

Business Briefs

Finance

Bank of England becomes a regulator

The Bank of England has announced that it will ask foreign banks to disclose more information about the operations of their British branches, including "some information on branch profits and some details of large deposits and exposures." Britain, the premier "off-shore" banking haven, currently has no standard disclosure rules for overseas banks, although London has one of the world's largest concentrations of foreign bank branches, some 240.

UPI quotes a financial source saying that the Bank of England, which is privately controlled, wants the disclosure standards because "the banking world is a riskier place than it was a few years ago."

"The concern is extreme here ever since it has been revealed that Midland and Lloyds are even more exposed than Manny Hanny was to Latin America," a source contacted by *EIR* said. The Bank of England thus took the highly unusual step of "telling the British banks what to do," in words and in print. "It says that it will be looking at the adequacy of the bank provisions in the context of their capital resources. . . ."

British banks are owed \$21 billion by eight main debtor nations, or 75% of their shareholders' capital.

The Big Four clearing banks already have to pay a 0.25% interest surcharge to place their certificates of deposit. "This realization has come as a shock to British investors and resulted in a sharp deterioration in bank shares relative to the rest of the stock market," which itself was dropping like a stone, the *Daily Telegraph* writes.

Energy

Reagan unveils energy-sharing plan

During talks in London preparatory to the Jun. 7-9 seven-nation economic summit, President Reagan revealed his administration's plan for global energy sharing should

the escalating Gulf war cut off oil. Predictably, the plan relies on the big oil companies and the "free market" to regulate oil sharing should a cut-off occur.

The U.S. is reported to have offered to sell off its 400-million-barrel stockpile on the open market to undercut panic and an uncontrolled oil-price rise.

Nuclear Power

Alfonsín pledges atomic energy

Argentine President Raul Alfonsín assured an audience gathered on "Nuclear Energy Day" that his government will continue to support the development of Argentina's nuclear potential. Previously, his government has ordered cuts of \$400 million in the program—but that was before his current accord with the pro-nuclear Peronists and other opposition parties to strengthen his government for a confrontation with creditor banks.

"The development of atomic energy is one of the accomplishments that we must continue fighting for," Alfonsín said. He added that his government "intends to secure the basis for an authentic national sovereignty through the promotion of science and technology, fundamental pillars of decision-making power and the realization of a nation."

International Credit

'IMF go home,' say Dominicans

As the government of the Dominican Republic deliberated over whether to sign with the International Monetary Fund, slogans went up on walls all over the country at the end of May: "IMF Go Home." President Jorge Blanco subsequently refused to sign with the Fund, expressing his solidarity with the debtors' cartel now in formation by Mexico, Brazil, Colombia, and Argentina.

Between April 21 and April 24, a previous Blanco agreement with the IMF which

tripled prices of food and medicine led to riots in which more than 60 people died.

"Social decomposition" is the "next step" for the country, according to Georgie Anne Geyer, a "journalist" associated with Henry Kissinger who participated in the Aspen Institute's Western Hemisphere Governance Project last year. In a syndicated column mid-May, he forecast civil war matching that of Central America. Right and left agitators set into motion last month's riots, he said, arguing that the IMF measures are not to be blamed, but "the high standard of living to which the population aspires."

Arms Trade

Kissinger, Haig, to get rich on arms sales

Israeli sources have reported that a company just formed by Henry Kissinger, Alexander Haig, and Israeli hotel owner Yekutiel Federmann is involved in trying to expedite arms sales to Ibero-America.

According to an Israeli investigator, "The company, which is not registered here in Israel, is getting agreements to sell tanks and airplanes to countries in South America. Kissinger is considered useful for this because he knows most of the governments there and their chiefs of staff. Also, because of their connections in the Pentagon, he and Haig can get licenses for selling arms that Israel is usually forbidden to sell because the arms involved use of American technology."

Another figure involved in the company, an investigator for the Israeli daily *Hadashot (The News)* reported to *EIR*, is former Israeli ambassador to the United Nations Ephraim Evron. Evron has served in the past months as the personal representative of Edgar Bronfman in Israel. He is now the President of the Haifa Technion Institute, a technology-engineering institute run by individuals on the payroll of the Venetian Recanati family.

Federmann built his financial fortune during the 1960s, partly through association with close friends of Meyer Lansky, including an individual who was the lawyer for Lansky's casino interests in the Bahamas.

