

Britain's Defence Systems Limited expelled from Angola

by Our Special Correspondents

On Jan. 14, one hundred and three foreign nationals, including 45 Gurkhas, of Defence Systems Limited (DSL) were air-lifted out of Angola. The Britain-based firm was ordered dissolved and its expatriate staff expelled by the government of Angola following charges that DSL officials were "running their business in an illegal way in the country."

EIR, in its feature story "Britain's 'Invisible Empire' Unleashes the Dogs of War" (Aug. 22, 1997 issue), exposed DSL as the British Crown's prime privatized paramilitary intelligence asset, operating in tandem with British mining and commodity firms as well as financial institutions which have expanded operations throughout Africa and South America. This massive deployment of speculative capital has gobbled up mineral resources, banks, and other national assets that these countries have been forced to privatize under pressure from the International Monetary Fund. The current genocidal civil wars in Central Africa, which are now spreading throughout Ibero-America, have been raging in the wake of this massive deployment of British resources.

Illegal activity

On Dec. 24, 1997, Christmas Eve, the Angolan government issued a decree dissolving Defence Systems Ltd. and ordering the expulsion of its 103 foreign personnel on charges of "running their business in an illegal way." Simao Soares Junior, the legal adviser to the Angolan Interior Ministry, was quoted in the *Jornal de Angola*, a state-owned daily, as saying that after its contract for security services in Angola expired, DSL "attempted to extend their activity to new areas without the consent of the authorities and using fraudulent methods."

According to an Angolan Embassy source, "Angola has laws, but due to the confusion from the war in Angola, many countries didn't respect our laws. DSL was evading paying taxes and had many companies paying them for security via banks in the U.S. and in London. Even the U.S. government, the Embassy, and Voice of America, used DSL." Apparently, DSL's practice of employing former members of Her Majesty's Gurkha regiment, did not go down well with the Angolan government. The Embassy source charged, "They had Gurkhas, too many Gurkhas doing jobs that Angolans could do."

American diplomatic sources told *EIR* that the Angolan government's case had merit. One source told *EIR* that the government "probably has a good case against them [DSL], but it violated its own laws in the way it dealt with them when it expelled them." He added that although DSL had created an official Angolan-based subsidiary, called DSL-Angola, as required by government regulations, DSL allegedly received payments for its Angolan contracts directly to its London-based offices via U.S. and London banks, a practice seen by the Angolan government as an attempt to avoid paying taxes in Angola. "DSL-Angola, headed by two Angolans, has no money and nobody knows who's going to pay the Angolans who were on DSL's payroll," the U.S. official said.

A spokesman at DSL-Angola, who is an Angolan, told *EIR* that DSL-Angola had severed all ties with DSL-London, as required by the government decree, and is requesting that its clients retain its services. He said his company has now established a relationship with Gray Security Services, a very large South African-based security company offering a broad range of legitimate security services. They are also linked with an Angolan security company, called Teleservices. According to Angolan sources, Teleservices was set up by the government in its attempt to "Angolanize" the large private security sector, which has been dominated by foreign operations. When the notorious Executive Outcomes, another firm in the British "Invisible" Empire operations, was forced to quit Angola, many of its contracts were taken over by Teleservices. According to these sources, its directors include the Chief of Staff of the Angolan Armed Forces, the commander of the ground forces, and the current Angolan Ambassador to Washington.

Richard Bethell, the chief executive officer of DSL, and Jonathan Spiller, managing director of the U.S.-based Armor Holding Inc., DSL's current owner, have not answered *EIR*'s calls, and thus *EIR* has been unable to ascertain DSL's view of why it has been expelled.

DSL's Angolan contract was one of its largest. It employed 1,400 Angolans, providing security for multinational oil and mining companies, as well as the American and other foreign embassies. It also had the contract to provide security

for the premises of the Angolan government diamond company, Endiama, both in Luanda and in the mining region itself. According to an official Armor Holding press release, DSL ceased operations in Angola as of Jan. 16. The Angolan contract represents 15% of Armor Holdings' revenue for 1997, and it remains to be seen how it will affect the company's share price, which is traded on the American Stock Exchange.

