. Yet the Minister said that he could not guarantee that the details would be available. We are being asked to pass a measure with little knowledge of how it will work.

In my efforts to understand the thinking behind the Bill, I compared it to another Bill now proceeding through Parliament—the Commonwealth Development Corporation (No.2) Bill.

Ministers have argued that Crown Agents' business has changed so much over the decades that it has become necessary to transform the legal and financial structures in response to changing needs. That is precisely the same argument as Baroness Chalker made yesterday in the other place during a debate on the Commonwealth Development Corporation, an organisation operating in the commercial sector but from within the state sector—like Crown Agents.

Like Crown Agents, the CDC is seeking greater commercial freedom to pursue new markets and undertake additional services. Like Crown Agents, the CDC plays an important role in developmental programmes. But unlike Crown Agents, the CDC is believed by Ministers to be able to develop in the way it has suggested, without resorting to privatisation.

In the same debate, Lord Trefgarne spelt it out clearly: “it is safe to assume that CDC, following the enactment of the Bill with its amendments, will be pursuing the same objectives by substantially the same means but with important new powers to do better more effectively, at an earlier stage and in a more fundamental way."—[Official Report, House of Lords, 5 June 1995; Vol. 564, c. 1226.]" During the debate, Baroness Chalker completely rejected the suggestion that the CDC could be privatised at some future date. That is the same argument, but a completely different conclusion. If the Government believe that such freedom would work for CDC, why not for Crown Agents? Why have they gone totally for privatisation?

We oppose this privatisation. [Interruption.] Did the hon. Member for Gravesham (Mr. Arnold) wish to make a comment? No, he just wants to sit and moan. The Government have so far not succeeded in persuading us that the proposed foundation will successfully maintain at its core a development purpose.

The Foreign Secretary's view appears to be pessimistic, if a recent report in The Daily Telegraph was accurate. The right hon. Gentleman is quoted as saying: "The Crown Agents are buyers and sellers for the Government overseas. But the aid budget is falling. They do a lot of foreign business and need to be free of public sector constraints. It is privatising in order to preserve." If Crown Agents' trading fails to be sufficiently profitable, where will the funds come from to meet the developmental purpose of the foundation? That question has not been answered. The Bill is as flimsy as it is evasive, and it leaves far too much to private discretion and far too little to public scrutiny and accountability to this House. Privatisation is not the only course unless one has a slavish addiction to the dogma of privatisation, however unnecessary.

Mr. Jacques Arnold (Gravesham) The hon. Lady calls this measure a privatisation because it allows her to pigeonhole it. I find it fascinating that the hon. Lady says that she is opposed to this privatisation. In recent weeks, the Labour party has opposed what it calls the privatisation of the railways and the privatisation of the Atomic Energy Authority. The Leader of the Opposition said that the Labour party was not against privatisation, but time and time again it opposes each and every privatisation.

Miss Lestor I am glad that the hon. Gentleman has been reading some of our literature, even if he has got it wrong. What I am saying—the hon. Gentleman knows this—is that the Government say that they can do all that they want for the CDC in the Bill, and that it is not necessary to go for privatisation. But they are going for privatisation in this Bill with none of the safeguards or limits which are required to allow the Crown Agents to operate in the way it has said.

We have been asked to take the Bill on trust, and we will not even have the details of the memorandum before we go into Committee. We oppose the Bill, for the reasons which I have given. The Opposition seek to protect the benefits which the Crown Agents has brought to the developing world. It is absolutely right that the Crown Agents should have greater commercial freedom, but privatisation will not generate the trading surpluses necessary if those developmental benefits are to continue to flow. Privatisation does not give that guarantee, and the Minister unfortunately has not put any flesh on the Bill to assure us that there will be accountability.

5.44 pm

Mr. Nigel Forman (Carshalton and Wallington) I shall be brief, Madam Deputy Speaker. I believe that the Opposition are unnecessarily concerned about the measure. The first point to make—from both a constituency and a general point of view—is that the management of Crown Agents, led ably by Peter Berry and his colleagues, very much want the measure to go through. The employees also wish it to go through, as they believe it to be the right approach for the future of Crown Agents.

Mr. Foulkes It is important to correct that completely misleading impression right at the start. The Crown Agents and its board were opposed to the proposals. [Interruption.] If the hon. Gentleman reads the annual report of 1993, he will find that they were opposed to the proposals. It was only because the Government twisted their arms and threatened them with worse measures that they reluctantly went along with it.

Mr. Forman The hon. Gentleman is out of date. I have had letters from Peter Berry, and I know that the organisation wishes the measure to proceed. Mr. Berry has confidence about the future of Crown Agents on its new basis.

The Bill is welcome because it provides a flexible and imaginative basis on which Crown Agents can go forward, prosper and broaden its markets in future. It strikes the appropriate balance between meeting the concerns of some of the principal clients—one thinks particularly of the Japanese, as mentioned by the hon. Member for Eccles (Miss Lestor)—that Crown Agents should not lose the honest broker status which it has built up over the years, and the wishes of management to obtain commercial freedom and flexibility that are beyond the scope of what is available in the Crown Agents Act 1979. Therefore, it gives a correct and appropriate balance for the next stage of development.

That balanced objective should be achieved with the proposed two-tier structure which my hon. Friend the Minister set out in his admirable speech. A controlling foundation with a wholly owned operating company acting along commercial lines beneath it is a sensible way forward, and it could give the flexibility and the advantages that are sought.

From a constituency point of view, my constituents will be glad to learn that there will be no redundancies among staff working at the headquarters in Sutton. I hope very much that the pension arrangements will he left undisturbed by the proposed change so that they can be of benefit to employees and to the company by helping to meet restructuring costs. I believe that my hon. Friend the Minister said that both points would be satisfactorily addressed by the Bill.

Mr. Baldry Yes.

Mr. Forman I am grateful for that response to an important point.

This is a good Bill, which I support wholeheartedly. I have, however, two or three questions which I should like to raise now and to which my hon. Friend could perhaps reply at the end of debate, if he catches your eye, Madam Deputy Speaker. First, will the new legal framework give Crown Agents the ability to take on new clients such as health authorities and local authorities—in other words, to widen the scope of its client base? I hope very much that that will be the case, as it would be in the commercial interests of the organisation if it were.

Mr. Baldry The answer to that question is yes. One of the reasons why we want Crown Agents to move to the private sector is that—under present Treasury rules—it cannot compete for public work with firms from the private sector while it remains in the public sector. That is one of the reasons why we want Crown Agents to have this freedom.

Mr. Forman I am grateful to my hon. Friend. I am doing very well.

Secondly, how extensive will the powers of the foundation board be in relation to the operating company? I have in mind the principle of trust law, in which a trust document is drawn up which gives fairly general—but none the less prescriptive—guidance to operating companies and subsidiary organisations acting within that trust document. To what extent is it envisaged that the foundation board will have real operating influence over the operating company?

Thirdly, will the Act, the trust document or the prospectus set out the Secretary of State's reserve powers? We have heard in the debate so far that the reserve powers will exist for five years or thereabouts. It would be interesting for the House to know in exactly what circumstances such powers might have to be used. That would go some way towards answering the fair concerns expressed by the hon. Member for Eccles.

I am grateful to my hon. Friend the Minister for already answering at least one and a half of those three queries. I bring my speech to a close by underlining the key points: this is a good measure; it is worthy of support; and the Opposition are unnecessarily worried by the prospect of what they regard as privatisation but which I regard as a common-sense measure to widen the commercial opportunities of an excellent and reputable organisation.

Mr. Derek Enright (Hemsworth) May I join other hon. Members in praising the Crown Agents? When I worked in Africa, I worked with the Crown Agents, and saw the practical work that it did for the United Nations development programme. As I was a delegate for the European Commission there, I saw the

5.50 pm

work which the Crown Agents did for the European Union. It was extraordinarily effective, because it had a reputation as an honest broker. It proved that it was an honest broker in how it carried out purchases or advised various organisations. That extremely important reputation should not be put to the test.

As my hon. Friend the Member for Eccles (Miss Lestor) said, from the moment that Price Waterhouse was brought on to the scene, suspicions were naturally aroused. I do not blame Price Waterhouse for that. It is a perfectly reputable firm with reputable jobs to do, but advising on development and how the Crown Agents fits into development is not one of its prime concerns, nor its area of greatest experience. I challenge the Minister to tell me of its previous experience in such an area, as it does not seem to have the necessary expertise.

This measure is privatisation, no matter how the Government now try to mince their words. They announced it as privatisation at the beginning and were rightly open about it. The purpose of privatisation is to put an organisation into the private sector; the purpose of the private sector is not to develop but to make money. No matter how gradually privatisation is carried out, the root of this privatisation is eventually to put profits into the hands of individuals or companies, not over the first five years but later.

Mr. Nigel Evans (Ribble Valley) The hon. Gentleman seems to forget that new Labour has now moved on, supposedly. To listen to him speak, I would not believe that the Labour party had moved one at all. He spits out the word "profit" as if something were wrong with it and refuses to accept the fact that, with the new foundation in the Bill, the profit that is made will be reinvested. What is wrong with reinvesting profit for the benefit of the people whom the organisation serves?

Mr. Enright There is absolutely nothing wrong with profit, nor did I suggest that there was. But there is a great deal wrong with profit that goes directly into the hands of greedy individuals rather than going into the wealth of the nation. It is extremely important to remember that. The Minister allayed none of our fears. He continually said that there was nothing in the Bill. There is nothing in the Bill and that is our complaint. He went on to say that that should not cause a scintilla of concern. That is an altogether splendid phrase, but what does it mean? What proof did he give us that the Bill has substance which we can trust? The Minister clearly trusts the general outline of the Bill, which is to ask for all the best in the best of all possible worlds. It is neatly and nicely expressed, but it does not spell out its intent in detail.

The only thing that is spelt out in detail is that the Government will play no part in appointing the foundation. If they do not appoint the foundation, who will they leave it to? How will the judgment be made? Will it be a succession from those who presently govern the Crown Agents? They are perfectly worthy people who do their jobs extremely well, but that gives no guarantee of the quality of their successors. The Government say that they will hold reserve powers for five years to vet any successors who are appointed. How strange to say that we shall need those powers for five years because the Crown Agents may go astray. Are the Government saying that they do not trust the present governors, but, in five years' time, when other people whom we know not are in charge, we can trust them?

The problem is that this whole exercise has been shrouded in secrecy. One has only to read Baroness Chalker's speech in another place to realise that she deliberately said that she could not reveal certain facts because that would infringe commercial confidentiality. She simply asked us to trust her. If there were one member of the Government whom I would trust, it would be Baroness Chalker. She is the most trustworthy of all the members of the Government with the exception of the Leader of the House. I do not trust the Treasury or the hard noses in the Cabinet who have not yet given up their fight. I congratulate Baroness Chalker on the fight that she has put up on a number of issues, although she is not in the Cabinet. She has pursued certain issues with great tenacity and I have nothing but admiration for her, but given the prevailing mood of the Cabinet, the Government will go for wholesale privatisation as soon as possible and nothing that has been said about the Bill so far, nor anything in the Bill, will convince me otherwise.

Mr. Foulkes I share my hon. Friend's admiration for Baroness Chalker, but we keep hearing talk about Government reshuffles in July or September, and there is no guarantee that Baroness Chalker will be doing the same job next year. Let us suppose that the right hon. Member for Stirling (Mr. Forsyth), for example, were to take over the post of Minister for Overseas Development. We can imagine what he would have in mind for the Crown Agents. So I ask my hon. Friend not to be carried away by his enthusiasm for the delightful Baroness Chalker.

Mr. Enright It is entirely possible that the Secretary of State for Wales might even take over with a place in the Cabinet, which would indeed give cause for concern.

The hon. Member for Gravesham (Mr. Arnold) said in one of his more fluent interventions—he managed to get up and say a hit instead of mumbling from the Back Benches as is his wont—that we were using the term "privatisation" in the wrong way. By doing so, he said we were accusing him of wanting to privatise the Crown Agents and he suggested that nothing had ever been further from his mind and that he hates privatisation. If the hon. Gentleman is trying to suggest that the Bill is not designed to initiate privatisation, let me quote from the first press release from the ODA, which stated: "The Government has decided to privatise the Crown Agents by transferring them to a newly created independent foundation with a social purpose and developmental objectives."

Mr. Baldry The hon. Gentleman has read that press release accurately. The hon. Member for Eccles made a bad point from the Opposition Front Bench when she suggested that Ministers have sought to disguise the Bill's intention. The purpose of the Bill is clear—it is about privatising the Crown Agents and moving it into the private sector. We have, however, made it clear, as way back as in the press release of 1993, that that process will be achieved through a "newly created independent foundation with a social purpose and development objectives." The idea that Ministers are involved in some sinister, macabre plot does not fit with the facts.

Mr. Enright The Minister is absolutely right—it is not a sinister, macabre plot, because there will be a five-year hold on full privatisation. That is spelt out in the Bill. The Minister said that the Government will ensure that the plans are tightly drawn. When I heard that, I scanned through the Bill once again. If it is tightly drawn, I shudder to think what a loosely drawn Bill would be like.

Mr. Peter Berry is a most able managing director of the Crown Agents. If one reads his successive reports, as I did in preparation for the debate, it is clear that he has been whipped along a particular path. When he was interviewed by the Financial Times, his clinching argument for being whipped along the path that the Government had chosen was that the new way of doing things meant "there will be no disincentive to be proactive." What gobbledegook. That sounds like the old Thatcherite language which the Government are trying hard to ditch. If that is the one argument for opting for that particular form of privatisation, with the ultimate aim of total privatisation, the whole thing is an absolute shambles.

Lady Olga Maitland Bearing in mind the total venom with which the hon. Gentleman talks about privatisation, can he give the House one assurance? In the event, heaven help us, of a Labour Government, would he press that Government to bring the Crown Agents back into the state sector, which would hamper its future prosperity?

Mr. Enright When we take over government again, as the hon. Lady has virtually admitted that we will do very soon, we will start from a different place. As the Irishman said, "I wouldn't have started from here".

I will not start from where the hon. Lady would wish me to start. We will have to see what is happening at that time. I hope that the five-year estop, which has been imposed, will be most helpful in ensuring that we will be able to continue to run the Crown Agents properly.

Mr. Nigel Evans Does the hon. Gentleman accept that his refusal to answer that question and the refusal of other Opposition Members to answer any questions about privatisation and renationalisation is the very reason why the

Labour party will not win the next general election?

Mr. Enright As the Prime Minister said earlier this afternoon, I am not going to answer questions in the way that hon. Members want me to answer them; I am going to answer the question as I see it.

Let us consider the disincentives to proaction. The Minister will recall that the tighter rules, of which he now complains, were brought in in 1979 for a perfectly good reason. They were originally mooted by the Labour Government because in the late 1960s and early 1970s, the Crown Agents, given the amount of freedom it then had, managed to invest in Australian property and to make rather a muck of it. One of the great things about that episode was that it proved the Crown Agents' absolute integrity in public service, because it was examined closely as a result of the huge mess it had made in Australia among other places. One department was found to have made a muck of things by making investments it did not really understand. There was, however, no dishonesty involved.

Such is the unique reputation of that public service which works closely with the private sector. The state and the private sector working together represents new Labour. That is precisely what the Crown Agents does so well now. To tip over that balance so that the Crown Agents is transferred completely into the private sector will tip the balance too far. That will unsettle an institution with a delicate balance.

Mr. Peter Luff (Worcester) I wonder whether the hon. Gentleman recalls the visit that he and I made to Tunisia—a client of the Crown Agents—last September? We saw the enormous contribution that privatised British Gas is making to the development of the Tunisian economy. Would he have made the same speech as he is making now against the privatisation of British Gas? Would British Gas have been able to make that contribution to the Tunisian economy if he had had his way then? Does he not accept that the Crown Agents should be able to enjoy the same freedom now enjoyed by that fine British company?

Mr. Enright That fine British company has just given us an example of democracy at work at the meeting of its shareholders. The former Prime Minister used to shout that small shareholders now control the world. British Gas gave us a recent example of how it controls its small shareholders, who were lured into giving up their money on the understanding that they would have some power over that company. The Crown Agents may well run amok in the same way as British Gas has done in part of its operations. That would be a shame.

I believe that one of the main factors in driving the Crown Agents into the private sector was the World bank—the bank of the old days rather than the new ones. It is a joy to know that GDZ has held out against the transfer and is likely to continue to do so.

Mr. Hugh Bayley (York) Does my hon. Friend agree that a certain contradiction is apparent from the three interventions from Conservative Members? The hon. Member for Ribble Valley (Mr. Evans) said that there was nothing wrong with profit-taking, but that, nevertheless, the Crown Agents will not be allowed to take profits but must redistribute them. At the same time, however, the hon. Member for Sutton and Cheam (Lady Olga Maitland) said that, if the Crown Agents was taken back into the public sector, its future prosperity would be put at risk. The hon. Member for Worcester (Mr. Luff) then drew a parallel between it and British Gas, which makes profits and takes profits. Does my hon. Friend agree that those Conservative Members must say clearly whether they see the Crown Agents as a privatised and profit-making business or as a public service working within the private sector. It is not clear which line the Government are taking and it seems that Conservative Members are split on it.

Mr. Enright I agree entirely with my hon. Friend.

We can go further. The real problem of the Crown Agents is the disgracefully decreasing amount of aid that this country disburses. The Prime Minister and others are fond of comparing us with the rest of Europe. In fact, if we are compared with the rest of Europe in the amount of money, in the lack of increase in money, in our reduction in bilateral aid and in our attack on Lome, it is obvious that the home markets are shrinking for the Crown Agents, and that must be a factor.

Finally, I join the Minister in the tribute that he paid to the Crown Agents for what they did in Rwanda. I have heard personally of some of the work that they did from a friend who works there, and that work was very considerable. It did not require special effort. The Crown Agents is, if you like, a seed that has been tended and has grown to flower. It is extremely effective and can spring into action year after year, season after season; that it did to great effect in the case of Rwanda.

The destruction of the Crown Agents—for that is what it is, let us make no mistake about it—is another drain on the resources that we should be giving to the developing world. It may be a short drain, it may be a long drain, but a drain it assuredly is. It would be a tragedy if, as a result of feckless behaviour, even if it were postponed until five years' time, we were to lose the collection of expertise that exists in the Crown Agents, which I have seen working on the ground and whose headquarters, in the constituency of the hon. Member for Sutton and Cheam (Lady Olga Maitland), I visited several times when I worked in Africa.

I wish to draw a parallel. The Prime Minister was bleating, the other lunchtime, about the lack of competitive sports in schools. He failed to recognise that the impact on games was a direct result of naive and simplistic policies in other aspects of education. When I was professionally employed, teachers of Spanish, of physics and of classics would happily go out in the evening and coach teams of a variety of sports—the hockey that he so loves, cricket, football, and rugby. The changes that have been made, naively, in schools have had an impact on school sports, as many of us said would happen at the time that the changes were made.

As the present Administration is set, if I read it aright, treating the Crown Agents in that way will have a similar impact on its effectiveness. The Minister and the Baroness must tread with care.

6.13 pm

Mr. Jim Lester (Broxtowe) It is a pleasure to follow the hon. Member for Hemsworth (Mr. Enright) because he and I have many interests in common. However, I disagree totally with what he said about the purpose of the Bill. I would not be standing here to support it if I thought for a moment that it was designed to make the Crown Agents less effective and in any way to reduce our development effort. I also share with the hon. Gentleman the trust that he has in Baroness Chalker, which I think is widely shared. Indeed, I share that trust with my hon. Friend the Minister who introduced the Bill, who also has common interests.

I think that the hon. Member for Hemsworth was a little unkind about the Treasury, speaking about the hard-nosed Treasury. The Treasury and the Prime Minister have been foremost in the world in trying to relieve sub-Saharan debt. They have argued more strongly than anyone in the international forum for Trinidad terms plus. Indeed, the Chancellor did a tremendous job in Washington in proposing something that I know that he and I agree about—the relieving of debt—going as far as proposing selling International Monetary Fund gold, which is Oxfam's policy. It is hardly a hard-nosed Treasury that consistently and strongly proposes policies such as that.

When my hon. Friend the Minister introduced the Bill, he spoke about the many friends that the Crown Agents has. I admit, in my experience of development and on the Foreign Affairs Select Committee, those friends are a very select band. Most people would say that the Crown Agents is unknown, unsung and unrewarded for the efforts that the Minister described in such graphic detail and to which others paid tribute.

It might be a penalty for the Crown Agents that it has been in existence for so long—160 years—that its role has become lost in the sands of time. It has stayed in business because it has a reputation for integrity and impartiality and it has constantly adjusted to the changing circumstances in which it operates. As I see it, the Bill is another step in that direction.

It is important to realise that, since the Crown Agents Act 1979, the Crown Agents has received no subsidies from Government and has repaid £15 million of its initial debt capital.

