

All the Queen's men

Behind the wave of takeovers, reports Richard Freeman, is a 'buy America cheap' resource grab by the British elite.

Great Britain and its financial allies have begun to buy whole chunks of U.S. industries, in particular, raw materials firms. They anticipate that with commodity prices already depressed by 20 to 30 percent, a further phase of the recession instigated by the high interest-rate policy of the U.S. Federal Reserve could send stock prices dropping by 25 to 50 percent, and allow the buyout of American firms at 50 cents on the dollar.

In the last three weeks alone, takeover bids and actual takeovers by British interests of U.S. firms have reached the unheard-of total of \$15 billion—equivalent to the total volume of International Monetary Fund lending to the Third World in 1980. Many more companies, especially others of the Seven Sisters, are ready to get into the act. "The total takeovers could hit \$25 billion in the next three months," report Wall Street sources.

At the core of this invasion are old oligarchic families within the London-Venice-Geneva financial axis, and the corporations and investment banks in their orbit (see the accompanying chart). This group, reaching up into the Queen of England's household, is the command center for British intelligence. Its strategy is in effect the re-colonization of the United States: buying America's raw materials and then holding the nation hostage while strategic metals and minerals prices are bid through the ceiling.

Three giant takeover bids have already been announced:

- **Sohio** (Standard Oil of Ohio) announced on March 12 that it had reached an agreement in principle to buy out Kennecott Copper, the largest U.S. copper producer, for \$1.97 billion. Sohio is majority-owned by the British Petroleum Company, itself jointly owned by the British government and controlled through the Queen's household.

- **Socal** (Standard Oil of California) one of the British-influenced Seven Sister oil multinationals, announced this week that it will make a \$3.8 billion takeover bid to acquire AMAX, the largest U.S. producer of the militarily strategic material molybdenum and a large coal producer.

- **Seagram**, run by the notorious Bronfman family of Canada, has made a \$2 billion tender offer to buy out St. Joe's Minerals, the largest U.S. producer of zinc and lead.

