

MEMORANDUM FOR:

M. Ernst
NID/Econ.

Tends to support what
I was told.

Shut/JW

Date 5/31

Chrono

31 May 83

...ers here expect, ...mit will yield a ... by the seven that ... they already have ...ous meetings; that ... recovery should be ... care not to reignite ...ionism is bad, and ...d reversed, if possi- ... should begin looking ... Eastern bloc as a ... ure.

... critics charge. Da- ...fessor of economics ... Institute, points out ... industrial countries ...onomic and political ...d would be, much on- ... among (them) even ... meetings never took ... hat this was the case ... n, and would be the ...nits were held. Be- ... ds can't be expected ... overnight on issues

Creusot-Loire 6 Million, ing State

JOURNAL Staff Reporter
...re, the French steel ... group, is in dire need ... to ask the state for ... up to the equivalent ... ng to sources close to

...ted 1982 losses of \$30 ... assets and a fresh in- ... urgently needed, the

... officials refused to ... er, and company offi- ... talk until measures ... e's recovery are de- ... cted to be announced ... he company's annual

...ted that Creusot-Loire ... selling its interests in ... ate-owned Usinor and ... n and reducing its 70% ... , the nuclear power

...erests in the steel in- ... st burden on the com- ... have drained close to ... company's treasury in ... nverting the franc at ... ces say. This has been ... atome's profits, which ... in 1982.

...ic Energy Commission ... se its stake in Framat ... sources say. Alsthorn ... electrical engineering ... ssed interest in acqui- ... matome, the sources

...e said several months ... ated nuclear industry ... ce France's already ... field. Industry sources ... good time for Creusot- ... the nuclear industry as ... expected to slowdown ... nuclear power plants, ... ment-commissioned re- ... at France produces too ... y and no new reactors

... quanted. telling one another about their ... dom Approved For Release 2008/04/15 : CIA-RDP87R00029R000300530003-6 ... stand how the others ... k. There would be ... no decisions expected ... no communicate ... or "joint statement" to worry about.

That won't be the battle plan at Wil- liamsburg, of course. Despite President Reagan's attempts to "free up" the meet- ings, the seven still will spend the bulk of their time in highly structured sessions. They'll hammer out a carefully worded fi- nal statement. About 4,500 journalists from around the world will overcover the story. And people probably will be asking for months whether the session was worth- while.

But if the Williamsburg Summit turns out to be vapid, it may be just what the world needs. After a decade of economic turmoil, and last year's debacle at Ver- sailles, a little harmony would help build confidence around the world. Maybe it would even be worth the hoopla, the show- boating and the 4,500 reporters to cover it.

Banks Asked to Make Commitment by Friday On Nigeria Trade Debt

Monday 27 Friday
SPECIAL TO THE WALL STREET JOURNAL
LONDON—Twenty-eight of Nigeria's ma- jor creditor banks have been asked to make a formal commitment by next Friday to re- finance part of that country's overdue trade debt, a spokesman for Barclays Bank Inter- national said.

The refinancing package, which has been drawn up largely by Barclays and Bankers Trust Co., calls for the 12 U.S. and 16 Euro- pean creditor banks switching between \$1.5 billion and \$2 billion of unpaid letters of credit into a three-year loan bearing interest at 1.5 points above the London interbank of- fered rate, the fee that banks in London charge for loans to each other. The rate cur- rently stands near 9%. Repayment of the loan would start in six months. Meeting ear- lier this week in New York, U.S. banks ten- tatively agreed to these terms.

To prevent a sharp clampdown on Nige- ria's trade credits, the package also would commit the banks to maintaining the same level of short-term trade credit exposure they held on April 1 of this year. Bankers in- volved in the negotiations have declined to specify the level of this exposure.

Although most banks are expected to ac- cept the proposals, banking sources report that some European banks object to provi- sions in the proposals for banks to provide a "new money" facility at a later date. "U.S. banks appear to favor the new money pro- visions more than European banks do," a British banking official commented.

Barclays said that a "modest revision" of the proposed package was made following a meeting in London Wednesday of the 16 European creditors. Other banking sources said that the revisions didn't affect the money proviso.

