

# 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.

# Briefly

In the five days following a Sept. 1 speech by President Miguel de la Madrid, the market went up 18%, equivalent to a one-week rise on the U.S. market of 485 points! In one day alone, the market rose the equivalent of 200 points on the U.S. market.

The five-day rise was 22% greater than the entire rise in the market between 1982 and 1986.

Between 1975 and 1978, the volume of stock market transactions totaled no more than 7.2% of the GNP. But in the first six months of 1987 alone, the volume of transactions exceeded the GNP by 88%.

Analysts say the market is being fueled by both the "return" of flight capital from the United States and the "flight" of capital out of the Mexican banking system, which is being drained of assets.

## Labor

### Giuliani to take on Teamsters union case

At the end of August, U.S. Attorney for the District of Columbia Joseph E. Di Genova was taken off the case involving the U.S. Justice Department's attempt to place the International Brotherhood of Teamsters in receivership. Di Genova was reportedly "foot-dragging" on the case.

On Sept. 15, the U.S. Attorney for New York's southern district, Rudolph W. Giuliani, was put in charge.

Late last year, the government used civil provisions of the Racketeer Influenced and Corrupt Organizations Act to place the Union City, New Jersey Teamsters local in receivership. Now, the Justice Department says it is preparing a suit aimed at ousting the union's 21-member international executive board, even though only union president Jackie Presser has been indicted or even publicly accused of any crime—and the evidence against him is weak at best. The Justice Department attacks on labor are so blatant that even the AFL-CIO executive board has condemned them.

On the same day that Giuliani's takeover of the case was announced, 3,000 Teamsters rallied in Cincinnati against the Justice Department action. Presser told his members

that this was the first attempt by government to take over a national union and is totally unjustified.

The Justice Department action would give the government the right to appoint local leaders, take over local negotiations, and control pension funds, welfare funds, and organizing drives.

The Teamsters, the largest U.S. union with 1.7 million members and historically one of the most aggressive organizers, is one of four unions targeted by the President's Commission on Organized Crime.

Three presidential hopefuls, Republicans Alexander Haig and Jack Kemp and Democrat Jesse Jackson, addressed the Cincinnati rally and expressed their support for the union.

The Sept. 14 *New York Times* noted that after Teamster President Presser talked the union's board into supporting Ronald Reagan in 1980 and 1984, the administration responded by issuing a "report last year [by] the President's Commission on Organized Crime [that] urged that law-enforcement officials consider ousting union leaders"—going after the Teamsters by name.

## AIDS

### Cuba adopts public health measures

The Castro government in Cuba has adopted a very strict national policy to stop the spread of Acquired Immune Deficiency Syndrome (AIDS), including universal testing and quarantine. Outside of such Soviet satellites and the Soviet Union itself, only Israel has taken this classic public-health approach to containing the deadly pandemic.

Cuba, according to Havana news reports, has already tested more than 10% of its population, or 1.1 million people. The tests have been given to every Cuban who has been out of the country since 1976. In addition, anyone entering a hospital or doctor's office will be tested, and all foreigners who stay for more than three months, except diplomats, must be tested.

Those found to be infected are immediately quarantined at a sanatorium on the outskirts of Havana.

● **WESTINGHOUSE** built the Angra I nuclear plant to fail, Brazilian Science and Technology Minister Renato Archer charged Sept. 10. He said Westinghouse "knew from the beginning that the reactor would not function, because it was deliberately constructed not to succeed . . . because they deliberately wanted to demoralize us on nuclear energy." West Germany's Siemens will get the contract to repair the plant, he announced.

● **CHINA** began production at the world's largest surface coal mine at the beginning of September. The mine was built by Soviet agent Armand Hammer's Island Creed Coal Corporation. Hammer was on hand for the ribbon-cutting ceremony.

● **THE SOVIET** minister for the radio industry, Pyotr Pleshkov, 65, died Sept. 14 after a long illness. Pleshkov had been radio minister since 1974. The post is one of the most important ministries within the Soviet military-industrial complex. The Soviet Deputy Defense Minister for Armaments since 1980, and high-tech weapons specialist, Army General Shabanov, had served as a deputy minister for the radio industry under Pleshkov from 1974-78.

● **THE WORLD BANK** says that even though more Third World development projects were financed in 1986 than ever before, the amount loaned fell to \$920 million from \$1.16 billion, and World Bank data showed that 109 debtor nations paid out \$30 billion more in interest than they received in net disbursements from official and private lenders.

● **MEAT INSPECTORS** who have AIDS should be fired, but only if they show a full-blown case of the disease. If they merely test positive for AIDS antibodies, however, they should not be dismissed, according to a draft proposal submitted to the Department of Health and Human Services by the Agriculture Department.