

tive and an international coordinator of Bush's "privatized" intelligence activities. In 1992, Ney quit as ambassador and became a director of the Barrick Gold Corp.

The following year, Brian Mulroney resigned as Canadian prime minister. Mulroney was the most unpopular Canadian politician; but, in power, he had directly aided Barrick's international ventures, and had worked closely with Bush to force through free trade agreements. Munk immediately hired the former prime minister as a Barrick step-'n'-fetchit. The approved biography explains Munk's point of view:

"Mulroney [was] the unhappy lightning rod for the angst of a whole nation, in office and out. Munk was well aware of these feelings toward his new recruit. . . . After nine years trotting around the world to meet world leaders, he had incomparable access to Presidents and prime ministers in all the key spots. . . . Mulroney arranged the necessary access to the key decision makers. Munk was starting to salivate at the prospect of an inside track into the huge Chinese territory." Mulroney has been paid over \$300,000 per year by Barrick.

Barrick announced in May 1995, that a new international advisory board was being assembled, under the leadership of "honorary senior adviser" George Bush, the former U.S. President, who, like Mulroney, had recently lost his job at the hands of the voters.

On Nov. 27, 1996, the French newspaper *Le Monde* leaked the news that Barrick had been granted a concession to prospect for gold in Zaire—a lead which prompted the present *EIR* Barrick investigation. Canadian newspapers that same day reported that Barrick Gold had convinced the government of Indonesia to award to Barrick control over the world's largest gold find, and that *George Bush and Brian Mulroney had personally done the heavy lobbying* to accomplish this.

The Indonesia deal is indeed startling. The small Canadian mining company Bre-X Minerals Ltd. had intended to develop the Busang gold mine, on East Kalimantan. Suddenly, the government announced that it demanded that Barrick Gold Corp. be cut in to a 75% ownership stake in the mine, which is estimated to hold 57 million ounces of gold, with a current estimated value over \$20 billion.

EIR contacted Placer Dome Inc., a rival company which has been bidding for the right to develop a share of the Busang mine. A Placer Dome spokesman would make no comment on Barrick Gold, saying only, of his own firm, "We are a gold mining company, not a political organization."

The U.S. Republican Party, of course, has been attempting to use President Clinton's fund-raising relationship with Indonesian supporters as a scandal to break the President. Former President Bush, meanwhile, has been reportedly telling world leaders, privately, that the Clinton Presidency is destroyed; that his son, Texas Gov. George W. Bush, will be the next President, reviving the Bush dynasty; and that, therefore, leaders would be smart to work with him now.

George Bush's \$10 billion giveaway to Barrick Gold

by Mark Sonnenblick

In 1985-86, Barrick Gold Corp. paid two other mining companies \$63 million for a small working Nevada mine, called Goldstrike. Within a few years, it was found to contain 24.6 million ounces of gold, worth about \$10 billion. Goldstrike was on federal property. Under existing legislation, designed in 1872 to populate and bring development to the West, miners could operate on federal land for free, once they had filed a claim. They could obtain full legal title to the land at \$5 an acre, upon completion of a long and expensive process called "patenting."

In 1992, however, pressure was building for a new mining law to require that those given federal properties pay a royalty, a certain percentage of what they mine each year. As expected, when the Clinton administration took office in 1993, it sought a 12.5% royalty. At that rate, the 25 major mine claims then in the process of being privatized, would eventually yield an estimated \$10.75 billion to the U.S. Treasury.

Mining companies caused a major jam-up at the Bureau of Land Management, as they rushed to obtain patents before Congress applied royalties. By 1992, the long waiting line at the BLM Nevada office made it doubtful that many mines would get over the critical hurdle in the patent process in time. It would normally take several years for a mine of Goldstrike's size and complexity to complete the process, a BLM source commented, and the average during the previous four-year period was 10.3 months. But, Barrick made it in only 4.8 months.

Barrick filed its applications for 1,144 acres of land in March and April 1992. That summer, a pilot program for "expedited processing" of Nevada patents was instituted by BLM chief Delos Cy Jamison, a Republican who had been appointed to that post by President George Bush in 1989. Jamison concocted this speed-up procedure with the BLM Nevada state director, without informing his own staff. "Bells went off in my head when I heard about it," a former BLM staffer told *EIR*.