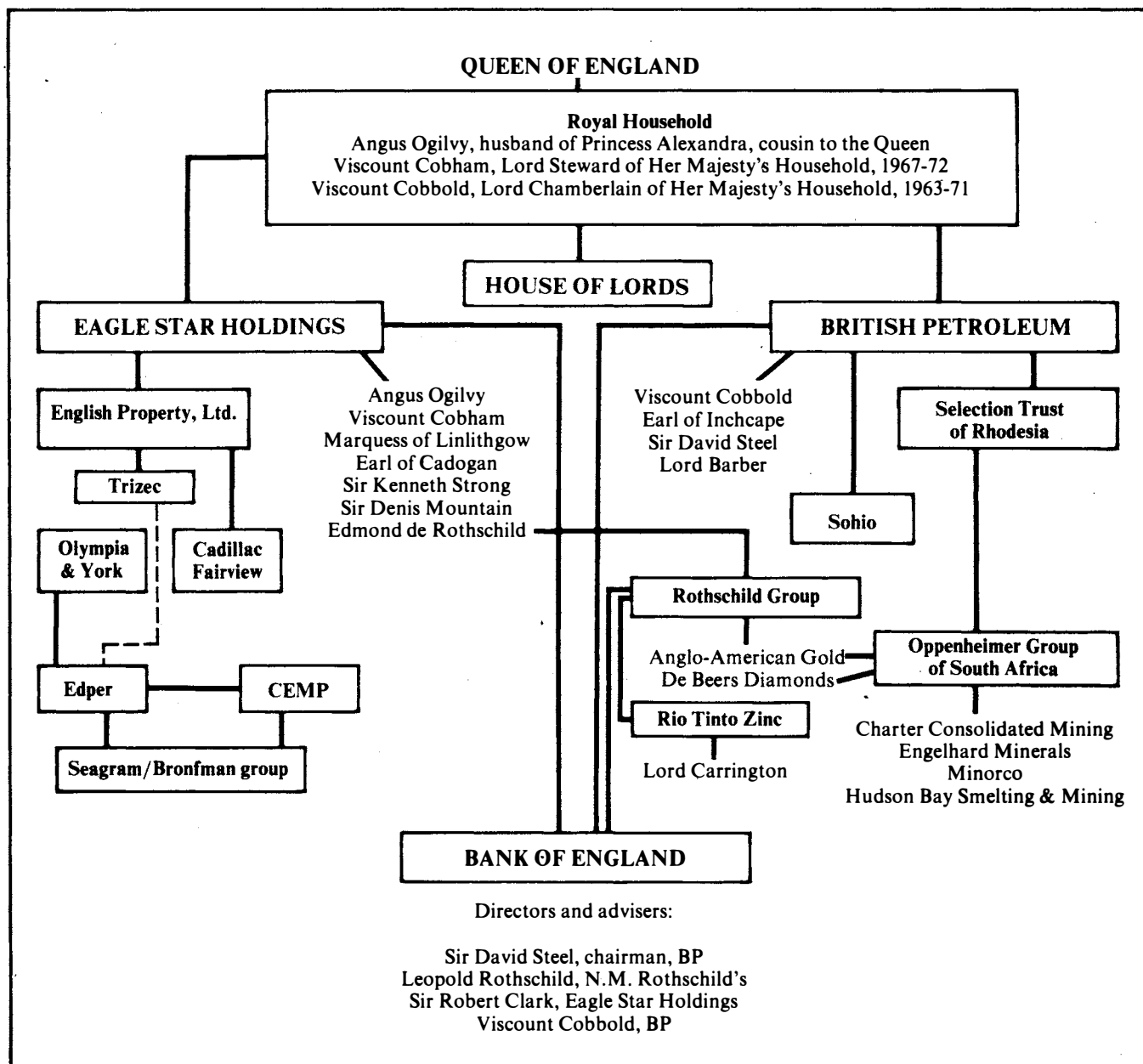
Seagram and St. Joe's

According to an official of the Seagram group, the Montreal-based company "spent months analyzing takeovers, before it settled on St. Joe's Minerals. St. Joe's only owns 20 percent of its own stock. The other 80 percent is owned out there in the market place, and at the price we're offering, which is twice the price St. Joe's shares are trading at, we should be able to buy St. Joe's out."

St. Joe's denounced the Seagram takeover offer as "unsolicited" and "hostile" and labeled the \$2 billion takeover price "grossly inadequate."

Seagram wants to buy more U.S. firms. According to its official, "We have about \$6 to \$7 billion in cash in our treasury and we're ready to move." The Bronfman family "is moving in a big way into U.S. real estate through Cadillac Fairview," a Bronfman holding company, the official reported.

Brascan, the Canadian metals and investment firm chaired by Peter Bronfman, which is tied to the Seagram group, has been buying heavily into U.S. firms. Brascan spent \$121 million just last week to increase its share of ownership in the Scott Paper Company, a major U.S. paper producer, from 3 to 12 percent. A Brascan official



says it plans to increase its "stock ownership in Scott Paper to 20 percent," which would give Brascan control of the company.

The Oppenheimer group

Sir Harry Oppenheimer's South African dirty-diamonds-and-gold empire was linked in the press this week to a prospective buyout of Phelps Dodge, another giant U.S. copper producer. Oppenheimer, the world's largest diamond and gold producer via the South African-based De Beers Diamonds and Anglo-American Gold Companies, has promised, "We mean to

expand into North America." Oppenheimer has built up a \$3 billion reserve in cash for this purpose; he already owns Inspiration Copper, a medium-sized U.S. metal producer, and Engelhard Minerals, the largest U.S. metals company, which figures largely in rigging the world's oil spot market.

Oppenheimer has created a Bermuda-based shell company, the Minerals and Resources Corporation (Minorco), for his buyouts in North America and has appointed Citibank Chairman Walter Wriston and a lawyer from Citibank's law firm, Shearman and Sterling, to the Minorco board of directors.

However, the Oppenheimers' and Bronfmans' vast family holdings, as well as those of British Petroleum, the Seven Sisters, and other multinationals, should not be thought of as powers in themselves. They are merely deployable pawns of the royal households of Europe. This is the command apparatus that is responsible for, among other things, most of the world's environmentalism and deindustrialization. Its center is the Queen of England's immediate coterie and members of the British peerage, who control every firm of importance within Britain, and who have launched the buy-out-America spree.

