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THE PRESIDENT HAS SEEN
12-9-97

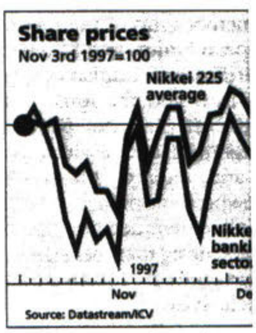
The Economist

BUSINESS THIS WEEK

Supporters clubs

It was the mother of all bail-outs. This week **South Korea** was granted a $55 billion international rescue package, $5 billion more than Mexico received in 1995. The main contributors to the South Korean deal were the IMF, the World Bank, the Asian Development Bank, Japan (at $10 billion, Korea's biggest bilateral creditor) and the United States. The stockmarket rose 7% after the deal was announced.

The South Korean government suspended operations at nine of the country's 30 merchant banks, many of which are blamed for the lax short-term lending that fuelled the country's economic crisis. But it is not only bankers who are feeling the pinch. **Samsung**, a Korean conglomerate, said it was shelving a £450m ($760m) project in Britain because of the crisis at home.



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Asian currencies were still under pressure: the Thai baht, the Malaysian ringgit and the Indonesian rupiah all hit new lows. Alan Greenspan, chairman of America's Federal Reserve, said the world economy would be stronger once Asia's financial woes are sorted out. But he warned that efforts to prop up misaligned currencies with massive reserves were misguided.

Russia's leaders are also looking for help with the **ailing Russian economy**. This has been dented by the Asian crisis, but its biggest problems are homegrown. A team from the IMF, which is holding back a $700m instalment of a $10 billion loan because Russia has collected only about 60% of expected tax revenues, has arrived in Moscow to put the economy under the microscope. The Russian government, meanwhile, sought new foreign loans to cover its budget deficit, and propped up the rouble. Russia also signed a deal restructuring $31 billion of Soviet-era foreign debt.

Drug bust

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nesses for £179m ($301m). America's Bankers Trust paid £129m for the pan-European equities business and Deutsche Morgan Grenfell paid £50m for the global equity derivatives and program-trading operations.

Tony O'Reilly will step down next April as chief executive of Heinz after 18 years in the job, but will not become a has-been. He will remain with the American food company as non-executive chairman. His place will be taken by William Johnson,

in four years. **Oil production** will increase by 10%, to 27.5m barrels a day. This rise reflects OPEC's optimism that demand for oil next year will rise enough to absorb the extra barrels.

GEC-Alsthom, an Anglo-French trains, turbines and telecoms group, is to be floated next summer by its parent companies. Renamed Alsthom, the company will be based in Paris and listed on the Paris, London and New York stock exchanges. Analysts guess its market value could top $7 billion.

Grand union

Shipping's Grand Alliance became even grander and is now the largest of the world's big three global shipping partnerships. Two more large container lines, Hong Kong's Orient Overseas and Malaysia International Shipping, are joining the alliance of
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73, and
the eighth monthly year-on-year drop in a row.

Correction: As several readers have pointed out, we understated Eurotunnel's "mountain of debt" somewhat last week. It is of course around £8 billion ($14 billion), not £8m.

THE PRESIDENT HAS SEEN
12-9-97

He has supported our Irish efforts - should do a nice letter to him

BC

12-9-97

To Burkhardt for reply after you have seen.

B.

Yes - coordinate with NSC

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The Tokyo stockmarket was jittery but remained above 16,000 in the run-up to a government package, due to be unveiled by December 16th, that will use public funds to try to stabilise **Japan's financial sector** and reassure nervous depositors.

Asian currencies were still under pressure: the Thai baht, the Malaysian ringgit and the Indonesian rupiah all hit new lows. Alan Greenspan, chairman of America's Federal Reserve, said the world economy would be stronger once Asia's financial woes are sorted out. But he warned that efforts to prop up misaligned currencies with massive reserves were misguided.