Broader strategic interests

But, the significance of this development goes beyond the mere loss of a major security contract. DSL has been involved in Angola since 1986, when it became the first Western security company to operate for the Marxist People's Liberation Army government in Angola. As the British Crown's prime privatized paramilitary-intelligence operation, DSL's deployment into Angola represented a significant shift in British policy, to throw their support behind the Marxist government, which, with massive support from Cuba and the Soviet bloc, was engaged in a bloody civil war with the anti-communist forces of the Western-backed UNITA. London's Lonrho company, which DSL knows from its Mozambique contracts at that time, had extensive discussions in London in January 1986 with a representative of the East German State Security Service, the Stasi, which had a large presence in Angola.

The booting out of DSL from Angola coincided with the conclusion of an agreement and firm timetable for its implementation, on Jan. 13, between the Angolan government and the UNITA opposition. The Clinton administration, in an effort to end the civil war, has acted behind the scenes to help broker an agreement. It is well known that the Clinton administration prevented an Executive Outcomes-assisted effort to achieve a military solution in 1994. EO was ousted from Angola last year. It has been a long-standing demand by UNITA that all mercenary forces be withdrawn from Angola. UNITA had insisted that "private security" companies were involved in combat. In May 1997, the Clinton administration also insisted that a new offensive at that time should be stopped. Similarly, in Papua New Guinea, it is well documented that, in 1997, DSL facilitated the entry into that country of EO and Sandline Security of London. Special Air Services (SAS) "old boy" networks did the same in Angola. DSL's departure from the scene is perhaps testimony to London's duplicity regarding the peace effort.

French sources close to DSL's French affiliate, CIAS, in Corsica (home base also of the French Foreign Legion), have complained that the United States has been orchestrating the reshuffling of private security companies in Angola. The Angolan government has been insisting on domestic control of such companies. The charges that DSL violated Angolan law, seems to indicate that it has run afoul of U.S. efforts to assist the peace process between UNITA and the government.

New hot-spots threaten another Balkan war

by Konstantin George

During December and January, three new flashpoints arose across the southern portion of former Yugoslavia: the Albanian-inhabited region of Kosova, whose 90% Albanian majority has been subjected to brutal Serbian misrule and oppression; the rump Yugoslavia republic of Montenegro; and, the Republic of Macedonia. Each carries the potential to spark a new Balkan war.

The parameters defining both the current slide toward a new Balkan war, as well as for a successful solution to the problems, are located outside the Balkans. No matter how "indigenous" the problems in the Balkans may seem, the conflicts there always are determined by the policy fights "at the top," so to speak, among the larger world powers. The current slide toward a new war was set in motion, unfortunately, despite the good intentions of the Clinton administration, by the foul compromises acceded to by Washington, with London and Paris, in the Dayton Peace Accord. Added to that, is the absence to date of a U.S.-led economic development perspective and program for the Balkan region. Barring such an American initiative, London and Paris, which have orchestrated every war and sabotaged every peace initiative in the region since 1991, will continue to exercise a stranglehold in the Balkans.

Kosova at the brink

The most serious of the three hot-spots at present is Kosova. In this regard, the United States has assigned a national security priority to trying to cool down the situation there. This was evidenced by the mid-January mission of U.S. special emissary for former Yugoslavia, Robert Gelbard, to Serbia, where, for the first time ever, the itinerary included a visit to the Kosova capital, Pristina.

The Kosova situation has been deteriorating for years. Serbian dictator Slobodan Milosevic has used his military and police to imprison thousands of Albanians, and hundreds have been murdered by the Serb authorities. The Albanian majority has been denied all rights, and has even seen their schools and universities closed, under a Belgrade-imposed ban on all teaching in the Albanian language.

Until recently, this torture and humiliation have been met with a policy of non-violent opposition, and civil disobedience, under the leader and modern-day "father" of Kosova Albanians, Ibrahim Rugova, in the awareness that violence