

Business Briefs

Dope, Inc.

Hongshang completing Marine Midland takeover

"Hongkong and Shanghai Bank has won approval, subject to Marine Midland board approval, to "buy the 48% of Marine Midland Banks, Inc. that it doesn't already own by sharply boosting its bid to about \$758 million. . . ." reported the *Wall Street Journal* Sept. 16.

EIR's best-selling book, *Dope, Inc.*, first published in 1978, documented the Hong Kong bank's role as the world's premier drug-money institution, for more than a century continuing into the present day. The information they supplied, brought to the attention of New York bank superintendent Muriel Siebert a year later, caused her to intervene to block the Hongshang's purchase of a majority share in Marine Midland. However, she was eventually overruled by Federal Reserve chairman Paul Volcker.

According to the *Journal* report, "Owning all of Marine Midland would give Hongkong and Shanghai a safe haven should it need one in 1997 when control of Hong Kong passes from England to China."

Foreign Exchange

EC ministers fear dollar collapse

The finance ministers of the 12 European Community (EC) nations, meeting Sept. 13 in Denmark, took steps to try to insulate their countries from a possible collapse in the value of the U.S. dollar.

The ministers approved a proposal drawn up by the Basel, Switzerland-based Bank for International Settlements, recommending that currency support interventions be coordinated among the European Monetary System's member states. France was a particularly strong advocate of this proposal.

The talks also pointed in the direction of the EC nations taking steps to remove existing exchange controls within the Community, a move advocated by those who want

European trade to be increasingly denominated in a European Currency Unit (ECU), rather than the dollar or local currencies.

Recent currency storms have hit Italy particular hard. Even as the EC ministers met, the Gorla government in Rome announced a set of emergency measures to stabilize the value of the lira by reducing the rate of bank-loan creation from the current 13% to about 8%.

Following a period of continuous collapse of the Milan Stock Exchange, the lira had declined sharply against other currencies of the European Monetary System. In the course of a single week, the Bank of Italy spent \$2 billion to defend the currency's value. Since the beginning of August, the central bank has spent more than \$7 billion to this purpose.

Confronted with alternatives of a devaluation or credit cuts, Gorla decided for the latter.

Health

Seek debt forgiveness to fund AIDS research

The first Pan American Teleconference (played by satellite all over Ibero-America) concluded in Quito, Ecuador with a call on creditor nations to forgive 10% of Third World debt, and allocate that amount to fighting AIDS.

The two-day meeting brought 400 scientists from around the world. The proceedings were broadcast via satellite to 650 cities on the continent.

The concluding document, "Declaration of Quito," urged a "coordinated effort" to eradicate AIDS. The health services of the developing sector nations "cannot deal" with the required fight against the disease. Given their huge debt burden, little can be done at present to prevent an epidemic "that will be concentrated in the most productive sector of society."

More broadly, The Pan American Health Organization warned that the economic crisis of Ibero-America has brought with it a health crisis whose dimensions are not fully known.

In its report, "Health Conditions in the

Americas 1981-1984," the health organization says that the burden of foreign indebtedness and the collapse of capital inflows have caused a collapse in the health of the population even worse than indicated by official figures. Most of those figures are two or three years out of date.

Some of the exemplary data produced: By 1984, Argentina had 12,506 cases of leprosy, Brazil 206,081, Colombia 20,737, Mexico 16,448 and Venezuela 12,032. There are 30,000 deaths annually from tuberculosis, 4.5 per 100,000 people. But things are undoubtedly much worse in 1987, said the report.

Debt

Unicef comes up with new scheme

"An innovative plan for banks to transfer African and Latin American loans to charities which would put debt service payments to work in debtor countries was unveiled yesterday by the UN Children's Fund (Unicef)," reports Sept. 11's *Financial Times*.

According to the report, "Mr. Richard Jolly, Unicef deputy executive director, said in London that the fund was negotiating with several U.S. banks and that one was considering the scheme, Debt Relief for Child Survival."

Banks would write over a portion of their loans to Unicef, and write it off as a tax deductible donation. Unicef would then try to collect. One unnamed bank is considering a write-off of \$5 million, said the British newspaper.

Speculation

Mexican stock market goes boom

The Mexican stock market is experiencing an enormous speculative boom, even as the Mexican economy continues to decline under the pressure of International Monetary fund austerity programs.