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BY JEAN MONTALDO  
(FOUO 37/79)

1 OF 2

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18 June 1979

TRANSLATIONS ON WESTERN EUROPE  
(FOUO 37/79)  
SECRETS OF THE SOVIET BANK IN FRANCE  
BY JEAN MONTALDO



WEST



EUROPE



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TRANSLATIONS ON WESTERN EUROPE

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SECRETS OF THE SOVIET BANK IN FRANCE

Paris LES SECRETS DE LA BANQUE SOVIETIQUE EN FRANCE in French  
1979 Editions Albin Michel pp 7-79, 81-90, 94-102, 108, 110,  
115,116, 118-124, 134-185, 187-216.

[Book by Jean Montaldo. Passages enclosed in slantlines printed  
in italics]

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CHAPTER 1. THE BANK OF THE PCF, THE CGT AND THE COMMUNIST EMBASSIES

[Text]

The PCF, the CGT and the Soviet Bank--"Wearing the Colors of France"

This book is based on thousands of original documents. The smallest details are documented. My sole regret is that I was unable to use all of the mass of information I had at my disposal concerning the Soviet Bank in Paris.

It has the reputation of being the most impenetrable in France. My investigation was not easy; I came up against the extraordinary system of precautions that is the Soviets' alone--the masters of the art of secrecy. But the most perfect machine always has a flaw; I found it, thanks to that "human factor" dear to Graham Greene, which the communists have so often been able to make use of.

In referring to the Commercial Bank for North Europe/Eurobank as the /Soviet Bank in Paris/ I am employing /literally exact words/.

Of course, on the legal and administrative level the BCEN has French status. Foreign banks are constrained by our laws to equip themselves with a French P-DG [president-director general]--a ridiculous guarantee of the "national" nature of their activities. Thus in the BCEN, whose titular president since 1965 has been Guy de Boysson, Soviet capital amounts to 99.7 percent of the shares, underwritten by two Moscow banks: the State Bank (Gosbank) and the Bank for Foreign Trade (Vneshtorgbank) of the USSR.

The remaining 0.3 percent is in the hands of the French, who offer every guarantee, in the eyes of Moscow.

Consequently, the BCEN/Eurobank is much more foreign than all the other foreign and private banks established in France. It is in truth the bank of a foreign state--which has the double advantage of presenting itself, thanks to its soothing name, as being both French and private at the same time.

When we speak of the Morgan Bank or the Bank of Bilbao, of the Borges e Irmao Bank or of Lloyds, of the Citibank or Barclays, we immediately know that these are banks, subsidiaries, agencies, having their roots elsewhere.

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However, because their capital is diversified they are incomparably more French than the BCEN, and because they are independent of any state government they are infinitely more free.

The USSR enjoys the unreasonable privilege of having in our country a state bank disguised "in the colors of France."

Although the president-director general of the Soviet bank in Paris is Guy de Boysson, a former Communist deputy, its real master is the vice-president-director general, Vladimir Ponomarev. Although he is a second cousin of Boris Ponomarev, a member of the Central Committee of the Communist Party of the Soviet Union, filling in for the Politbureau and in charge of relations with the brother parties of Western Europe, his every act, like the acts of the other leaders, officers and employees of the bank, is supervised by a director appointed for the purpose. In recent years this role has devolved upon Mr Mikhailov, who was born in 1933 in Moscow and arrived at the BCEN in 1972 (he was appointed director in 1975) after serving at the Moscow Narodny Bank of London, its twin sister.

Mr Ponomarev has no autonomy of action; constantly monitored by the KGB, he plainly carries out instructions from Moscow. This is how he is summoned to the USSR Embassy:

For Mr Ponomarev

Date: 12 October 1978--Time: 1235

In your absence, the Soviet Ambassador telephoned.

You are requested to come to the Embassy on 17 October at 1730, Extension 291

Addressing the vice president-director general of the Soviet bank, the anonymous person who leaves this barrack-room message will "not recall it" and will not want it to be "recalled."

In short, the BCEN/Eurobank is a Soviet bank with Soviet capital, directed by Soviet officers, operating exclusively on behalf of the Soviets. Because of the total of its balance sheet it is first on the official list of foreign banks in France.

I plan to examine here its activities and the unusual relations connecting it with the French Communist Party and the CGT.

The latter shout their independence from the Kremlin all over the place; their declarations, repeated 1,000 times, are full of protestations along that line.

I shall prove here that Mr Marchais and Mr Seguy relinquish their funds into the hands of the Soviets; how could they entrust them to bankers with whom they would have real ideologic and political differences?

In money matters, more than anything else, absolute confidence is indispensable. The PCF and the CGT give to Moscow the right to know about, to collect and to manipulate their funds. That is the best demonstration of an intimacy they dare not avow.

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Francs, Rubles and Foxes

It is 26 October 1978, at 77, 79 and 81 Boulevard Haussmann, headquarters of the BCEN/Eurobank, the Soviet bank in Paris, whose records I am examining.

Three 1900 buildings with rejuvenated facades, shutters and bullet-proof metal doors. Although the Soviet bank is already distinguished from its competitors by these defense devices, the difference appears even greater when one realizes that the bank holds some 3,500 "numbered accounts," national and foreign, reputedly the best guarded in France.

This very closed club, to which small and medium-sized savers have scarcely any access, is distinguished by its homogeneity: it brings together the fine flower of militant communism--intellectual, trade union, business, diplomatic and law enforcement. I give the exact report below; one law makes banking secrecy an obligation for the bankers concerned, but another law demands that the journalist provide proof of what he reveals. Only matters of national defense and the protection of minors are bound to secrecy.

Here, then, is what I discover on this date:

Georges Gosnat (deputy, Central Committee member and treasurer of the PCF):

Account No 05316-6, credited with "Regular demand account"	2,682,634.76 francs
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Soviet Information Bureau:

Account No 40218-6 "Foreign demand account, regular"	820,501.40 francs
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CGT (Confederation headquarters):

Account No 5101-2 "Fixed-term account, 3 months"	9,500,000 francs
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"Regular demand account	+1,056,469.02 francs
	<u>10,556,469.02 francs</u>

USSR Embassy

Account No 30213-5 (commercial agency)	269,776.89 francs
Account No 30214-3 "Demand, interim accounts"	104,075 francs
Account No 40203-8 (permanent delegation to UNESCO)	22,197.64 francs
"Foreign demand account, regular"	

\*As for the PCF, the CGT and the other Soviet bank customers, I cite here only a few representative accounts.

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Account No 40213-7 (Commercial agency)	1,975,318.70 francs
Account No 40214-5 "Foreign demand, regular accounts"	90,488.36 francs *
Account No 40877-9 "Foreign fixed-term account"	7,409,810.63 francs
Total of accounts listed here	<u>9,871,667.22 francs</u>

L'HUMANITE (central organ of the PCF):

Account No 5024-6 (Making net progress: on 16 October this demand account was debited 254,170.17 francs)	277,737.50 francs
Account No 8602-6 (L'HUMANITE festival)	1,274,314.60 francs
Account No 8683-6 (displays, L'HUMANITE festival)	355,929.70 francs
Total	<u>1,907,981.80 francs</u>

Cuban Embassy in Paris (omitting 2 dozen  
of its other accounts, including the  
embassy in Algiers):

Account No 30342-2	116,095.48 francs
Account No 30584-0	14,915.79 francs
Account No 40343-4	393,398.94 francs
Account No 40349-9 (UNESCO delegation)	78,722.60 francs
Account No 40363 (delegation)	18,633.12 francs
Account No 40387-9	104,244.67 francs
Account No 40395-2	48,572.63 francs
Account No 40421-6	254,322.61 francs
Account No 40441-4 (press agency)	215,888.65 francs
Account No 40490-1 (press agency)	5,900.38 francs
Account No 40514-8 (commercial department)	506,012.89 francs
Account No 40585-8 (fishing department)	17,033.68 francs
Account No 40603-9	4,474.39 francs
Account No 40678-1	18,830.89 francs
Total of accounts listed here	<u>1,921,565.16 francs</u> *

\*Down from 16 October 1978 total (274,997.64 francs).

\*After the PCF and the CGT, Cuba is the "customer" with the most accounts in the Soviet bank.



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Rene Andrieu (member of the PCF Central Committee, editor-in-chief of L'HUMANITE):

Account No 03710-3	6,835.55 francs	
"Regular demand account"		
"Fixed-term account: +2 to 3 years"	+90,000.00 francs	
Total	<u>96,835.55 francs</u>	(as compared with 108,737.67 francs on 16 October 1978)

GDR Embassy:

Account No 40304-4	1,046,923.87 francs
Account No 30304-2	30,228.65 francs
Account No 40324-2 (foreign economic relations office delegation)	603,759.21 francs
Account No 30324-0 (idem)	87,032.84 francs
Total of accounts listed here	<u>1,767,944.57 francs</u>

LA VIE OUVRIERE (CGT weekly, President-Editor Henri Krasucki, member of the Confederal Bureau of the CGT and the Political Bureau of the PCF):

Account No 5051-9	103,535.89 francs	(compared with a debit of 486,266.15 francs on 25 January 1979)
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Embassy of the Democratic Republic of Vietnam [as published]:

Account No 30331-5	961,161.55 francs
Account No 30826-4	541,572.59 francs
Account No 40331-7	23,074.96 francs
Account No 40331-7/0002	972,294.43 francs
Account No 40621-1	1,495,678.31 francs
Account No 40681-5	569,599.18 francs
Account No 40708-6	605,511.26 francs
Account No 30689-6 (commercial division)	12,110.24 francs
Total of accounts listed here	<u>5,181,002.52 francs</u>

Jean Elleinstein, assistant director of the Center for Marxist Study and Research, who is called a "social-democrat" in the PCF but is still bound up with his comrades, has an account (No 20856-3) in the Soviet bank, as do the editorial-writers of L'HUMANITE, Andre Wurmser (Account No 20712-8) and Laurent Salini (Account No 20563-5).

I do not cite these names at random. They offer a glimpse of the files of the BCEN/Eurobank, a Marxist multinational run like other deposit banks but differing from them in that it gives all its operations a very special ideological coloration. Even at the level of recruiting customers: on 16 January

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1979 I present myself, accompanied, in the lobby of the bank to open an account in the name of a private person, totally apolitical. An employee un- hopefully refers us to another, who replies, "We are a commercial bank; not being equipped for it, we cannot authorize a deposit account for you. If you live in this neighborhood, try the BNP [National Bank of Paris], which is near here."