The hon. Member for Eccles (Miss Lestor) made great play of the difference between the Commonwealth Development Corporation and the Crown Agents and the reason why they are not treated similarly. It is obvious that the CDC has a totally different role from that of the Crown Agents. The CDC, as I have seen it all over the world, has the job of investing its own money for profit. but at profit margins smaller than those of the private sector. It offers long terms of repayment. It also has a role of encouraging further investment from the private sector in developing countries, especially countries that do not attract private investment.

I cannot imagine a private sector CDC being able to carry out that role because people would simply ask, "Why does it not invest directly?" It has a catalytic role, which is crucial. The Rothschild committee in Jamaica, which brought in many American business men to revive industry in Jamaica, did not work because they expected a return in three years, and Jamaican industries simply could not make a return in three years, although they could make a return in 10 years—and have done. That is why the CDC schemes in Jamaica have been so successful.

By contrast, the Crown Agents' main work has always been as agent of independent Governments and, increasingly, aid agencies. There is no role for Government in what are properly business decisions, so I strongly believe that the transfer to the private sector of the Crown Agents will enable it to meet the needs of customers such as by removing unnecessary restrictions.

As has been said, the Crown Agents is an international business, but with a social purpose. Of course it makes a profit. It is projected to make a profit in 1994 of £800,000. I am sure that the hon. Member for Hemsworth and I would want it to remain in profit, especially if the profits are given to a foundation to re-invest in development issues. The last thing that I would want is an unprofitable organisation, wherever the profits go, because if it does not make a profit, in the end it closes down. It is crucial that that is recognised, and it is important that the foundation is set up in a way that reflects that developmental need.

As we know, the Crown Agents operates in 150 countries with representatives in 38 and has orders worth more than $400 million world wide on behalf of clients, including the United Nations, the World bank, the European Commission and the Japanese Government. It is important to recognise that less than 30 per cent. of Crown Agents' income originates in Britain. As the hon. Member for Eccles said, although its activities are particularly helpful to small and medium-sized British firms that are trying to break into international export markets, the bulk of its business is generated world wide.

Mr. Enright I am grateful to the hon. Gentleman for giving way. I wish to probe his previous point. I believe that the Bill is too skeletal and too limited in its outlining of the foundation. Therefore, it is a question of whether one trusts the Government. I accept that the hon. Gentleman trusts the Government and I hope that he will accept that I do not genuinely trust the Government. If he were in my shoes, would he agree with me?

Mr. Lester I have always been a very trusting person and I have not been let down too often. I trust not only this Government but a subsequent Government to bring to the House the changes in the Bill and to uphold the tradition of the foundation. We must ensure that the Crown Agents' energies and efforts continue to culminate in a profit—which is a measure of its success—so that the money can be reinvested, through the foundation, in things in which the hon. Member for Hemsworth and I are interested.

We have talked about the range of issues and projects in which the Crown Agents is involved. Perhaps not everyone knows that it has improved municipal finances in China and assisted with tax computerisation in Nigeria. Many hon. Members have mentioned its significant involvement with convoys in the former Yugoslavia. I know from my own use of the know-how fund in the former Soviet Union that the Crown Agents played a vital role in that area.

The Minister referred in passing to the Crown Agents stamp bureau which provides, on an agency basis, high quality stamp programmes and design, procurement and marketing services for more than one quarter of the world's postal administrations. Perhaps the stamp collectors of the world do not fully appreciate the Crown Agents' achievements in that area.

The Foreign Affairs Select Committee has taken a continuing interest in the Crown Agents and the Government have undertaken to prepare a paper to present to the Select Committee. They are willing to look at other means of providing information about Government proposals. The Foreign Affairs Select Committee acts increasingly as the House's monitor on a whole range of issues. We are constantly concerned about a variety of matters, such as the Commonwealth Development Corporation and the Crown Agents, and I am sure that the Select Committee will jealously protect the Government's promise to keep the Select Committee informed about the many issues that have been raised in the House.

What would the foundation do, and how would it change the present system? The foundation could expand its own right business, and some examples have been given of how that could be achieved. The foundation could accept contracts from private sector clients, which it is currently unable to do in Britain, and it could accept contracts from public sector bodies in the United Kingdom other than the Overseas Development Administration. That is a valuable development for the Crown Agents.

The foundation may also take investment decisions which presently require ministerial consent, including entering into partnerships and appointing directors of subsidiaries which will free the foundation's operations. Most importantly—of course, if hon. Members do not trust the foundation, it is not as significant—it will be free from financial controls imposed by the Government. I support what the hon. Member for Eccles said about privatisation having a positive effect on British companies. I think that the foundation will be in a far better position, as it will be stronger and better able to attract overseas customers on behalf of British exporters.

The ODA has a very important interest in the success of the Crown Agents because it undertakes about 95 per cent. of ODA finance procurements. Of the procurement done by the Crown Agents for the ODA in the past three years, about 45 per cent., by value, in each year has been in core countries. It should be recognised that the ODA has a keen interest in ensuring that the Crown Agents continues to work on its behalf. I do not believe that the disaster relief committee could have operated effectively without the Crown Agents' expertise in delivering humanitarian aid which has expanded enormously. I am sure that the Bill will make a great deal of difference in that area in future.

All hon. Members recognise that the real value of the Crown Agents lies not in its physical assets, but in its personal assets—the people, the traditions and the concepts under which it operates. It has undergone major restructuring in recent years and costs have been cut. I welcome the Minister's response to my hon. Friend the Member for Carshalton and Wallington (Mr. Forman) that there are no plans for any further redundancies. It is now a matter of expanding on the present basis.

It is also important to recognise that important key clients, such as the World bank, the European Union and the Japanese, in particular, are satisfied that the Crown Agents' business will continue to be viable once it has changed.

As I said earlier, more than 70 per cent. of the Crown Agents' business is derived from developmental sources other than Britain. It is a remarkable achievement for a British agency to attract that degree of support, and it bodes well for the foundation's future. It has satisfied its clients that the confidentiality of its relationships with them will be fully respected.

In conclusion, I turn to the question of pensions. Whenever there is a change in status of a body—particularly one as involved as the Crown Agents—it is extremely important to reassure those who have given and who continue to give their services to the agency about their pension provision. I accept the Minister's assurance that the assets of the current pension funds 'are well ahead of what is needed in order to support the current pension base. There are no plans to change the present pension arrangements. The value of a pension surplus is a very important part of any transition and it is vital to hold together the people who have such a successful track record.

I support the Bill. We must ensure that the foundation has a very clear developmental role. We must also make sure that, when the Crown Agents is released from government control, it will continue to have a developmental impact and to give its expertise freely throughout the world. It must use the resources that it generates to continue to perform the valuable work of a foundation which has a long-term social developmental objective.

Mr. Menzies Campbell (Fife, North-East) The hon. Member for Broxtowe (Mr. Lester) speaks with great authority and from a considerable reservoir of knowledge about developmental matters. It is a matter of genuine regret that I do not find myself of the same cast of mind as him this evening. 6.27 pm

All hon. Members agree about two things: first, that warm and generous tribute should be paid to the Crown Agents for its past and continuing work; and, secondly, that we should propose the early canonisation of Baroness Chalker. No doubt to her considerable alarm, she seems to have attracted uninhibited support and congratulations from both sides of the House.

I doubt that the House has been asked on many previous occasions to approve legislation that has been drawn in such exiguous terms. Perhaps we should congratulate the Minister on managing to get through his speech without showing any of the embarrassment to which the saintly Baroness Chalker admitted from time to time during the debate in the House of Lords when she was quite properly pressed about matters of detail and found herself unable to answer the questions.

The debate would inevitably have been better informed had we all had access to the Coopers and Lybrand report. I understand that it has not been given a wide circulation, nor indeed has it been leaked in the past 24 hours on the grounds of commercial confidentiality. Of course, commercial confidentiality is a proper basis for the restriction of circulation of documents, but it normally applies to financial matters.

I cannot understand why a report, which no doubt contains important sections on structures, could not have been released, at least in respect of the structures. It would have been a matter of great interest to all right hon. and hon. Members to know precisely what Coopers and Lybrand said about the foundation and the relationship between the company which is to be formed and the foundation. It is a matter of regret that we have not seen the report, even in a bowdlerised form which would have allowed us to make a more informed judgment about the nature of the proposed structures.

The structures are extremely unusual. We have passed the arid debate over whether or not it is a privatisation. It is now generally agreed that it can be described as a privatisation. It is a pretty unusual one, however, because, so far as I know, none of the others have been accompanied by the creation of a foundation.

In the light of the events in the past week or so, it takes a certain amount of nerve to refer to the gas privatisation as a paradigm of privatisation and something to which we should all aspire. Considering the matter from a structural point of view, it is notable that when the gas industry was privatised, no one found it necessary to create a foundation in advance of the privatisation.

Mr. Jacques Arnold The hon. Gentleman talks about the paradigm of British Gas and its good works. Would not the environmentally friendly development of gas in Kazakhstan be a particular example of those good works? Would not the massive improvement to the urban gas network in Buenos Aires and to pipelines elsewhere in Latin America represent other good works which would never have happened in the bad old nationalised industry days?

Mr. Campbell The hon. Gentleman believes in the gospel according to privatisation, but those who attended the British Gas annual general meeting last week took a rather different view. It takes a particular courage in the House this week to suggest that everything that happened in the name of the privatisation of the gas industry has been perfect.

I return to structure. The fact that it has been found necessary to introduce that intermediate step is in itself an acknowledgement that the privatisation is rather different in character from any of the others. Ultimately, it comes down to a question, as some have said, of trust and, as others have said, of belief.

I do not believe that the legislation has provided the House with sufficient detail about the disposal of the business and the future character of the foundation. That was clearly part of the rather concerted, and some might say successful attack mounted by the Opposition in the other place.

There will be no parliamentary scrutiny of the transfer to the successor business. I understand that an amendment was proposed in the other place which was not accepted and which would have allowed for scrutiny at that time. I cannot imagine why the House could not consider such an issue at that stage, but no doubt we may be told why in due course.

One is left with the overwhelming impression that what we have here is enabling legislation—admittedly, so described—that provides inadequate details of precisely what may result in the end. One is drawn to the conclusion that it would almost be better to have a privatisation such as the gas privatisation as that would force the Government to come clean about precisely what they intended to do and there would have to be legislation setting out all the details that we are now denied. In those circumstances, we would have to have the very detail being denied to us at the moment.

I shall not detain the House any longer. I do not doubt the sincerity of the Minister, but he is asking the House to take too much on trust, and for that reason I shall certainly advise my colleagues to vote against the Second Reading of the Bill.

Mr. Peter Luff (Worcester) The debate has at least two characteristics in common with the debate on the Bill in another place. The first is that it has been an opportunity for general expressions of admiration for my noble friend Lady Chalker. I am delighted that the hon. Member for Hemsworth (Mr. Enright) paid tribute to her, as did the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes), my hon. Friend the Member for Broxtowe (Mr. Lester) and, most recently, the hon. and learned Member for Fife, North-East (Mr. Campbell). That was one characteristic of the debate in another place. 6.34 pm

Mr. Enright May I emphasise the fact that in the present bunch of Ministers Lady Chalker shines out like a beacon?

Mr. Luff She is one of the many causes for celebration about the Government, and another is my hon. Friend the Under-Secretary of State for Foreign and Commonwealth Affairs, who opened the debate and who will reply to it.

Another characteristic of the debate, as in another place, is that it is clear that the activities of the Crown Agents command widespread and universal support. There was a mood both here and in another place that nothing should be done to inhibit it from continuing to perform its valuable role and that it should be encouraged to develop and expand that role.

I first became aware of the Crown Agents through my interest in stamp collecting, as you probably did, Mr. Deputy Speaker. During the recent recess I browsed through the collections of my father and grandfather and wondered how many stamps in those alburns had been procured as a direct result of activities of the Crown Agents.

We have been reminded on a number of occasions that the Crown Agents remains responsible for the stamps of about one quarter of the word's postal administrations. Perhaps that simple fact led a number of journalists to jump to the wrong conclusions about the Bill.

We read in The Times on 12 November 1994: “The scrapping of the Post Office plans"—” the plans to privatise the Post Office— “prompted the Prime Minister to back down his earlier opposition to proposals to privatise the Crown Agents. Plans to allow the Crown Agents to leave the public sector were shelved earlier this week after Mr. Major and Cabinet colleagues decided that it would provoke damaging opposition. However, last week's Post Office decision revived calls from senior ministers … to let the Crown Agents go into private hands.” That is a bizarre conspiracy theory by any standards. The article continued: “The plan to privatise the body will prompt fears that Britain will lose some of its international influence, and in particular lead to a decline in foreign investment in Britain.” However, quite the opposite is true. The Bill is necessary to enable the Crown Agents to continue to perform its excellent work.

The Daily Telegraph fell victim to the same conspiracy theory: “A scheme the plan to privatise the Crown Agents has been revived by the Government after the collapse of plans to sell the Royal Mail".” I do not understand how any serious journalist can sustain that argument. My hon. Friend the Minister made it clear that the privatisation is not one from which any revenues will flow to the Exchequer. In no sense can it be construed as enabling us to fund tax cuts— not that I accept that as an argument for privatisation. It is a privatisation strictly on the merits of what freeing up an organisation will enable it to do.

The Crown Agents currently operates at no cost to the taxpayer, and since its incorporation in 1979 it has received no subsidy either. How many of the current privatised industries could say that? It has paid about £20 million in capital and interest to the Government and the only modest cash flow resulting from privatisation is the repayment of some £2 million in debt. The privatisation is being carried out because it is right for the organisation.

The Crown Agents is a crucial part of the aid programme. It may be true, as a number of hon. Members made clear, that about 70 per cent. of its business comes from foreign principals and only about 30 per cent. from the British Government. But the Crown Agents' role within the British aid programme is still crucial. It must he allowed to flourish and continue to perform its role to the best of its abilities.

We know that the British aid programme is one of the most effective in the world; that can certainly be said of our bilateral aid programme. The United Kingdom is a member of the development assistance committee of the Organisation for Economic Co-operation and Development. Part of the departmental report of the Foreign and Commonwealth Office reads: “The Development Assistance Committee periodically reviews the aid programmes of its members. In 1994, the UK aid programme was reviewed, and was commended on its highly concessional, business-like bilateral aid programme largely oriented towards the poorest developing countries.” The Crown Agents is extremely important to that aid programme.

Three bodies are especially important—I may have overlooked others—each of which the Government are wisely treating slightly differently. Apart from the Crown Agents, there is the Commonwealth Development Corporation and the British Council. The council, which often seems to be simply an education organisation, has an important role to play in the aid programme. I shall quote again from the Foreign Office report. It states: “In 1994–95 ODA will provide some £33.7 million for the British Council and the grant-in-aid arrangements. These resources are being used to implement programmes in developing countries that achieve objectives central to British aid policy. Priority has been given to human development, environmental protection, health and population activities, open and accountable government and economic policy reform.” The British Council operates on essentially a non-commercial basis with grant in aid from the Government.

The week before last, I was in Barcelona as a member of the Select Committee on Welsh Affairs. I am delighted to say —[Interruption.] I can assure the House that I and other members of the Select Committee were there for good reasons. I learned in Barcelona that the British Council's language teaching operations are paying for the cost of its overall activity. The council may not be a strictly commercial organisation but it is performing well.

Mr. Foulkes The House needs to know—those of us who are sitting through this long debate will find it fascinating to know—why the Select Committee on Welsh Affairs was in Barcelona. I hope that its members, especially those who are Conservative Members, took on board how successful devolution has been in Spain, as it has in other countries. It is—

Mr. Deputy Speaker Order. This is all extremely interesting but the hon. Member knows that he is going wide of the debate.

Mr. Luff Much as I would like to respond to the hon. Gentleman's intervention, Mr. Deputy Speaker, I do not want to stretch your patience.

Another organisation that plays a crucial role apart from the Crown Agents is the Commonwealth Development Corporation, which essentially provides concessional loans to enable the private sector to develop within the developing world. The Government have said—in my view, rightly—that such activity should not be privatised. It is important to remember, however, that the Government have said that the CDC's activities should be market tested.

The Crown Agents falls into a third and distinct category from the two other organisations that I have mentioned. The Financial Times has described the Crown Agents as one of the world's "biggest purchasing organisations". It has a considerable role in aid delivery. In the 1993 annual report, the managing director of the Crown Agents stated: “Increasingly, as aid becomes subject to a more detailed cost-benefit scrutiny than in previous cycles, we find ourselves able to demonstrate our effectiveness on several levels. Our cost effectiveness in the actual spending of aid is self-evident. Yet we can also monitor the aid process, interfacing between donor and client to provide surety to each that their money is being well spent, and we can manage and train recipients to handle effectively and accountably the funds made available to them.” I am not one of those who believes that the quantum of the aid budget is the sole measure by which we should establish whether the Government have a responsible attitude to the developing world. My hon. Friend the Member for Broxtowe reminded us of the excellent work that is being done by my right hon. and learned Friend the Chancellor of the Exchequer and my right hon. Friend the Prime Minister on debt relief issues, especially in sub-Saharan Africa. The International Monetary Fund has been called upon to dispose of part of its gold stocks. A significant aid budget is, however, an important part of our contribution to the developing world. It is crucial that our constituents should feel that the money is well spent.

One of the most important factors that would undermine the support enjoyed in the country as a whole for the aid budget would be any feeling that the moneys directed to it were being badly spent. We have already heard that the OECD regards the British overseas aid budget as well spent, and a crucial role is played by the Crown Agents in ensuring that the moneys are well spent. We must not undermine that activity.

The Crown Agents is an extremely large organisation; it is much larger than most people realise. It serves about 150 different countries and provides a range of services to aid agencies beyond the British Government—for example, the United Nations, the World bank, the European Union and, especially, Japan. It has carried out work for many large public sector organisations throughout the world. I have talked to one or two representatives of those who have benefited from the services of the Crown Agents. I have been delighted to hear of the support that its work enjoys among many organisations and of the strong feeling that the organisation represents excellent value for money.

A bewildering range of projects is pursued by the Crown Agents, which ranges from bank training in Tashkent to humanitarian relief in Macedonia. Its work is expanding into banking. In the 1994 annual report, the managing director, Peter Berry, stated: “Through Crown Agents Financial Services Ltd … we are developing and expanding our role as a recognized specialist provider of banking financial advisory services relating to the disbursement of development aid and the financial control of development projects.” As I have said, Crown Agents is a bewilderingly large organisation. Most of its activities are closely related to the private sector. Indeed, it has a close and intimate relationship with the privatisation process itself. In the 1994 annual report, an entire page is dedicated to its work on privatisation and commercialisation. In the context of the Bill, it is worth examining what it is doing in more detail. We read that lecturers of the Crown Agents are delivering a series of courses at the Moscow Institute of Privatisation and Management “to train the Institute's own trainers in passing on further instruction ” We read too that the Crown Agents' "legal advice" is helping “in setting up privatization trust funds in Kenya, Tanzania and Uganda".” We read also that the “Administrative Staff College of Nigeria is in the forefront of enhancing the professionalism of that country's management cadre.” The Crown Agents has a close involvement in that work.

The business sector review tells us that the Crown Agents has been “engaged in a major economics consultancy project for Japan's OECF to assess the progress of privatization in Ghana, for which we formed an Anglo-Japanese team.” It is active also in Sarawak with its economic development corporation.

Mr. Nigel Evans Does my hon. Friend find it bizarre and ironic in many ways, especially in the light of the debate and given some of the remarks of Opposition Members, that all the countries that he has mentioned can recognise the benefits of privatisation? It seems that only Opposition Members are unable to do so.

Mr. Luff My hon. Friend is exactly right. The Crown Agents is one of the many forces involved in exporting Britain's most successful product—privatisation—around the world. The process has been emulated by virtually every country on the globe.

I return to the review from which I was quoting. The Crown Agents is active in Romania. The review reads: “We organized in-country seminars for the Romanian State Ownership Fund, covering the creation of a market for stocks and shares".” An organisation that is so closely committed to privatisation surely deserves to be privatised itself. I believe that the process would richly enhance the organisation's work.

It is important to remember that Crown Agents is not an organisation that deals only with commercial issues. It has a crucial role to play in humanitarian assistance in former Yugoslavia and elsewhere. It is part of the United Nations emergency response to the flight of over 1 million Rwandan refugees across the border of Zaire. The Crown Agents review tells us that its “logisticians and equipment were airlifted to Zaire to help with … operations and transportation.” It has been involved also in Croatia and Malawi where it “handled the procurement through our Durban office of maize for drought-affected Malawi, funded by the ODA.” It has been active in Angola “on behalf of the Japanese government".” The review tells us that it “purchased major medical equipment and ambulances for Uzbekistan.” Technical assistance was provided in the Philippines. The Crown Agents has been working in Bosnia and humanitarian aid has been delivered to Macedonia. It is interesting that it is involved with the ODA in a major project. I shall quote again from the 1994 annual report: “We ended the year in discussions with ODA about plans to provide a full-time emergency response unit, based in Sutton but on permanent standby ready to deliver an immediate logistics response anywhere in the world, with full head office back-up.” Many hon. Members have, rightly, drawn attention to the principal asset of the Crown Agents—its staff. That is certainly the case and the country has every reason to be proud of them as well.

