

[deficit] will actually add up to 150 billion. This inevitably lowers France's credibility, because she either borrows or because she prints money. This explains why there is such monetary erosion in France, which we can't slow down, and why there is such a rise in prices, over 1 percent per month. And in the 150 billion franc deficit, there is practically no investment. Most jobs created are non-productive and in government services. It will therefore be catastrophic in my opinion. This slide downhill cannot be caught up with, and Mr. Mitterrand and his clique act as though they can bring about a recovery through incantations, along with the Americans and the Germans; since that isn't happening, they have no remedy.

The result is that France will certainly be forced to devalue. . . . Other countries' prices are rising less quickly and because of the mechanisms of European solidarity, especially agricultural, this distortion is unbearable. Either France must leave [the European Community], which is unthinkable or it must at least leave the monetary snake, which is possible, but unthinkable, or it must devalue the Franc. I think the devaluation will be large, and will in turn bring about a serious crisis. [Finance Minister Jacques] Delors knows it and claims the only solution to be one of tightening the belt. The trade unions don't seem to want to play along, and even if Maire says he agrees, the others, such as the *CGT*, don't seem to be about to. If this type of proposal for lowering Frenchmen's income had been made a little over a year ago, they would have screamed that it was in order to make the big bosses richer!

I think this is what will bring a very serious crisis to France next year, first an economic crisis and then a political one.

Golub: Other than from rare individuals such as Raymond Barre, one never hears what you are now saying. It would appear that the opposition has not articulated a clear policy which could be presented to the population as a remedy to the present economic breakdown. You have spoken of the problem of the non-productive investment and so on. Why hasn't this been developed into an economic program for the opposition?

Rausch: What I have put forth is a diagnosis, not a program, which would of course be much more complicated, but feasible. The success of an economic program depends greatly on the confidence of the population. In my opinion, by next year or at the latest in a year and a half, the President will realize that because of his economic program, he no longer has the confidence of the rest of the world, and may even be confronted with the same phenomenon as General de Gaulle in June 1968, that of dissolving the National Assembly. At that point, the present opposition would undoubtedly take the majority. . . .

GREAT BRITAIN

The Falkland Islands Company: who runs it

by Renée Sigerson

The Falkland Islands Company is the front through which the British Royal Household maintains its claims of sovereignty over the Malvinas Islands in the South Atlantic. Had it not been for the Falkland Islands Company (FIC), which subsidizes the islands' meager economic existence, there would have been no British population on the islands on which the Crown could have based its claims.

For weeks now, in the midst of worldwide attention directed at the islands as a result of war, not a single newspaper in any part of the world has been able to report who runs the Falkland Islands Company. Its board of directors has never been revealed, and the real story of how it came under its present ownership was kept under wraps.

Not a business enterprise

We summarize here the results of an investigation conducted in London on the ownership and history of the FIC. The investigations indicate that Britain has shrouded the FIC's workings in secrecy for two reasons: 1) to exclude any possibility of Argentine cooperation in economic development of the islands; and 2) to conceal from public opinion that the FIC is a modern version of the 18th- and 19th-century trading companies which in those days were open instruments of the Crown in behalf of its imperial designs. British claims that the FIC is a privately held corporation in the wool business are a fraud perpetrated to avert international recognition of Britain's imperial control-points.

The only founding document accounting for the existence of the FIC is a Royal Charter granted by Queen Victoria. Normally, British companies have a

constitution and charter based on civil law. For the FIC, no such civilian legal status exists.

This unique status of the FIC permitted the British Foreign Office in 1977 to reorganize the FIC without ever having to engage in civilian legal procedures. Investigation proves that prior to 1977, the FIC was a publicly held firm with dispersed shares; since 1977, it has been transformed into a privately held firm with consolidated shares. The change was performed to prevent Argentine financial interests from buying holdings in the company, as they attempted to do during the 1970s.