At the BCEN, it is not Andrieu who is turned away.

The Russians never give a gift without a quid pro quo. So on this 26 October 1978, the date on which I begin the writing of this book, the bank's 378 employees are punctually carrying out the service regulation, repeated on 1 September 1977, establishing the "Commission Rates Applicable to the Customers" (when funds are moved).

All customers--banks, commercial firms, individual and legal entities, etc.-- are subject to the payment of variable "commissions."

All, except for the seven privileged customers enjoying the extraordinary advantage--in view of the colossal amounts of money they manipulate--of the distinction "Free" (see Document No 1, p 19):

People's Welfare  
Kanapa  
G. Gosnat  
Aeroflot  
Sovexportfilm  
AGENCE TASS  
Intourist

For the Russian bankers, the PCF and its legal representatives, are on the same footing as the official institutions of the Soviet Union.

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\*People's Welfare: a charitable organization (formerly Red Welfare) controlled by the PCF, although it denies it, whose general secretary, Julien Laupretre, holds the same title on the Central Committee. Kanapa: the man whom Mr Marchais calls "my best friend", who until his death--in September 1978-- was a member of the Political Bureau of the PCF and head of the foreign policy department of the Central Committee. G. Gosnat: treasurer of the PCF. Aeroflot: the USSR airline. Sovexportfilm: Parisian agency of the large Soviet company that exercises a near monopoly in cinematographic markets for Moscow over the rest of the world. It works in direct relationship to the USSR Embassy. AGENCE TASS: the Soviet press agency. Intourist: the state-owned organization that controls and arranges trips in the USSR.

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The Most Powerful Apparatchik and the Most Discreet

It has been this way since 1920, the date the French Communist Party was founded. After Prague, after Solzhenitsyn, after the unimpeachable revelations about the Gulag, the style of relations between Moscow and certain foreign Communist Parties had to change. It is no longer possible to proclaim a monolithic faith in the USSR. A pro-Soviet propaganda without any shadings here, in 1979, would run up against general skepticism; circumstances are forcing communists to express, now and again, timid criticism of the repression in the USSR. Soviet politicians are too well-informed not to understand it. Naturally they would prefer the strict obedience of former times. But as realists they calculate better than anyone the disproportion--favorable to their interests--that exists between the unconditional support\* granted by the PCF to Moscow's foreign policy and its rare reservations about the internal regime of the USSR.

As far as the Kremlin is concerned, support for its actions on the world chessboard takes precedence over any other consideration. Soviet expansionism has need of agents who glorify it; in exchange it tolerates discordant notes on life in the USSR.

Communist propaganda no longer dwells upon the virtues and beauties of socialism a la Brezhnev. It gives priority to praising the merits of the USSR, "the defender of peace, friendship and the liberation of peoples oppressed by capitalist imperialism." This slogan maintains some credibility among the non-communist French, who are not much inclined to accept a collectivist society for themselves.

The French Communist press tirelessly presents a cartoon in which the United States, West Germany, France, Japan and now China embody evil-doers, while the USSR and its friends--Vietnam, Cuba, Ethiopia, Afghanistan, personify the good. This basic loyalty to Soviet policy is worth a few sacrifices of form; this enormous service rendered by the PCF, its press and the trade unions in its power to the USSR is worth all the credits, all the loans, all the unsecured transactions, all the facilities that Moscow grants through the agency of the BCEN to the CGT, to L'HUMANITE, to the Party's publishers and to the commercial firms that feed its treasury.

Moreover, the Soviets have at their disposal, to "hold" the PCF where they want it, an ineradicable guardrail, Georges Gosnat. The communist newspapers' meager freedom to criticize the USSR stops right where his power begins. Titular treasurer of the Party, he is also the head of its "Press, Information and Propaganda Bureau." This accumulation makes him the PCF's most powerful, but also most discreet apparatchik--he who, by opening or closing his hand, breathes life into or inflicts death on its print media. The hinge between the PCF and the Soviet bankers, tens and tens of billions have been passing through his personal account at the BCEN for 30 years. The Russian bankers have never complained about him.

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How could anyone believe that this man, whom successive masters of the USSR-- Stalin, Malenkov, Khrushchev, Brezhnev--found impeccable in the handling of funds deposited in their Parisian bank, will one day turn against Moscow the millions put at his disposal?

The year 1947 and the beginning of the Cold War arrive. The political result: Communists are getting out of the government. The economic result: a restructuring of the financial ties between Moscow and the PCF is imperative. France-Navigation is sold. From now on the Party's financial affairs are divided into two sectors: one, hidden, is in the hands of Jean Jerome; the other visible, is under the supervision of Georges Gosnat, who is temporary treasurer until 1954. On that date he comes straight to the point in the Central Committee and becomes titular treasurer of the Party.

The PCF's diversification in economic affairs quickly produces an important difference between the strictly commercial sector (a whole gamut of monopolistic companies that are beginning to be developed profitably) and the propaganda sector (press-publishing), which traditionally shows a loss. So it is shown to be indispensable for the treasurer to supervise both, even at the price of giving admonitions to the second of the two or pronouncing banishments from it, if only to keep the confidence of Moscow and its bank.

The former editor-in-chief of L'HUMANITE, deputy and member of the Central Committee, Pierre Herve, when he broke with the Party told how in 1952 he learned of the suppression of the weekly ACTION, which was ostensibly independent of the PCF but was actually financed by it:

"One day I was called to Central Committee headquarters, where I learned from Gosnat--the Party treasurer--that ACTION was to suspend publication as of the following week. As I was trying to argue, Gosnat told me that he was just supposed to ask me for the list of contributors to the newspaper, so they could eventually be reinstated. The decision had been made. Although I was editor-in-chief of the paper, I hadn't even been consulted." (Letter to Sartre, 1956, p 21-22.)

The concentration of economic power in the hands of Mr Gosnat was made complete by a promotion of a political kind: when the legendary "son of the people", Maurice Thorez, dies in July 1964, it is Gosnat who succeeds him as deputy from Ivry, the city that was the location of the early exploits of his father, who taught him the virtues of money as the "sinews of the revolution." Ivry, where he is seen less frequently than at the Soviet bank, where his daughter is also employed. Like her father, she maintains the best relations with the assistant manager, Edmond Laroze, Marcel Trigon's brother-in-law, a former BCEN employee who became a member of the PCF Central Committee, mayor of Arcueil and--alternate to Georges Marchais in the National Assembly.

Mr Gosnat's Denials

The BCEN is an old acquaintance of mine. After introducing it in my work, "The Finances of the PCF\*", I made other revelations on the subject in

\*Editions Albin Michel, 1977. pp 54, 55; 177-206

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"Communist France"\*. In that book I stressed its decisive role as the driving force of the economic and commercial empire of the PCF in the service and under the control of Moscow. The press, politicians and specialists drew heavily on my investigations, but they did not always understand the significance of the ties between the Soviet bank and the Communists. For their part, Georges Marchais and his comrades still feign indignation when the question of their relations with Moscow is brought up.

Deputy Georges Gosnat, who has been treasurer of the PCF for about 30 years--even he makes every effort to trivialize the bonds between the PCF and the Soviet bank:

"I am not saying," he states, after denying that the BCEN has any centralizing role in the Party's financing, "that such-and-such a company has no relationship with this bank, but that doesn't concern the actual financing of the Party. In reality, we have several banks, such as the Societe Generale, or the Credit Lyonnais. Currently the Party must have hundreds of accounts in I don't know how many different banks.\*"

That denial belongs on the interminable list of false and overstated denials the PCF has knowingly maintained since it was created.

Since the "BCEN has no centralizing role in the financing of the Party," how is it that all the Communist newspapers, all the principal PCF organizations, all its partnerships and unofficial companies, the CGT and most of the trade unions pile up accounts in the Soviet bank and do everything they can to conceal the fact? There is no equivalent to be found in the Societe Generale or the Credit Lyonnais.

Four Soviets to Manage the Treasury of the PCF and the CGT

Let us analyze still more closely the statement made by Mr Gosnat.

Sliding over the existence in the BCEN of a millionaire account labeled with his name but belonging to the PCF, which delegated the signing to him (see Document No 2), the deputy-treasurer is content to say:

"We have several banks...At present the Party must have hundreds of accounts in I don't know how many different banks."

Let us carry that logic to its conclusion. If I had been satisfied on 26 October with the single account (268,000,000 francs and some centimes) held by the PCF in the Soviet bank, with Gosnat as intermediary; if I considered that the Party has as much money in "hundreds of accounts" in no one knows "how many different banks," I would conclude that it is (as I showed in "The Finances of the PCF") not merely the wealthiest bank in France, but richer than Croesus.

It is true that the Party has deposit accounts nearly everywhere in France; I have verified this.

\* In "Secret Money" by Andre Campana, Ed. Arthaud (1976), p 161.

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Their volume (which Mr Gosnat refrains from giving) is by no means comparable to that of the Boulevard Haussmann managed treasury. Vladimir Ponomarev watches over that gold mine, assisted by several of his compatriots, including directors Victor Krivocheev, Vladislav Soudakov and Serguei Vanine. Many Soviet officers are involved, who are stationed at Boulevard Haussmann and treated accordingly by the Eurobank personnel department. On 7 December 1978 the latter carried out, by means of "simple payments" ("reference: SEC JC P. [expansion unknown] 285") the settlement of the rental taxes in which they were concerned. For Mr Ponomarev (2247 F) and Mr Soudakov (1213 F) to the chief treasurer of Neuilly-sur-Seine; for Krivocheev and Vanine to the chief treasurer of the 16th district (second division). Four apartments provided in buildings where counts and countesses live- and in the most chic neighborhoods. The bank's French personnel obviously is not entitled to the same advantages and executive privileges that the Party leaders must enjoy regularly.

In reality the BCEN, which microfilms all its documents for Moscow, has in the finances of the PCF and its empire the centralizing role that Mr Gosnat boggles at admitting--a repugnance that would be incomprehensible if the Soviet bank were a bank "like the others."

## Billions in Debts Owed to Moscow

The communist press and publishing houses are the BCEN's biggest customers. For several years they have been enduring an insurmountable crisis, their cost far exceeding their circulation potential and commercial support. To alleviate the chronic financial weakness of this propaganda network, the Soviet bank grants it accommodations it would not find anywhere else and help in hanging on artificially to life, despite its lack of readers and advertising.

