

gated. The incident has reportedly caused a major loss for Israeli Mossad strategic interests throughout the Central Asian republics.

Soros has extensive influence in Hungary. When nationalist opposition parliamentarian Istvan Csurka tried to protest what was being done to ruin the Hungarian economy, under the policies of Soros and friends, Csurka was labelled an “anti-Semite,” and in June 1993, he was forced out of the governing Democratic Forum, as a result of pressure from Soros-linked circles in Hungary and abroad, including Soros’s close friend, U.S. Rep. Tom Lantos.

### **Lighting the Balkan Fuse**

In early 1990, in what was then still Yugoslavia, Soros’s intervention with his shock therapy, in cooperation with the IMF, helped light the economic fuse that led to the outbreak of war in June 1991. Soros boasted at that time, “Yugoslavia is a particularly interesting case. Even as national rivalries have brought the country to the verge of a breakup, a radical monetary stabilization program, which was introduced on the same date as in Poland—January 1, 1990—has begun to change the political landscape. The program is very much along the Polish lines, and it had greater initial success. By the middle of the year, people were beginning to think Yugoslav again.”

Soros is friends with former Deputy Secretary of State Lawrence Eagleburger, the former U.S. ambassador to Belgrade and the patron of Serbian Communist leader Slobodan Milosevic. Eagleburger is a past president of Kissinger Associates, on whose board sits Lord Carrington, whose Balkan mediations supported Serbian aggression into Croatia and Bosnia.

Today, Soros has established his Foundation centers in Bosnia, Croatia, Slovenia, and a Soros Yugoslavia Foundation in Belgrade, Serbia. In Croatia, he has tried to use his foundation monies to woo influential journalists or to slander opponents of his shock therapy, by labelling them variously “anti-Semitic” or “neo-Nazi.” The head of Soros’s Open Society Fund-Croatia, Prof. Zarko Puhovski, is a man who has reportedly made a recent dramatic conversion from orthodox Marxism to Soros’s radical free market. Only seven years ago, according to one of his former students, as professor of philosophy at the University of Zagreb, Puhovski attacked students trying to articulate a critique of communism, by insisting, “It is unprincipled to criticize Marxism from a liberal standpoint.” His work for the Soros Foundation in Zagreb has promoted an anti-nationalist “global culture,” hiring a network of anti-Croatian journalists to propagandize, in effect, for the Serbian cause.

These examples can be elaborated for each of the other 19 locations across eastern Europe where George Soros operates. The political agenda of Soros and this group of financial “globalists” will create the conditions for a new outbreak of war, even world war, if it continues to be tolerated.

## **Soros’s looting of Ibero-America**

by Scott Thompson

Several Ibero-American countries have recently been invaded by George Soros, who begins with a small beachhead, then ends, as in the case of Argentina, as the country’s largest landholder. As Soros’s tentacles spread through the country, cries of alarm go up. Here are some case studies.

### **Brazil**

In 1993, Soros put out the word that he was moving into Brazil. Of assistance to this operation, was the fact that the director general of Soros Fund Management is Arminio Fraga, the former head of foreign functions at Brazil’s central bank.

An executive of the Soros group told Brazilian businessmen that Soros and company are currently “twisting Brazil’s arm ‘to put its house in order.’ ” According to Fraga, the Soros group was counting on then-Economics Minister Fernando Henrique Cardoso—today President of Brazil—to do that job. As Fraga told *Gazeta Mercantil* of June 26, 1993: “Brazil is an important market and deserves our attention. . . . At the moment, it is present in all of our analysis. . . . The presence of Fernando Henrique Cardoso in the Economics Ministry is very good. Anyone who has been in the government knows that he is dealing with the sore spots, doing things which people wanted done but have been unable to do. . . . He has an open and organized mind and knows he has to first put in order public finances.”

Two days before, Brazil’s *O Globo* newspaper had cited an unnamed “Soros executive,” stating that Soros’s group was “tired of speculative investments and want to bet on some projects. He specifically mentioned linking the western rivers of Brazil with the Rio de la Plata.” In other words, Soros was betting on the industrial and agricultural heartland of South America.

### **Argentina**

Soros’s involvement in Argentina can best be described by the fact that today, with total holdings of 348,000 hectares, he is the country’s most powerful landowner. This was accomplished through his October 1994 purchase of the Cresud land company, owner of 20,000 hectares, for a total of \$64 million. Since then, through purchase of a large number of smaller plots of land, whose owners were driven out of business by the Menem regime’s austerity policies, Soros has been able to expand his holdings. Located in Salta, Catamarca,

Corrientes, and parts of Buenos Aires's fertile *pampa humeda*, his total holdings are larger than those owned by Argentina's Bunge and Born grain cartel, the Perez Companc holding company, and business magnate Amalia Fortabat. Soros reportedly has another \$30 million on hand reserved solely for land purchases. He visited Argentina in March 1996, to inspect his properties. During his visit, he lavished praise on Finance Minister Domingo Cavallo, threatening that foreign investors would withdraw their funds from the country, were Cavallo to leave office.