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Drug bust

Glaxo Wellcome, the world's second-biggest drugs company, withdrew Romozin (known generically as troglitazone), a supposedly promising new diabetes treatment, from the British market after worries about liver damage. Glaxo shares recovered, but shares in Warner-Lambert, which holds marketing rights for the drug in America (where it is known as Rezulin) and has few other potential blockbusters, were hit.

An inquiry by justice and tax officials into alleged **insider dealing** and tax fraud on the Amsterdam stockmarket claimed several more victims. André Baar, the chairman of NBM-Amstelland, a construction company, was held on suspicion of money laundering. Three former stockbrokers were also detained.

National Westminster Bank sold most of its **NatWest Markets** investment-banking subsidiary's equities businesses for £179m ($301m). America's Bankers Trust paid £129m for the pan-European equities business and Deutsche Morgan Grenfell paid £50m for the global equity derivatives and program-trading operations.

Tony O'Reilly will step down next April as chief executive of Heinz after 18 years in the job, but will not become a has-been. He will remain with the American food company as non-executive chairman. His place will be taken by William Johnson, currently president and chief operating officer. Mr O'Reilly has been criticised for packing Heinz's board with his chums.

Guinness and **Grand Metropolitan** will probably sell rights to Dewar's, the bestselling Scotch whisky in America, and Bombay and Bombay Sapphire gin in order to win approval from America's Federal Trade Commission for the merger of the two British food and drinks giants.

While other luxury-goods firms go public, or think about it, **Richemont**, a Swiss-based conglomerate controlled by the Rupert family of South Africa, wants to take **Vendôme Luxury Group** private, with a £1.04 billion ($1.75 billion) offer for the 30% it does not already own.

OPEC oil ministers decided to raise output for the first time in four years. **Oil production** will increase by 10%, to 27.5m barrels a day. This rise reflects OPEC's optimism that demand for oil next year will rise enough to absorb the extra barrels.

GEC-Alsthom, an Anglo-French trains, turbines and telecoms group, is to be floated next summer by its parent companies. Renamed Alsthom, the company will be based in Paris and listed on the Paris, London and New York stock exchanges. Analysts guess its market value could top $7 billion.

Grand union

Shipping's Grand Alliance became even grander and is now the largest of the world's big three global shipping partnerships. Two more large container lines, Hong Kong's Orient Overseas and Malaysia International Shipping, are joining the alliance of Hapag-Lloyd of Germany, NYK of Japan and Anglo-Dutch P&O Nedlloyd, which operates mainly on Asia-Europe and Pacific routes.

As car exports rise, **car sales in Japan** continue to slide. New car registrations dived by 23.5% in November, the steepest drop since 1973, and the eighth monthly year-on-year drop in a row.

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Need Nice reply

BC

THE PRESIDENT HAS SEEN
12-9-97

11/6/97

To: Bill Cinton

Hello! my name is
The seventh grade
grades and I have c
wish is that the viol
people could go thak
park wethout think
is going to hert th
homeles people could
and food to eat, if you
send me your foto wit
dother I wish you could came and visit
Ramona school or call me so I could realy
See that you got this latter-(626) 284-7240
thakyou for your time you are the best
and you play realy good the sakphone.

12-9-97
To Burkhardt for reply
after you have seen.

B.

Ok

You are a graet president

you could call Ramona School and Ask for Juan Martin
on the seventh grade, teacher Mrs Partos class. 112
So you could send me your latter.

To: Bill Cinton and family

Need nice reply

BC

THE PRESIDENT HAS SEEN
12-9-97

11/6/97

To: Bill Cinton

Hellol my name is Juan Martinez Im in The seventh grade and I have good grades and I have a good theacher my wish is that the violence could stop so people could go thake their chield to the park wethout thinking that some one is going to hert them and I wish homeles people could have a house to live and food to eat, if you resive this latter pleace send me your foto with your wife and your dother I wish you could came and visit Ramona school or call me so I could realy see that you got this latter-(626)284-7240 thakyou for your time you are the best and you play realy good the sakphone.

You are a graet president

You could call Ramona School and Ask for Juan Martine on the seventh grade, teacher Mrs Partos Class. 112 So you could send me your latter.

To: Bill Cinton and family