The Bronfmans, for example, are basically run by the Eagle Star Holdings

estate, insurance, and investment trust, valued at several billion dollars. Until recently Eagle Star, through its subsidiary English Properties Ltd., owned the giant real-estate firm Trizec, in a joint venture with one of the Bronfman family investment companies, Edper. (The other major Bronfman family investment company is CEMP, as noted on the accompanying chart.) Trizec has now been sold to another Eagle Star-controlled asset, the Reichmann family of Canada; but the controlling links remain between Eagle Star and the Bronfmans. Eagle Star Holdings represents one of the European oligarchy's prize holdings (the eagle represents the Venetian-controlled House of Hapsburg, the star represents Britain).

Control points over Eagle Star include two members of the highest-ranking British nobility. One of them, Viscount Cobham, shaped Eagle Star's policies during the 1970s before retiring. He holds the Order of the Garter, in which at any one time there are only 24 members, including Prince Philip and the kings of Norway and Belgium. The other, Angus Ogilvy, belongs to the family that runs Schroeder's Bank in London and is influential in Lonrho. Angus Ogilvy is also one of the two dozen people considered the Queen's immediate family, as his wife is the Queen's first cousin. Ogilvy heads MEPC Properties Canada, which is controlled by Eagle Star Holdings. Others at Eagle Star are the Marquess Linlithgow, one of the highest-ranking British nobles, and the Earl of Cadogan, who owns major stretches of London's fashionable Chelsea district.

In the case of British Petroleum, the guiding spirit for many years, until his recent retirement, was Viscount Cobbold, who held the highest position in the Queen's household and is a member of both the Order of the Garter and the Order of St. Michael and St. George.

It was British Petroleum that helped direct the ouster of the Shah of Iran and installed the madman Khomeini; it was BP that helped run the 1973-74 and 1978-79 oil hoaxes that crippled industrial production in the Western world. It is Eagle Star and the British royal household that run the World Wildlife Fund, creators

of the Global 2000 mass-murder apparatus.

These are the groups that will soon own major chunks of U.S. industry if they are not stopped. The British thought this moment was propitious because, through the Bank of England and Paul Volcker, who is among other things a member of the elite British Ditchley Foundation, they had succeeded in shaking out the U.S. economy.

The list of buyout proposals and actual takeovers of the last two months extends beyond raw materials.

- The Canadian Reichmann family, owners of the Olympia and York real-estate company, just bought for \$567 million Abitibi, the Canadian-based newsprint producer. Abitibi sells 68 percent of its paper in the United States and controls the U.S. newsprint paper market because it is the world's largest producer.

- Prudential Life Insurance, the largest U.S. life insurance company, which is under British control, announced that it will spend \$400 million this year for buyout investments, mostly in oil.

- Overseas Trust Bank in Hong Kong announced that it will move to take over the \$1 billion Long Island Trust Company, the largest bank on Long Island.

- The Gulf and Western conglomerate, owners of Paramount Picture Company, and closely connected to the Venetian oligarchy, announced last week it has bought 6 percent of B. F. Goodrich, the rubber producer, and 15 percent of the stock of the Brunswick Company, the fabricating metals company. Gulf and Western already owns a sizable chunk of seven other U.S. companies, including General Tire and Rubber Company and the Cummins Engine Company.

- Warner Communications, sponsors of the drug-rock counterculture in U.S. entertainment media, has paid \$200 million in the last two months to acquire the Franklin Mint, the largest private mint in the U.S., as well as 8.6 percent stake in Harcourt Brace publishers.

- American Telephone and Telegraph has just been given \$17 to \$22 billion in rate increases by the federal government. AT&T has now been allowed by the courts to diversify into other fields and it is expected to plunge into the buyout of electronics firms.

According to one Wall Street analyst, "Oil companies are going to make the next plunge in buyouts." The oil multies are already hoarding a vast amount of U.S. mineral supplies. As of last year, oil companies owned 35 percent of U.S. copper production, 25 percent of its uranium production and 25 percent of U.S. coal production.

With the U.S. State Department now recommending that several billion dollars be spent to build up a U.S. strategic materials stockpile, the largest supply of basic U.S. raw materials—lead, zinc, copper, molybdenum, coal, etc.—is about to pass out of American hands. Who will benefit from the price runups?