A table drawn up on 1 August 1978 (reference MTB/MPA [expansion unknown]) dealing with "customer operations" and with "running totals of principal customers" (facsimiles in appendix, p 257-262) tells us that the deposits ("demand capital accounts; fixed-term accounts") of L'HUMANITE (Account No 5024-6) amount to 1,622,000 francs. Of this total the bank itself has loaned it, in the form of "short-term commercial drafts," 1,500,000 francs (150,000,000 centimes).

For its part, the CDLP (Center for Book and Press Dissemination--Account No 05131-9), which coordinates the activities of the Party's publishing houses, serves the huge system of communist libraries, organizes "Book City" and the L'HUMANITE Festival and monopolizes the markets of the Joint Production Committees and the 1,813 communist municipalities, has "capital" amounting to 452,000 francs, but was granted "financial assistance" of 2,000,000 francs (200,000,000 centimes).

The Fishmonger Management Company (Account No 0667-1: 0.00 francs) receives "financial assistance" amounting to 1,229,000 francs. It manages the property and buildings of L'HUMANITE and other publications of the PCF (see below p 225).

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The Central Advertising Agency--ACP (Account No 08217-3), whose "capital" amounts to 957,000 francs, enjoys "assistance" in the amount of 1,392,000 francs. It governs the advertising of all the organs of the CGT and the PCF.

The GIELD--the Books and Records Economic Interest Group--one of the PCF's main commercial enterprises (see below p 234), appears to have nothing in its account No 8772-7, but the "financial assistance" given to it by the BCEN is 1,314,000 francs.

The Diderot Book Club (see below p 237) operates on "financial assistance" amounting to 5,943,000 francs, whereas its Account No 08834-5 is credited with barely 265,000 francs.

The CAL--Culture, Arts and Letters-- (see below p 237) really puts its back into it: it obtained "assistance" of 2,651,000 francs, while the total of its "demand capital account, fixed-term account," under the No 08838-6--is illustrated by a zero total.

The GELC--Book Publishers' Collectives Group (Account No 8843-6) is in a less disproportionate relationship: 1,631,000 cash balance against 2,253,000 francs indebtedness to the BCEN ( on 26 October the CELC debit exceeded 1,672,293.76 francs).

The Messidor Club (see below, p 237), Account No 8951-7: 0.00 francs against 1,175,000 francs of "financial assistance" to help out with its musical activity.

In view of these enormous figures, one cannot help concluding that the Soviet bank is holding the communist press and publishing houses at arm's length. Omitting here several other loans, a total of 19,457,000 francs has already been reached, or nearly 2,000,000 centimes in financial assistance.

Under those circumstances, how can their independence be credible? How can we believe that they could rebel without being suffocated by their financial backer? The Soviet shareholders in the BCEN, the Gosbang and the Veshtorg-bank of Moscow and their authorized agents in France, Vladimir Ponomarev, Serguei Vanine, Victor Krovocheev, Vladislav Soudakov, would certainly not open such phenomenal lines of credit to press and publishing firms that were really free to criticize the Soviet regime. They know this money is placed at a loss; it is an ideologic investment that they would terminate on the very day this press and propaganda chain displeased Moscow. Pierre Daix will bear me out; in his book "I Believed in the Morning" he told how the Soviets asphyxiated his weekly LES LETTRES FRANCAISES, which had taken the liberty of deviating too often from the line.

Would it be for the same reason that today Party organs that are a shade critical of the authorities--L'AVANT-GARDE and CLARTE\*--seem to have been abandoned to their miserable fate by the treasurer? I read in the report of the Executive Committee of the Customer Department of the BCEN for 21 December 1978 (reference SP/HD [expansion unknown]):

\*L'AVANT-GARDE: weekly of the French Young Communist Movement. CLARTE: theoretical, political, ideologic and cultural organ of the Communist Students Union (UEC).

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AVANT-GARDE/JOURNAL CLARTE (BP [expansion unknown]).

We recall that the AVANT-GARDE account is still being hit with various garnishments.

Its directors have informed us that measures are being taken with the various creditors to obtain cancellations of the orders.

Concerning the account of the newspaper CLARTE, which operates under the same signatures, we indicate that it is not convenient at this time to issue a checkbook.

To be followed.

When the communist press changes bankers, we can begin to believe that it is placing itself "under France's flag."

The BCEN documents are reason to fear that tomorrow will not be that time.

The PCF Cannot Leave the BCEN.

Lack of curiosity on the part of those it deals with and its adversaries has caused the PCF and its leaders to act with too much offhandedness. Is it conceivable that the gigantic total I have just revealed is considered by the Party treasurer a negligible quantity among the "hundreds of accounts" scattered throughout "I do not know how many banks"?

At the end of the statement quoted Mr Gosnat added candidly:

"Moreover, the PCF cannot leave the BCEN. Such a decision would be taken as a political maneuver."

For once I am in agreement. The Party "cannot leave the BCEN." Indeed, "such a decision would be taken as a political maneuver." Not by the French, but surely by the Russians. They would see in it a sign of the independence they could not accept, with all due respect to their customer Jean Elleinstein, to whom we owe these two flights of fancy, generally taken for gospel truth by some media:

6 November 1978\*: "As for allegiance to Moscow, I believe it is very clear in spite of everything that the PCF, with delays, contradictions, hesitations, is nevertheless on the way to total independence with respect to the Communist Party of the Soviet Union..."

September 1976\*: "It [the PCF] is financially independent of any /foreign/ or national influence, capitalist or socialist."

The holy innocents are going to war in the PCF.

\*On the "Questionnaire" broadcast (Television-First Network) of Jean-Louis Servan-Schreiber.

\*In his book, "The PCF," Grasset Publishing, p 91.



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The Party Hides its Bank From the Rank and File

The Communist Party does not propose to its members and friends that they pay their assessments, contributions, subscriptions, etc. to the Soviet bank that pumps out its money. Like the other political parties it uses postal checking accounts, but unlike them it uses them only as a screen and a relay station for a non-French bank. It is the only party that surrenders its treasury and the secrets of its activities to foreign bank officers.

What would Mr Marchais say, he who was such a patriot, such a chauvinist in his time, if a majority party or the Socialist Party put its finances and all the details of its operations into the hands of agents of the White House or the West German Deutsche Bank? For Vladimir Ponomarev, Victor Krivocheev, Vladislav Soudakov and Serguei Vanine are not acting privately. They have been officially appointed by Moscow to supervise and report what happens in /its/ French bank. Thus the Kremlin quite naturally has a total daily and exclusive view of the least acts and gestures of the PCF and its adjuncts--trade unions, mass organizations, fellow travelers, etc.

It was not by chance that I began the writing of this book on 26 October 1978.

On the day before, the PCF Political Bureau had reached the peak of cynicism in a very long statement concerning the financing of the parties.\*

Presented in the form of "the PCF's reply to Mr Barre," it analyzes in extenso, among other subjects, President Giscard d'Estaing's initiatives for financing parties out of public funds.

Worried about the prospect of having to prove the "transparency"--the president of the Republic's expression--of its financial operations, the Political Bureau invokes, in order to oppose the move, "respect for the independence of the parties, which is absolutely contradictory to public financing." It adds that "on the other hand, it is natural for that financing to relieve from /exclusive responsibility/ the members and sympathizers of each party and /that it be placed under their control."

That is what I am doing; I am placing under the actual control of the members and sympathizers of the PCF the secrets of the Party's financing.

Farther on, the PCF "declares it is ready to submit to control by a parliamentary investigative commission made up in proportion to the vote collected, of the financial activities of all the political parties."

An excellent idea. I hope this honorable commission will ultimately see the light and that, to facilitate the task, the PCF will agree to lead it to the Soviet bank. In the meantime I am surrendering my documentation for the consideration of the Communist rank and file who have "the right," as the Political Bureau says so well, to "to be familiar with the resources and expenditures of the organization to which they belong."

\*L'HUMANITE, 27 October 1978.

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The Foremost Foreign Bank in France

It is imperative that we retrace the broad life stages of the BCEN and examine its operation.

What we have already seen and will come back to is that it is today, because of its capital, the volume of its transactions, the extent of its operations, the top-ranking foreign capital bank of those established in France. For a long time it has surpassed, in our territory, its American rivals, including Morgan Guaranty Trust and the two Parisian agencies of the highest-ranking banks in the world, the Bank of America and Citibank. Moreover, it maintains the best relations with those giants of capitalism. In their long "Report of a Trip to the USA" (8 to 12 May 1978), reference PL/CD/fa [expansion unknown], Mr Lacoste (manager) and Delaye (of the Treasury Department Deutsche Mark exchange division), on 26 May 1978 tell of their visit to the central headquarters--in New York-- of Morgan Guaranty Trust Company:

"A very friendly welcome from Mr Viermertz (vice-president), who, having been Morgan's chief exchange broker in Paris for five years and then the manager of the Al Saoudi Bank in London, gave us a careful economic and monetary analysis..."

At the end of some very interesting news, to which I shall return, the emissaries of the Soviet bank express themselves in especially affectionate terms concerning those super-bosses of the American multinationals that L'HUMANITE, FRANCE NOUVELLE, LA VIE OUVRIERE, and so many of their other "loyal customers" are in the habit of dragging through the mud:

"Our relations with Morgan/Paris and other headquarters in Europe are of course excellent; however, it would be proper to tighten our bonds with Morgan/New York by a series of telephone calls, rather than by Telex."

The telephone leaves fewer traces than does the Telex of the conference between Russians and Americans, behind the back of the world proletariat.

Even if the left were to win in the last legislative elections the BCEN and the Morgan were not running much of a risk of a government having Communist ministers. The Common Program--I emphasized this at the time--did not provide for any measure for nationalizing foreign capital banks; the USSR would have been displeased to be deprived of its bank.

Moscow's Continued Support

In five years, from 1973 to 1978, the "social capital" of the BCEN went from 150,000,000 to 350,000,000 old francs. A more than remarkable increase which, according to the latest report of the Board of Directors (in regular general meeting, 24 May 1978), is due to the "continued support consistently given to the BCEN by its principal shareholders, the State Bank of the USSR and the Foreign Trade Bank of the USSR."

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The Board intends that "support" to be reaffirmed for the benefit of the bank's "numerous correspondents" in "the entire world", and of its "loyal clientele."

A basic guarantee for the purpose of:

1. Consolidating and extending its financial and commercial empire (with which the PCF is also associated, through intermediary persons), based in large part on the monopolization of the huge markets between East and West. Hence the tactical necessity for the BCEN/Eurobank to transmit to the seismographs of its capitalist "correspondents" the inarguable data confirming that it is still, by the grace of Moscow, the epicenter of that fruitful activity which is based on the use of the most wildly capitalistic methods
2. Galvanizing the pride and confidence of a "clientele" that is all the more "loyal" because it is in large part totally devoted to the USSR, whose bank--their bank--is therefore successful year after year in staying at the top of the foreign establishments in Paris.