Philip M. Hocker, president of the Mineral Policy Center, an environmentalist outfit, testified to a Congressional subcommittee on March 11, 1993: "Under a new and unpublished 'pilot project,' the BLM allowed Barrick to hire outside

Anglo American Corp. set to grab Brazil's CVRD?

Engineers, geologists, and other officials who work at Brazil's strategic mining and industrial corporation Companhia Vale do Rio Doce (CVRD), suspect that the South African firm Anglo American Corp. may have been already secretly selected as CVRD's buyer. The state-owned CVRD, located in the mineral-rich Amazon region, is scheduled for privatization early in 1997. When President Fernando Henrique Cardoso traveled to South Africa in late November, he was accompanied by CVRD President Francisco Schettino, and together they met in Johannesburg, South Africa, with top executives of the Oppenheimers' Anglo American.

Brazilian nationalists perceive the CVRD privatization as a giveaway of a national treasure to foreign usurers, whose only goal is to loot the country's mineral wealth, and strip Brazil of its sovereignty. Opponents of the privatization have denounced the fact that government officials have leaked strategic secrets to bidders regarding CVRD's operations. *O Globo* journalist Marcio Moreira Alves

warned on Nov. 28 that control of CVRD would give Anglo American Corp. "an immense competitive advantage, besides opening to it the iron mining market, where it is the only large mining company not present [in Brazil]. . . . The activities of Anglo American in Brazil . . . represent barely 1.7% of its business, but multiplying that could provide it an escape route, in case of any accident along the way in the country [South Africa] where it is headquartered."

Anglo American has an ugly history in Brazil. On Dec. 4, *Monitor Mercantil* documented that Anglo American closed down three mines and fired 3,000 of 5,000 miners employed at its mine in Cuiaba, in Matto Grosso state. Those workers not fired were paid a pitiful average of 350 reais (about \$340) a month. Even worse was the situation at another Anglo American mine in neighboring Nova Lima, in Minas Gerais: alarming unemployment, stagnation of the local economy, high accident rates, and 4,500 miners afflicted with work-related diseases. Because of the high death rate among miners, *Monitor* reported, the city of Raposos, right next to Nova Lima, has the highest percentage of widows in all Brazil. "Is this the 'inevitable' modernization which Fernando Henrique Cardoso preaches for the country?" the daily asked.

—Cynthia Rush

mineral examiners to perform the evaluation of 'discovery' on Barrick's mining claims. The specialists who determined whether these claims should be patented for \$5 per acre received payment for their work directly from the company which wanted a 'yes' answer. This is a flagrant conflict of interest, which BLM is not only allowing, but encouraging. Barrick is the only company to complete this process so far."

Only Barrick got expedited treatment. Its patenting was rushed through in record speed; the BLM district manager approved the report of the outside consultant hired by Barrick the day after it was filed, in February 1993. Other companies remained stuck in the BLM backlog.

'The gold heist of the century'

As soon as he took office, Interior Secretary Bruce Babbitt called the Barrick deal "the gold heist of the century." He swore he would make sure the taxpayers received something for federal gold. He slapped a de facto moratorium on new patents, by abolishing the expedited process and requiring that he personally approve each patent.

Babbitt's office held up Barrick's patent, on the dubious grounds that its pumping would harm an endangered species. In August 1993, Barrick sued in U.S. District Court in Nevada. The verdict in favor of Barrick came through in March

1994. Babbitt immediately granted the patent, made a big show of indignation, and abandoned all pretense of ending mining giveaways.

The approved biography of Peter Munk explains a bit of what happened: "For much of 1993, [Munk] spent a lot of time in the District of Columbia . . . lobbying. At that stage Brian Mulroney, Canada's former prime minister, had just joined the Barrick board and he immediately went down to Washington to establish contact with key senators, using his close relationship with George Bush to good advantage."

Once Barrick had paid the U.S. government \$5,720 and had clear title to Goldstrike, Barrick lobbyists worked with Hocker and other environmentalists for "reform" legislation that would impose royalties on companies which had not cleared the patent hurdle (on Sept. 29, 1994, royalty legislation was killed in a House-Senate conference). In a recent discussion, Hocker insisted that Barrick had not used political influence to win Goldstrike. But at the end, he conceded, "I guess that sounds like Barrick also got to me."

And, with unrestricted property rights over the \$10 billion Goldstrike, Barrick Gold had the collateral on which the Royal Bank of Canada gave it a \$1 billion line of credit that it used for the explosive worldwide expansion it suddenly began, months after the patent was granted.