As Baroness Chalker reminded the House of Lords on 28 February, over the past year, some 11 members of staff of the Crown Agents have been honoured for their work in both Rwanda and the former Yugoslavia. We can say with confidence that, had it not been for the work of the Crown Agents, many more lives would have been lost in both those countries.

I am a little surprised not to have had an intervention yet from an Opposition Member to ask, "If it is so successful, why change the basis on which the organisation works?" I believe that it is important to do so for two separate but important reasons. First, I believe that it needs a greater independence than it enjoys at present. Secondly, I believe that it needs to be made more responsive to the needs of its customer base, which privatisation always achieves.

Let us take the issue of independence. We have heard that some 70 per cent. of the work of the Crown Agents is now conducted for non-United Kingdom principals. We have heard that the use of Crown Agents by the ODA has declined but remains very important in the delivery of its aid programme.

In the Financial Times, though, Mr. Peter Berry, the managing director of the Crown Agents, said, on 26 August: “When you need ministerial consent to do anything materially different from the act that governs us, then there is 'a stop in the mind' against doing it. It will be very different going back to a board. There will be no disincentive to be pro-active,"—” I apologise to the hon. Member for Hemsworth for the use of that word, but it is in a quotation from Mr. Berry.

Mr. Berry continues: “Accountability will be closer to home. It will also be easier to demonstrate to doubters that it is independent of government pressure to 'buy British'.” We have heard a great deal from Opposition Front Benchers about the role of the Crown Agents in encouraging a "Buy British" policy. I fully acknowledge that, being based in Britain, and with a large number of ex-British colonies, with members of the British Commonwealth among its client base, there will be a strong tendency to buy British, hut, nevertheless, with about 70 per cent. of its business coming from non-British sources, foreign Governments want an assurance that there is not an excessive bias in the Crown Agents work to British suppliers. The independence that privatisation will bring to the organisation is hugely important and will help the organisation to flourish again.

What about responsiveness? A very interesting point indeed, which, I am glad to say, was raised by the Opposition Front Bench, is the ability of the organisation, as a result of the privatisation, to start to provide services within the United Kingdom. I think that that will be an extremely healthy development indeed. Other important United Kingdom purchasing organisations have need of the services of an organisation such as the Crown Agents. That is extremely important. We know that privatisation brings responsiveness to the customer.

Opposition Members have laughed and sneered at some of the examples of privatisation, but that is simply unfair. Only this week in my postbag I received a publication from BT, in which it told me: “On average, a BT customer is now unlikely to experience a network fault more than once every five and a half years, or experience more than one inland call in 200 failing because of the network.” We do not have to cast our minds very far back to remember the old state-owned BT, and remember what a radical transformation there has been of the particular organisation.

What about public payphones?

Mr. Bayley Does the hon. Gentleman accept that it is by no means a one-way street in terms of public attitudes to BT? Earlier this week, I received a letter from one of my constituents, who complained that the telephone directories are no longer published promptly. He had been looking for the number of a company in my constituency. He was unable to find it and so was unable to get in touch with it to offer it business, because the latest telephone directory for my constituency is now 18 months old.

Mr. Luff I am looking rather nervously at you, Mr. Deputy Speaker, and wondering what you will make of this diversion into the ways of BT. As I have started, I think that I had better finish.

I am glad to say that I have had no such similar complaint. Telephone directories in the Worcester area are a great improvement on the old directories. The business pages are now separate from the residential pages. That, again, is another example of the enhanced responsiveness that privatisation brings to organisations such as British Telecom and will, I am sure, to the Crown Agents.

Mr. Jacques Arnold On the matter of telephone directories, is not the problem, perhaps—

Mr. Deputy Speaker Order. Telephone directories are nothing whatever to do with the Bill. We should get back to the debate on the Bill.

Mr. Luff Bearing in mind that ruling, I shall not refer to the vast improvement in public payphones that has resulted from the privatisation of British Telecom. It is important to remember that privatisation can put organisations into a world-class position. I am sure that that is a position that Crown Agents already enjoys, but I am sure that that position will be enhanced if this process continues.

I was interested to read—I shall make this very brief comment, Mr. Deputy Speaker—that BT is now about to become “the first operator to abolish unit charging across its entire network, increasing almost threefold the number of telephone lines"—”

Mr. Deputy Speaker Order. The hon. Gentleman is trying my patience now, whether he is being brief or not. He must get back to the Bill.

Mr. Luff I hear what you say, Mr. Deputy Speaker, and of course I shall respect your ruling, but the point is that privatisation of the Crown Agents will bring benefits to the organisation, the staff and its customers. Every privatisation that we have so far had in this country has shown precisely that pattern, and the pattern will be repeated when the Bill is enacted.

I see no problem whatever with moving the Crown Agents into the private sector, but I have some questions to ask the Minister about the structure of the privatisation that is envisaged, not in the Bill, as has been made clear, but in the process that will follow after enactment—the transfer of Crown Agents to the foundation.

I have heard it suggested that one of the principal reasons why the Government have followed this proposed route of privatisation is because the Japanese Government, the second largest customer of Crown Agents, were unhappy about the prospect of a full-blown privatisation and then having to deal simply with another private sector organisation. I do not know whether that is right, but the foundation's structure, which has been set up—not in the Bill but in ministerial speeches that have accompanied the Bill—is novel, to say the least.

I share some of the reservations that have been expressed about the absence of detail, and particularly about the absence of memoranda and articles of association of the new Crown Agents. I hope that the novel structure does not represent a loss of confidence in privatisation itself. Given the success of privatisation, I am sure that we would not want to send that message to our constituents.

Where does the idea for the foundation come from? Has it come from the Crown Agents? It seems to me, from reading some of the material in preparation for this speech, that Crown Agents has introduced the idea of a foundation, or was the idea driven by the Government? Will the foundation that the Government promise be sufficiently commercial?

The Financial Times described the foundation as having a structure “similar to the Wellcome Foundation, the health insurance groups PPP and Bupa, the motoring organisations the AA and the RAC and the British Standards Institute.” An official at the ODA, to which the Crown Agents answers, said that it will be entirely commercial in its approach and will be expected to make a return, but profits will he ploughed back into the agency. It will answer to a board of directors, which will be selected from a cross-section of its users, including foreign aid agencies and exporters. By not exposing it to the pressure of shareholder interests, it will be able to act more easily in its own interests and in the interests of clients in the developing world.

One of the advantages of privatisation is that companies become responsive to shareholder interests. I worry that perhaps the Government have not gone far enough in this particular privatisation.

The board of the Crown Agents said, in its 1993 annual report, that it recognised that the preponderance of non-UK clients "might make it more desirable for the ownership of the Crown Agents to reflect a wider base than that of UK Government. As an alternative, the Board therefore recommended that the business and assets of the Crown Agents should be transferred to a specially formed foundation." That seems to suggest that the drive for this has come from the Crown Agents itself.

I worry about the details that we have so far about the foundation. We read that it will have a two-tier structure with the foundation being the sole owner of the operating company. Does that mean that the foundation will be able to purchase other organisations with broadly similar objectives to Crown Agents?

I worry whether Crown Agents will indeed be able to register as a charity, and whether that is the right route if trading is the major activity. I know that that issue was discussed in another place, but I do not think an entirely satisfactory answer was given.

I welcome the fact that the memorandum and articles of association are to be tightly drawn up to reflect and build on the social, ethical and developmental principles on which the Crown Agents business is based, but those have not yet been published.

I also read among the conditions of the new foundation that the operating company will be able to pass its profits to the foundation. The foundation will not distribute dividends but will use any profits in the Crown Agents business in pursuit of its overall objectives. Does that mean that such profits can be applied to activities outside those of the Crown Agents in new companies, new organisations or other kinds of activity?

I would also appreciate more clarification on the members of the foundation. We read that they are not to be appointed by Ministers in order to guarantee the independence of the organisation. I presume that that means—I think that I understood my hon. Friend the Minister to say this in his opening remarks that —the current members of the board of Crown Agents will appoint the new members of the foundation.

Mr. Baldry indicated dissent.

Mr. Luff I see my hon. Friend shaking his head so I must be wrong, but I should like to know how the members of the foundation will be appointed. We know who will not do it, but who will do it?

If anything, although the Bill might go far enough, the follow-on procedures do not. I, unlike the hon. Members for Eccles (Miss Lestor) and for Hemsworth, would have preferred a full-blown trade sale of the organisation to a reputable body with a carefully drawn memorandum and articles of association, perhaps, as a quid pro quo, with a golden share for the Government lasting rather longer than the five years envisaged as part of the foundation treatment. That would give the Crown Agents the true freedom that it needs to win the battles in the world.

The Bill is much better than the status quo and I have no hesitation in supporting it in the Lobby tonight. However, I hope that we are giving the Crown Agents a sufficiently free rein.

7 pm

Mr. Nigel Evans (Ribble Valley) I am extremely grateful for the opportunity to take part in this important debate. I declare my interest as a former stamp collector. No doubt, at some stage, I too managed to collect stamps from around the world which were purchased and provided by Crown Agents. In addition, I do not intend to be the only one this evening not to give my support to Baroness Chalker for her fine work in bringing forward this valuable and important legislation.

Much has been said this evening about the concept of privatisation. My hon. Friend the Member for Worcester (Mr. Luff) referred to the theory going around that the legislation has been brought forward because of the lack of such legislation for the Post Office. That is arrant nonsense. Even to compare the two privatisations is ridiculous. I, like many of my hon. Friends, would have far preferred to see the privatisation of the Post Office, with certain provisions for rural areas, to allow it to prosper and flourish in the private sector. That is not to be, but the privatisation of Crown Agents has nothing to do with the attempt to privatise the Post Office. It has been brought forward on its own merits and should be supported on its own merits.

Much has also been said this evening about the profit motive and about whether an organisation such as Crown Agents should be allowed to make a profit and, if so, what it should do with that profit. It is vital that we encourage Crown Agents to be as profitable and businesslike as possible. As has already been said, its profits will be reinvested in the good work of the organisation. Baroness Chalker said in the other place that no dividends would be given to shareholders per se, but that the money would be reinvested in the Crown Agents' good work.

Crown Agents has a long history. Before 1979 it was unincorporated. The current Act gives it a strong regulatory framework, following some misguided forays on its own account which came to light in the mid-1970s. Since 1979, Crown Agents has been profitable and has received no Government subsidy. There is no good reason for it to remain in the public sector. It is a truly international organisation with a fine reputation, as we have heard. We must ensure that, whatever changes are made, that reputation remains untarnished and its good work continues.

The Overseas Development Administration is no longer the largest client of Crown Agents. As we have heard, it provides only 30 per cent. of its current business. Crown Agents needs greater freedom to take business decisions, while its clients, including, the ODA, look to it to maintain the highest standards and impartiality for which it is rightly renowned.

Mr. Bayley I am sure that the hon. Gentleman did not intend to mislead the House when he said that the British Government were no longer the Crown Agents' biggest customer. They are, of course, the Crown Agents' biggest customer, but no longer its only customer.

Mr. Evans I am extremely grateful to the hon. Gentleman. I obviously would not wish to mislead anyone. I simply put it on the record that 30 per cent. of ODA money will go through Crown Agents.

The interests of clients and aid programmes would be well served if the organisation could operate with greater freedom than the Crown Agents Act 1979 allows. Therefore, it should be accepted on both sides of the House—I was surprised to hear some of the reservations expressed tonight—that the 1979 Act is out of date and needs to be changed along the lines suggested by the Minister.

As we have heard, Crown Agents is a major international supplier of procurement, financial management and technical services to clients in some 150 countries, including bilateral aid donors and multilateral agencies such as the World bank, the United Nations and the European Union. It plays an important role in assisting the Overseas Development Administration to implement the bilateral aid programme. Crown Agents is a vital aspect of developing the third world. Its agricultural assistance—crop storage and development—energy advisory service, power generation distribution and water supply and sanitation systems all add up to a highly proficient package for those who need it.

That sterling work includes the safe delivery of emergency aid in Bosnia and Rwanda. The Library research paper documents clearly some of the excellent work done by Crown Agents. I was in Croatia in December and I went to Pale in the previous January to see some of the work being done there. I am sure that the House knows of the devastation currently being visited on that region. We all wish that the peace process was more constructive, and we must be realistic about the problems faced in that region. We should applaud the work of Crown Agents in that regard because it is one of the unsung heroes of the conflict. Everyone talks about the work of other agencies, but Crown Agents is rarely mentioned. Its work in ensuring that aid gets through is vital. I wish that it did not need to be there in the first place.

From what I have heard today, it is clear that Crown Agents is a good organisation which needs to be freed up, but freed up in such a way that it fulfils the important social and developmental objectives that we all share. As we know only too well, today everyone has to pay his or her way and it is right that Crown Agents should do so, too; it should trade fairly and profitably. We must accept that this is an era of rapid change in world trading patterns. My hon. Friend the Member for Worcester referred to the way in which the world has changed and other countries' privatisation policies, and Crown Agents must square up to that. There are new challenges to be faced throughout the world.

One need think only of the finalising of the Uruguay round and the establishment of the World Trade Organisation to realise that there has been a phenomenal change in world trading patterns in recent years. It is the Government's duty to see that Crown Agents is in a position to benefit from those changes and to improve its commercial activities. That is what the Bill does. It is an enabling Bill, in effect transferring Crown Agents to an independent foundation.

The Bill provides enabling powers for the Secretary of State to vest the corporation's assets, rights and liabilities in a Government-owned share company and, in time, to an independent foundation. The company will thus be transferred. The present statutory corporation will be dissolved once its remaining functions have been satisfactorily discharged. That seems perfectly reasonable to me. The new way forward for Crown Agents appears to be commercial, although not in a revenue-raising sense; the £2 million of outstanding debt is likely to be paid off, but little else will be. That is why the suggestion that this is the privatisation to replace that of the Post Office is ridiculous. The Crown Agents will answer to a board of directors, which will be selected from a cross-section of its users, including foreign aid agencies and exporters. That, too, strikes me as a fine idea.

Throughout the discussions on the future of Crown Agents, I have been as delighted by the attitude of my right hon. and noble Friend the Minister for Overseas Development as everyone else. She has heeded two key aspects when changing the structure of the organisation: consultation and flexibility. The consultation process has been comprehensive. The Minister announced her intentions back in August 1993, giving plenty of notice to interested parties who might wish to contribute to the mechanics of the Bill. The Bill clearly allows for considerable flexibility in its implementation—which should be welcomed, rather than subjected to the criticism offered by Opposition Members.

The changes advocated by the Bill will maintain the "honest broker" status of the organisation. I hope and expect that the Crown Agents' 18 overseas offices and UK-based marketing force will continue to provide their splendid monitoring service of central tender boards. That is best done via a broadly based organisation. No doubt the agency will continue its role in eastern Europe and the former Soviet Union. I recently visited both Moscow and the republic of Azerbaijan—not, I hasten to add, with the Select Committee on Welsh Affairs, but under other auspices—and I saw the gains to be made from the training of staff in procurement agencies in those states. I saw definite benefits for agriculture, energy, health and transport.

It is plain that the core of the Crown Agents' business is buying, and that its other activities ultimately support the buying activity. Surely that is an ideal set-up for the kind of changes that the Bill will bring. Greater autonomy will allow the multi-disciplinary nature of Crown Agents to blossom—in particular the technical services, which allow the work of the aid programme to flourish.

I fully support the Government's aim to recreate Crown Agents as an independent foundation with a social purpose and continued developmental objectives. In addition, Crown Agents will no longer be limited to serving aid agencies and other public bodies as its present constitution dictates: in fact, newly established private corporations in the developing world, which used to be Crown Agents' clients when it was Government-owned and would like to continue to be supplied by Crown Agents but are prohibited by its present constitution, will be able to become its clients again when the Bill is enacted.

Many of the Crown Agents' former trainees now occupy positions of great importance for UK exports, including directorships—or their equivalent—of Government supplies in countries as diverse as Sri Lanka, Malawi, Saudi Arabia and Papua New Guinea. I am sure that their loyalty will continue with the new agency. I have been fortunate enough to visit both Malawi and Sri Lanka—although, again, not with the Welsh Select Committee—and have observed that the wisdom of Crown Agents is vital to the development of those countries' infrastructure.

I was in Malawi last summer, just before the general election there—the first election held in Malawi for more than 30 years. It was a great pleasure to see democracy rolling across the country. There is no doubt that Malawi is not only one of the poorest countries in Africa but one of the poorest in the world. The work of Crown Agents has ensured that supplies get through as quickly as possible, particularly when the area is devastated as it was during the recent drought, and that the maximum number of lives are preserved. I hope that last year's elections and the change of Government in Malawi will give the country a shot in the arm, and the chance to develop in the way that is best for it rather than a way imposed on it from outside or, indeed, from within by powers acting for their own ends.

Malawi has great tourism potential. Other parts of Africa have been able to benefit in that way, but so far Malawi has not. Perhaps its past character has been part of the problem. I hope that the new democratic Government will be able to open its doors to many more tourists, particularly from the United Kingdom. Many tourists visit Malawi because Crown Agents has been there and ensured that the country has not suffered, although it could easily have done so. I hope that tourism, alongside aid, will ensure Malawi's future.

It is easy for us to think that the fact that a country such as Malawi is in receipt of aid in itself constitutes a long-term future. That patently is not true. People living in Malawi need something a bit more secure: they need a future outside aid from countries such as the United Kingdom. I believe that it can benefit from tourism, just as South Africa did as a result of a change of Government and the opening of its doors—and that country has also benefited from the work of Crown Agents.

Crown Agents has given Malawi other aid: for instance, the local government development project in 1994–95, Malawi fisheries training in 1993, the Lake Malawi fisheries research vessel and the evaluation of ODA fisheries programme in 1988.

Mr. Jacques Arnold Will my hon. Friend give way?

Mr. Evans I should be delighted to.

Mr. Arnold Is it not significant that the Crown Agents project was funded by the World bank—by a foreign rather than a specifically British donor? Is it not even more significant that Crown Agents was seen as a channel to bring local government experience from Britain to bear in Malawi?

Mr. Deputy Speaker Order. The hon. Gentleman's only relevant point was contained in the two words "Crown Agents".

Mr. Evans It was Crown Agents that was able to facilitate the programme to which I referred.

Mr. Deputy Speaker I have been patient, but the hon. Gentleman has strayed from the Bill. He has persisted in using the words "Crown Agents", which has enabled me to remain in my seat, but I hope that he will return to the Bill.

Mr. Evans Thank you, Mr. Deputy Speaker. I shall leave the subject of Malawi, but I felt that it was important to give a specific example of a country of which I have some experience, where I have seen the work that is going on. [HON.

MEMBERS: "Done by Crown Agents."] Yes. Thank you.

The Crown Agents' report shows that good work is being done in other countries, however. Sri Lanka is an example. As I said earlier, I had an opportunity to go there. The problems of such countries cannot be overestimated. In Sri Lanka, the war involving the Tamil Tigers is unfortunately still going on, even following last year's change of Government.

Reform of Crown Agents is long overdue. It will bring a breath of fresh air to a successful organisation that is currently being stifled. At the same time, I see no reason why it should not retain its reputation for impartiality in advising the cheapest and most effective way of supplying projects. This evening, the word "privatisation" has been bandied about as something for which we should apologise, but I am not apologetic—not in this case, or in the case of the other 47 industries that we have privatised since 1979. Each of those companies are far better privatised than they would have been in state ownership.

The same refreshing attitude as is visible in the industries that we are discussing is possible in this context. By no stretch of the imagination can they be described as perfect, but they are far better privatised than they would be if they were run by the state. When the Bill is enacted, Crown Agents will be given the same impetus.

Mr. Jacques Arnold (Gravesham) When I first saw the Bill emerge from the House of Lords on to our Order Paper for consideration, my heart sank slightly. I thought, "My goodness, here we go again. Do we really have to stir a pot totally unnecessarily?" I looked at the Bill with some trepidation because of the recent immense rows about certain privatised industries and wondered whether we were unnecessarily letting ourselves in for further trouble. 7.19 pm

I therefore made it my business to listen to what was said by our right hon. and noble Friend Baroness Chalker of Wallasey, the Minister for Overseas Development, because both Houses have great respect for her work for overseas development over many years as a Minister both in this House and in the other place. She has terrific experience of international affairs and overseas development, especially in Africa, where much of the work of Crown Agents takes place. In going in some detail through her comments on the Bill and its related privatisation, it gave me considerable encouragement to see the advantages that could flow from the Bill's proposals.

My hon. Friend the Member for Carshalton and Wallington (Mr. Forman) spoke earlier and we will shortly hear from my hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland), if she catches your eye, Mr. Deputy Speaker. As Crown Agents is based in its home borough of Sutton, I take it that considerable anxieties would have been expressed by my hon. Friends if there was deep unease among the staff of Crown Agents. In fact, that has not been the case and, apparently, there has been much talk of opportunities for the future.