Aside from selling arms to Ibero-America, the company is involved in "risk-assessment and non-weapon sales to Hungary," a *Hadashot* investigator stated.

Industrial Policy

Trilats ask for a 35-hour week

On the eve of the industrialized countries' London summit, Henry Kissinger's Trilateral Commission issued a document published in *Lettera Diplomatica*, an Italian magazine, proposing a 35-hour work week and cuts in state subsidies to industrial sectors. The document was signed by Robert Owen, Zbigniew Brzezinski, and Saburo Okita, and suggested that the discussion at the London summit turn toward such measures. Under them, Europe's steel industry, in particular, would not survive.

The Commission has thus taken the same position as the West German SPD, the Soviet-controlled German Communist Party or KPD, and the radical "Greenie" movement; under their combined influence, German trade unions are currently striking around the 35-hour demand.

Environmentalism

World Bank issues 'environmental guidelines'

The World Bank has issued a series of environmental guidelines governing future loan policy. The guidelines, released Tuesday, state bluntly that the economic development of poor nations must be sacrificed to environmental concerns, and are expected to shut off all World Bank financing for large-scale or capital-intensive infrastructure projects.

According to World Bank Vice-President Sahid Husain, the new guidelines mean that, "When investments are undertaken by the bank, measures should be taken to ensure they will not lead to irreversible deterioration of the environment." The guide-

lines pledge the bank to give "early attention to the environmental dimensions" of its projects, and not to finance "projects that cause severe or irreversible environmental deterioration." They also commit the bank to not finance projects "that could significantly harm the environment of a neighboring country"; ensure that projects involving renewable resources, such as water and wildlife, "do not exceed the regenerative capacities of the environment"; and to not finance projects "which would significantly modify natural areas designated by international conventions."

Banking

Bankers conference blanketed in Philly

Bankers convening in Philadelphia for a meeting on the international monetary system amid the worst financial crisis since the 1930s, were greeted by an unexpected and, for many, discomfiting sight. Three persons standing in front of the conference hotel displayed for sale two issues of the newspaper *New Solidarity* with headlines: "The Banking Crisis is Here!" and "Four Nations Form Debtors' Club."

They also displayed the appropriate "safety devices" for such an assemblage: a large blanket to catch anyone who might jump, a good supply of diapers for those bankers with a large debt overload, and numerous signs warning passers-by to "beware of falling bankers" in the vicinity. Pedestrians were seen grabbing up the newspapers gleefully; a cab-driver was overheard: "I wish my banker would jump." Portions of the affair were filmed by El Globo Brazilian TV.

By contrast with the general merriment, the few bankers who ventured out of the hotel were grim-faced and uncommunicative. A laughing Danish financier, however, told the three individuals they were right. Two Japanese businessmen purchased "a souvenir" called a "Volcker safety net"—one of the diapers.

The responsible persons were representatives of the Lyndon LaRouche presidential campaign.

Briefly

● **THE IMF** has "recommended that Uganda Airlines shut down because it is proving a tremendous drain on the national treasury," a UPI wire reported on June 8. The Uganda government, which has already been forced to devalue its currency up to 90% in the last few years, is reported unwilling to scrap the airline "because of the loss of national prestige and the fear of laying off several thousand airline workers."

● **LIDIA GEYLER**, former Bolivian president and current ambassador to Colombia, expressed concern over whether her country would receive the support it needs to confront the International Monetary Fund. Bolivia declared a debt moratorium on May 29. "We don't like Volcker," she told *EIR*. The Andean Labor Party based in Colombia has now organized a support declaration for Bolivia by four union leaders there that will appear in *El Tiempo*, a Colombian daily.

● **MANUEL** Azpurua, Venezuelan finance minister, told a recent press conference that Bolivia's May 29 suspension of foreign debt payment is another example of why bankers need to give Latin American countries "special conditions" to meet their obligations. Argentine Finance Minister Bernardo Grinspun similarly supported Bolivia, saying "Other Latin American nations could follow Bolivia's example." He called the debt moratorium "an act of national sovereignty."

● **'BLESSED** is he who expecteth nothing," intoned Margaret Thatcher of Britain when questioned on what she expects from the June 7-9 London summit. She was quoted in the June 4 *Times* of London, which reported that "the most vigorous preparation for this year's summit has been the effort to depress expectations." The summit is to be an "informal chat, getting-to-know-you session."