From a treatise on foreign banks in France\* prepared at the University of Paris 1 (Pantheon-Sorbonne, "Private Law" Series), I glean this fact:

"Based on the total of its balance sheet, the foremost foreign bank in France is neither American nor English, but Soviet; it is the BCEN..."

Farther on, mentioning "the plurality of justifications advanced for the presence of the banks of Eastern Europe, such as the BCEN, in Western countries," the authors of this document add:

"The manager of this bank does not believe that the existence of institutions like his is vital for trade between East and West, a statement that seems to be denied by the analysis of the balance sheet of that bank, carried out by a French officer, which points out the significance of the financial operations it carries on. An international jurist thinks these banks are only a means for Eastern Europe to obtain foreign currency, while a French banker believes they come rather to familiarize themselves with the financial customs in effect in the West."

And with those of our communists who, in order to liquidate liberal capitalism are employing all the weapons offered to them by liberal capitalism.

\*J. Stoufflet, Ch. Campet, M. Koszul, P. Moran and M. Sarmet, preface by Henri Fournier: Pantheon 6405, University of France Press.

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CHAPTER 2. 1948: A SOCIALIST MINISTER ALREADY PROVES COLLUSION BETWEEN THE COMMUNIST PARTY AND THE BCEN [COMMERCIAL BANK FOR NORTH EUROPE]

[Text]

An Eloquent Balance Sheet

The balance sheet? The last published balance was 14,200,000,000 new francs (1,420,000,000 old francs). The State Bank and the Foreign Trade Bank of the USSR, as always, waived collecting the dividend. A sacrifice all the more meritorious since the "profits after taxes, redemptions and provisions" realized by the bank in recent years are magnificent:

1973	28,623,000 francs
1974	27,037,000 francs
1975	40,187,000 francs
1976	38,845,000 francs
1977	35,356,000 francs
Total	<u>170,048,000 francs</u>

Or, over 17,000,000,000 centimes.

Despite the economic crisis, the Soviet bank in Paris is doing well. In the category of "deposit banks under foreign control," it is followed by Barclays, whose latest balance is 4,500,000,000 francs. I cannot compare it to the Citibank or the Morgan, which are merely "agencies of banks having their headquarters abroad."

The BCEN enjoys an initial advantage: unlike the other banks it has almost no expenses for share promoting, advertising, or public relations for recruiting customers in France. The PCF, the CGT and the Controlled Business Committees in themselves are in the beginning an impressive and attractive main striking force. Large capitalists quickly understood the advantage of a (banking) alliance with the devil that holds the pursestrings of the trade union-party.

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Born of White Russians

The BCEN has been an excellent affair ever since it was created. For Russians and for French communists.

Legend cannot add much to its rich and unusual history.

It is founded in Paris by White Russian immigrants who place their quickly exhausted funds in it (one does not become a financier extemporaneously) during the years following the 1917 revolution. The ruin enables the Bolsheviks to take possession of the bank; in 1924 they redeem its shares. Our government (this was the period of the "Cartel of the Lefts") views the operation with a favorable eye; it can give hope to the 1,500,000 carriers of Russian loans. The Soviets play on the illusion that normalizing relations between the two countries will result in reimbursing the French holders of savings ruined by the revolution.

The BCEN has a sister in London, the Moscow Narodny Bank, also founded by Russians, in 1916, and taken over in 1919 by the Moscow government. Both banks have a precise primary mission: to buy back the claims against the USSR held by European merchants who had sold merchandise to it on credit. The recovery of these unhonored certificates will restore the confidence of the Westerners who, at the end of several years of regular payments and operations rigorously conducted by the BCEN and the Moscow Narodny Bank, will no longer be afraid of unpleasant surprises.

After successfully passing through that first stage, the BCEN extends its activities and becomes the financial command post of the PCF, of its organizations, its many commercial corporations and its pro-Soviet trade unions. This is the second mission, still in effect today, that the Soviet state has entrusted to the bank.

On 7 January 1918, less than three months after the coup d'etat that brought them to power, Lenin and Trotsky signed the following decree\*:

"Considering that the Republic of the Soviets was founded on the principle of international solidarity of the proletariat and fraternity between the workers of all countries and that the battle against war and imperialism can only lead to victory if it is conducted on the international level, the people's council of ministers judges it necessary to lend aid and assistance by all possible means to the international left wing of the workers' movement in all countries, without considering whether these countries are at war with Soviet Russia or its allies, or are neutral.

"For this reason, the people's council of commissioners decides to grant 2,000,000 rubles in support of the international revolutionary movement and to put it at the disposal of the representatives abroad of the foreign affairs commissariat."

\*Quoted in "Soviet Documents on Foreign Policy," vol. 1, Oxford University Press, 1951, p 22.

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A former companion of Lenin's, Boris Souvarine writes concerning the period when the BCEN is beginning to preside over the economic destiny of the PCF:

"During these four years over 25,000,000 have been swallowed up by the pseudo-communist "apparatus, in many disguises. But dues do not represent the 20th part of it. The disproportion between the Party's own resources and outside aid is monstrous...The more money the Party receives, the fewer members it has. The richer it is, the poorer its thinking. The Party now lives only on balloons of oxygen from the Soviet state..."

"...Leaving for Moscow in April 1924, I learned from the business manager of L'HUMANITE, Justinart, that of the 300,000 some francs in subscriptions published in the newspaper, only about 30,000 francs were actually received."

I explained in "The Finances of the PCF" how the Party laundered unacknowledgable receipts with the help of subscriptions and collections. An old system. The Party correctly believes it to be unstoppable. What Finance Minister, what manager of the Bank of France, would dare to set in motion serious control over the funds which, in the BCEN, directly or indirectly concern the PCF and its affiliates? What inspector would dare to audit the operations of customers whose accounts are in the series 3,000 to 9,000, 20,000, 30,000, 40,000, 91,000 to 95,000? To do this, they think, would be to provoke the anger of Moscow and foment diplomatic complications.

During its long history the BCEN has only once been of service to the plans of the French government; at the time of the Spanish war, it was officially authorized to serve as a relay point between the USSR and the Republican regime. Which enabled it to collect substantial profits as the intermediary in the traffic of weapons to the Red zone.

Closed under the German occupation, it reopens its doors in 1946 and resumes the administration of the business of the PCF and the CGT. Although the rule of secrecy, so well observed during the long prior period, is still compulsory in their ranks, the Communists cannot prevent escapes this time.

An investigation pressed by the Interior Minister results in bringing to light astounding proofs. My own discoveries in 1978, 30 years later, confirm that nothing has changed.

The PCF Violates the Constitution

Art 46 of the PCF statutes stipulates concerning the elected Communist: "The mandate he holds is at the disposal of the Party. Salaries, insurance and retirement connected with an elective mandate are paid to the Party and the Central Committee determines how it is used."

This is a real misuse of universal suffrage. Elected representatives are paid in order to guarantee that they are independent. According to Art 3 of the Constitution: "National sovereignty belongs to the people, who exercise it

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through their representatives...Neither any section of the people nor any individual may assume that sovereignty."

That is exactly what the PCF is doing; it is also violating Art 27 of the Constitution: "All election pledges are invalid. The right to vote of the members of Parliament is personal...."

Jules Moch continually returns to the charge. The more proofs he exhibits, the more the Communists foam at the mouth.

The Interior Minister: I would also add, Mr Duclos, that you have a special skill for transposing what one says and making it say what one did not say, so as to be able to deny...

I repeat that you have three accounts in this bank: a Dorval account, an Oswald account, a Gosnat account. The swindlers also have several accounts, so they can transfer money from one to the other and cheat justice. (Loud objections from the extreme left. Applause from the many benches of the left, center and right.)

Jacques Duclos: Scoundrel!

Florimond Bonte: Bastard!

Jackques Duclos: Wretch!

Maurice Thorez: Murderer!

The enormity of these insults is in direct proportion to the Communists' inability to refute the overwhelming proofs assembled by the Interior Minister.

Thirty years later we find the same situation again. But in the meantime the Soviet bank has made tremendous progress. Its business is not confined to French territory alone. It has become the center of an international network; the disclosure in 1948 of its role in the service of Soviet imperialism did it absolutely no harm. Far from it; after a close shave that, due to the French capacity for forgetting, lasted for only one autumn, the BCEN intensified its activities. As if paradoxically the revelation of those activities had served to attract rather than to repel.

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CHAPTER 3. 1948-1978: THE RISE OF A TRULY DIFFERENT BANK

[Text]

1978: Thirty Years Later, Nothing has Changed and Everything is Worse

Despite the nearly-unanimous condemnation of Parliament at the time of the "cold war", the Communist Party and its satellites did not think it necessary to change in any way their relations with the BCEN. In 1979, the money owed to the elected Communist representatives still ends up in the Soviet bank; the accounts of straw men are still there, but in greater numbers; the same Mr Gosnat, higher in rank and now treasurer of the Party, gathers in his own name, with the same persistence, the PCF's treasurer; the Communist commercial corporations, now 300 times more numerous, still concentrate their fruitful operations there (fruitful, too, for the USSR and the Party); the communists of the entire world still pass through its filters.

The only noticeable difference is not in methods, but in clientele. Hundreds of trade unions born of the CGT-FO [Workers' Force] workers' schism and the shop councils of the largest national firms today entrust their money to the Russian multinational. And although in 1948 the BCEN had just one sister bank in London, it is now part of a vast family, thanks to the successful business in Paris.

In Moscow: Foreign Trade Bank of the USSR (Vneshtorgbank) and State Bank of the USSR (Gosbank).

In Paris: BCEN/Eurobank.

In London: Moscow Narodny Bank Ltd (with two branches, in Singapore and Beirut).

In Frankfurt: Ost-West-Handelsbank A.G., founded in 1972.

In Tehran: Russo-Iranian Bank.

In Luxembourg: East-West United Bank.

In Vienna: Donau Bank A.G., opened in 1973 with BCEN participation.

In Zurich: Wozchod Handelsbank A.G.; Wozchod Commercial Bank Ltd; Commercial Bank for Northern Europe.



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I should explain why the BCEN added the qualifier "Eurobank" to its name. On 5 June 1974 LE MONDE dismantled the mechanism of the fantastic "eurodollars" market, whose fortunate creator was the BCEN.