I first heard of Crown Agents, as did some of my hon. Friends, through my collection of postage stamps. That is, of course, a principal business of Crown Agents. It carries on wide-scale procurement of those wonderful articles that in the past taught me geography, history and goodness knows what else.

The other point at which I became aware of Crown Agents was the news of its disastrous performance in the 60s and 70s—decades of great moment to our socialist friends opposite, whose imprudent banking brought this proud institution almost to its knees.

During the 80s and 90s—one might say, the Tory decades—the work of Crown Agents has improved out of all recognition. It has built up a proud record of work, but it has become increasingly clear that the restrictive constraints within which it operates as a Government entity are becoming an ever-increasing restraint on its development. It is interesting to note that Crown Agents has been restructured considerably over recent years and has generated significant surpluses.

A constituent has represented to me his concern that there is no provision specifically and as such for the foundation within the text of the Bill. In considering that, I note particularly the assurances of my right hon. and noble Friend the Minister for Overseas Development that the company would indeed be a foundation and established as a company limited by guarantee. If there is one thing that we have learnt in this House, it is that our right hon. and noble Friend is extremely honourable, and I have no doubt that the necessary structures will be followed through under the Bill's provisions.

A foundation is a highly appropriate way in which to establish the organisation. Not far from me in Gravesham in Kent is the Wellcome Foundation, which is structured in a very similar way to that proposed in this case. We know of the examples of the Automobile Association, the Royal Automobile Club, the British Standards Institution, BUPA and the PPP health care organisation, all of which operate under such structures. The House should pay due heed to the considerable vote of confidence which has been given to the proposals in the Bill by a number of organisations which have expressed interest in becoming members of the foundation. The British Consultants Bureau, the British Chamber of Commerce, the International Chamber of Commerce and various chartered institutes, notably the Chartered Institute of Building, have shown considerable interest in participating. That can only strengthen the Government's proposals to widen the scope of participation in the important work of Crown Agents.

The business in which Crown Agents is engaged is steadily changing. In 1954, when the name was changed from Crown Agents for the Colonies to Crown Agents for Overseas Governments and Administrations, most of its business was based in the Commonwealth, the colonies and in countries that had had a close relationship with Britain, especially in respect of their administration.

Today, the work of Crown Agents is significantly different. If we consider the Crown Agents' annual report for 1994, we find that quite a bit of its business still concerns the overseas aid programme of the Overseas Development Administration and notably aid to India, South Africa and Zambia, all of which are now members of the Commonwealth. Indeed, Crown Agents has handled and managed the disbursement arrangements for 150 British bilateral aid agreements with a total value of £1.8 billion.

However, Crown Agents has spread its work wider. If we examine its programme, we can see how wide it has gone beyond the Commonwealth—to Ethiopia, for instance, where it carried out a programme of purchasing vehicles and equipment for the civilian police under the ODA programme. It has extended its operations to eastern Europe and on to Russia where it has continued its work alongside the Russian Government in managing a £350 million programme which is financed by a rehabilitation loan for imports to improve the agriculture, health, transport and coal sectors.

In view of the matters that have been discussed in the House in recent days, we should note that the Crown Agents' work in the former Yugoslavia, where it administers the convoys that deliver humanitarian aid and is responsible for recruitment, supplies, cargo movement, vehicles, vehicle workshops and logisticians involved in the World Health Organisation and the operations of the United Nations High Commissioner for Refugees, shows the significant broadening of its work.

The House should pay due heed to that expansion beyond these shores of the Crown Agents' work. For instance, the European Community now makes considerable use of Crown Agents for the introduction of its overseas development programmes. If one were to go to the almost unpronounceable countries of Uzbekistan, Kyrgyzstan and Tajikistan, one would see that Crown Agents has managed the inauguration of a regional bank training centre based in Uzbekistan.

In Poland, Crown Agents has provided technical assistance to the work-out department of the Bank Zachodni Spolka Akcyjna. All that was commissioned by the European Commission and the European development programme and was carried out by the Crown Agents. One could go further to the Crown Agents' assistance in Slovenia, where it is working on establishing a project co-ordinating the regional customs programme for all 11 PHARE beneficiary countries. In Syria, which is not in the Commonwealth, Crown Agents has carried out a programme on the proposed methods of financing and implementing the modernisation of the commercial bank and the central bank, as part of the European Commission's overseas aid programme.

The work of Crown Agents goes wider still. It has won World bank projects in countries such as Angola, where it has supervised the infrastructural, economic and fisheries components of the ports rehabilitation study. Together with a number of colleagues, I visited Angola at the time of its first elections; the work concerned was proving immensely important. On behalf of the World bank, Crown Agents has carried out a procurement course in Fiji, assisted in the design of an improved system of tax administration in Hungary, and provided a procurement agency service for the population and family health projects in Nepal. We have already heard about the Crown Agents' work in Papua New Guinea, establishing a specialist unit to advise, finance and help with the planning of the Government's privatisation project.

It will not surprise hon. Members to learn that Crown Agents is active in the Caribbean, where is has been commissioned by the Caribbean development bank to prepare a study on road and bridge improvements in Dominica, in the Commonwealth West Indies. Crown Agents also executed the British component of the know-how fund in Romania and Belorussia.

It might be argued that Crown Agents could carry out all this work as a nationalised agency, as in the past, but it is rapidly developing into new areas and winning new business on the basis of its expertise and excellence. It is in these new areas that the agency needs the freedom to operate independently of Government. Some of its more recent contracts are relevant in this context. It has, for instance, won a contract from the Arab Authority for Agricultural Investment and Development to conduct a technical and financial evaluation of one of Egypt's largest land reclamation projects—a task demanding considerable expertise.

Elsewhere, the agency has carried out a joint project combining our overseas aid programme and Norwegian aid in Mozambique, a country devastated by civil war and just about everything else that could go wrong. Crown Agents has designed and implemented an aid monitoring system for the Bank of Mozambique, and has validated both Norwegian and British aid programme funds.

Perhaps the most significant work that Crown Agents has done on behalf of foreign Governments—the crux of why the change has been structured in this way—relates to the major contract that it has signed with Japan to carry out Japan's aid programme in sub-Saharan Africa. Japan, now a major economy becoming increasingly involved in overseas aid, is casting around for people who know what they are doing to implement its aid programme with efficiency and integrity. Britain's experience as a colonial power in that area and as a member of the Commonwealth has resulted in bodies such as Crown Agents being admirably suited to carrying out such work. Already it has gained commissioned work from Japan to the tune of £720 million.

Crown Agents has also won business from the Asian Development bank which, perhaps surprisingly, approached the British Government to administer a programme in Micronesia. The House will recall that Micronesia consists of Japanese islands which, after the war, came under the administration of the United States and only recently achieved independence. One might therefore expect the United States or Japan to manage its overseas aid programmes, but the ADB commissioned our Crown Agents to conduct a review of Micronesia's federal education system at national and state level.

Further afield, the Swedish International Development Authority has commissioned Crown Agents to carry out its programmes in Vietnam. Financed by the Swedes and administered by the World bank, the programme was carried through by Crown Agents, enhancing the effectiveness and efficiency of the banking sector by means of a sustained programme of technical assistance and staff training.

This shows the modernity of the world in which Crown Agents has to operate. It is not the old-fashioned world so beloved of the socialists, which is why the agency cannot continue as a Government entity. That would prevent it from effectively developing.

The origins of, and trends in, the Crown Agents' revenue stream are significant. The last set of accounts published by Crown Agents show that 70 per cent. of its revenue now comes from overseas. I was fascinated to hear the magisterial rebuke delivered by the hon. Member for York (Mr. Bayley) to my hon. Friend the Member for Ribble Valley (Mr. Evans), who claimed that most of the revenue comes from overseas. I am afraid that the hon. Member for York was wrong—

Mr. Bayley The hon. Member for Ribble Valley said that the United Kingdom accounted for most of the Crown Agents' business. That was incorrect—although the United Kingdom is its single biggest customer. The hon. Member for Ribble Valley acknowledged that that was true.

Mr. Arnold The British overseas aid programme may be the biggest single customer, but our point is, and remains, that Crown Agents gets most of its revenue today from overseas sources. That underlines the importance of giving it maximum flexibility, as will be granted to it by privatisation.

Given the agency's in-house expertise and procurement capabilities, it is not surprising that most of its business comes in the form of advisory, financial and purchasing services. This expertise, built up over a long period, should be put to far wider use internationally. British expertise is renowned the world over, even if we are sometimes rather too modest about it.

A significant part of its business is the procurement of bank notes and stamps and vital secure documents. Britain's expert printers produce a great deal of such material. Crown Agents should rely on the excellence for which it is famous and should be free to be flexible.

I expected the debate to be incredibly boring and thought that everybody would take the view that this was a meritorious but low-key issue. But that is not the case. The hon. Member for Eccles (Miss Lestor), who spoke for the Opposition, immediately decided that this was privatisation. The red flag was raised and she charged into an extraordinary mode of opposition to the proposal.

Mr. Foulkes I must spring to the defence of my hon. Friend the Member for Eccles. She may not be a noble Lady, but she is correct, impressive and powerful. On this occasion she is right, and it was not she who first said that it was privatisation; it was the Overseas Development Administration. That was said in ODA press releases and it has been said by the Minister. The hon. Gentleman must not attribute that comment only to my hon. Friend, who expertly exposed what the privatisation means in practice.

Mr. Arnold The hon. Gentleman makes my point. Immediately this was labelled as privatisation, the red flag was hoisted and hostility was the order of the day. It is immensely revealing about this wonderful, glossy, new, Blair Labour party that one has merely to mention the word "privatisation" and Labour Members go ape.

Miss Lestor I go what? I do not understand what I went.

Mr. Arnold I think that it is called estuary English. As I say, the Opposition go ape and there is the usual hostile tirade against anything that is dubbed privatisation. That is highly unconstructive when debating the future of one of our great expert organisations. The reasonable tones of the hon. and learned Member for Fife, North-East (Mr. Campbell), who spoke on behalf of the Liberal Democrats, were delivered in the usual honeyed way. The hon. and learned Gentleman ended by saying that his party would oppose the Government. That is about par for the course for Liberal Democrats, who have not looked properly at the facts of this privatisation.

Privatisation is not a simplistic monolithic approach. All privatisations are different and could be categorised. Many of them are straight privatisations of independent companies which many Conservative Members would say should perhaps never have been privatised. Companies such as British Airways, British Steel, the bus companies, Amersham International and British Petroleum were all separate companies in the same way as Crown Agents.

Those of us who were in business used to travel frequently with British Airways when it was nationalised. We did that out of loyalty to the flag which was stuck on the aircraft. but there was a certain amount of embarrassment about the standard of service provided. When BA had the freedom, the scope and the competition of the marketplace and was unable to put its hands in the taxpayers' pockets it turned itself into the world's favourite airline. The same is true of British Steel in terms of quality. I could go through the gamut, but I fear that I am starting to make you restless, Mr. Deputy Speaker.

I shall deal with privatisations that contrast with the one that we are debating. The House gets steamed up about the utilities, but there is also privatisation by means of franchise. The train operating companies were privatised in that way, and by no stretch of the imagination are they comparable with Crown Agents. We are debating a privatization—let us be proud of the phrase, Conservatives certainly are—that is a transfer to an independent foundation. It will bring together many interested organisations and bodies, non-governmental and international organisations and a variety of institutions which will participate to oversee and ensure that the excellence of what Crown Agents offers is expanded, extended and developed in a way that could never happen under direct Government control.

The world is developing fast, and flexibility is essential if one is to succeed in delivering a wide-ranging service in the way that Crown Agents has always done. We should never underestimate the fact that Britain is a great international player. It is a permanent member of the Security Council of the United Nations, one of the great powers of the European Union and a leading nation in the Commonwealth and in the G7. I could continue with the list of our contributions.

In debating the subject of Crown Agents, we are also considering some of the outstanding work throughout the world that is carried out by some of our non-governmental organisations. They have a proud record of service, especially in the third world where many of them work with Crown Agents. Those organisations serve well not because they have been born and bred of Government but because they are independent. Many organisations based in the United Kingdom do exceptionally good international work. By supporting the Bill, we shall take a great organisation with a great history which embodies the expertise for which Britain is world renowned and place it alongside the NGOs. They will work with Crown Agents, which will build on the past and develop in the future in a way of which the House can be proud.

Mr. Hugh Bayley (York) I had not planned to speak in the debate and I apologise to the Minister and to my hon. Friend the Member for Eccles (Miss Lestor) for missing their speeches. I was at a meeting of the Standing Committee which is examining the Pensions Bill. However, listening to the debate has prompted me to intervene and I shall start by declaring an interest. Last year I went to Japan for a series of meetings with officials in the Japanese Foreign Ministry. I was a guest of the Japanese Government who paid my fare and my accommodation. I shall speak later about the Japanese overseas aid programme.

7.47 pm

The Minister confirmed in clear terms to my hon. Friend the Member for Hemsworth (Mr. Enright) that the Bill proposes to privatise the Crown Agents. As a supporter of the new Labour agenda of my right hon. Friend the Member for Sedgefield (Mr. Blair), I do not take the crude view that everything in the public sector is necessarily good or that private sector provision is necessarily bad. I take a pragmatic view, and the pragmatic question about the Bill is whether the privatisation of Crown Agents will make it more efficient or more effective.

Crown Agents is held in high public regard in this country and abroad. That is reflected in the size of its portfolio—the number of countries that come to it for its services. It is one of the oldest institutions in the British public service.

It is far older than the Overseas Development Administration and it is older than most of the Departments of State which have Ministers who report to the House.

There has been some sentimentality, especially from Conservative Members, about Crown Agents. Until this debate, I had not realised that being a schoolboy stamp collector was an essential requirement for a Conservative candidate.

Mr. Baldry indicated assent.

Mr. Timothy Wood (Lord Commissioner to the Treasury) indicated assent.

Mr. Bayley I see the Minister and the Government Whip nodding their heads. I did not realise that the first question at a Conservative selection conference was. "What colour was the 4 cent stamp for the West Indies Federation and when did the West Indies Federation cease to exist?" I now realise why the Conservative party gets the candidates that it does. Sadly, future generations of Conservative Members will not search in their watermark trays for Crown watermarks on the back of their stamps, but for Foundation plc watermarks. Sentimentality may be a fine thing and Crown Agents is a fine thing, but sentimentality in itself is not a good reason for not privatising Crown Agents.

We need to consider whether privatisation will make Crown Agents more efficient, more effective and more accountable to the people who go to it for its services. It would be possible for the Government to make the case that that would happen, but they have not done so to date. The reason that they have failed to do so is that they have set out in the Bill the framework, but not the detail about how the private Crown Agents will operate.

Without that detail, I am not prepared to take a gamble that the high ethical standards, the social commitment and the commitment to development which have characterised Crown Agents since it became a public corporation will be maintained. There are hon. Members who will seek that reassurance from the Government if they are to support the Bill. The Minister will have to say far more on Second Reading and in Committee to win that support and to achieve the cross-party consensus which exists about many parts of the Government's overseas aid programme.

Other hon. Members have quoted from the Financial Times article of 26 August 1993 which commented on Baroness Chalker's letter to the Chairman of the Foreign Affairs Select Committee outlining the Government's plans for the future of Crown Agents. The Financial Times reported that the Japanese "lobbied the UK government against outright privatisation, arguing that this would imperil the honest broker status of the organisation." In evidence to the Foreign Affairs Select Committee, Barry Ireton, an ODA official, said: "I think it is fair to say the Japanese would have concerns if the Crown Agents simply became an ordinary commercial private business." What the Japanese say matters not just because the Japanese are the second biggest customers of Crown Agents, putting hundreds of millions of pounds of business in its direction, but because Japan is an enormously important player in overseas development assistance. This year, for the first time, Japan has become the world's largest overseas aid donor—larger even than the United States. Japan may give less as a proportion of gross national product than the United Kingdom, but because its economy is hugely larger than the United Kingdom's, it gives more overseas aid.

Traditionally, Japanese overseas aid has gone to developing countries in its region of south-east Asia—to countries with which the Japanese have historically had trading or other ties. Those countries include the Asian tiger economies such as Korea, Taiwan, Singapore and Malaysia which have been development success stories. They are no longer poor or under-developed countries, but developed countries with strong economies and a high standard of living for many of their citizens. There is a limit to how much overseas aid one can give to a middle-income or high-income country.

The Japanese, therefore—I applaud this—have turned to providing more aid for the benefit of poor people in poor countries. To do that, one must inevitably turn to providing aid for Africa, the poorest continent. In contrast to its historical links with countries in its region of south-east Asia, Japan historically has had little to do with Africa so it has turned to donor countries that have had a historical relationship with Africa, most notably the United Kingdom, for technical assistance and advice.

When, for example, the Japanese decided to send a contingent from their national defence force to assist Rwandan refugees in Goma—an important decision in itself because it was the first time that land forces from the Japanese national defence force had been deployed outside Japan—they went to the UK high commissioner in Nairobi for advice, which was willingly given, on the logistics and practicalities of working in such a role in Africa. Such advice does not apply only to emergency situations. The Japanese Government come to Crown Agents for advice about providing long-term development assistance in Africa. They use Crown Agents as an agent for the Japanese Government's overseas development programme in 14 sub-Saharan countries and they have put £720 million of business through its hands.

The amount of overseas assistance from Japan to Africa via Crown Agents is likely to increase because the Japanese economy is likely to grow and the priority that they give to Africa in their overseas development programme is likely to increase. The Japanese have found already that they can be helped ably by Crown Agents in terms of the expertise that they require to deliver their overseas aid objectives effectively.

The Government have, in the Bill, responded to the view expressed by the Japanese that there should not be outright privatisation of Crown Agents. They have produced instead a curious hybrid—a privatisation without teeth. It is a toothless tiger which will create a public interest, private sector development organisation. It is toothless because all the profits created by this private development organisation will be recycled to pay for further development work and no dividends will be provided for shareholders.

To date, all the Government's privatisations have been predicated on the assumption that it is the profit motive and the shareholders' insatiable desire for dividends which act as a spur to efficiency and effectiveness and which contribute to the benefit of privatisation. It is, therefore, something of a surprise that the Government now argue that privatisation can be equally effective without the incentives of the profit motive and dividends to shareholders. Why was British Gas not privatised on the basis that profits made would be reinvested for the benefit of customers and that dividends would not be paid?

Mr. Jacques Arnold The losses.

Mr. Bayley The hon. Member for Gravesham (Mr. Arnold) asks about losses. In the past, the losses were always paid for by the consumers so there would be no change in that regard. The same case could be made about the privatisation of British Telecom or the electricity boards.

With their proposed privatisation of Crown Agents the Government are creating an entirely new concept and a new entity—a private sector, public interest corporation. If they believe that that can be the basis of a successful privatisation, there are good arguments for using the same approach elsewhere. If the benefits of privatisation can be gained in that way, but with additional benefits and safeguards for the public interest and the customers, surely the principle could be applied elsewhere.

I shall now ask the Minister a few specific questions. According to the Bill, the Crown Agents Holding and Realisation Board will have between two and 10 members. The Library briefing for the debate suggests that representatives of charities and other development organisations, among others, could be appointed to the board. If the Government wish to reassure the public and Opposition Members that the ethical principles and the commitment to development that have underpinned the work of Crown Agents to date will be retained under the new regime, one of the most effective ways of doing so would be to ensure that people with a commitment to development rather than to profit-making would have the whip hand on the board.

If there were one token representative from one development organisation I would not be reassured, but if a substantial proportion—perhaps 20 or 30 per cent.—of board members had that commitment I should welcome the fact.

Mr. Baldry I understand and fully accept the reason why the hon. Gentleman was not present for my opening speech, but let me put his mind at rest now. I have already said several times that the Government will not appoint the members of the foundation. I would hope that all its members will have a strong and total commitment to the development purposes and philosophy of Crown Agents.

The Bill transfers Crown Agents from its present 1979 statutory format into a company limited by guarantee that the Secretary of State will on some future occasion transfer to the foundation—also a company limited by guarantee. The members of that foundation will not be appointed by the Secretary of State. Some of the existing people at Crown Agents, together with other charitable and philosophical organisations, will come forward and say that they wish to be members of the foundation. The Government will have to look at them in the round, consider their competence and probity and decide whether to hand over the body that the Bill sets up to that foundation.

Clearly it is the intention that everyone involved with the foundation should be totally committed to the development purposes and philosophy that Crown Agents now espouses. We seek to provide the structure to enable it to do its work more successfully as we approach the 21st century.

Finally, without trespassing much further on your patience, Mr. Deputy Speaker, I should like to explain that if one is not careful the use of the word "privatisation" in the context of the Bill becomes a form of shorthand. Yes, the Bill will privatise Crown Agents in so far as it will take it out of the public sector, but if the hon. Gentleman had listened to my speech—

Mr. Deputy Speaker Order. My patience is now at an end. That was a very long intervention.