Soros began his operations in the country in 1990, and in 1991 purchased part of the IRSA real estate company, which became his vehicle for buying up undervalued properties, remodeling them, and selling them at a large profit. He eventually increased his holding in IRSA to 38% of the company's outstanding shares, with a market value of \$47 million. One of his first projects was conversion of the Chrysler Palace in Buenos Aires, a former Army building, into luxury apartments. Baring Securities, a subsidiary of Britain's old "Opium Wars" bank Baring Brothers, arranged for IRSA shares to be sold on foreign stock markets, and placed 13 million shares among its own clients including Merrill Lynch, Arnold & S. Bleichroeder.

When the Argentine branch of Citibank sold its shares in Citicorp Equity Investments (CEI) in 1992, Soros bought 2% of the shares through his investment funds. Through CEI, Soros moved into the purchase of privatized companies, including Altos Hornos Zapla, the steel complex formerly owned by the Army; the state-run telephone company; two large gas firms; and many more. He bought up 1 million shares in the state-run oil firm, YPF, when it was privatized in mid-1993, and CEI purchased another 3 million shares in the same company.

The Jan. 15, 1996 edition of *Clarín* reported that IRSA had \$80 million available to continue purchasing properties in Argentina. Soros has his eye on the Buenos Aires Airport, lands in Retiro, and some part of the Campo de Mayo Army base, all of which are expected to be privatized soon.

Many Argentine businessmen and legislators are alarmed at Soros's activities in the country. As of mid-1993, Soros's Quantum Fund executives were looking to exploit Argentina's oil reserves, as well as invest in gold mines. Also of concern is Soros's relationship with American fugitive and millionaire businessman Marc Rich. Soros is rumored to be the power behind Rich, who is a big investor in Argentine oil and raw materials, and a partner with Swiss-Argentine business magnate Santiago Soldati in several ventures.

## Mexico

Mexico has become a major target of Soros in partnership with the Canadian Reichmann brothers, who went bankrupt over their Canary Wharf office building project in London and the bursting of the real estate bubble in general. They had formed a joint venture with Soros in early 1993, to purchase

prime real estate at depressed prices in North America. In July 1993, Reichmann International and Soros Realty agreed in principle to develop a \$500 million Santa Fe real estate scheme in Mexico City. The joint venture began negotiating property developments that could be worth \$500 million in the Alameda district, and up to \$300 million for the construction of two tower blocks on Paseo de la Reforma. The July 14, 1993 London *Financial Times* said that the joint venture was looking for other investors, and Soros said the sums mentioned "only represent the total value over a long time and would not represent any specific investment laid out." The total Alameda project cost, with the building of homes, offices, and shopping centers in what had once been a garbage dump and strip mine, would be an estimated \$5-10 billion. Soros became upset at the media coverage of the project, and reiterated that he would only be putting in a small part of the total cost, so that it was not the sole project of the \$600 million Quantum Realty Trust Fund that Soros set up with Paul Reichmann as manager.

Soros put his trust in then-Mexican President Carlos Salinas de Gortari, now a fugitive, as investigations into his family's corruption have expanded. In late June 1993, just 48 hours before the closing of the regular sessions of the Mexican Congress, the House of Deputies approved a Presidential bill, submitted by Salinas. It completely deregulated the real estate market, and reformed the Civil Code, the Procedural Rules Code, and the Federal Consumer Protection Law to open the way for big real estate investors like Soros. The same reforms paved the way for what is known as the New Rental Law, which in one fell swoop stripped away all manner of protections for Mexico's renters. Now, with the slightest pretext, renters can be expelled onto the streets, without protection of the law.

## Peru

On July 23, 1993, Soros announced that he "considers that the present conditions have improved in recent years, especially in the application of liberal reforms, both economic and institutional." So, he said that the Soros Fund Management would expand its investments in Peru. Soros flew to Peru to make this announcement, adding: "What is important about the investment we are about to make in Peru is that our group characteristically invests in highly profitable activities, which we find emerging in markets like Peru." Soros was said to be prepared to invest in a brewery, and in mining and pension funds. After his \$387 million purchase of a 12% share of Newmont gold mine from Sir James Goldsmith, it is notable that Soros was also said to be interested in development of a gold mine in Cajamarca Province, together with the Peruvian Buenaventura company.