The appearance of eurodollars is generally attributed to the fact that at the end of the Korean War in 1953 the monetary institutions of the communist countries, fearing a freeze of their dollar holdings in New York banks, decided to transfer them to Europe in the name of the Commercial Bank for Northern Europe (BCEN), the French affiliate of the State Bank of the USSR, which used them to finance commercial operations of the classic type. Since the BCEN's telegraphic address was "Eurobanque", the name "eurodollar" was given to those "traveling" dollars.

There is actually no difference between dollars and eurodollars, except for the fundamental fact that the latter are held by operators not residing in the United States. Almost all of them, in fact, come from the accumulated deficits in the American balance of payments and constitute credits on banks located in the United States. Their volume has been piling up since 1953. According to the Bank for International Settlements, this volume reached 91,000,000,000 at the end of 1973 and at least 13,200,000,000 at the end of 1974, but according to Mr Ashby, the first econo-minister of the Bankers Trust, these figures would be, respectively, 165,000,000,000 and 200,000,000,000.

The characteristic of the eurodollars market is that it is subject to almost no control, which makes eurodollars attractive for use by multinational companies and--states themselves.

The Great Game of the New Boss, Guy de Boysson

It has just been seen once more that the Soviets employ their own weapons to fight capitalism better. As usual, for Marxists, the end justifies the means.

The existence of a huge mass of floating dollars is one of the causes of the financial crisis that is shaking the world. French communists remember it constantly. But they do not add that Soviet bankers and the USSR itself are profiting considerably from this situation.

The BCEN's prosperity and the Soviet Union's economic progress are tied in with the continued increase in East-West trade. Everyone closes his eyes to the political side-issues of the operations--particularly import-export--arranged directly or indirectly by the BCEN on the recommendation of certain French authorities. The BCEN brings along a nucleus of commercial companies close to the PCF, which take in enormous profits or commissions in France or abroad. Indirectly, these firms draw to the BCEN a vast non-communist clientele that contributes indirectly to communism's financial prosperity.

Until 1965 the BCEN was presided over by Charles Hilsum, who was immovable despite the 1948 scandal. On his death he was replaced by Guy de Boysson, who had gone to the bank in 1952.

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According to the "Dictionary of the French Nobility"<sup>1</sup>, the "Boyssons were raised to the nobility by order of the advocate general at the Court of the Aydes de Montauban in 1967. The family had had several Toulouse municipal magistrates since 1522 and an adviser to the Toulouse Parliament since 1559." Their heraldic bearings are: "Silver with a chevron of gules accompanied by a chief of two crescents of the same and by a point of a bush growing out of a field of green, on a chief of blue charged with three gold stars."

No one could doubt Mr de Boysson's loyalty to the communist ideas. He embraced them from the time of his youth, after his studies at the Lyon Seminary, the Janson-de-Sailly School (Paris 16th), a degree from the Independent School of Political Science, a doctorate and a law thesis on Marshal Petain. Decorated with the Croix de Guerre, the son of the director of the Paris-Orleans Railway Company, married to Genevieve Chevrillon, therefore belonging to and related to upper bourgeois families, a little page at the wedding of the Count of Paris--nothing seemed to destine him to become a Communist member of the Provisional Consultative Assembly. In succession he was a PCF deputy in two Constituent Assemblies, a deputy from Aveyron (1946) and counselor of the French Union (1948). His official political career stops there; for five years Moscow had also entrusted to him the post of president of the "World Federation of Democratic Youth," but after 1950 he leaves the front of the stage. At 34 he discreetly joins the staff of the Soviet bank, where he presides today. During those 26 years, with the discipline of a militant and the distinction of a gentleman, he has served Stalin, Malenkov, Krushchev and Brezhnev, by means of the Kremlin's financial channel.

## "The Top Soviet Bank in the Capitalist World"

On 8 December 1966 he presents his first annual report as president-general manager. In it he proudly speaks of his role as agent for Soviet finances:

"Might it be said that the volume of our balance is such as to influence the opinion of other banks and consequently our own activity? We know it serves to bring about a general arrangement between establishments. This question really seems to assume considerable importance for us. To say nothing of the fact that our counterparts give first place in their appraisal to /our belonging to the Soviet Union/<sup>2</sup>; the result of our own activity, as shown by the balance sheet, can undoubtedly influence their attitude toward us."

And he adds:

"Are we interested in surpassing the balance figure of the Moscow Narodny Bank<sup>3</sup>, so as to assume the position /of the top Soviet bank in the capitalist world/<sup>4</sup>?"

1. F. de St. Simon and E. de Sereville, Edit. Contrepoint, 4, rue Cassette, Paris 6th.
2. Author's italics.
3. London sister to the BCEN (ND1'A [author's note]).
4. Author's italics.

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With the help of time, experience, the business and the advice of Moscow, Mr de Boysson has become more cunning; he now avoids that outspokenness that would drive away the clientele necessary to the progress of communist influence in the Western countries.

On 14 December 1973 he reminds his personnel that prudence is indispensable: "Indeed, Eurobank does not live in a closed and protected world, but is subjected to increasingly lively competition..."

In order to face it better, the Soviet bankers had transferred the social headquarters from 21 rue des Arcades (2,750 square meters, not very functional, behind a forbidding facade) to "an agreeable and more spacious working environment", boulevard Haussmann. The new 3,750 square meters are rich, "bourgeois" and comfortable: counters of massive wood, Knoll furniture, antiques and bar furnishings (for Boysson) from Madame Higgins (antiquary), Lurcat tapestries, Corvisart kitchen, glassware and silverware from Christofle. The quarterly rent for these premises, paid to the "Duty and Providence" Insurance Company, reaches 616,625.90 francs in October 1978. I must formulate a single reservation: the economies employed in equipping the vault, about which I will say no more, lest I harm the bank that is reputed to be the most hermetically sealed in France.

Mr de Boysson congratulates himself, of course, on the "extraordinarily low number of resignations recorded in our bank", but, he adds, "we must show... more vigilance in navigating to avoid the many reefs with which our road cannot fail to be strewn."

The competence, the sincerity, the devotion of the 26 Frenchmen admitted to the various command posts in the building is not the only master trump in Mr de Boysson's game. The vice president and official representative of the USSR, Vladimir Ponomarev, is in close permanent contact, not only with Moscow, where he goes several times a year, but also with the Soviet Embassy in Paris, which summons him regularly, generally by telephone at his extension, 313/337.

As for the manager, Victor Krivocheev, to whom the bank's departments direct daintily embroidered and beautifully written reports in Russian, he often uses his veto prerogative, as for example on 32 [as published] October 1978:

"Have nothing to do with:

"Robin International

"Nikrais

"These two firms belong to or are subordinate to a Mr Nicolas Resini

"Possibly see F.F.\*"

\*Vladimir Ponomarev: holder of a "Soviet service passport", No 20318, delivered by the USSR Embassy in France on 31 October 1977 and good until 31 October 1982. He is the one at the bank who has supreme control over entry visas to the USSR. Obliging, in 1978 he even obtained them for the officers of other banks, including Credit Lyonnais.

\*F.F.: Mrs Fany Francois, nee Sandlaz, a member of the executive team of the BCEN. Charged with delicate missions in France and abroad. She often

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Worried about relief, Moscow is devoting special attention to training Soviet officers to replace the present leaders. Hence the constant waltz of trainees, surrounded by exquisite concern, in Paris as well as in Moscow. The latest arrival in France, Mr Atchkassov, deputy director in the foreign department of the Vneshtorgbank (Bank for Foreign Trade of the USSR), is filling a well-stocked program, spread out from 2 October 1978 to 3 April 1979. It includes courses in French at Berlitz, as well as talks with Parisian bankers and periods of working in every department of the BCEN.

As in the Aga Khan's stables, the Kremlin's colts are trained to become super-horses in a hurry. I questioned Mr Atchkassov; after two months he already knew how to reply "no comment" to questions concerning the BCEN-PCF-CGT and company ties.

## "Visiting Cards for Socialists, Lurcat Cards for Capitalists"

Every year the BCEN thanks its clientele by distributing gifts; in 1978 the beneficiaries of this attention filled 11 pages. Although it is hardly astonishing to find there the names of corporations connected with the PCF, deserving communists such as the writer Vladimir Pozner, comedian Jean Negroni, lawyers Joe Nordmann and Jules Borker, Mr Marchais' counsel, it is harder to understand why the BCEN treats with such respect the CNPF, seven high-ranking officials of the Bank of France, four from the General Directorate of Customs and Indirect Duties, seven from the Treasury Board, and another from the International Business Department of the Ministry of Economy and Finance. So many administrative departments accused by our communists of being "in the exclusive service of the government, itself the agent of big capital and big monopolies."

One precise note: "Visiting cards for socialists, Lurcat cards for capitalists." This reproduces, in color, the Villa Seurat tapestry, by the famous communist artist Jean Lurcat, which adorns the lobby of the BCEN. Militants may find this inside-out discrimination bizarre, since it pushes the Soviet bank into being more generous toward capitalists than toward socialists. Bruno Mercier, deputy director of the Chemical Bank in Paris, is indeed very aware of this. On 2 January 1979 he sent the BCEN, not without humor, "best regards and sincerest good wishes from American capital."

Embassies, diplomats and large institutions of the socialist nations reply in always-identical words to the "wishes" traditionally sent to them by the management of the BCEN at the end of the year and for 1 May. Ponomarev and de Boysson have this friendly correspondence (letters and Telex) especially classified. The collection of "wishes received and sent from 1967 to 1972" bore the notation "to be destroyed in 1977." On page 2 I find the list of "national holidays and anniversaries of socialist countries," including China up to 1969.

Year after year the "director of the Economics Institute to the Committee of Social Sciences of the Democratic Republic of Vietnam [as published]" repeats the same thanks in the jargon of communist cells:

represents the Soviet bank at meetings of employers' organizations: the CNPF [National Council of French Employers], the French Banking Associations, the sub-group of foreign banks, etc.

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"Comrade Director  
"Commercial Bank for Northern Europe

"Dear Comrade Director:

"On the occasion of the New Year, on behalf of all the Institute's scientific workers...

"I hope that under your leadership the Commercial Bank for Northern Europe will achieve the greatest success in developing good relations between all peoples."

For his part, the first vice president of the Vietcombank "hopes that your honorable institution, under your clever administration, will achieve new and brilliant success in its productive activities."