Mr. Bayley I thank the Minister for his intervention, and I shall certainly read his speech. There is still something that confuses me, and if it was not covered in the Minister's speech I should be grateful if he would deal with it in his summation. I had understood that the Crown Agents Holding and Realisation Board was intended to be a sort of stalking horse for the foundation—a foundation in waiting.

Clause 11 says: “The Board shall consist of not less than two and not more than ten members appointed by the Secretary of State".” It then makes further provision for the appointments. If I am wrong and the Minister has already explained why, I shall find out when I read his speech.

However, if there is a chance that the new foundation will grow out of the Crown Agents Holding and Realisation Board and its constitution and coming together is likely to be guided by that body, I shall want some reassurance from the Minister that a substantial presence on the Holding and Realisation Board will come from non-profit-making charities and non-governmental organisations with an interest in development issues.

My second question about the Holding and Realisation Board has already been raised several times in the House in recent months, and indeed over the years. It concerns the pay and other remuneration of directors of privatised organisations. There is undoubtedly widespread public concern about the escalating salaries and fees being taken by such directors. There would be public outrage if six-figure salaries of the type that have caused so much concern when paid to the directors of other privatised public organisations were paid to directors of the new foundation or its subsidiary company—a body whose raison d'etre is to assist the process of development for the benefit of poor people in poor countries.

Mr. Enright Does not my hon. Friend consider that a good example of what he is talking about is provided by Clare Spottiswoode, who was appointed to look after the public interest and operated at a public service or civil service level?. But we now know that she is putting in for a huge rise that will take her salary well into six figures.

Mr. Bayley My hon. Friend draws attention to just one of the examples that have given rise to genuine public concern.

Lady Olga Maitland I thank the hon. Gentleman for giving way, because I was becoming intensely frustrated by his gross slur on the integrity and probity of Crown Agents. He seems to suggest that its personnel will become corrupt and selfish in future. Will he retract any slur that he might have cast on Crown Agents?

Mr. Bayley I was drawing a parallel not with Crown Agents but with what has happened in other public sector enterprises that have been privatised. If the hon. Lady thinks that it is a slur to refer to the fact that directors of privatised companies earn hundreds of thousands of pounds a year, perhaps if she manages to catch your eye later, Mr. Deputy Speaker, she will explain why. However, if she thinks that it would be appropriate for the directors of a privatised Crown Agents to receive six-figure salaries of the sort that have caused public concern elsewhere, perhaps she will make that case to the House instead.

I appreciate the fact that when there is a privatised body the Government will not set salary levels, but they will set levels for the interim body—the Crown Agents Holding and Realisation Board. On page 6 of the Bill—

Mr. Baldry It might be helpful if I clarified the matter before the House gets into a muddle. The Crown Agents Holding and Realisation Board is completely different from the organisation which the Bill is dealing with. The board was set up by the Crown Agents Act 1979 to handle the consequences of the speculative investments on its own accounts by Crown Agents in the 1970s. That was the whole reason for the legislation.

An organisation was needed which could draw a line under those losses and manage them, and that organisation is the Crown Agents Holding and Realisation Board which is dealt with in clause 11 of the Bill. It is totally separate from Crown Agents, and the Crown Agents Holding and Realisation Board—as I said in my opening speech—will not transfer to the private sector with Crown Agents. It will do the residual work which it has to do, and as soon as it has finished that work it will be wound up by the Secretary of State. The Crown Agents Holding and Realisation Board to which the hon. Gentleman refers is history, and relates to losses made in the 1970s.

Mr. Bayley I thank the Minister for the explanation, and I do not need to pursue that matter further.

There are two other issues which I would like to put to the Minister. First, the aims and objectives of the foundation should he set out in the memorandum and articles for the company. This is not a technical detail—it is essential to the debate. Opposition Members, and some Conservative Members, are concerned that the privatisation of Crown Agents could destroy the ethical principles of social justice and development which are the hallmark of Crown Agents. Those principles attract its customers.

We need to be reassured that the new-style Crown Agents in the private sector will not change its nature, and that it will continue to subscribe to these principles under its no-dividend, profit-recycling constitution. That will be the point upon which the opinion of many Opposition Members will turn as to whether to support the Bill or not. If the Government genuinely want to maintain the high standards of public service provided by Crown Agents, I for one would not object in principle to that being done in the private sector rather than the public sector. But because of some things which have happened following other privatisations, I fear that the commitment to public service will be undermined unless those principles are firmly guaranteed in the founding constitution of the new-style private sector Crown Agents.

Will the Government give an undertaking to publish a draft of the memorandum and articles before the Bill goes into Committee? The debate will be meaningless if it is predicated on a "what-if' assumption and if we do not have the memorandum and articles before the Committee debate starts. If the Government wish to reassure the Opposition in Committee by going through in detail how it will work in practice, they should publish the memorandum and articles. If the Government wish to obscure the real nature of a privatised Crown Agents until after the House—with the benefit of the Government majority—has passed the Bill, they will come up against suspicion and opposition from the Opposition Benches.

Mr. Baldry It would be disingenuous of me not to respond, as I would not want the hon. Gentleman to be misinformed when he votes at the end of the debate. I made clear in my opening speech and in response to interventions that we have nothing to [...] I do not think that it will be possible to publish [...] and articles of association prior to the Bill going into Committee, for a number of reasons. Not the least of those is that we must consider whether the foundation should be a charity. Charity law at present is in a state of flux post-Barings. Hitherto, charity trustees have had an interest in placing all of their charitable funds in a secure bank because that—

Mr. Deputy Speaker Order. I hesitate to stop the Minister, as I know that he tends to make helpful interventions. However, I assume that he will be winding up the debate, and he can then answer the questions which have been put to him.

Mr. Bayley Without treading on your toes in any way, Mr. Deputy Speaker, I might say that it was thoughtful of the Minister to try to reassure me.

Some changes may be necessary to the final memorandum and articles before they are submitted to Companies House in view of what has happened to Barings and to the Barings trust. But that will not alter the substance of the memorandum and articles. I ask the Minister to publish a draft of the memorandum and articles, as that must be done if we are to have a constructive debate in Committee. If not, we will be debating the issue blindfold.

The Minister may have seen a draft which has reassured him, but he has not made such a draft available to the House. Without such a draft, the debate will be determined and dictated by the suspicions which obviously exist.

I understand that the Government are to take limited reserve powers over the foundation. They will have a golden share to prevent fundamental changes to the purpose of Crown Agents in its privatised form, but that golden share is only for a period of five years. I presume that the provision has been made because of concerns expressed by the Japanese Government and by other countries which use Crown Agents. They are seeking reassurance that the honest broker status of Crown Agents will be maintained. We need to give that reassurance for longer than five years.

Nothing is ever cast in stone for all time. If we find in five or ten years' time that the new-style Crown Agents has built up a track record and has reassured people that its commitment to development rather than to profit-making remains unchanged, the Government at the next appropriate overseas aid legislation could remove the provision and give away the golden share. But if we want to provide the reassurance which I believe is necessary for the 70 per cent. of Crown Agents' customers who come from overseas, five years is too short a period.

Lady Olga Maitland (Sutton and Cheam) I give a warm welcome to the Bill, which is in response to Crown Agents' wish for greater commercial freedom. First, I declare a constituency interest, as Crown Agents has its headquarters in Sutton. I am enormously proud of its achievements, and I echo the remarks of my hon. Friend the Member for Carshalton and Wallington (Mr. Forman) in wishing Crown Agents well as it moves into the future.

8.17 pm

Crown Agents is a unique organisation, whose historical background goes back 162 years. Its members were first appointed in 1833 as Crown servants acting under prerogative for the procurement of goods and services for colonial administrations. They formed the backbone of British interests overseas.

Today, a meeting at the Crown Agents' Sutton headquarters is always stimulating. It always has something new to tell. Its staff, its proudest asset, are enthusiastic, dedicated, and totally committed to their work.

When one hears of the organisation's sheer range of activities, one well understands why it is one of Britain's great ambassadors across the globe, covering 150 different countries. It employs 850 staff in 30 offices worldwide, and places annual orders worth more than £200 million for its clients. More than 70 per cent. of its income originates outside, and that percentage is growing. Tantamount to its success is that it has now paid more than £20 million in capital and interest to the Government.

As we have heard throughout this debate, the Crown Agents provides a range of services for aid agencies such as the United Nations, the World bank and the European Union, and for a number of bilateral donors, including Japan, Sweden and the Netherlands. Similar work is carried out for a large number of public sector organisations around the world. Projects range from bank training in Tashkent to humanitarian relief in Bosnia.

As we speak, with tension rising all the time in Bosnia, another aid convoy with food and medical supplies is crawling slowly over the mountains to reach such desperate towns as Banja Luka, Sarajevo, Mostar, Zenica and Gorni Vakuf. The drivers are all supplied by the Crown Agents, called in by the ODA to do a job that calls for unremitting courage and determination. The ultimate result is that they are saving thousands and thousands of lives. Their lot is full of risks, driving in perilous conditions.

Paul Goodall paid the ultimate price when he was killed in a vehicle hijack in Bosnia. His colleagues, Simon King and David Court, were seriously injured, and were duly recognised in the Queen's 1994 birthday honours list. Drivers John Crosthwaite, John Ellis, Raymond Milton, Nigel Moore. David MacAdam, Bob Phillips, Tony Winton. Edward Perks and Cyril Dawes fully deserve their honours from the Queen for keeping the aid convoys going in extremely difficult circumstances.

I salute those men all the more for their modesty because, unlike the soldiers who protect them, they do not receive public acclaim. Although they are often overlooked, they are the key to the humanitarian programme's success. I therefore welcome the Prime Minister's decision last week to send troop reinforcements to secure the protection of those valuable convoys.

The House has heard many references to the Japanese Government, who have such a high regard for the Crown Agents that they have chosen to place their aid programmes in its hands. In their first pilot aid programme, they asked the Crown Agents to deliver food aid to the far eastern sector of Siberia. That package was worth £25 million and, as expected, the programme was a success.

Indeed, it was such a success that today the Crown Agents has a major office in Tokyo, which I have visited. It supervises Japan's aid programme, which is worth $590 million since 1988 and covers 40 individual grants to 14 countries in sub-Saharan Africa, the Philippines and Peru. The Japanese Government are now the second biggest client after the ODA. The European Commission, through European procurement agents on behalf of the European Union, has nominated the Crown Agents, one of its members, to carry out a number of contracts across the world in countries ranging from Malawi to Bangladesh.

The Crown Agents' work is far wider than delivering assistance to the third world. The know-how fund makes full use of the Crown Agents. One project is the management and training programme in Belarus to assist the republic to change to a market-based economy.

As my hon. Friend the Member for Gravesham (Mr. Arnold) said, the Crown Agents is also active in the Caribbean, where it works on development in both the public and private sectors. In Asia and the Pacific, it focuses on aid, economic management and public sector development such as tax administration. I pay tribute to the rapidly growing and successful department that deals with tax administration, which is developing a vigour of its own.

The Crown Agents has been teaching countries to create self-sustaining projects such as bank training in Tashkent and Vietnam, bringing their performance up to international standards. In Africa, it provides not only support for major health and education programmes but international banking, account and foreign exchange services to Governments and central banks.

Those services are crucial to developing countries such as Malawi, which I visited last year and where I had a chance to talk to some of the Crown Agents' representatives there. I join my hon. Friend the Member for Ribble Valley (Mr. Evans) in wishing the newly elected Government well. By bringing in an ordered democratic government, Malawi is more likely to benefit fully from the Crown Agents' work. The range of the Crown Agents' work extends to other countries such as Tanzania, where it undertook a comprehensive review of public procurement and supply of management arrangements.

Given the range of activities, we might ask why so many countries choose to turn to the Crown Agents to deliver and handle those aid programmes. The clue might lie in the fact that it delivers real value for money. Not a penny is wasted. In the 1993 annual review of the Crown Agents' activities, Mr. Peter Berry, the managing director, stated: “Increasingly, as aid becomes subject to a more detailed cost-benefit scrutiny than in previous cycles, we find ourselves able to demonstrate our effectiveness on several levels. Our cost-effectiveness in the actual spending of aid is self-evident. Yet we can also monitor the aid process, interfacing between donor and client to provide surety to each that their money is being well spent, and we can manage and train recipients to handle effectively and accountably the funds made available to them.” That sums up one of the qualities of the Crown Agents.

A brief resumé of the Crown Agents' wide-ranging work will help to understand why I welcome the Bill: it is vital that it should now be able to develop further. Times have moved on since the passing of the Crown Agents Act 1979, when it became a public corporation with a board appointed by the Secretary of State for Foreign and Commonwealth Affairs. It came into being after a turbulent history, which prompted a regulatory framework designed to give the Government tight control over its affairs.

That may have worked at the time, helping to build public confidence, hut, by the same token, as the years went by and the range and scale of business done on behalf of other Governments and agencies increased, it became evident that the constraints were unrealistic. In short, the Crown Agents had outgrown its constitution. It needed to be set free to compete with the world in the 1990s and beyond.

The problems were first set out clearly in the annual report of as long ago as 1992 by the chairman, David Probert. My right hon. Friend the Minister for Overseas Development recognised those problems and stated in another place that she would review the status of the Crown Agents. Her responsiveness is typical.

Given that the Crown Agents receives not a single penny from the Government in any subsidy, and the fact that Government contracts are significantly down due to changes in Britain's bilateral aid, the Crown Agents has had to compete in the international arena in order to survive. During those initial days, however, it passed through a crisis and had to lay off staff, much to its regret. Even with its hands tied behind its back due to restrictions imposed upon it, it has done extremely well.

Just imagine how the Crown Agents would prosper if it was granted total freedom from the Government's apron strings. It would be able to make major decisions fast without having to refer back to a Government Department. where red tape and bureaucracy cannot respond with the necessary sense of urgency. Even a simple decision on a proposed joint venture scheme can take weeks, even months—or, in one case, well over a year. That is not good business practice, and opportunities can be lost.

To begin with, slow progress was made in responding to the problems highlighted by the Crown Agents. The chairman, assisted by his able and energetic managing director, Peter Berry, kept up the pressure. In the 1993 annual report, they noted that their advisers, Price Waterhouse and S. G. Warburg, recommended that the ideal solution would be to transfer the business and assets to a specially formed foundation, the profits of which would not be distributed but would be retained for the development of the organisation and its services to clients. Such a structure would ensure that the Crown Agents continues to be good for development, good for the transfer of skills and good for international trade.

I have been somewhat saddened by the remarks of Opposition Members, who seem determined to retain the Crown Agents within the public sector. I totally reject that idea, which would hamper its freedom. The Opposition were asking the wrong question. The right question is why the Crown Agents should continue to be owned by the Government.

The blindness and hostility of the hon. Member for Eccles (Miss Lestor) to privatisation is so well known that all she could do was rampage in and focus on other privatised industries. She drew attention to certain high-profile examples, and drew a direct parallel between them and the Crown Agents, but did not accept that it operates in a different sphere.

The hon. Lady did not say what would happen if there ever were a Labour Government. I am confident that that will not happen, but we must still ask whether she would try to claw the Crown Agents back into the state sector. If she did so, she would kill the Crown Agents stone dead. She would cramp its style in an extremely difficult and competitive world.

For the Crown Agents to prosper, the Government should be able to stand back from detailed control, but they cannot do that as long as they continue to bear ultimate financial responsibility for it. Government ownership requires the Government to take an internal interest in the affairs of the Crown Agents, or, as some would suggest, to interfere. There is no need for that.

No one is suggesting that there will be any repetition of the events that influenced the introduction of legislation in 1979. In any case, the Government would retain an interest as a customer of the Crown Agents. I therefore welcome the fact that the Government support the transfer to a foundation in principle, but that is not reflected in the Bill.

An enabling Bill simply gives the Government the means to transfer the Crown Agents to another status at a later stage. That may suit the Government when considering other forms of legislation, but this case is different. In terms of client confidence, especially of Japan, which is the second single major customer of the Crown Agents, it is necessary to include in the Bill a commitment to make the transfer into a foundation.

It is not enough just to leave that in the air and trust to hope that the Government will do as they have promised verbally. The blinds are being pulled down over exactly what will happen next during the transfer, and the final outcome will not be subject to any control.

I am concerned that, at this stage, key factors concerning the future of the Crown Agents are still to be resolved. I share the concerns expressed by the Opposition about the memorandum and articles of association. I find it disturbing that, so far, the Government have not produced their own memorandum and articles of association of the companies.

I can understand that the Government do not want to set a precedent, but the Crown Agents is a unique organisation. Its strength lies in the morale of its employees. As they are largely my constituents, I have a special interest to express on their behalf.

My hon. Friend the Minister will be aware of the staff's nervousness about their future. It is reassuring to note that there are no plans to change their pension arrangements or to announce any staff redundancies in the future. None the less, the whole structure of the employees' working environment is enormously important to them. As staff morale is the key asset of the Crown Agents, they deserve priority treatment.

It would make a great difference to the staff if my hon. Friend produced a memorandum and articles of association sooner rather than later, so that they may have a clear idea of exactly what he has in mind on their behalf. A clear statement about that today would be much appreciated.

Such a statement would also increase confidence among the many major customers of the Crown Agents. I appreciate, however, that my right hon. Friend the Minister for Overseas Development has discussed the options, and taken full account of the concerns of the Japanese Government as well as of other clients.

The constitution of the future foundation will be bound by the operational structure of the successor organisation. I understand that the Crown Agents would like a sleek, single company, limited by guarantee, which cannot distribute profits to its members. That equates with the continental not-for-profit foundations, well understood by the Crown Agents' clients overseas. Research bodies have been transferred to the private sector in that way. It appears, however, that the Government have other ideas, which are frankly cumbersome. They have proposed an interlinked, two-company structure, which is unwieldy and unnecessary.

The Government have suggested that the holding company might have charitable status. As I understood it from my meeting with the Minister, that is still under consideration. In my view, that proposal is inappropriate. I understand that the Government are anxious to ensure that there should be no exploitation. We all share that concern. The very word "charity" means good, but charitable status is extremely restrictive, and could tie up the operational nature of the foundation in such knots and create so many complications that that could damage the potential for development of its business. From the Government's point of view, charitable status achieves the objective of external regulation of the holding company by the charity commissioners.

Matters are not helped by recent press comment in the wake of the Barings collapse, which has highlighted the duty of charitable trustees to operate their investments for the benefit of their charitable objects rather than moral considerations. In this case, charitable status, as opposed to not-for-profit status, could have a negative impact on the market position of the Crown Agents.

Clients want to be assured that the operating company is run commercially but for a social purpose, rather than geared to generating maximum profits for distribution by a charitable parent. Clients would want the Crown Agents to plough more resources into its operations, rather than make disbursements in accordance with the company's charitable objectives.

Another factor that is extremely important to the Crown Agents is capitalisation. That is crucial to the future of the Crown Agents. It affects the whole viability of the new foundation. The Government say that they are anxious that the foundation should be viable. My hon. Friend the Minister said earlier that he did not want it to be overburdened with debt. However, that must be balanced with an obligation to repay its debts to the taxpayer on a good value for money basis.

One cannot have it both ways. Either one burdens a new foundation to such a degree that it is unable to flourish, or else one gives it the lift-off so that it can really float free. Therefore, I was worried to notice that in clause 2 the Bill makes provisions for a clawback of the commencing capital debt of about £2 million plus.

Including that debt, the capital and reserves of the Crown Agents are extremely modest, totalling £15 million. That is a meagre amount when one takes into account the fact that working capital needs are increasing all the time. Reduce that sum by £2 million being called in by the Government, and one might wonder how any major company could achieve client confidence with a working capital and reserves of only £13 million. Accountants that I have spoken to tell me that it is simply not credible in a commercial world. Indeed, in my opinion, the Crown Agents would be better served by buying a lottery ticket and trying to raise capital that way. It certainly could end up with more.

Even as a layman, I was amazed, when I looked at the balance sheet, how near the bone the Crown Agents operate. No one could say that it is wallowing in a fortune of greed; quite the opposite. There is never any suggestion from its bank accounts and its balance sheet that it could be profiteering, and I doubt that it would ever be the case in future. The Crown Agents has no real estate to call upon. The headquarters in Sutton is leased. The only capital equipment could be the computers, which depreciate. The real asset is beyond price—the quality of the staff, their dedication and sheer professionalism.

It is all very well for the Treasury to try to extract every penny it can. That is its responsibility. However, that must be balanced by the fact that it is reducing severely, at a stroke, the ability of the Crown Agents to withstand a crisis.

If I may, I wish to give an example. In recent years, the Crown Agents has had to weather events such as the sudden change since 1992 in procurement volume from the Overseas Development Administration. Uncertainties have developed created by totally outside events, such as the collapse of a long-established bank such as Barings, which might affect the Crown Agents at any time.