The current board of directors of the FIC has seven members. They are:

C. Edwin Needham, Chairman: Needham is also the chairman of the Coalite energy group, which bought up the FIC in 1977 on behalf of the British Foreign Office.

René Victor Wood: Also a member of the Coalite board, Wood recently retired as the chief executive of Hill Samuel Insurance and Shipping Holdings, Ltd., a wholly-owned subsidiary of the South Africa-based Hill Samuel merchant-banking group. Hill Samuel is run by British intelligence, through the legacy of its founders, Sir Kenneth Strong and Sir Kenneth Keith, the head and deputy head, respectively, of Foreign Office Political Intelligence during World War II. Strong and Keith were high-level personnel in the British-Canadian wartime intelligence apparatus of Sir William Stephenson ("Intrepid") whose operations laid the foundation for, among other things, Britain's massive offshore Caribbean banking operations in the post-war period.

Alan W. Beasley: Also a member of the Coalite board.

Don Clarke: An executive of the FIC for over a decade, who came in contact with the company after being assigned to the British World War II garrison on the islands.

Frank Mitchel: General Manager of the FIC since the 1960s, he is preparing to retire.

David Briton: Mitchel's replacement, taken from the FIC's ranks.

The Shackletons and the Tories

More important, however, than the formal corporate ownership of FIC is the informal chain of command weaving through the Foreign Office and the ranks of the Tory party which administers the islands on behalf of the Royal Household.

British control of the Falklands has for at least 50 years been in the hands of unregenerate imperialists committed to maintaining "Anglo-Saxon supremacy" in the Western world.

Those specifically involved in the Falklands have included the family of British explorer Ernest Shackle-

ton, the Quaker families centered around Barclays Bank, the circles of former Prime Minister Alec Douglas-Home, and the consortium of banks which forms the Eagle Star Insurance Group of Britain and Canada.

Sir Ernest Shackleton and his descendants, working with the British Admiralty, have overseen British exploratory expeditions into the South Atlantic and Antarctica for nearly 100 years. The family is committed to the doctrine of "Anglo-Saxon supremacy." In the 1920s, Sir Ernest Shackleton was an honorary trustee of the American Museum of Natural History, at the time the core of an "elite" Anglo-American conspiracy committed to proving the biological superiority of white- over darker-skinned peoples.

It was Shackleton's son, Lord Edward Arthur Alexander Shackleton, who in 1976 made recommendations to the British Foreign Office which led to the reorganization of the FIC under the ownership of the Coalite energy group. The entirety of Lord Shackleton's life has been devoted to preservation and publicizing of his father's career as an explorer.

Barclays Bank, run by the British Quakers, had more day-to-day influence over the FIC during the 1960s, during which time the largest single shareholder in FIC was Lord John Denman Barlow, a Barclays regional chairman from Manchester.

Barlow is part of the Alec Douglas-Home circuit in the Conservative Party. His family maintains substantial financial resources through control of 50,000 acres of rubber plantation in Malaysia. Some time in the late 1950s, Barlow was asked by a member of the British Parliament to do a service to the Queen by investing in the FIC. He purchased a majority share, worth roughly \$12 million, and was eventually admitted to the FIC board.

In a recent private discussion, Barlow explained his commitment to British possession of the islands in terms of British strategic influence worldwide. "The British Foreign Office has been very lenient with the Argentines for the last 10 years," stated Barlow, who currently chairs the political section of the Falkland Islands Committee in London.

Citing the Argentine invasion this spring, he continued:

"It is unprovoked possession, and if we stood for this, there are 50 other small places in the world where stronger neighbors would immediately march in. . . . This is not a question alone for the Falkland Islands. It is representative of 50 other small countries . . . like Gibraltar, Hong Kong, and many other places in the Caribbean. . . ."

Barlow's commitment to British strategic needs in the early 1970s did not include, however, a willingness to continue sustaining the losses which ownership of the FIC brings upon its loyal shareholders.