All that is due to the "Great Socialist October Revolution," commemorated every year by the officers of the BCEN by blazing letters to the USSR Embassy. One admires their epic flights: "...our sincere congratulations on the great achievements accomplished since 1917, of which your country can be justly proud..."

A comical vocabulary and curious demonstrations of solidarity, coming from bankers who are above needing anything.

A Surprisingly Rich French Personnel

There are some really strange mysteries surrounding certain deposits in the Bank of Northern Europe--and some flagrant disproportions between the accounts of the Soviet manager, Victor Krivocheev, those of the vice president and general manager, Vladimir Ponomarev, which post credits that are to all intents and purposes either nonexistent or modest, and the amounts credited to some of their employees. The record is held by a female assistant manager whose balance is no less than 887,000 francs, compared to 449,604.81 francs for another. She is closely followed by the widow of a top-ranking officer of the house: 432,138.43 francs. Another assistant manageress: 336,103.97 francs. Then come staff and employees on lower levels, with sums as high as 330,877.05 francs, 314,738.92 francs, 291,395.06 francs, 262,886.66 francs, 256,844.36 francs, 247,638.21 francs, 232,955.78 francs, etc.

Prime Minister Raymond Barre may be satisfied. His appeals for saving are being heard--at the Russian bank of the PCF and the CGT. But is it really for the sake of economy? They say it is.

Various hypotheses may be envisaged; the first is that the two Soviet managers do not consider their bank the securest place for their savings; or that the BCEN is practising total overthrow of the hierarchy, depriving its employers and burying its employees in gold.

A hypothesis to be rejected: Manager Soudakov is informed on 25 January 1979 "that the sum allotted to you as payment for the fiscal year 1979 is increased

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to 347,200 francs. This amount is subject to upward modification."

According to the CGT: "Injustices and Distortions," Common Currency in the BCEN

A prophet is definitely without honor in his own country. How is it to be imagined that red bankers, those high-ranking noncommissioned officers of the proletarian revolution, can behave toward their personnel (who are also part of their shock clientele) like vulgar capitalist exploiters of the working class? The evidence has to be accepted: the employees of the BCEN, whose aptitude for hoarding money I have just demonstrated, have nevertheless the worst opinion of their managers, whom they consider to be neither more nor less than exploiters.

However, the Soviet bank personnel offers, ideologically, all guarantees. Handpicked, the 378 employees of the BCEN form a homogeneous team. Only the CGT, naturally, has recruits. Which of the bank's wage-earners would have the temerity to express his disagreement with the CGT, the PCF or the USSR?

Nevertheless, rebellion is rumbling, if we can believe this leaflet distributed by the CGT, to be sent out "as fast as possible; for the employees of E. Marchand (extension 558) or Mr Debrie (extension 524); for the staff at Mr Dagorn (extension 359) or Mr Lavalle (extension 390":

"The CGT Delegation of the Eurobank Personnel"

"proposes to assist you by means of this paper in filling out the first line of your salary voucher.

"Thanks to information given by all the personnel of the bank, the delegates will be able better to face the injustices and distortions that are renewed every year and have been for a long time, the data needed to fight being lacking in most cases. This leaflet will also enable the Personnel Delegates to better arm themselves for argument to defend those persons who ask to have their cases reviewed after the end-of-the-year rating.

"We count on your cooperation all the more since the Personnel Board has refused up to now, despite several requests on our part, to furnish us with this information, which is indispensable for defending the interests of the personnel..."

When the CGT entrusts its funds to the BCEN it does not even have the excuse that it is dealing with a bank that is less despoiling than the others. Mr Seguy knows, through his own members and their four delegates who signed the leaflet (the document quoted above), that in social matters the BCEN is committing "injustices and distortions" that are neither fortuitous nor accidental, since they "are renewed every year and have been for a long time."

It is an additional proof that only political and financial constraints are obliging the CGT and all its large trade unions to surrender themselves, bound hand and foot, to the Russian bankers.

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The trade union sections have been insisting in recent times that the BCEN take a stand on the CGT's salary demands, which the leadership has continually avoided. No 16 of CONTACT--"a trade union newspaper--employees, rank and file and officers of the Eurebank"--is devoted to a knowledgeable study on "our purchasing power in the BCEN." It says that "our progress [with regard to the leadership] conforms to CGT orientation, is aimed at effectively guaranteeing the purchasing power of salaries, with protection of the advantages achieved."

That was not the case in 1978 in that firm which, considering its ideology and the state it serves, would have to be an unblemished example. CONTACT says: "We remember that in December 1977 the fact that they had seen only an additional third of a month instead of the half-month expected in accordance with preceding years, had been resented by nearly all the personnel as a 'loss' from the privileges customarily granted to the BCEN." In that area, the situation was reestablished in April 1978, but it worsened immediately. Thus, after minutely examining the figures, CONTACT concluded the article with these words:

"The result of our calculations demonstrates that on 30 September the loss of our purchasing power was between 1.14 and 1.21 percent...In accordance with our principles and our practice of several years' standing, we hope that the salary adjustment will be carried out in the form of a daily subsistence allowance, the effect of which is to favor the lowest salaries."

## Checked, Controlled and Rated Personnel

The very Marxist general management of the BCEN does not at all share the CGT's economic analyses. It refuses to automatically satisfy its demands. There, too, in apparent contradiction with Marxist doctrine, it holds onto the old criteria of profitability, continually recalled by its president and general manager, formerly a Communist deputy, Mr de Boysson: profits, stability and prosperity for the establishment. First of all it demands of its personnel a maximum profit. For that purpose it installed in 1977 a system of "professional ratings", the methods for which are recalled by the general secretariat in its letter of 18 September 1978, "To department heads and all personnel." I am transcribing here the essential part (Document reference JS/BS, appendix, p 263 and 267). It could be countersigned unshakably by the severest censor of the Janson-de-Sailly school where Guy de Boysson was trained.

Such a system is worthy of the most fastidious capitalists. It certainly does not rule out an effort to get together with the CGT, which since 18 February 1977 has taken a position against 8 of the 14 cases appearing in the form entitled "Professional Ratings" (document in appendix, p 265). Each employee and officer was urged to support the "proposal" of Mr Seguy's union: abolishing ratings No 1 (on "the professional conscience"), No 3 (on "the reliability of work performed"), No 6 (on "punctuality and regularity of attendance at work"), No 7 (on "the desire to learn"), No 8 (on "relations with colleagues"), No 10 (on personal "judgment"), No 11 (on "awareness of banking risks"), No 13 (on "judgment in outside contacts"). Another CGT demand that is fortunately unsatisfied (here I am speaking in the Soviet interest): to just point out the "date of the last increase or promotion" instead of the three preceding, as the leadership wishes to have done.

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Paternalism is Good When it is Red

For lack of power to invoke overtly the needs of the common political cause, the management of the Soviet bank excels in paternalistic eloquence; the prose it send to the ranks, to convince and persuade them, has its place in an anthology of smooth-tongued styles. On 9 June 1978 the general secretary of the bank, J. S. Strauss, used honeyed tones in addressing himself, under reference JS/MB, to:

Anywhere but at the Soviet bank this condescending style would attract thunderbolts from communist unions.

We point out to the unionized and communist personnel of the BCEN that in central headquarters--Moscow--of the banks on which they depend, the salaries of their Soviet counterparts are miserable compared to their own. Over there, it is true, the Strausses and Boyssons do not dip their pens in the ink of a nonexistent agreement.

The Class Struggle at the Soviet Bank

Guy de Boysson himself goes to bat to defuse the discontent in the ranks, whom he threatens in passing with reprisals. During a meeting with the Executive Committee on 14 December 1977 he reports in very clear words on his "meeting with the representatives of the union sections:"

"We have informed them that since the days of the general strike, and especially the quite recent day of the first instant, we have been concerned about the number of absentees, that they had responded to the strike order or had simply taken advantage of it, and the consequences for the climate in our firm. That leads us to envisage holding back the pay for such a day in the future, for the benefit of the Shop Council, in such a way as to clarify things. Those we are talking with, even while acknowledging that certain abuses are being produced that the union is trying to alleviate, so far without success, emphasized their devotion to the current practice of nonretention of pay.

"We are agreed that the president would content himself with advancing the idea in his customary note at the end of the year, but that a definite decision would not be made until afterwards."

A good communist, Mr de Boysson does not like strikes or a bad contentious climate around him.

In his traditional "Informative Note" at the end of the year, dated 16 December 1977, he illustrated this very clearly for the personnel:

"IV. Strikes at Eurobank:

"Following the strike of 1 December, which was not followed very much throughout the banking profession, but which occasioned over 50 percent



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absenteeism (excluding those who were ill) in Eurobank, the management was led to discuss the attitude to be adopted when new strike movements occur. It has informed your union delegates; however, it did not want to make any hasty decision, but to take into account the long-standing traditions that exist in this area of the bank.

"We intend to return to this subject after the holidays, by explaining in writing our point of view, so that everyone can think about it, for we think the situation at Eurobank at the time of the strikes became ambiguous, and consequently needs to be clarified.

"But in the meantime we hope you spend excellent holidays, on the eve of a new year that we hope will be a happy one for you and yours, and also as good a year as possible for the bank.

"The Eurobank General Management"

Although they do not like strikes--such as that of 21 January 1979, which was followed by nearly all their "employees in contention" and parading down the street--Mr Ponomarev and Mr de Boysson are pleased, on the other hand, with the letter sent on 8 September 1978 by the "CGT-FSM [World Federation of Trade Union] trade union sections for employees, staff and officers of the Commercial Bank for Northern Europe/Eurobank" to Lucien Forget of the Bank of Indochina and the Suez, 44 rue de Courcellis in Paris, 8th:

"Dear Comrade,

"Please find enclosed a check for 4,000 francs, the result of the collection we undertook at the Commercial Bank for Northern Europe (Eurobank) to support the action you are conducting and in which you are the principal victim of the management of the Bank of Indochina and the Suez.

"Your attitude and your battle strengthen the union struggle for us all.

"With the assurance of the support of all the comrades at Eurobank, please accept our fraternal sentiments.

Enclosure: check No 3262817"

It is not known whether the Soviet officials of the BCEN took part in what Lucien Forget of the Suez Group calls, in his thank-you letter dated 11 September 1978, the "moral support you show us in the struggle we are conducting here against employer high-handedness." But they do applaud when on 31 March 1978 President and General Manager Guy de Boysson addresses "the secretaries of Eurobank's union sections," brandishes his favorite argument (he hits at everyone) in favor of tabling the old demand to incorporate bonuses into salaries: "This is a process in which the general management has no intention of engaging, because it would immediately lose the confidence of its shareholders..." In other words, of the Soviets.