It would be most embarrassing for the Government if they set a foundation free only to find that it then had difficulties because it had been starved at the start of much-needed resources. The foundation needs to embark on its rebirth with a robust financial base, not—to quote the Viscount of Oxfuird on Second Reading in the other place— "born into a state of penury."—[Official Report, House of Lords, 28 February 1995; Vol. 561, c. 1432]" Crown Agents is under-capitalised as it is. Far from the Government grabbing the £2 million, they should be topping up the capital and reserves of at least £20 million, thus strengthening the foundation and giving it the boost that it deserves. After all, faced with the future and with all the internal costs that it will have as it goes into the future, that is essential.

It is not only generous-spirited to ensure the viability of the Crown Agents; it is plain common and commercial good sense. I trust that when the Government consult independent financial advisers, they will agree with me. Indeed, if I may remind the House, my hon. Friend the Minister did say that he wanted the foundation to have a healthy rebirth.

Generally, the good news is that the scene is set for a bright future, facilitated by the Bill. When I survey the vast array of work that Crown Agents does, the good will that it engenders throughout the world, the benefits that we as a nation receive from basking in its reflected glory, its story is born of modesty, professionalism and pride. Crown Agents reflects the best of Great Britain today, and it is my proud boast that I happen to be its Member of Parliament.

8.44 pm

Mr. George Foulkes (Carrick, Cumnock and Doon Valley) I do not think that I shall be able to follow the hon. Member for Sutton and Cheam (Lady Olga Maitland) in her stirring and heroic manner, although I agree with some of her arguments in relation to the memorandum and articles of association of the foundation, the role of the staff, the excellent work done by the staff and the role of the Treasury. I shall return to those later.

The debate has been useful. Someone said earlier that it had been a surprisingly interesting debate. It is no surprise to me that it has been interesting. For those of us who are involved, and have been for some time, in development, it is an important and interesting subject. It has been good that so many people have participated. Some of my colleagues have been unable to do so because of service on Select and Standing Committees, although I pay tribute to my hon. Friend the Member for York (Mr. Bayley) for coming out for some time from the Select Committee on which he serves to participate and to make such a brilliant speech.

The debate as a whole—I know you have not been able to sit through it as I have, Mr. Deputy Speaker—has been surprisingly full of philatelists. I had not realised the high correlation between philately and interest in development, but it has emerged strongly tonight, especially among Conservative Members. The debate has also been full of world travellers. It was surprising how many hon. Members prefaced or interspersed or concluded their speeches with mention of their travels around the world, to Malawi or Sri Lanka—not all as members of the Welsh Select Committee, although it did entrance us to know that the hon. Member for Worcester (Mr. Luff) had been to Barcelona as a member of the Welsh Select Committee. It has been a remarkable revelation of a debate.

I wish, on behalf of the Opposition, to reiterate what has been said on several occasions—the Leader of the House will be pleased to know that I am still on my first paragraph—from both sides of the House, and I do not mean the effusive congratulations and effusive words that were said about Baroness Chalker. She would be embarrassed if we were to go any further along those lines.

We all agree about the great value of the work—brilliantly described by the hon. Member for Sutton and Cheam—undertaken by Crown Agents, and the exemplary way in which it has performed those tasks to date. I shall not disappoint the hon. Member for Worcester. It occurs to some Labour Members, and perhaps even, occasionally, to some Conservative Members, that if Crown Agents is so good, has been working so well and has done so much in so many sectors in so many countries so effectively and so brilliantly, why do we need to change it? What is the purpose of the Bill? What is it all about?

I think it was an American who said, if it ain't broke, why mend it?

Mr. Jon Owen Jones (Cardiff, Central) Fix it.

Mr. Foulkes It was one of my honourable and erudite Welsh friends who said, if it ain't broke, why fix it? And it ain't broke. The hon. Member for Sutton and Cheam said how well Crown Agents was doing, so why do we need to go through that process?

The Minister will be pleased to know that I shall be able to allow him a few minutes at the end of the debate to reply to my hon. Friend the Member for York and others. The Minister spoke earlier, at some length, but he has not convinced me. There were no arguments; there were no explanations; there were no reasons. There was dogma. There was certainly the continuation of a long diatribe that was made in the other place, but there were no real arguments and no real explanations. The Opposition hope that the Crown Agents' good work will continue long into the future, but whether that is possible remains to be seen.

Labour Members have expressed many doubts and concerns and I will express some more in a moment. The hon. and learned Member for Fife, North-East, who spoke on behalf of the Liberal Democrats, also expressed some concerns. It comes down to one word: trust. It is a question of whether we can trust the Government with an enabling Bill on such a vital issue. I hope to prove in more detail that it is difficult to trust the Government on this important issue.

The Crown Agents has been correctly referred to today as an organisation of which Britain can be proud. I was surprised when my hon. Friend the Member for Eccles (Miss Lestor) was taken to task because she said that it is an organisation that bats for Britain; it works for Britain and it looks after British interests. A Conservative Member took my hon. Friend to task and said that the Crown Agents' new-found independence will free it from having to look after British interests.

Labour Members are always accused of talking Britain down, but when my hon. Friend took the opportunity to talk Britain up, she was attacked from the other side. Would an equivalent French organisation, which had proved so successful in promoting French interests overseas, be endangered by a move into the private sector? I do not think that that would happen.

Lady Olga Maitland If the hon. Gentleman is so keen to talk Britain up, surely he would agree that we are giving the Crown Agents and the subsequent foundation the freedom to expand the business. The hon. Gentleman is trying to cramp the Crown Agents' style, hinder its business and snuff it out. Surely that is no help to anyone.

Mr. Foulkes I will come to that point in a moment. The hon. Lady is as vigorous in her intervention as she was in her speech. That is a constant refrain from Conservative Members, and particularly from Ministers. I do not wish to dodge the hon. Lady's question. The Government impose artificial and unnecessary limits on organisations in the public sector. When those organisations cannot achieve the targets that the Government have set, they then say that they must be privatised. There is an alternative—the Government could take away their arbitrary and unnecessary limitations.

Ministers say that the limitations are imposed by the Treasury, as though the Treasury were an ethereal body, completely separate from Government, which lays down immutable laws. That is not the case. Even the Chancellor of the Exchequer and the First Lord of the Treasury are not immovable, as the previous holder of the post of First Lord of the Treasury demonstrated. Governments can give commercial freedom to organisations without moving them from the public sector into the private sector.

Lady Olga Maitland Does the hon. Gentleman agree that, if the Crown Agents is retained within the state sector, it will give Governments the right to interfere? How do we know that Governments will not interfere in the Crown Agents' operations? We must set the Crown Agents free and enable it to make its own decisions.

Mr. Foulkes I will return to that point in a moment. The hon. Lady suggested in her speech that, while she did not want any interference in the operations of the foundation, she wanted some kind of supervision, protection and guarantees for its staff.

It may come as some surprise to you, Mr. Deputy Speaker. to learn that not all members of the parliamentary Labour party know about the full range of the Crown Agents' activities. The hon. and learned Member for Fife, North-East will know that in Scotland we have the Crown Estate Commissioners and other bodies with similar names which may be confused with the Crown Agents. I believe that the organisation can be best described as a facilitator, but perhaps that is a simplistic view that underestimates the Crown Agents' role. It has worked very hard to carve out an individual role within the current legislation which the Government are seeking to alter.

The Under-Secretary of State has said—and other hon. Members have repeated it—that the Crown Agents is one of the world's largest international public sector purchasing organisations. It has orders of £400 million placed every year and the hon. Lady referred to other statistics. It is a large organisation that works for major donors, such as the European Union, the United Nations, the World bank and many individual Governments. It is a major international corporation that has built up an impeccable reputation throughout the world.

The developing world receives the Crown Agents' expertise in the form of sustainable development, institutional strengthening and disaster relief. The developed world channels aid funds through the Crown Agents, with the result that some two thirds of its business is aid funded. Both the recipients and the donors hold this uniquely British institution in the highest esteem.

We have been given examples of the Crown Agents' work, but I wish to underline the organisation's importance. it provides a wide range of humanitarian assistance. As chairman of the British Albanian group, I am particularly interested in its work in Albania. It has provided humanitarian assistance in the form of supplying and delivering emergency medical equipment for disadvantaged children.

Its work in the Caribbean has been mentioned. Following the hurricane in Jamaica, which caused so much devastation, the Crown Agents supplied roofing materials, corrugated sheeting, nails and ridge-capping, together with logistics support. In the Sudan it supplied antibiotics, bladder tanks, blankets, cutlery, cups, tents, trucks, polybags, feeding kits, fast tanks and solar lamps as part of famine relief. [Interruption.] I am practising for when I am a Minister after the next election. The Minister is being disparaging.

Mr. Menzies Campbell Two assumptions.

Mr. Foulkes The hon. and learned Member for Fife, North-East is absolutely correct: I have made two assumptions. One is certain and the other may be less so.

In Albania the Crown Agents has provided procurement and quality standards input to a detailed audit of a small and medium enterprise development programme. In Dominica it reviewed social security fund portfolios with a view to adjusting asset allocations and risk to meet long-term economic objectives. In Hungary it assisted in the design of an improved system for tax administration. In Namibia the Crown Agents undertook a review of the staffing structure and operations of the national development corporation and in Vietnam it enhanced the effectiveness and efficiency of the banking sector through a sustained programme of technical assistance and staff training in a joint venture with the Institute of Computer-aided Management Foundation.

Mr. Nigel Evans rose—

Mr. Foulkes The hon. Member for Ribble Valley rises on cue. He wonders why I am mentioning the Crown Agents' achievements, because some of them involve the private sector, such as banking. That is the kind of work that the Crown Agents has performed in its existing form in the public sector. Why do we need to change it? If it ain't broke, why fix it?

Mr. Evans The hon. Gentleman is saying that a great wealth of experience and expertise has been built up over many years, along with a great trust in the Crown Agents. Therefore, why cannot we allow it to flourish and expand into other areas, simply building on what it has achieved rather than stifling it?

Mr. Foulkes The range of activities that I have described does not sound like stifling. I shall go even further into the issue that the hon. Gentleman has raised. To this day, the Crown Agents has successfully diversified its operations. We heard today about its beginnings in the 19th century and its procurement functions for colonial Government.

The Minister implied that the Crown Agents has been in the public sector only for the past 15 years. It has been a public corporation for the past 15 years, but before that it was certainly part of the Government and its staff were civil servants. According to a note that I have here, having been colonial servants, "They continued as civil servants under the aegis of the home government as the colonial empire waxed and waned, and continued to provide services to public authorities in Commonwealth countries after independence from British colonial rule." The staff of the Crown Agents have been in the public sector as colonial servants, home civil servants and members of a public corporation. It has diversified and persistent expansion has resulted in its currently having offices and representatives in 30 countries, as we heard tonight. That does not sound like stifling to me. It has operations in more than 130 countries. That is a long way from stifling.

Crown Agents is expanding and developing, and throughout that expansion it has never forgotten its developmental purpose and its principal role. That is important and crucial in what we are discussing today. It must never be allowed to forget its developmental purpose. The trust and responsibility that have been placed in its operations has never been subservient to commercial interests or to the interests of one particular company, sector or organisation.

The Opposition hope that Crown Agents is not forced into the commercial world with commercial pressure and increased commercialisation by a Government who are ideologically obsessed with their utopia of a free market which underlines and underpins almost everything they do.

The idea behind the Bill has been on the table for many years now. As long ago as 1984, the Minister for Overseas Development said that the Government were considering whether the Crown Agents could carry out its business in the private sector. The ill-conceived nature of the proposal was correctly put to the Minister by the Crown Agents. Meanwhile, other privatisations continued.

We cannot go into detail about the other privatisations, but the privatisation of water has not been a wholesale success. Prices have risen and those in charge of the industry have been awarded excessive wage increases, and similarly in electricity, telecom and gas. The hon. and learned Member for Fife North-East mentioned the non-democracy of the British Gas annual general meeting.

Mr. Jacques Arnold How can the hon. Gentleman say that the water industry has not been a success when our highly expert water companies in the private sector went to Latin America, as the hon. Gentleman knows well, and returned with $2,000 million in contracts to provide British expertise to those countries in Latin America in terms of water supply and soiled water disposal? How can he say that that is not a good example of privatisation when it is bringing British privatised expertise to the third world?

Mr. Foulkes Exactly that could be done irrespective of whether the industry were in private or public ownership, so long as the constraints were changed. The Government have an almost Marxist view of life. They limit the power and scope of public enterprise and then say, "Look at this. They cannot do it. Is it not disgraceful? It shows the failure of public enterprise." [Interruption.] The hon. Member for Shrewsbury and Atcham (Mr. Conway) must not put me off.

The Government draw attention to the failure of public enterprise to increase the almost revolutionary fervour and desire for privatisation. It does not convince or fool the Opposition.

I know that the hon. Members for Ribble Valley (Mr. Evans) and for Worcester considered it too much of a fantasy to suggest that because Post Office privatisation flopped the Government scrabbled around to find a figleaf to cover their embarrassment by the flop of the Post Office privatisation. The Government business managers said, "Find us something that we can say is privatisation, so that we can then say that the steam has not gone out of the privatisation programme." The Government's response was to introduce the Bill.

Mr. Jacques Arnold The hon. Gentleman asked for an example. I shall remind him of an attempt by government to go into business, which should be the preserve of private enterprise the first majority Labour Government's charge into the groundnut scheme. The hon. Gentleman might remember that it was a Labour Government who had to pick up the tab, no doubt at the expense of hospitals, schools and pensions, for example.

Mr. Foulkes That is a really up-to-date example. I could talk about the nationalisation of Rolls-Royce by a Tory Government. That is an example in the other direction. Some more contemporary examples might serve.

The Government were looking for a figleaf. They produced a hurriedly formulated proposal that went against the wishes of the Crown Agents. We know that the Crown Agents was against privatisation originally. It has had a gun put to its head. At the same time, its arm has been twisted. It has been told that if it does not accept the Bill, things could be worse for it. As a result, it has reluctantly accepted a foundation as a compromise solution. That response has been against the wishes of the staff, the trade unions and, most importantly, the clients of the Crown Agents.

The speed with which the Government filled up their ridiculed legislative programme resulted in the mess in which we now find ourselves. The Post Office fiasco caused the Tory party to recognise that privatisation is not the political answer to every problem that presents itself to a Government.

The hon. Member for Gravesham (Mr. Arnold) does not understand what new Labour means. Of course we oppose privatisation. I know that the hon. Gentleman is often in his place, but if he were in the Chamber for Question Time and debates week after week he would be aware of our opposition to the privatisation of the Post Office. We have opposed the privatisation of British Rail and now we are faced with the privatisation of the Crown Agents. Of course we are against it.

As my hon. Friend the Member for York said, we are pragmatic. It is principled pragmatism.

Mr. Menzies Campbell Will the hon. Gentleman give way?

Mr. Jacques Arnold Will the hon. Gentleman give way?

Mr. Foulkes I shall give way to the hon. and learned Member for Fife, North-East.

Mr. Campbell Perhaps the hon. Gentleman will acknowledge the success of the opposition to another privatisation. I refer to the attempt to privatise the water industry in Scotland. The volume of opposition, if I may use the term, was so considerable when a referendum was held in Strathclyde that the Government were forced to back down.

Mr. Foulkes I am grateful to the hon. and learned Gentleman. His intervention has ridiculed what the hon. Member for Gravesham was saying. The Government did not press ahead in Scotland with the privatisation that they thought was so wonderful in England. They took that decision because we argued the case effectively. The hon. and learned Gentleman has produced an excellent example in the form of the Strathclyde referendum, in which 97 per cent. of those who voted opposed privatisation. I think that a Liberal councillor suggested that there should be a referendum. The suggestion was accepted by the Labour-controlled Strathclyde region. There were many who said that the authority's fingers would be burned, but the referendum was extremely successful from our point of view. The Government, rightly, did not go ahead with privatisation.

Mr. Nigel Evans The hon. Gentleman will have heard example after example of the concept of privatisation having been exported throughout the world, probably even to some of his most beloved socialist republics. Other countries have grasped and embraced privatisation because they see it as the future. Why is it that Opposition Members cannot see the benefit of the concept?

Mr. Foulkes I used to find it somewhat paradoxical to hear the former Prime Minister, now Baroness Thatcher, say that Thatcherism had been exported to every corner of the world. I note that the hon. Members for Sutton and Cheam and for Ribble Valley (Mr. Evans) nod in agreement. However, when we were faced with economic problems, Ministers said that they were the result of a worldwide recession. Might there not be some connection? Perhaps the worldwide recession was influenced somewhat by Thatcherism being exported throughout the world? I had better not go too far down that road. We are, of course, talking about the Crown Agents.

The use of the Crown Agents to fill a gap in the Government's failed legislative programme is disparaging to the work of the Crown Agents. We have all been in agreement today about the excellent work that it has done. Why should it be taken out of context, as a figleaf, as I said earlier, for the Government's gap in their privatisation programme?

We have heard about the similarities between the Crown Agents and the Post Office, those two great public sector corporations. This might answer the point raised by the hon. Member for Worcester. Both the Crown Agents and the Post Office seek greater freedom from Ministers—not surprisingly, incidentally—but that can and should be done with a view to retaining the nation's assets. We continually hear Conservative Members attacking the Labour party for, supposedly, as I said earlier, running down British interests, but the Crown Agents, like the Post Office and British Rail, is a national institution, which we are and should remain proud of, within the public sector.

The Crown Agents, in its annual report of 1993, stated publicly that it believes that the transfer is in the best interests of clients, aid programmes and of its employees. The Government cannot commend the work of the Crown Agents on the one hand and then on the other dictate to it that they know better when it comes to the future of the organisation.

We see that an awful lot in Scotland, as some of my hon. Friends will know, where Ministers come to us and say, "We want to consult you. We want to hear your views," only to pay no attention to them, because "we know better." It is that arrogance, that paternalism, that has resulted in the Government being so low in the national opinion polls today.

The Government have told us today that the Crown Agents must meet the changing needs in its market. That has been expressed by the Crown Agents, but to a lesser degree. The needs, though, of the beneficiaries of the work of the Crown Agents have not changed. The poverty statistics for the developing world continue to make grim reading, and the Crown Agents has the responsibility for the alleviation of some of that poverty.

In 1993, the Crown Agents managed disbursement arrangements for 150 British bilateral aid agreements worldwide, with a total value of £1.8 billion. That sort of commitment cannot be utilised for party political gain or for particular commercial purposes. Nor can it, to use a Government term, be distributed by hard-nosed business men. It needs to be distributed by people with a primary—if not a unique—interest in the development of the third world.

Mr. Luff If the hon. Gentleman is so hostile to the idea of the private sector and privatisation, what does he make of the fact that the Crown Agents makes a lot of its money out of advising foreign Governments on privatisation?

Mr. Foulkes The hon. Gentleman misses the point. He says that we are hostile to privatisation and also to the private sector. We have not said that we are hostile to the private sector. We say that there is a role for the private sector—of course there is—but we do not necessarily see the role of distributing money to third world recipients as part of an aid programme. We do not see that that should be part of the Crown Agents' responsibility.

I must move on, because I have quite a lot more to say. I am only on page four.

The Crown Agents, in its annual report, prides itself on being independent of any commercial interest. We have to be honest and say that there has been a tendency towards corruption in areas in the private sector, in privatised industries. To impose the Government's programme on the Crown Agents unnecessarily is placing political dogma before development.

I now deal with the foundation, which I think is the key part of this whole debate today. We have had frequent explanations from the Under-Secretary of State, in his speech and in detailed and helpful long interventions, but I think that they have rather unfortunately helped to obfuscate rather than clarify exactly the position.

In addition to the strong reservations expressed by Opposition Members, many reservations have been expressed and questions asked by Conservative Members. I pay tribute to Conservative Members for that. They make their points in a more polite, perhaps less trenchant, way than my hon. Friends, but, nevertheless, the questions, the challenges and the doubts are there.

We see in this legislation that there has been squabbling within the Government. We have seen that in other areas all too frequently. The full-scale trade sale or the public share issue has, apparently, been avoided in the interim—in the interim—but we must be cautious that it cannot take place in the future. Apprehensions about the Government's long-term plans for the Crown Agents are still prevalent, certainly among Opposition Members and, I am sure, elsewhere.

No one should be fooled by the simple promise of a foundation. The first opportune moment for the Crown Agents to be exposed to what was described by Conservative Members as the full rigours of the competitive free market environment could be utilised. The failure of some future legislative measure, perhaps even rail privatisation, could require the Crown Agents to be used again for full privatisation in order to try to obtain some money for the Exchequer.

The Minister has said that the Government's plans to reform the Crown Agents were being discussed in 1984. I said that myself earlier. They have continued for more than 10 years. It took nine years to decide that there would be a foundation and that was announced in August 1993. As I said in my intervention on the Minister, for nearly two years now we have all waited patiently for the Government's social and developmental objectives to be outlined.

Our colleagues in another place have been given repeated assurances that we would be able to discuss such social objectives in this House and we are still waiting. We have been promised a foundation and we are being asked to trust the Government. However, the Government's record of broken promises does not inspire trust from this side of the House, nor do they deserve it.