In 1971, Barlow left the board of directors of FIC, allowing a venture-capital consortium called Dundee, Perth and London to purchase his shares. A series of embarrassing developments for the British Foreign Office ensued.

Financial maneuvers

Dundee fell into serious financial difficulties, and was soon purchased by Slater Walker, the stock brokerage firm whose mad speculative activity in Singapore and Malaysia was the source of a year-long scandal in the City of London through 1974.

The bankruptcy this month of the 150-year-old Sebag-Carr investment bank in London—which handled Slater Walker's accounts—provides evidence that diverse intelligence networks, ranging from Israel to South America, were linked to Slater Walker's notorious dealings. Not surprisingly then, when Slater Walker started tumbling, a group of private Argentine financiers offered to take the FIC off its hands for a bid. Alarm bells went off at the British Foreign Office.

The Foreign Office activated British intelligence, which pulled together a team of City of London bankers to finance a more suitable change of ownership for FIC. At the same time, Whitehall issued a decree stating that no Argentine citizen, nor any agency representing the Argentine government, would be allowed to gain title to island land.

The banking syndicate found an industrial holding group called Charrington to buy FIC, and financed the takeover. In 1978, Charrington was taken over by Coalite. Coalite today also owns the remnant shipping company of Dundee, Perth and London—the group which bailed the Barlows out in 1970—indicating an unbroken line of control over the company despite these upsets.

It is not known which London banks financed this reorganization. However, a core of British banks has been identified with the islands over time. These are Barclays, through Barlow; Lloyds, which during the early 1970s acted as banker for FIC; and Hill Samuel, which today is represented on the FIC board. Morgan Grenfell, whose chairman is the son of Alex Douglas-Home, is represented on the Coalite board.

Barclays, Lloyds, and Hill Samuel, together with N. M. Rothschild, are the chief members of the Eagle Star Insurance Group syndicate, the bastion of Britain's Canadian-Caribbean financial operations. The Eagle Star Insurance syndicate is the highest-level coordinating body for British strategic operations in the Western Hemisphere. N. M. Rothschild, in turn, is the leading financial interest behind the London Economist Intelligence Unit, which sponsored and wrote Lord Shackleton's 1976 report which resulted in Coalite's takeover of FIC.

Agricultural Strategy

The fight to realize Nigeria's potential

by Cynthia Parsons

Since the time of Britain's Royal Niger Company, and the discovery of palm oil in Nigeria, the rich resources there have been the target of international looters. The two rivers crossing the country, the Niger and the Benue, were used to ship the oil out; consequently, roads, railroads and other infrastructure were not built. Britain divided the north into 13 Muslim factions competing with the Christians and pagans in the south, laying the basis for years of unrest.

The legacy of these colonial days is a heavy one for the new republic. The government of President Shagari, up against some of the largest obstacles ever thrown against a developing nation, is pushing ahead with an extensive industrial development program.

To steer a country as large as Nigeria into the 20th century—it is the eighth largest in the world, with 100 million people—the government decided that industrial centers, cities, and infrastructure were to be the focus of their efforts.

Focusing on heavy industry, Nigeria went ahead and built the first blast furnace at Ajaejuta, and established the Nigerian Steel Development Authority with the help of the Soviets in 1971. In 1975, a decision was made to build some direct reduction electric arc furnace steel plants, and by 1977, the Delta Steel project was begun.

In January 1982, the government launched an expansion of the steel sector so that by 1985 Nigeria can be producing flat steel. A 10-year battle to upgrade the rail system has been won, and at last a unified rail system will be built.

Efforts are being made to increase food production and create centers for disseminating advanced agricultural techniques.

Nigeria has tried to increase the number of state-controlled and large farms, mostly modeled on those of the highly mechanized family farms of the United States. U.S.-Nigerian exchange programs are now under negotiation.

The problem of the peasant farmer has been identified but not adequately tackled yet. The benefits India and