

# Brits grab S. America finances, properties

by Carlos Méndez

The British have lost no time this year in escalating their economic offensive on Ibero-America, with a particular interest in mining, energy, and financial services. The latter includes a big move into the region by the notorious Hongkong and Shanghai Banking Corp., created in the last century explicitly to finance Britain's opium traffic and to launder the drug proceeds.

Great Britain's Minister of Economics and Finance Kenneth Clarke personally led this latest offensive, visiting Paraguay, Argentina, Brazil, and Chile in early January, with a delegation of a dozen leading British bankers and businessmen in tow.

Clarke and crew arrived in Brazil acting as if they were on a safari, hunting big game. Clarke declared that "this is the first time that a British finance minister visits Brazil. . . . The British government sees Brazil as a very important market." British interests are eager to get in on the upcoming privatizations of Brazil's State-owned companies, with the giant minerals and industrial conglomerate Companhia Vale do Rio Doce (CVRD) at the top of their list, and including the power utility which carries its original English name, Light, other electricity companies, telecommunications, and parts of the oil company, Petrobras. The delegation also expressed interest in acquiring various Brazilian banks, or at least a majority share.

Clarke and the British bankers who accompanied him, including principals from Hongkong and Shanghai Bank, informed Brazilian government officials that, for British investments to come through, Brazil will have to completely deregulate its banking sector. According to Brazil's *Tribuna da Imprensa* daily, Brazilian Finance Minister Pedro Malan is in agreement with this British demand. Malan and Clarke have met before, and, as a source with the British delegation put it, "when Malan and Clarke speak, they speak the same language."

The total banking freedom demanded by the British, has always brought drug-money laundering with it. The British move comes barely one month after U.S. Treasury Secretary Robert Rubin opened a ministerial Summit of the Americas on Money-Laundering in Buenos Aires, with the declaration that the United States "is committed to a global fight" against

dirty-money flows, to which end, it would press for standardization, across the Americas, of *strengthened* banking regulations and laws. "Organized crime, drug traffickers, and other sorts of criminals need to launder money through legitimate enterprises. The product of this money-laundering can be used to bribe public officials and, thus, it could pose a threat to our political systems," he warned.

Even as the British pressed for banking deregulation from Brazil, Brazilian Federal Police have charged, with extensive documentation to back it up, that Brazil has become a paradise for laundering dirty money. Thus, the British offensive constitutes a very targeted deployment against the hemispheric anti-drug-money-laundering campaign, and the anti-drug offensive initiated by the Clinton administration.

## Minerals and energy

The great mineral grab which the British mining cartels are carrying out in South America also includes a drive to gain control of the planned construction of crucial energy infrastructure projects. The representatives of National Power and British Gas who accompanied Clarke, are looking to situate themselves in Brazil's energy market, with an eye toward three years from now, when its privatization programs are completed, and a new gas pipeline comes on line between Bolivia and Brazil. The construction contract for this much-needed pipeline has been handed to a consortium of foreign companies which prominently includes British Gas.

When Henry Kissinger visited Brazil in September 1995, the self-confessed British agent told President Fernando Henrique Cardoso that, if he secured the privatization of Light, in which the British are quite interested, his Presidential reelection would be assured, according to *Tribuna da Imprensa* journalist Helio Fernandes.

The Jan. 15 Lima, Peru daily *El Mundo* reported, a few days after Clarke left South America, that the Hongkong and Shanghai Banking Corp., a British drug bank, had reached an agreement to team up with the Chilean Luksic group, which holds investments throughout the area, in Argentina, Uruguay, and Paraguay.

The British are using Chile as a platform for U.K. deployments throughout Ibero-America. Giving Chile the status of a British "vice-royalty," Clarke consulted Chilean authorities on whether Chile, despite its renewed border disputes with Peru, continues to consider Peru a "reliable country" for foreign investment. The Chilean authorities replied that they do.

The British have been steadily increasing their investments in Peru's mining sector. In fact, according to Peru's National Commission on Foreign Investment and Technology, British Commonwealth countries have taken the lead in Peru's "mining boom." And in the middle of January, while inaugurating the Lima office of Flemming Latin Pacific Peru S.A., the president of the British Robert Flemming bank, Lawrence Banks, stated that he expected "Flemming" to become another of the "traditional" British last-names in Peru.