We do not know what will happen after the five years. We may, in Committee, change that period. If the Secretary of State's oversight—this emerged from an intervention earlier—is necessary for the first five years, why, as my hon. Friend the Member for Eccles (Miss Lestor) rightly asked, is it not necessary afterwards? In some ways, the further one moves from the current position the more necessary it may be.

The lack of information being made available to Parliament also increases suspicion about the Government's negotiations or wranglings with the Crown Agents and, presumably, as the hon. Member for Sutton and Cheam said, the wranglings or negotiations with the Treasury for the best deal available.

In particular, the healthy state of the pension fund, a matter of particular concern to the trade unions, with a value of between £60 million and £70 million and an actuarial surplus of £19.5 million, means that beady eyes might be cast on it. Those funds have the potential to be siphoned off and used for other purposes. Those who serve on the Committee will have the important function of trying to obtain some assurances in relation to the pension fund.

In contrast to the 1979 Act, the Bill does not even mention the employment or pension rights of the staff who have been so highly praised by the Government and by Conservative Members. Surely, as I think the hon. Member for Sutton and Cheam was saying, something should be written into the Bill to protect their rights. Mere bland assurances from Ministers are no longer enough. Crown Agents' staff should have written into the Bill assurances about their terms and conditions, their right to trade union membership and a guarantee that the pensions will be protected.

In the other place, the Minister described the Bill as both unusual and usual in its form. That is symptomatic of the mess that the Government are in danger of making with an organisation that has requested simple reforms to allow for change. It does not wish to lose its developmental objective. I am sure that it is as eager as the rest of us to see the Government's idea of a social objective.

The guarantee that for five years the Crown Agents will be protected is ludicrous. As I said earlier, what will happen after that? The whole operation could be changed by members of the board, and sold off in pieces along with its developmental objectives. The pension fund and the financial services branch could become prey to big-city institutions. Such a scenario could come about if guarantees are not clearly set out in the Bill. My hon. Friend the Member for Eccles demanded such guarantees earlier.

Opposition Members are concerned about the subversion of parliamentary scrutiny. Crown Agents has been grateful for such scrutiny in the past. In 1979—to which the Minister referred—the responsibility and power of Parliament effectively saved Crown Agents, and put it back on the right path. Parliamentary scrutiny has been important throughout its long existence.

The problems of the mid-1970s, when the pursuit of financial gain overtook Crown Agents' responsibility, were ironed out in legislation. That legislation—although it was introduced by Labour Ministers—was implemented s by a Conservative Government: a Conservative Government who now seek to allow Crown Agents to move outwith the accountability of the public sector, without proper explanation. I do not think that the company will be any safer in the private sector in the 1990s than it was in the 1970s, following the climate created by BCCI, Barings—which was mentioned earlier—and all the private sector problems of the past decade.

Over the years, Parliament has become increasingly familiar with a phrase that is written into Bills—"The Secretary of State may". This Bill has taken that to extremes: the phrase appears nearly as many times as the Bill has clauses. Some of my colleagues have described the Bill as a skeleton, but I consider that an exaggeration. It does not contain even any bare bones of legislation; all that we have are a few clauses, hastily thrown together, allowing the Secretary of State to do as he pleases.

Empty promises from Ministers are no longer good enough. We demand from the Minister that the memorandum and articles of association of the company be made available to be addressed fully in Committee, as required by my hon. Friend the Member for Eccles.

The hon. Member for Sutton and Cheam asked whether the company should be a charity. I know that its employees have some anxieties about what that might actually mean. What about the membership of the foundation? We have heard question after question about how that membership should be chosen. Will it ultimately become a self-perpetuating oligarchy? Will there he any accountability, beyond the foundation, to Parliament, the courts or the charity commissioners? A degree of accountability is needed beyond the membership of a self-perpetuating board.

What powers will the Secretary of State have in relation to the foundation after the five-year or other period? We have heard what happens in the event of a profit; what happens if there is a loss? This foundation or operating company may not always create a profit. Will it go into liquidation? What will happen to its projects in that event? At present the Government are there to help, but that long stop will not be available in the private sector.

The Government's argument for reform of Crown Agents does no justice to the valuable work that it has undertaken. As I said earlier in reply to a number of interventions, the commercial freedoms that it requires could be easily achieved by simple amendments to the 1979 Act; there is no need to change the whole nature of Crown Agents itself.

The hon. Member for Carshalton and Wallington (Mr. Forman) spoke of extra work with local authorities. The hon. Member for Broxtowe (Mr. Lester) spoke of greater freedom—the acceptance of contracts from the private sector and public sector bodies other than the ODA. All that can be achieved by the granting of commercial freedom within the public sector. There is no need to privatise to achieve that.

Mr. Mike Watson (Glasgow, Central) Will my hon. Friend comment on the fact that the Commonwealth Development Corporation is not being required to be privatised? There are many similarities in the services that the two bodies provide. Why should there be restrictions on but no privatisation of the Commonwealth Development Corporation while what is clearly the first step to privatisation of the Crown Agents is under way through the Bill?

Mr. Foulkes My hon. Friend is right. That question was raised and the hon. Member for Broxtowe tried to answer it. He certainly did not convince me. I hope that the Minister will try to answer it, but I do not think that he will succeed, because there is no answer. The matter was raised by my hon. Friend Lord Judd in another place, by my hon. Friend the Member for Eccles and outwith the Houses of Parliament. It has not been answered adequately; the CDC is a very similar body but it is not to be privatised.

The Government have failed to prove that the reforms will result in an improvement to the service provided or even in any savings to the taxpayer. The only justification for such a measure is the obsession with privatisation as the epitome of Conservative philosophy even when no improvement can be shown.

Mr. Watson Dogma.

Mr. Foulkes It is dogma every time.

The Government's attitude to the Bill is, as my hon. Friend the Member for Glasgow, Central (Mr. Watson) rightly said, at odds with the treatment being given to the CDC.

The Minister for Overseas Development, when speaking on the Bill in another place, said that she did not wish to make the organisation the subject of party politics. That contention was admirable and one which the Labour party would support in regard to an organisation which has all-party backing. However, one cannot request such support when an organisation has been used to resolve ideological problems in the Tory party.

The Bill is going to bring in privatisation for the Crown Agents unless we introduce the necessary safeguards. [Interruption.] I am actually being helpful, if Conservative Members would listen for a change instead of barracking.

If the Minister was willing to come up with the safeguards that we demand—and that some Conservative Members have requested—we could consider the possibility of accepting the changes that are being proposed. We could do that as long as we had safeguards that the Crown Agents is not going to be privatised—that Lonrho or some other international corporation will not snap it up. There are no such protections written into the Bill at the moment.

The advice of the Crown Agents itself has been ignored. There has been a continual refusal to let all concerned analyse and seek to improve the foundation and to guarantee the continuing nature of the foundation. The Government refuse to entertain even a constructive dialogue about the future of the Crown Agents. Secrecy surrounds the whole Bill.

Mr. Forman Will the hon. Gentleman give way?

Mr. Foulkes I was coming to the end, but I shall give way.

Mr. Forman Before the hon. Gentleman perorates, he said that the advice of the Crown Agents has been ignored. We clashed on that point earlier. What evidence has he? It is not my impression at all.

Mr. Foulkes It is in the 1993 annual report. There have been negotiations and, of course, the chairman and members of the board have altered their views as time has gone on. The Government may argue that they have persuaded the board that the Bill is the best course. I think that the board has accepted that the Government have a majority in the House and can legislate for whatever Conservative Members want. The board has therefore said, "Okay, let's compromise; let's have a foundation. It is better than going totally into the private sector." There has been some toing and froing. All the indications that I have suggest that even at the very top, Crown Agents was initially reluctant to change from the present situation. It was only after pressure and arm-twisting that it moved in that direction.

Mr. Forman Does the hon. Gentleman agree that while there may have been understandable initial doubts and questions, the position in 1995 is that the senior management and the staff of the Crown Agents are enthusiastic about the change and wish it to proceed?

Mr. Foulkes No, that is not my interpretation. Crown Agents has been given Hobson's choice and has to go along with it because it knows that there is no alternative if the Government force this measure through. Unlike some Conservative Members, I am not a dogmatist: I am reasonable. I hope that the Committee will look at ways of improving the Bill and extracting guarantees, to ensure that this foundation will be as workable as possible. That is only reasonable.

I should prefer no change at all. The Government, I believe, are moving in the wrong direction. The secrecy surrounding the Bill and the attempts to avoid parliamentary scrutiny arouse our suspicions of a Government who have to be judged on their actions. We oppose this back-door privatisation and want Government commitments, made to the House. Until we get the undertakings about the foundation that we want, we shall believe that dogma has once again triumphed over judgment. I ask my colleagues to join me in voting against the Bill in the Lobby tonight.

Mr. Baldry With the leave of the House, I shall reply to the debate.

It is always a great pleasure to debate with the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) because his wind-up speeches are always a cheering experience. Indeed, the last time he and I debated in the House he was so magnificent that our former colleague Matthew Parris felt obliged to write the next day in The Times: “I can report that he was magnificent. This tubby whirlwind, creating his own weather system, blew himself into a localised but intense hurricane, bellowed 'systematic abuse and corruption!' at the Tories, and so impressed” friends behind him that they called for morning sittings on Mondays, Tuesdays and Thursdays as well. 9.30 pm

It is all great fun, but the truth is that precisely two Labour Back Benchers spoke in today's debate. It is therefore ludicrous of the hon. Gentleman to talk about a subversion of parliamentary scrutiny. The Government dedicated an entire day of prime parliamentary time to this Bill; only two Labour Back Benchers have taken part, one of whom was not here for the opening or closing speeches. I appreciate that he is serving on a Committee, but it is clear that the vast majority of Opposition Members who eventually serve on the Committee will not even have heard any of today's debate. That is why one does not take the hon. Gentleman's farrago too seriously.

The first important issue before us is the question of trust. The hon. Member for York (Mr. Bayley) was perfectly correct to say that the House will have to decide whether it trusts the Government's good intentions in respect of the best future for Crown Agents as we move into the 21st century. I am sure that I can count on the trust of all Conservative Members, but nothing I could say—no undertakings, no guarantees, no memorandums or articles of association—would satisfy Opposition Members on the question of trust.

The reason is that the debate hinges not just on trust but on a second important element—the fact that the Labour party opposes privatisation altogether. Just because the word "privatise" appeared in the original press release on the future of Crown Agents, the Labour party decided to oppose this measure, come what may. It would be impossible, therefore, for me to convince the Labour party to support this Bill, because it is determined to oppose any legislation that turns a public sector body into a private sector one.

I think that the hon. Member for Carrick, Cumnock and Doon Valley misunderstood my point about the Crown Agents being a public corporation for just 15 years. For most of the 162 years of its history it has functioned, in effect, as a private organisation. The statement by the Crown Agents in 1954, which I read at some length, made that quite clear. It was only because of the financial crisis in its account activities in the mid-1970s that the 1979 legislation was introduced.

At that time, Judith Hart was Minister of State for Overseas Development, and it is quite clear from her Second Reading speech that the Government at that time deliberately intended that the constraints upon the Crown Agents should be tight and that there should be strict provisions about reserves, borrowing powers and audit arrangements. The whole purpose of the 1979 legislation was to seek to ensure that the Crown Agents never again got into the sort of pickle in which it found itself in the mid-1970s.

For a long time, we have taken the view that Crown Agents' business can be better carried out in the private sector. We believe that transfer to the private sector will strengthen its ability to meet the needs of its customers, particularly in developing countries, and will end the requirement for the Government to involve themselves in the details of Crown Agents' business. Of course, the Government will continue to have an interest as a major client, but the current Act reflects the circumstances of 1979. It is too prescriptive and too limiting. For example, it requires an affirmative order for Crown Agents to carry out own-right activities beyond those that are set out in the Act. It requires the Minister for Overseas Development to consent to what are properly business decisions for Crown Agents. Those include the formation of companies, the appointment of directors to subsidiaries and so on.

It is ludicrous that Ministers should have to get involved in such detail. But that detail was in the 1979 Act, which was brought about by circumstances that are irrelevant today. That is not the right framework for today's Crown Agents. It is right to replace the 1979 Act with a framework for the future which provides the freedoms that are available to a private sector body and which also safeguard the Crown Agents' unique role and character. The proposed foundation will do that.

The hon. Member for Carrick, Cumnock and Doon Valley asked why we could not retain Crown Agents in the public sector and give it greater freedom. That is the wrong question, although it is of course always the question that the Labour party asks. The philosophical divide between us is that the question that we ask is: "Why should the Crown Agents continue to be owned by the Government?" The Crown Agents' main work has always been as an agent of what are now independent Governments and, increasingly, aid agencies and Governments of all parties have been careful not to intervene in that. Clearly, more and more of the Crown Agents' work will, hopefully, involve winning business from overseas Governments, multilateral agencies and other organisations.

It may have been right for the Government in 1979 to take powers to provide a framework of control for Crown Agents' activities, but it has been perfectly clear for a long time that those activities can be and will be better carried out in the private sector. We want to be able to stand back from the detailed control of Crown Agents but, of course, we cannot do that if we have to continue to bear ultimate financial responsibility. Government ownership—state ownership—requires the state to take an interest or, as some would say, to interfere.

We think that the most appropriate framework for control will be provided by a private sector foundation. That would give Crown Agents' international clients the assurances that they require, and we are confident that it would also ensure that there is no repetition of the events which influenced the 1979 legislation. We shall, of course, continue to retain an interest as a customer of Crown Agents.

Some of my colleagues have said, "Is not having Crown Agents moving into the private sector and having a foundation, with the profits of Crown Agents being reinvested for development purposes, somewhat tame?" My hon. Friend the Member for Worcester (Mr. Luff) suggested that we should consider a trade sale. A trade sale would, however, be wholly inappropriate for Crown Agents because of its particular contribution to development, which we and everyone else feel is important to retain. There is no way in which I can convince Opposition Members that we wish Crown Agents to continue its developmental role because it is clear that they are opposed to the Bill simply because it will move Crown Agents from the public to the private sector.

Mr. Foulkes I have a simple point for the Minister. He would have a much better chance of convincing us if he produced the memorandum and articles of association so that we knew exactly what he was talking about.

Mr. Baldry The hon. Gentleman refers to the memorandum and the articles of association, and others have referred to the Coopers and Lybrand report. As I have endeavoured to explain to the House on several occasions today, we want to get this right. In all fairness, one could argue both ways on some of the issues. I have no doubt that if I had said in the House this afternoon that we had considered the issue of charitable status for Crown Agents and that we had decided against it because it would provide an extra tier of external influence and control over the foundation, some Opposition Members would have said that that proved that the Government were simply seeking to set up a foundation for five years and then to hand over Crown Agents.

A number of important issues have to be taken into account and we need to get them right. Charitable status may not be the right way forward for Crown Agents. My hon. Friend the Member for Sutton and Cheam (Lady Olga Maitland) raised some of the concerns about that which, I suspect, reflect concerns that have been expressed to her by some of the management of Crown Agents. That is a perfectly respectable and honourable thing for them to do because she is their Member of Parliament.

I assure the hon. Member for Carrick, Cumnock and Doon Valley that our not having yet produced the memorandum and articles of association is not the result of our wishing to hide anything from the House or to misinform it. The reason is simply that it is important that we get this right for the future of Crown Agents and for the future of those who work with it.

I am not, of course, insensitive to the fact that, in the not too distant future, we shall take the Bill into Committee. I am not insensitive to the fact that all of us will be better prepared if more information is given to the Committee. However, as I said earlier, I will not give a guarantee that the memorandum and articles of association will be in their final form when the Bill goes into Committee. However, the hon. Member for Carrick, Cumnock and Doon Valley can be assured that I will seek to ensure that the Committee is as informed as it can be so that we can have a sensible and serious debate.

Mr. Oliver Heald (Hertfordshire, North) Does my hon. Friend agree that on Second Reading the important issue is the principle? The principle must be that the efficient supply and provision of goods and services is always better in the private sector than in the public sector. The difference between 1979 and now is that that principle is even better established under this Conservative Government.

Mr. Baldry That point has been part of our debate. Conservative Members have made clear the successes that privatisation generally has brought for the United Kingdom; we have heard myriad examples.

Mr. Foulkes The Minister was being quite helpful before that intervention. Would he consider making the draft of the memorandum and articles of association available while the Bill is in Committee? Some members of the Committee, including even one or two Opposition Members, may have useful comments about charitable status versus some other status. To have a draft in Committee would be helpful. The Minister was edging towards being helpful, and I am sure that the Whip will not mind too much if he goes the whole hog.

Mr. Baldry I appreciate that it comes hard to the hon. Gentleman to have to acknowledge that on occasions—or rather often, or even always—Ministers seek to be helpful. As I see it, my responsibility here is to take the legislation through the House. Life is too short for us all to spend every Tuesday and Thursday morning having sterile debates about fantasies that do not exist. Obviously, I shall take such steps as I can to enable the hon. Gentleman to understand that the Bill represents a wholehearted commitment to the future of Crown Agents into the 21st century.

Mr. Menzies Campbell Now that the Minister has started to mine that rich vein of co-operation, will he consider producing the parts of the Coopers and Lybrand report that are not commercially confidential? The whole report cannot be so described; there must be passages dealing with the question of structure that are entirely germane to some of the issues raised in the debate. Surely it would assist the Committee if those parts of the report could be produced.

Mr. Baldry The hon. and learned Gentleman made an uncharacteristically brief speech, lasting for about six minutes—

Mr. Campbell Seven minutes.

Mr. Baldry I apologise; it lasted seven minutes. Anyway, the hon. and learned Gentleman seems to have fixed on the Coopers and Lybrand report. However, in the context of the debate that report is pretty much history. The Government's responsibility is to bring proposals before the House, and we have made clear proposals, which I explained earlier in considerable detail. We shall have a foundation, whose members will be concerned with the development of Crown Agents, which will be responsible for the operating company, whose profits will be reinvested for the developmental objectives of the foundation.

That is perfectly straightforward and clear. Given the circumstances of Crown Agents, we seek to ensure that that great British success story continues as such.

Mr. Enright Will the Minister give way?

Mr. Baldry I shall not give way again now—[HoN. MEMBERS: "Why not?"] I have given way quite a lot and I shall give way again, but first I must cover some of the points raised by some of my hon. Friends and by Opposition Members.

I have been asked why we are treating Crown Agents differently from the Commonwealth Development Corporation. As my hon. Friend the Member for Broxtowe (Mr. Lester) said, they are different organisations. The job of CDC is to act as a catalyst for private sector investment in developing countries, showing others that they can invest profitably in poorer countries. However, it has a mandate to pursue the investments that the private sector regards as being on the margins of acceptable risk, and a CDC owned by the private sector would be bound to take a different attitude to profit and risk. That would be incompatible with the development objectives that the Government want CDC to pursue.

Public sector status is also valuable to CDC in its dealings with the Governments of the countries in which it operates. The two organisations are very different, and we believe it right for CDC to remain in the public sector while, for different reasons, Crown Agents moves towards the private sector. That is not an ideological hang-up; we are simply looking at each organisation and deciding what is in the best interests of each.

The hon. Member for Eccles (Miss Lestor) asked what guarantee there was that Crown Agents' business would not fail after transfer, and what would happen if it did. Indeed, for the few Opposition Members who have taken part in it, the whole debate has been characterised by an attempt to think up the worst possible scenarios. However, Crown Agents has about 150 international clients, including the Overseas Development Administration, for which it provides a wide range of services. Transfer to the foundation will give it greater freedom to meet its clients' needs.

The House can have every confidence that the proposed foundation has a bright future. Of course there can be no Government guarantee of success. Management of the foundation will be the responsibility of its members and board, who will have been chosen for their experience and expertise. I see no reason why the foundation should not succeed.

My hon. Friend the Member for Carshalton and Wallington (Mr. Forman) asked if I would set out clearly the reserve powers of the Secretary of State, but his powers will be set out clearly in the foundation's memorandum and articles of association. The reserve powers exist to provide a period during which the foundation's structure can bed down satisfactorily. Opposition Members have suggested that the Crown Agents will be up for grabs following the five-year period. That simply will not be so, as anyone who actually understands the nature of the structure under which the foundation of the Crown Agents will be established would realise.

My hon. Friend was also concerned about the control of the foundation on the operating company in respect of day-to-day commercial decisions. I made it clear that the foundation will be the shareholder in the operating company and will appoint the directors. But it will not have a role in the day-to-day decisions, which obviously will be the responsibility of the directors of the operating company. Those directors will seek to ensure that the new Crown Agents makes a proper return, as they will know that those profits will be reinvested for developmental purposes.

Moving the Crown Agents out of the public into the private sector will, as my hon. Friend said, give the Crown Agents greater freedoms. It will enjoy the same rights as other UK companies, and will be freed from the limitations imposed by the Crown Agents Act 1979. As the foundation expands, it will be able to accept business in its own right, and it will also be able to accept contracts from private sector clients, which it cannot do at present.

