

# Business Briefs

## *Automotive Sector*

### **Kirk Kerkorian On His Way To Strip GM Bare**

Kerkorian, the asset stripper who bought 9.9% of GM this year, has forced his agent onto the GM board, with asset stripping, labor gauging, and forced bankruptcy on his mind. Jerry York, who has worked with Kerkorian in past exploits, was taken onto the GM board on Dec. 7. According to the *Financial Times*, York's contract with Kerkorian literally begs him to use bankruptcy, either the threat or the real thing, as a weapon to force labor to accept even more draconian cutbacks. York is to receive 4% of any profit Kerkorian makes on his \$1.68 billion investment into GM, but nothing at all if the stock never rises above the buying price. As the *Financial Times* says, the contract "gives him a reason to go for the all-or-nothing gamble." Since CEO Rick Wagoner has stated that bankruptcy is "not an option," the *Financial Times* writes, Kerkorian and York "would have to oust Mr. Wagoner first."

At a meeting of the GM Board on Nov. 6, Wagoner fended off any efforts to oust him, but the chief financial officer of GM, John Devine, was replaced by the current head of European operations, Fritz Henderson. Henderson is identified as the heir apparent to Wagoner, and is praised by the *Financial Times* for "pushing through 10,000 German job losses in the face of union opposition."

## *Argentina*

### **Pres. Kirchner Calls For Social Responsibility**

When President Nestor Kirchner made the official announcement Dec. 7 on the issuance of a \$1.5 billion credit line to be extended through the state-run Banco de la Nacion for productive investment, he called on gathered business leaders at the Presidential Palace, to show a great deal of "so-

cial responsibility," to ensure that their profit levels are balanced with protecting the general welfare. "There are . . . methodologies that will allow us to reconcile interests, such that those who stay at home, those who are working hard, will absolutely be protected by a responsible State and by an Argentine business class that will become the vanguard of this country's transformation." He also called for "the responsible support of Argentine workers and their organizations, to achieve balance that will provide us sustainability in growth."

Kirchner noted that the subsidized interest rates offered are well below the market rate, and expressed the hope that the rest of the financial sector would follow the government's lead in lowering its rates as well. The credit offered has a very specific destination, he said, "and we hope that all those sectors of production, of industry . . . will be able to access it, and this will truly be a very important key to achieve the goals we all desire." The Argentine President also said he hoped that national producers would use the loans to buy goods produced in the country, where available, and to produce for the *internal market*. It is very important "to continue working for the development of national industry, for Argentina's reindustrialization," he said.

## *Brazil*

### **Nuclear Power Provides Economic Security**

Sergio de Queiroz Duarte, now retired, was a long-time Brazilian diplomat and Foreign Ministry official, including being Ambassador-at-Large for Disarmament and Non-Proliferation, as well as heading the May 2005 Review Conference of the Nuclear Non-Proliferation Treaty, or NPT. He was interviewed by *EIR's* Marsha Freeman in Washington, D.C. on Nov. 14, 2005.

On sanctions, such as against Iran, he said: "I think that sanctions are a weapon that most of the time has not given the results that they were supposed to give. Sometimes sanctions backfire. In the question of tech-

nology, if you isolate a country, that makes it more entrenched in whatever it is doing that is the object of the sanctions."

Asked why Brazil is going ahead with its uranium enrichment program, he emphasized that he is retired, so he can't speak for Brazil. But "uranium enrichment could give Brazil the means to build a weapon if we continued turning the centrifuges. But this is why we are discussing the issue of verification with the International Atomic Energy Agency.

"But it is not legitimate to yield your industrial methods, because you may have discovered a number of things that are of advantage to you in the international competition for fuel supply. This is what you have in Brazil, which is keen on protecting both its credibility and its industrial methods.

"It's not only not to be dependent upon others [that countries develop nuclear energy]. It's also because these resources are finite. Today, Brazil is almost self-sufficient in oil, extracting from its own sources, 85-90% of its consumption of oil. . . .

"One day the [oil] reserves of Brazil and the rest of the world will be exhausted. Oil will cost \$100 to \$120 a barrel. That is why Brazil thinks it is important to develop its own nuclear energy producing capacity."

## *Petroleum*

### **Venezuela Subsidizes Bronx Heating Oil**

Venezuela's government-controlled Citgo Petroleum has made deals with three non-profit housing groups in the Bronx, one of the burroughs of New York City, to deliver heating oil at 45% below present market price. Venezuela has also sold oil at a discount to a Massachusetts energy co-op, and other such deals are in the works. This comes at a critical time, since Congress was blocked by the White House from adding funding to the Low-Income Home Energy Assistance Program (LIHEAP), leaving America's poor at risk of a chilly New Year. Heating oil and natural gas delivery futures are at record levels, and climbing.