According to the Sept. 7, 1993 daily *El Peruano*, fugitive Marc Rich's company, which is an ally of Soros, was one of 24 interested in purchasing the large Centromin Peru mining company, which was about to be privatized. The announce-

ment was made by Alberto Benavides de la Quintana, president of the committee on privatization of state companies. Benavides is also the owner of Buenaventura company, which a few months ago entered into association with Newmont Mining to develop a gold mine in Cajamarca Province. Benavides also sold Marc Rich, in association with the Brazilian company Paraibuna Metals, the zinc deposits located at Iscaycruz in Peru.

Soros, while praising Peruvian President Alberto Fujimori for his free market reform policies, which made possible Soros's looting of privatized industry, at the same time demanded a cessation of military action against the narco-terrorist "Shining Path." Thus, on July 22, 1993, George Soros's brother Paul, who runs an engineering company, travelled to Peru with Pedro Pablo Kuczynski, a banker with First Boston-Crédit Suisse and a Peruvian national, to announce the expansion of Soros's investment in Peru. However, Kuczynski, who is also a member of the bankers' drug-legalization front, the Inter-American Dialogue, was also sent to call for eliminating the military role against Shining Path. Human Rights Watch/Americas, which is funded by George Soros, had already campaigned to end Peruvian sovereignty by stopping military action against the narco-terrorists and cutting back the Peruvian military itself.

And, Paul Soros, in a full-page ad in the *New York Times* on Sept. 28, 1993, emphasized that there was "a lot of wealth in Peru," before issuing an ultimatum: "[Only] when you can be sure that military influence in the government is firmly finished can the value of any investment be secured. . . . In Latin America, whenever the army, as an institution, is part of the country's power structure, all investments are discounted, because that introduces an element of instability. As an investor, one likes stability. . . . When you can be sure that [military influence in the government] is really firmly finished, the value of any investment goes up 30, 40, even 50%." The ad was co-signed by Gerard Manolovici, managing director at the time of Soros Fund Management. Together, they threatened that foreign investment would be cut by as much as 50% if the armed forces were not eliminated.

The Oct. 8, 1993 issue of the intelligence weekly *El Informador Público* published a press release by *EIR*, warning that Soros's entry into Peru under conditions of dismantling the military would lead to a resurgence of Shining Path narco-terrorism. The release was entitled, "Soros and Company Support President Gonzalo for President of Peru." "President Gonzalo" is the nickname for the chief of the Shining Path.

Soros continued his investments in Peru. In October 1993, he bought a large share in the national telephone company, as well as several textile companies.

On April 19, 1994, *La Mañana* cited *EIR* to attack Soros, under the headline, "Investment Funds, the Big Hole in the U.S. Economy? George Soros Called before the U.S. Congress to Explain the Financial Disasters Resulting from Speculative Maneuvers with These Funds." It continued: "For

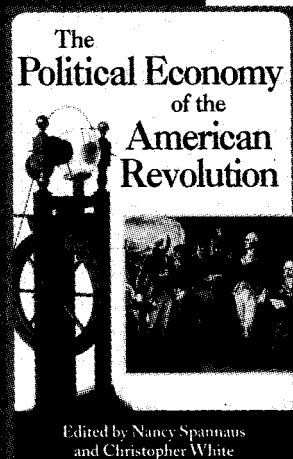
many, this personage is one of the untouchables in the U.S. According to the magazine *EIR*, the secret of his power is not only based on the unlimited credits which he receives from the large banks in the world, but in other types of maneuvers . . . which cohere with his objectives, such as financing the humanitarian organization Americas Watch, whose reports . . . have been able to debase Peru's image."

By May 1994, Soros began pulling out of Peru. The weekly *El Mundo* leaked on May 7: "Wall Street's most important investor and speculator is considering the possibility of withdrawing at any moment from the Peruvian stock market, where he has invested more than \$60 million." The reason was that Peru had begun to stabilize, which meant it was no longer as attractive for exploitative investments. And, Soros, who had been linked to promoting the Presidential candidacy of former UN Secretary General Javier Pérez de Cuellar, was worried about the outcome of the election. Pérez de Cuellar was the co-chairman of the Inter-American Dialogue, and had called for cutting back the military to please foreign investors.

By January 1995, after Fujimori won the Presidential election, it was announced that Newmont Mining had sold off 41% of its stock in Peru's largest mining company, Southern Peru Copper Company. Newmont's spokesman at First Boston-Crédit Suisse, David Mulford, who had been deputy treasury secretary in the Bush administration, said that Newmont intended eventually to sell off all its shares.

## DO YOU KNOW

- that the American Revolution was fought *against* British "free trade" economics?
- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?



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