The Crown Agents will be able to accept contracts from public sector bodies in the UK other than the Overseas Development Administration. Health authorities and other organisations, which at present cannot use the procurement expertise of the Crown Agents, will now be able to do so. All of those matters will certainly lead to a greater turnover of the Crown Agents' business.

The Crown Agents will be able to take investment decisions that currently require ministerial consent. As my hon. Friend the Member for Sutton and Cheam said, it is ludicrous that whenever the Crown Agents wants to take practically any decision, it must come to Ministers for our personal imprimatur.

For all those reasons, the Bill will give the Crown Agents considerable freedoms, powers and abilities which will be to the benefit of the Crown Agents and the work it is doing throughout the world.

The powers of the foundation—which will be set out in the memorandum and articles of association—will ensure that it can use its profits for the development of the Crown Agents' business through the operating company, which will be free to make new acquisitions for social and developmental purposes. As my hon. Friend said, there are a number of organisations which could easily find a greater synergy if they were owned by the Crown Agents.

The Bill has a firm, positive and constructive intention to put the Crown Agents in a far stronger position. The debate has been characterised by a vein of ideological disputation that the very fact that it was being moved from the public to the private sector would somehow undermine the developmental purposes of the Crown Agents.

The hon. Member for Hemsworth (Mr. Enright) was one of only two Labour Back Benchers to take part in this debate. It is a sorry state when as many Opposition Front-Bench spokesmen take part in a debate as Back Benchers. If that is new Labour, it is a pitiful sight. The hon. Gentleman suggested that, by moving the Crown Agents into the private sector, privatisation would put profit before developmental purpose. He clearly fails to understand that the profits made by the Crown Agents will not be distributed to members but will be reinvested in the foundation's work.

The foundation will be constituted as a company limited by guarantee to preserve the essential character of the Crown Agents. As members of the foundation will not receive dividends, and there will be no unit of proprietorship to sell, the foundation will not be subject to commercial pressures from its members, which would conflict with its other objectives. Obviously, it will be expected to act in a commercial environment in a commercial way. Hopefully, the benefit of that will be that it will make profits which it can then reinvest for developmental purposes.

My hon. Friend the Member for Sutton and Cheam expressed concern about capital structure. We are determined that the Crown Agents should start on a sound footing but there are certain consequences of the Crown Agents moving from the public to the private sector. One of those consequences is that one of its loans must be repaid because it cannot be sustained in the private sector. The fact that that loan must be repaid will be taken into account when considering the capital structure for the Crown Agents at the time of transfer.

However, it has been made clear to the House this afternoon that the Bill is not about seeking to raise large sums of money for the taxpayer; it is about trying to ensure the correct and proper structure for the Crown Agents as we approach the 21st century. Like my hon. Friend, we wish to ensure that the Crown Agents has a sound structure.

This enabling Bill ensures two steps: first, the transfer of business from the present statutory corporation to a successor company set up under the Companies Act 1989; and, secondly, the Secretary of State transferring that successor company to a new owner, the proposed foundation.

The hon. Member for Carrick, Cumnock and Doon Valley asks about the staff. Naturally, it is important that they be reassured and I take this opportunity yet again to put on record that there will be continuity of treatment for Crown Agents' staff and their pensions. I am not sure how often I must say that.

Mr. Foulkes How can the Minister guarantee that if it is not written into the Bill and he does not continue to have control after five years? After five years, the Secretary of State loses control and has no power to guarantee it.

Mr. Baldry The hon. Gentleman misunderstands. I explained in opening the debate that TUPE applies to this legislation. I have explained that we have no intention of changing the relationship with trade unions and it has been made clear that the Crown Agents has no intention of making redundancies as a consequence of the Bill. I can explain that time after time but it is clear that Opposition Members are determined to try to create in the minds of those who work for the Crown Agents the fear that, by being moved from the public to the private sector, their future will somehow be jeopardised.

This is a sensible Bill, which will enable the Crown Agents to move forward into the 21st century as a continuing great British success story. It is one of the largest procurement agencies in the world. It is an organisation of which we can be rightly proud. If the House gives the Bill a Second Reading, as I am sure it will, the Crown Agents will go forward from strength to strength and make a considerable contribution to Great Britain's reputation around the world. It will also make a considerable contribution to the development policies which I believe every responsible Member of the House wants to see Britain promote.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 302, Noes 259.

Division No. 158] [9.59 pm

AYES

Ainsworth, Peter (East Surrey)
Aitken, Rt Hon Jonathan
Alexander, Richard
Alison, Rt Hon Michael (Selby)
Allason, Rupert (Torbay)
Amess, David
Arbuthnot, James
Arnold, Jacques (Gravesham)
Arnold, Sir Thomas (Hazel Grv)
Ashby, David
Atkins, Robert
Atkinson, David (Bour'mouth E)
Atkinson, Peter (Hexham)
Baker, Rt Hon Kenneth (Mole V)
Baker, Nicholas (North Dorset)
Baldry, Tony
Banks, Matthew (Southport)
Banks, Robert (Harrogate)
Bates, Michael
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Beresford, Sir Paul
Biffen, Rt Hon John
Body, Sir Richard
Bonsor, Sir Nicholas
Booth, Hartley
Boswell, Tim
Bottomley, Peter (Eltham)
Bottomley, Rt Hon Virginia
Bowden, Sir Andrew
Bowis, John
Boyson, Rt Hon Sir Rhodes
Brandreth, Gyles
Brazier, Julian
Bright, Sir Graham
Bruce, Ian (Dorset)
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butler, Peter
Butterfill, John
Carlisle, John (Luton North)
Carlisle, Sir Kenneth (Lincoln)
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Churchill, Mr
Clappison, James
Clark, Dr Michael (Rochford)
Clarke, Rt Hon Kenneth (Ru'clif)
Clifton-Brown, Geoffrey
Coe, Sebastian
Colvin, Michael
Congdon, David
Conway, Derek
Coombs, Anthony (Wyre For'st)
Coombs, Simon (Swindon)
Cope, Rt Hon Sir John
Couchman, James
Cran, James
Currie, Mrs Edwina (S D'by'ire)
Curry, David (Skipton & Ripon)
Davies, Quentin (Stamford)
Davis, David (Boothferry)
Day, Stephen
Deva, Nirj Joseph
Devlin, Tim
Dicks, Terry
Dorrell, Rt Hon Stephen
Douglas-Hamilton, Lord James

Browning, Mrs Angela	Dover, Den
Duncan, Alan	Jones, Robert B (W Hertfdshr)
Duncan-Smith, Iain	Jopling, Rt Hon Michael
Dunn, Bob	Kellett-Bowman, Dame Elaine
Durant, Sir Anthony	Key, Robert
Dykes, Hugh	King, Rt Hon Tom
Eggar, Rt Hon Tim	Kirkhope, Timothy
Elletson, Harold	Knapman, Roger
Emery, Rt Hon Sir Peter	Knight, Mrs Angela (Erewash)
Evans, David (Welwyn Hatfield)	Knight, Greg (Derby N)
Evans, Jonathan (Brecon)	Knight, Dame Jill (Bir'm E'st'n)
Evans, Nigel (Ribble Valley)	Knox, Sir David
Evans, Roger (Monmouth)	Kynoch, George (Kincardine)
Evennett, David	Lait, Mrs Jacqui
Faber, David	Lamont, Rt Hon Norman
Fabricant, Michael	Lang, Rt Hon Ian
Fenner, Dame Peggy	Lawrence, Sir Ivan
Field, Barry (Isle of Wight)	Legg, Barry
Forman, Nigel	Leigh, Edward
Forsyth, Rt Hon Michael (Stirling)	Lennox-Boyd, Sir Mark
Forth, Eric	Lester, Jim (Broxtowe)
Fowler, Rt Hon Sir Norman	Lidington, David
Fox, Dr Liam (Woodspring)	Lilley, Rt Hon Peter
Fox, Sir Marcus (Shipley)	Lloyd, Rt Hon Sir Peter (Fareham)
Freeman, Rt Hon Roger	Lord, Michael
French, Douglas	Luff, Peter
Fry, Sir Peter	Lyell, Rt Hon Sir Nicholas
Gale, Roger	MacGregor, Rt Hon John
Gardiner, Sir George	MacKay, Andrew
Garel-Jones, Rt Hon Tristan	Maclean, David
Garnier, Edward	McLoughlin, Patrick
Gill, Christopher	McNair-Wilson, Sir Patrick
Gillan, Cheryl	Madel, Sir David
Goodson-Wickes, Dr Charles	Maitland, Lady Olga
Gorman, Mrs Teresa	Major, Rt Hon John
Gorst, Sir John	Malone, Gerald
Grant, Sir A (SW Cambs)	Mans, Keith
Greenway, Harry (Ealing N)	Marland, Paul
Greenway, John (Ryedale)	Marlow, Tony
Griffiths, Peter (Portsmouth, N)	Marshall, John (Hendon S)
Gummer, Rt Hon John Selwyn	Marshall, Sir Michael (Arundel)
Hague, William	Martin, David (Portsmouth S)
Hamilton, Fit Hon Sir Archibald	Mawhinney, Rt Hon Dr Brian
Hamilton, Neil (Tatton)	Mellor, Rt Hon David
Hampson, Dr Keith	Merchant, Piers
Hanley, Rt Hon Jeremy	Mills, Iain
Hannam, Sir John	Mitchell, Andrew (Gedling)
Hargreaves, Andrew	Mitchell, Sir David (NW Hants)
Harris, David	Moate, Sir Roger
Haselhurst, Alan	Monro, Sir Hector
Hawkins, Nick	Montgomery, Sir Fergus
Hawksley, Warren	Needham, Rt Hon Richard
Hayes, Jerry	Nelson, Anthony
Heald, Oliver	Neubert, Sir Michael
Heath, Rt Hon Sir Edward	Newton, Rt Hon Tony

Heathcoat-Amory, David
Hendry, Charles
Heseltine, Rt Hon Michael
Hicks, Robert
Higgins, Rt Hon Sir Terence
Hill, James (Southampton Test)
Hogg, Rt Hon Douglas (G'tham)
Horam, John
Hordern, Rt Hon Sir Peter
Howard, Rt Hon Michael
Howarth, Alan (Strat'rd-on-A)
Howell, Rt Hon David (G'dford)
Hughes, Robert G (Harrow W)
Hunt, Sir John (Ravensbourne)
Hunter, Andrew
Hurd, Rt Hon Douglas
Jack, Michael
Jackson, Robert (Wantage)
Jenkin, Bernard
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym (Cardiff N)

Nicholls, Patrick
Nicholson, David (Taunton)
Nicholson, Emma (Devon West)
Norris, Steve
Onslow, Rt Hon Sir Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Richard
Patnick, Sir Irvine
Patten, Rt Hon John
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Pickles, Eric
Porter, David (Waveney)
Portillo, Rt Hon Michael
Powell, William (Corby)
Redwood, Rt Hon John
Renton, Rt Hon Tim
Richards, Rod
Riddick, Graham
Rifkind, Rt Hon Malcolm

Robathan, Andrew
Roberts, Rt Hon Sir Wyn
Robertson, Raymond (Ab'd'n S)
Robinson, Mark (Somerton)
Roe, Mrs Marion (Broxbourne)
Rowe, Andrew (Mid Kent)
Ryder, Rt Hon Richard
Sackville, Tom
Sainsbury, Rt Hon Sir Timothy
Shaw, David (Dover)
Shaw, Sir Giles (Pudsey)
Shephard, Rt Hon Gillian
Shepherd, Colin (Hereford)
Shepherd, Richard (Aldridge)
Shersby, Michael
Sims, Roger
Smith, Sir Dudley (Warwick)
Smith, Tim (Beaconsfield)
Soames, Nicholas
Speed, Sir Keith
Spencer, Sir Derek
Spicer, Sir James (W Dorset)
Spicer, Michael (S Worcs)
Spink,Dr Robert
Spring, Richard
Sproat, Iain
Squire, Robin (Hornchurch)
Stanley, Rt Hon Sir John
Steen, Anthony
Stephen, Michael
Stern, Michael
Streeter, Gary
Sumberg, David

Thomason, Roy
Thompson, Sir Donald (C'er V)
Thompson, Patrick (Norwich N)
Thornton, Sir Malcolm
Thurnham, Peter
Townend, John (Bridlington)
Townsend, Cyril D (Bexl'yh'th)
Tracey, Richard
Tredinnick, David
Trend, Michael
Trotter, Neville
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waldegrave, Rt Hon William
Walden, George
Walker, Bill (N Tayside)
Waller, Gary
Ward, John
Wardle, Charles (Bexhill)
Waterson, Nigel
Watts, John
Wells, Bowen
Wheeler, Rt Hon Sir John
Whitney, Ray
Whittingdale, John
Widdecombe, Ann
Wiggin, Sir Jerry
Wilkinson, John
Willetts, David
Wilshire, David
Winterton, Mrs Ann (Congleton)
Winterton, Nicholas (Macc'f'ld)

Sweeney, Walter	Wolfson, Mark
Sykes, John	Wood, Timothy
Tapsell, Sir Peter	Young, Rt Hon Sir George
Taylor, Ian (Esher)	
Taylor, John M (Solihull)	Tellers for the Ayes:
Taylor, Sir Teddy (Southend, E)	Mr. David Lightbown and
Temple-Morris, Peter	Mr. Sydney Chapman.

NOES

Abbott, Ms Diane	Chidgey, David
Ainger, Nick	Chisholm, Malcolm
Alton, David	Church, Judith
Anderson, Donald (Swansea E)	Clapham, Michael
Anderson, Ms Janet (Ros'dale)	Clark, Dr David (South Shields)
Armstrong, Hilary	Clarke, Eric (Midlothian)
Ashton, Joe	Clarke, Tom (Monklands W)
Austin-Walker, John	Clelland, David
Barnes, Harry	Clwyd, Mrs Ann
Barron, Kevin	Coffey, Ann
Battle, John	Cohen, Harry
Bayley, Hugh	Connarty, Michael
Beckett, Rt Hon Margaret	Cook, Robin (Livingston)
Beith, Rt Hon A J	Corbyn, Jeremy
Bell, Stuart	Corston, Jean
Benn, Rt Hon Tony	Cousins, Jim
Bennett, Andrew F	Cummings, John
Bermingham, Gerald	Cunningham, Jim (Covy SE)
Berry, Roger	Cunningham, Rt Hon Dr John
Betts, Clive	Dafis, Cynog
Blunkett, David	Davidson, Ian
Boateng, Paul	Davies, Bryan (Oldham C'tral)
Bradley, Keith	Davies, Rt Hon Denzil (Llanelli)
Bray, Dr Jeremy	Davies, Ron (Caerphilly)
Brown, Gordon (Dunfermline E)	Davis, Terry (B'ham, H'dge H'I)
Brown, N (N'c'tle upon Tyne E)	Denham, John
Burden, Richard	Dewar, Donald
Byers, Stephen	Dixon, Don
Caborn, Richard	Dobson, Frank
Callaghan, Jim	Donohoe, Brian H
Campbell, Mrs Anne (C'bridge)	Dowd, Jim
Campbell, Menzies (Fife NE)	Dunnachie, Jimmy
Campbell-Savours, D N	Dunwoody, Mrs Gwyneth
Cann, Jamie	Eagle, Ms Angela
Eastham, Ken	Loyden, Eddie
Enright, Derek	Lynne, Ms Liz
Etherington, Bill	McAllion, John
Evans, John (St Helens N)	McAvoy, Thomas
Fatchett, Derek	McCartney, Ian
Field, Frank (Birkenhead)	Macdonald, Calum
Fisher, Mark	McFall, John
Flynn, Paul	McKelvey, William
Forsythe, Clifford (S Antrim)	Mackinlay, Andrew
Foster, Rt Hon Derek	McLeish, Henry
Foster, Don (Bath)	McMaster, Gordon
Foulkes, George	MacShane, Denis
Fraser.John	Madden, Max

Fyfe, Maria	Maddock, Diana
Galbraith, Sam	Mahon, Alice
Galloway, George	Mandelson, Peter
Gapes, Mike	Marek, Dr John
Garrett, John	Marshall, David (Shettleston)
George, Bruce	Marshall, Jim (Leicester, S)
Gerrard, Neil	Martin, Michael J (Springburn)
Gilbert, Rt Hon Dr John	Martlew, Eric
Godman, Dr Norman A	Maxton, John
Godsiff, Roger	Meacher, Michael
Golding, Mrs Llin	Meale, Alan
Gordon, Mildred	Michael, Alun
Graham, Thomas	Michie, Bill (Sheffield Heeley)
Grant, Bernie (Tottenham)	Michie, Mrs Ray (Argyll & Bute)
Griffiths, Nigel (Edinburgh S)	Milburn, Alan
Griffiths, Win (Bridgend)	Miller, Andrew
Grocott, Bruce	Mitchell, Austin (Gt Grimsby)
Gunnell, John	Molyneaux, Rt Hon James
Hall, Mike	Moonie, Dr Lewis
Hanson, David	Morgan, Rhodri
Hardy, Peter	Morley, Elliot
Harman, Ms Harriet	Morris, Estelle (B'ham Yardley)
Harvey, Nick	Morris, Rt Hon John (Aberavon)
Hattersley, Rt Hon Roy	Mowlam, Marjorie
Heppell.John	Mudie, George
Hill, Keith (Streatham)	Mullin, Chris
Hinchliffe, David	Murphy, Paul
Hodge, Margaret	Oakes, Rt Hon Gordon
Hogg, Norman (Cumbernauld)	O'Brien, Mike (N W'kshire)
Home Robertson, John	O'Brien, William (Normanton)
Hood, Jimmy	O'Hara, Edward
Hoon, Geoffrey	Olner, Bill
Howarth, George (Knowsley North)	O'Neill, Martin
Howells, Dr. Kim (Pontypridd)	Orme, Rt Hon Stanley
Hoyle, Doug	Parry, Robert
Hughes, Kevin (Doncaster N)	Patchett, Terry
Hughes, Robert (Aberdeen N)	Pearson, Ian
Hughes, Roy (Newport E)	Pendry, Tom
Hutton,John	Pickthall, Colin
Illsley, Eric	Pike, Peter L
Ingram, Adam	Pope, Greg
Jackson, Glenda (H'stead)	Powell, Ray (Ogmore)
Jackson, Helen (Shef'ld, H)	Prentice, Gordon (Pendle)
Jamieson, David	Primarolo, Dawn
Janner, Greville	Purchase, Ken
Jones, Barry (Alyn and D'side)	Quin, Ms Joyce
Jones, Ieuan Wyn (Ynys Môn)	Randall, Stuart
Jones, Jon Owen (Cardiff C)	Raynsford, Nick
Jones, Lynne (B'ham S O)	Reid, Dr John
Jones, Martyn (Clwyd, SW)	Rendel, David
Jones, Nigel (Cheltenham)	Robertson, George (Hamilton)
Jowell, Tessa	Robinson, Geoffrey (Co'try NW)
Kaufman, Rt Hon Gerald	Roche, Mrs Barbara
Kennedy, Charles (Ross, C&S)	Rooker, Jeff
Kennedy, Jane (Lpool Brdgn)	Ross, Ernie (Dundee W)
Khabra, Piara S	Ross, William (E Londonderry)

Kirkwood, Archy	Rowlands, Ted
Lestor, Joan (Eccles)	Ruddock, Joan
Lewis, Terry	Sedgemore, Brian
Liddell, Mrs Helen	Sheerman, Barry
Livingstone, Ken	Sheldon, Rt Hon Robert
Lloyd, Tony (Stratford)	Shore, Rt Hon Peter
Llwyd, Elfyn	Short, Clare

Simpson, Alan	Turner, Dennis
Skinner, Dennis	Tyler, Paul
Smith, Andrew (Oxford E)	Vaz, Keith
Smith, Llew (Blaenau Gwent)	Walker, Rt Hon Sir Harold
Smyth, The Reverend Martin	Wallace, James
Snape, Peter	Walley, Joan
Soley,Clive	Wardell, Gareth (Gower)
Spearing, Nigel	Watson, Mike
Spellar, John	Wicks, Malcolm
Squire, Rachel (Dunfermline W)	Wigley, Dafydd
Steinberg, Gerry	Wiliams, Rt Hon Alan (Sw'n W)
Stevenson, George	Williams, Alan W (Carmarthen)
Strang, Dr. Gavin	Wilson, Brian
Straw, Jack	Winnick, David
Sutcliffe, Gerry	Wise, Audrey
Taylor, Mrs Ann (Dewsbury)	Wray, Jimmy
Thompson, Jack (Wansbeck)	Wright, Dr Tony
Timms, Stephen	Young, David (Bolton SE)
Tipping, Paddy	Tellers for the Noes:
Touhig, Don	Mr. Joe Benton and
Trimble, David	Mr. Robert Ainsworth.

Question accordingly agreed to.

Bill read a Second time, and committed to a Standing Committee pursuant to Standing Order No. 61 (Committal of Bills).