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No Job Creating at the BCEN

Mr de Boysson, like the other employers, is still grappling with questions of salaries, bonuses and honoraria.

On the employment problem he camps on the classic positions of French employers denounced by Mr Seguy and Mr Marchais: "As long as the volume of our operations reaches its maximum," he said on 21 June 1978 to the Shop Council, "it would be dangerous for the bank to increase its active staff; such an increase would also be difficult to justify to /our/ shareholders."

Creating jobs, especially in the large multinational and super-capitalist firms, is one of the principal themes of the CGT and the PCF. They tirelessly stigmatize "employers who, realizing huge profits, boggle at hiring people." The Soviet bank, we repeat, acknowledges an operating profit of 73,300,000 in 1977. In Mr de Boysson's eyes this is not enough to justify hiring personnel. "The bank's shareholders"--that is, the Soviets who hold 99.7 percent of the capital--could not accept it! The CGT no longer insists; when the "shareholders" are Russians, it approves.

During the same Shop Council meeting, Mr de Boysson repeats his arguments. We read in the minutes (page 14) that Mr Rameaux recalls "the concern of the trade union sections to see that the advantages they have achieved are protected, especially in salary matters. Mr de Boysson confirms that management's goal is really to protect and improve working tools and conditions, including carrying out the necessary investment expenditures and maintaining the achieved advantages--but without compromising the anticipated upward progress of our activity and our results, for example by increasing our staff when it is not absolutely necessary."

Mr de Boysson, who is admirably versed in his profession as banker, never departs from the language of a cold technician. Communicating to the personnel on 21 June "the results of the fiscal year just past and the prospects for the bank's activity for the near future," he is not afraid to say:

"The past year was characterized by a voluntary limitation of the bank's activities, due on the one hand to the prolonging of the international economic crisis, which must urge us toward great prudence in the choice and volume of our risks, on the other hand to recommendations by /our authorities/ on the necessary reduction in the "transformation" effected between the duration of our resources and that of our jobs."

Why would not the argument of "the international economic crisis that urges" Russian bankers "toward great prudence" not also apply to French businesses? According to the CGT and the PCF "the international crisis" is merely an excuse, invented moreover by "big capital and the multinationals" in order to better accumulate profits to the detriment of the "laboring masses" who are condemned to austerity. But the Soviets do know that a concrete reality is involved, and they handle their affairs accordingly. Those billionaire BCEN customers, the CGT and the PCF--have they never debated French and world economic questions with Ponomarev, Krivocheev, Mikhailov and Company? It is one of two

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things: either they have been emancipated and are lying when they spread slogans contrary to the facts recognized by Moscow, or the mother house does not consider them worthy of being informed. Both hypotheses are equally offensive to Mr Seguy and Mr Marchais.

"The Dubious Credits of Zaire and North Korea"

The principle of operational secrecy--considering the very special character of its clientele--is respected more strictly at the BCEN than anywhere else. At the time of the Shop Council meetings no indiscreet questions burst forth; no one is unaware of the bank's political background. And despite protests about working problems and the unpopularity of the bosses, the personnel is theoretically unanimous on the objectives of the house.

That makes even more enjoyable the performance of Mr Cassio, a titular member of the Shop Council and, at the bank, a high-ranking official in the foreign exchange-treasury department, where he is occupied with the pound sterling. On 21 June 1978 he questions Mr de Boysson on several delicate matters. We let the official report speak for itself:

"Mr Cassio asks several questions of a technical nature. He has noticed that in order to improve our transformation coefficient we have obtained the cooperation of our shareholders and other banks, and that this cooperation obviously has to be paid for--he asks what is the evolution of its cost. Mr de Boysson replies that the totals for cooperation are relatively modest and their conditions are of course discussed in terms of the market. He asks if the current limitation on the activity of some of our sister banks has had any impact on us. Mr de Boysson replies that it has had an impact chiefly on their colleagues in respected positions. Finally, Mr Cassio asks what are our prospects regarding our dubious credits to Korea and Zaire. Mr de Boysson replies that it is very difficult to outline them in detail; in any case, there are more risks for states than for firms, and we share them somewhat with the principal international banks."

This cryptic duel puts into relief the virtuosity of Mr de Boysson, the master of evasion, and the duplicity of the Soviet bankers. At the end of the deliberations, one will still not know how much the BCEN is paying for the cooperation of its Muscovite employers, nor the repercussions in France of the problems of the other members of the Russian multinational.

Eurobank is not a glass house.

Nevertheless, Mr Cassio deserves homage: he teaches us first of all that the credits on North Korea, that exemplary people's democracy that our PCF supports and praises unrestrictedly, are "dubious" in the eyes of the Soviet employers. If the abominable expression "dubious credits" had been employed by any bourgeois newspaper at all, L'HUMANITE would have hurled fire and flames at such a sacrilege! "Dubious"--the credits of a people's democracy? Dubious, the word of Comrade Kim Il Sung?

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Mr de Boysson does not even try to conceal his distrust. To justify the "dubious credits" he produces a miserable (but adequate) excuse: the risks taken represent only a ("modest") proportion of the whole assumed by "the principal international banks." (This further confirms the BCEN's dealings with the other multinationals, and the magnificent cuckold's role that the Soviets reserve for Western capitalists in the wasteful refloating of certain socialist economies.)

Thus, the humble contributions of French workers deposited in the BCEN by the hundreds of trade unions that keep their money there serve chiefly to suffer the losses due to the "dubious credits of North Korea:" to make them pay, in addition, for Zaire's losses, is--unfortunately for them--the most comical of swindles.

The insults that the PCF and the "progressives" have poured upon Mobutu, in order to condemn the operation of the French army, which saved so many lives at the time of the events in Kolwezi in May 1978, are still in everyone's memory. L'HUMANITE, Rene Andrieu, Georges Seguy and the CGT exhausted their repertoire of insults in characterizing Mobutu and denouncing the "support" given to him by Mr Giscard d'Estaing.

Did they know that their bank, the BCEN, and with it the funds of the PCF and the CGT, entered the "imperialist" pool that "took risks" on Zaire and maintains Mobutu's government?

I propose to Rene Andrieu, the author of an unforgettable editorial devoted to the French military intervention in Zaire and entitled "And So, Knapsack on Back?" (L'HUMANITE, 2 June 1978), an arithmetic problem: what does he estimate is the value of his contribution to Mobutu's survival, through the deposits of the BCEN, a modest but solid pillar of the Zairean regime?

Thanks to Moscow's "Confidence"

To reassure his personnel, Mr de Boysson continues to remind them that the Eurobank enjoys the confidence of Moscow. The memorandum quoted (dated 21 June 1978) contains these eloquent phrases:

"Our shareholders, in particular the new president of the Gosbank, M. V. Alkhimov, have been eager on several occasions to reaffirm their confidence in the competence and capability of the Eurobank personnel. So we are justified in concluding that they attach importance to the "image" that Eurobank has been able to create, of a well-managed bank--which the Le Poupon Report also recognized. Consequently, Eurobank should preserve the means of maintaining its activity at a high level, and the recent capital increase, the fourth in four years, augures well for its doing just that.

"For that reason, as a result of the visit to our shareholders last March to report to them on the results of 1977, the Eurobank management has set as its objective to try to obtain in 1978 results better than those of 1977 or--to mention them in order of their size--about 40,000,000 francs of profits after 40,000,000 francs of taxes on profits."

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It must be acknowledged that fiscal year 1977 was "better than anticipated", if only because "/our/ shareholders" (/that is, the two Muscovite banks/) have on several occasions renewed "their confidence" in the sincerity of the Eurobank management and in the quality and competence of its personnel. At the risk of repeating himself, Mr de Boysson stresses "the continued interest of /our/ shareholders in our activities."

The minutes of the meeting of the Shop Council on 29 March 1978 (page 4):

"The situation, taking into account the talks that Mr Ponomarev and Mr de Boysson have just had in Moscow, appears as follows:

"On the one hand, management errors and losses incurred in some of our sister banks led our common shareholders to take measures to control and limit the activities of all their foreign affiliates. As far as we are concerned, no blame has been addressed to us, however; the controls to which we have been subjected on the part of the Bank of France and our shareholders were revealed as positive. Our shareholders therefore renewed their confidence in us and restored greater freedom of decision, which is an appreciable easing of our situation.

"But on the other hand, the international economic and financial situation remains bad. The increase in the volume of business obviously brings with it increased risks. In this crisis period, even though we have at our disposal greater freedom of action, we must on our own adopt a policy of prudence in the selection and volume of our business.

"Our shareholders' confidence has taken a very concrete form in their agreement not to collect dividends again this year, which will enable us to propose to our next General Assembly that the capital be raised from 300,000,000 to 350,000,000 francs."

This good report card granted in such a resounding and quavering voice to his French employees assumes political significance. Justly proud, Mr de Boysson points out that in Moscow's eyes the BCEN works better than its "sister banks"--established in Zurich, Singapore, Beirut, Luxembourg, Vienna, Tehran, London. The Kremlin, which is curtailing their activities, is pushing the BCEN, improving its position and "restoring" to a "greater margin for decision." Within, of course, a very much reduced autonomy of maneuver. The very words that Mr de Boysson employs, the constant reference in all his communications to the wishes, orders or instructions of Moscow--which he always calls "our authorities"--are enough to show that the BCEN has only the statutory appearance of a French bank.

Its high-ranking staff members have given the Kremlin all the necessary signs of allegiance. They belong more to the Russian civil service than to French employers, they execute the policy dictated by Moscow. If Mr de Boysson and Company are manipulating the money of the PCF, the CGT and their branches, it is because Moscow wants it; the management is not free, either in its choice of customers nor in the way it manages their funds.

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I stress this point because analysis of the relations between the BCEN management and personnel shows once more the dependence of the PCF and the CGT on Moscow.

The Kremlin is always generous to its faithful servitors. Witness this scene, which takes place in the Executive Committee on 18 October 1978:

"At the beginning of the session, on the occasion of the 50th anniversary of Mr Peillon, Mr Ponomarev presents him with good wishes and an expression of recognition from our shareholders, especially Mr Alkhimov, president of the Gosbank. Mr Koulikov, president of the Mosnarbank in London, joins him. Mr de Boysson, on behalf of all the members of the management and himself personally, joins them in his turn."

To Propagate Love for the USSR and L'HUMANITE

Naturally the BCEN management is obliged to propagate, and cause to be propagated, love for the USSR in its personnel.

