

Banking by Kathy Burdman

'Banking is the catalyst'

Florida's Graham administration is deregulating the entire state economy through banking dereg.

The state of Florida is becoming a case study in how banking deregulation can undermine an entire economy. Gov. Robert Graham has undertaken to deregulate the state's traditional agriculture, transport, construction, and other productive industries, in order to reduce their role and replace them with a "postindustrial" economy of light manufacturing for export.

"Banking is the catalyst for this kind of development," says Florida's bank comptroller, Gerald Lewis. Governor Graham himself describes it as "internationalization." As I reported in last week's column, Graham's liberalization of state banking laws since 1978 has flooded the state with 19 foreign and 24 New York and other U.S. multinational banks, who came in under the pretext of financing foreign trade, but who are also taking over local business.

To turn the state into the "Hong Kong of the Caribbean," Graham plans to bring in a flood of light industries.

"We emphasize our cheaper labor costs—we are going specifically after labor-intensive light industry," says Florida's industrial development director, Robert Williamson. "Florida is a right-to-work state. We emphasize that in discussions with new industry we're encouraging, we don't have any unions in these newer industries. And we have no state minimum wage law. Wages here are 15 per-

cent below the national average."

Graham's office lists as priorities pharmaceuticals, office machinery, computers, surgical equipment and medical technology, communications equipment, and some heavier industry such as aviation production and defense. Graham also seeks to turn Florida into the number-three TV and movie industry state.

The state is heavily concentrating the new industries in free trade zones, three of which now exist in Miami, Port Everglades, and Orlando, with two more being planned for Jacksonville and Panama City. In Port Everglades, for example, the new industry is truly the Hong Kong variety, consisting mostly of reassembly of imported auto parts, radio parts, and so on, and repackaging of goods imported piecemeal.

All this is for export to the new Latin American and other markets sought by the multinational banks coming in. "The basic idea of the foreign trade zone is to help Japanese radio manufacturers ship in their parts, assemble them cheaply, and sell them in South America cheaper than if they were assembled in Japan," Dick Brock, director of the state Commerce Trade Development Bureau, told *EIR*. The Miami zone is really a "shopping mart" consisting almost entirely of foreign goods brought in for cheap display and warehousing for re-export, Brock said.

Port Canaveral, for its part, has scrapped plans for a new oil refinery due to the recession, and is moving instead to become a major East Coast coal port, with a \$700 million investment plan for a 10-million-ton loading capacity by 1990. The coal will be for export and local power use. Canaveral is considering free trade zone plans.

The Graham administration has also moved to keep Florida's biggest real industrial development project, the Cross Florida Barge Canal, from being built at all, claiming it would harm the environment. On the boards since 1932, the canal would be a major spur of the Tennessee Tombigbee waterway of the Mississippi Valley. The canal would cut from Yankeetown on the Gulf Coast across the peninsula to Jacksonville, bringing all the trade of the Mississippi and Gulf across the northern half of the state, and revitalizing it tremendously. The project has been supported by local business, by a coalition of farmers led by the American Agriculture Movement, and by organized labor, led by the building trades.

Behind the canal's demise was Graham's crony Edward Ball. The owner and chairman of the Florida East Coast Railway, a competitor of the canal, Ball funded the environmentalist opponents of the project. Ball works closely with the Jacksonville mafia behind Graham described last week, which includes Billy Carter's Charter Oil and Barnett Banks of Jacksonville, a leading supporter of state banking deregulation.

Under Graham's Free Trade Zone, it will now be Ball's East Coast Railway which will transship coal across the peninsula to the new Port Canaveral export terminal.