Randfontein to Spend \$347 Million to Expand Gold-Mine Production

JOHANNESBURG, South Africa—Rand-

... turnover jumps 1% to \$1.71 billion ... Stromberg-Carlson, the ... S. telephone- ... equipment company acquired ... 1982, posted ... a fiscal 1983 operating loss of \$3 million on ... sales of \$78.4 million. Because of the U.S. re- ... cession, Plessey said, its aerospace profits ... fell, and losses on computer peripheral ... equipment widened from the year earlier.

Tens of Thousands Are Off and Running In Italian Elections

SPECIAL TO THE WALL STREET JOURNAL
ROME—Campaigning for next month's elections in Italy was officially launched yesterday with more than 60 political parties presenting a total of 130,000 candidates.

The nation's more than 44 million voters will go to the polls June 26 and 27 to elect a new Parliament one year ahead of schedule. About seven million of the voters will also be choosing new municipal, provincial and regional governments.

In the parliamentary elections alone, 6,951 candidates will vie for the 630 seats in the Chamber of Deputies while 2,003 compete for the 315 Senate seats.

The premature elections were called af- ter the Socialists pulled out of the ruling co- alition, Italy's 43rd since World War II, al- legedly in the hope of improving their standing at the polls.

The Socialist Party won 9.8% of the na- tional vote in the 1979 general elections and ranks third in size after the Christian Dem- ocratic Party, which won 38.3%, and the Communist Party, which won 30.4%.

Although attention is focused on Italy's eight or nine major parties, dozens of spe- cial interest groups also are in the run- ning.

Marcos Orders 5 Held On Economic Sabotage

MANILA, the Philippines (AP)—Presi- dent Ferdinand E. Marcos, invoking powers used mainly against accused rebels, ordered the arrest of a businessman and four others on charges of "economic sabotage" for al- legedly misusing \$340,000 in government funds.

Those arrested on a presidential commit- ment order aren't entitled to bail and can be held for as long as Mr. Marcos deems neces- sary for national security. Government law- yers say the arrests can't be overturned by the courts.

The presidential palace said those or- dered arrested were Rollie Sarmiento, his wife and son, and two unidentified persons. They were accused of misappropriating funds intended for projects for poor families in the northern Philippines.

The crime, punishable by life imprison- ment or death, would undermine the coun- try's economic stability, Mr. Marcos said.

World Briefs



... British withdrawal from the Comi ... one under a strong counte ... tack from the Conservative Party.

Tory speakers, growing more confi- as their lead widens in the polls, use phrases as "monstrous folly," "wretched disaster" and "economic madness" to scribe Labor's ideas about the Euro Community. In a campaign appearanc the agricultural area of East Anglia Wednesday, Prime Minister Marg Thatcher added "lunacy" to the chom

Labor, facing trouble enough with its armament policies in the run-up to the 19 general election, remains unmoved i its anti-EC commitment. Denis Healey party's deputy leader, said it was "kum" to think that Britain's withdraw from the EC would mean lost jobs and investment.

"If that were true, Norway and Sw would have been bankrupt long ago," Mr. Healy, referring to two non-EC tries.

British participation has been a di political issue since the EC began form the 1950s, and was heightened after Bri belated entry in 1972. When Labor power again after entry, then Prime ter Harold Wilson arranged a national endum in 1975 to quiet dissent from r backbenchers in his own party. B voted two-to-one for continued membe and the prime minister declared "14 of national argument are over."

Japan Central Bank Head Calls for Stronger Yen Defends His Policies

SPECIAL TO THE WALL STREET JOURNAL
TOKYO—Bank of Japan governor Mayekawa said the yen's current t range against the dollar is "still too and Japan "must aim for a higher

Speaking to foreign reporters, Mr. kawa said there is "absolutely no f tion" to criticism abroad that Japan w weaker yen. The U.S. dollar is cu worth about 236 yen.

He disagreed with the view that J low interest rates have held the yen saying Japan's interest rates are "e high," after adjusting for the nation inflation rate. He added that the bank's ability to lower rates is "se constricted" by the yen's weakness.

Mr. Mayekawa called for a great vergence of economic policies of the industrialized nations and terms Jape recovery "disappointingly sluggish." He out against the establishment of an o banking center in Tokyo repeating t tral bank's usual arguments again steps and defended his cautious app: changing the central bank's lending f nancial institutions, currently 5%.

Mr. Mayekawa said some observe "criticized my indecisiveness, and c my missed opportunities" to cut Japa count rate. "But the decision not to a decision, and central bankers must the side of caution," he said.