When the Shop Council meets on 29 March 1978 to discuss its 1978 draft budget, the Travel Commission is allotted 54,000 francs (against 46,000 in 1977). But "this total," says Mrs Passeron, "does not include participation in the two visits to Leningrad at Easter and Ascension Day (86 participants on that day), since the /management of the bank has agreed to contribute one third/ (personnel and spouses)."

These trips to Mecca are very frequent. Who would do himself harm by systematically refusing to go? Practically all the personnel who have worked at the bank for a certain length of time have already visited the fatherland of the revolution. Two trips--from 18 to 25 November 1978 and from 25 November to 2 December 1978--have just taken place. Witness the note on the letterhead of the Shop Council of the BCEN (reference RL-461-or 385), dated 22 August 1978, from its secretary, M. R. Locher, to the leaders of the Leisure/Vacation Commission:

"Dear Comrades,

"Our Shop Council, within the framework of the Touristic Activity Pool of Tourism and Work, has subscribed to a certain number of trips to the USSR for autumn 1978 (Minsk-Moscow-Leningrad), of one week's duration.

"As of this date there are still 10 places available: 6 places for 18 to 25 November 1978; 4 places for 25 November to 2 December 1978

At a price of 1,785 francs (Paris to Paris),

With all meals.

We would be grateful if you would inform the personnel of your firm of our proposal. This is the 1977 price (the date these trips were purchased)."

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Of course, the "Tourism and Work" Association, a member of the PCF's commercial empire, a great specialist in trips arranged in the USSR and the people's democracies, is in intimate and daily contact with the BCEN's Shop Council. It is with a very informal "Dear Comrades" that Mr Locher thanks "Tourism and Work" for its help.

It is also logical for a bulletin to circulate in the bank urging "employees, staff and officers" of the BCEN to attend the 1978 L'HUMANITE Festival. One is asked to reply "as soon as possible" to the following text:

" As it does every year, L'HUMANITE is asking for our cooperation for the festival on 9 and 10 September at Courneuve.

"Colleagues desirous of taking part in taking charge of the cash at the Gabriel-Peri entrance are asked to sign up at the bottom of this sheet.

"The windows are open from 0800 until 2200-2300 (in shifts of two or more hours)."

One wonders why L'HUMANITE, contrary to its custom, never points out in its columns the bankers' participation in the Party's big fair-mass. Good will, however, is not lacking. In 1978 the women (it is true they are a majority in the bank) largely triumphed over the men.

Highly politicized (especially at the executive level), the personnel of the BCEN plays a great deal of bingo, is crazy about tap-dancing (courses are given regularly), drinks Giraud champagne (almost exclusively), eats large quantities of chocolate and bonbons, Russian and Swiss, prefers weekends in Sicily to "outings in the country", spends more for group fishing trips than for skiing, is initiated into yoga to the detriment of football, is preoccupied with Boulevard Haussmann health conditions, is cool toward the introduction of "real time" and the installation of the Swift system in the central Telex, is pleased that additional security dispositions have been put in place (God be praised!) and that the accident rate has been lowered (in one year, "14 accidents in transit and two falls on our premises," say the minutes of the 6 June 1978 meeting), applauds the "adjusting of the heat and ventilation, which seem to have reached the maximum," is absent too often--which irritates Mr Strauss--, asks the management for loans. In short, it differs not a whit in its daily behavior from other banking personnel.

Except that it is politicized, it serves a unique bank, a totalitarian party and a foreign state.

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CHAPTER 4. THOUSANDS OF CODED ACCOUNTS: PCF, CGT, EMBASSIES, CORPORATIONS

[Excerpts] A Clientele Union Found: the PCF and the unions

The Soviet bank's clientele has a characteristic that is unique on the Paris scene--the density of communists and communist-connected people found there.

Obviously, the BCEN also has on its books the names of individuals and firms without political coloration. Through them they carry on an average type of business. But they are the minority; in most cases, one is at the BCEN/Eurobank for reasons of ideologic affinity, to arrange financing, disguises, the circulation of the money of French communists and communists of many other nationalities.

I have been able to identify this clientele with certain knowledge; it is classified by its bankers into diverse distinct families.

As do all banks, the BCEN uses computerized accounting and filing.

It has several types of listings.

The ordinary operations list (current accounts, fixed-term accounts and others) is presented in the usual way. The top of Document No 2, p 84, shows how the account of Mr Gosnat is labeled ("page 2"--"day 10/26/78"); he is treasurer of the French Communist Party. Below, the facsimile of another listing falling on the same day, gives us the details of the operations between the 23rd and the 26th of October, referring to his credit balance of 2,682,634.76 francs.

The Keys to the Codes

On the other hand, on the "listings of numbered accounts" and the "listings of alphabetical-denomination accounts", each account number is followed by a key figure. For L'HUMANITE: 06.

I know what this number corresponds to, as well as all the others.

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The Soviet bank has arranged its cards in categories: ideologic, political, trade union, diplomatic, business, etc.

So it was not I, but rather Mr Brezhnev's agents who assembled under the number 18 all the individual and legal entities they consider to be communists, and whom they treat accordingly. So the reader may have a graphic view, I am enclosing the code 18 in a diamond shape on one of the 32 pages of the "listing of numbered accounts" (Document No 3, p 87). And here, as in 1948, is "Mr Gosnat, Georges", treasurer, figurehead of the "French Communist Party, 2 Place du Colonel-Fabien, 75019 Paris, Account No 05316-6-001-/18/." It is important to reproduce here the complete lists of account labels, in order to prove my observations.

The Registration Number "18", for What is Actually the PCF

Except for possible omissions, I record in numerical order the following headings bearing the registration number 18:

- No 05008-9-001-18: Center for Socialist Studies, Research and Education (CERES)\*
- 05025-3-001-18: Neveu Henri, Coordinating Committee, Camps. [expansion unknown] Association. Valued in Germany (Colombes).
- 05032-9-001-18: National Women's Fses. [expansion unknown] Union.
- 05055-0-001-18: French People's Welfare, National Committee.
- 05114-5-001-18: Sports Cooperative, Inc. (Villejuif).
- 05120-2-001-18: Sports Gymnastics Labor Federation (FSGT)....

And others.

A total of 94 accounts. Francs, as of 26 October 1978: 7,548,008.74 francs, including a debit of 313,283.85.

The French Communist Party having no legal existence--I found no trace of its statutes on file, in accordance with the 1901 associations law--it does not declare either money or property of any kind in its own name. That is the best way to escape all control, any potential pursuit, seizure or interdiction. And that is why PCF funds go through private accounts. For example, the account of Andre Reau, treasurer of the Paris Federation of the PCF (120 rue Lafayette, 10), or of Guy Charpentier, 13 rue Pasteur in Aubervilliers.

We note that on the above list there are popular France-democracy friendship associations, a number of other organizations such as the National Council of the Peace Movement, the Lungful of Air for the Children of France, the People's Welfare, French Women, Tourism and Labor, the Union of the Elderly of France, several trade union organizations, the Municipal Recreation Center for Children \*At its headquarters on the premises of the powerful CGT steelworkers' federation. Not to be confused with Mr Chevenement's CERES.

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of Champigny-sur-Marne (Mr Marchais' city), the St. Ouen Sister City Committee, the Bobigny Communal Cultural Center, the Audonian Cultural Association, the Czechoslovak Natives Association (1), the Nanterre Hall of Culture, the CEDIRC [expansion unknown], Tele-Freedom, Land of Men, the Gennevilliers Works and Offices, the Renault Shop Council, etc., etc., all of which claim to independent of the Party.

Press and Publishing Under the Registration Number "06"

Just like a number of individual and legal entities lined up under the code number 06, which I put in a square, on Facsimile No 4 of the "listing of accounts." The 06 brings together organizations and press and publishing companies that the Soviet bankers consider to be communists or communist-connected. Still in numerical order:

No 05019-6-001-06: Vaillant Publishing Company.  
05024-6-001-06: L'HUMANITE.  
05038-6-001-06: Avant-Garde Publishing Company.  
05046-9-001-06: FRENCH WOMEN.  
05050-1-001-06: LA TERRE, SARL [Limited Liability Company]  
05063-4-001-06: France-USSR Publishing Company...

And others.

In all: 87 accounts. Francs, for the period 16-26 October 1978 the Soviet agency TASS excepted): 7,855,133.51 (including a debit of 1,418,962.04 francs). To which it is proper to add the total of the "financial cooperation" (loans) granted by the bank:

19,457,000.00 francs (BCEN estimate as of 1 August 1978).

17,544,537.26 francs (my estimate, the most careful, as of 27 October 1978)

Total minimal credit balances for accounts under code 18 (the PCF and its appendages) and for those carrying the registration number 06 (press publishing, propaganda, etc.): 32,947,679.51 francs, including a debt of 19,276,783.15 francs (financial cooperation and unsecured loans). Several additional tens of millions should be added, having to do with financial cooperation and unsecured loans granted to communist commercial companies (see below).

Code "21" for Trade Unions and Their Subsidiaries

The reader will have noticed that under code 06 there were some of the lateral organs that are spokesmen for para-communist organizations. It is most

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striking to see, included quite naturally among them, the weekly LA VIE OUVRIERE, detached from the code number reserved for the CGT and its emanations, 21 (see Facsimile No 5, opposite, where I have circled the number w1). There are 205 under this registration number, in numerical order as follows:

- No 05022-0-001-21: National Underground Workers' Federation.
- 05026-1-001-21: Small Handcraft and Apparel Industries Union, Paris.
- 05033-7-001-21: Paris CGT Trade Union Reg. [expansion unknown]
- 05035-2-001-21: CGT Steel Union of the Paris Region.
- 05041-0-001-21: National Government Workers' Federation.
- 05047-7-001-21: National Energy Industry Federation.
- 05053-5-001-21: Textile Workers' Federation.
- 05057-6-001-21: Steelworkers' Federation.
- 05069-1-001-21: National Railroad Workers' Federation.
- 05085-7-001-21: Bakery Workers' Union, Seine, Seine-et-Oise, Seine-et-Marne.
- 05101-2-001-21: CGT.
- 05108-7-001-21: National Glass Industry Federation...

And others.

Thus, a total of 205 accounts belonging to union or para-union organizations that are genuinely red. Francs: 48,458,006.78, including a debit of 459,413.99 and a reserve of 31,014,263.00.

The Companies in 09

The number 09 designates commercial companies, chiefly communist (see Document No 6 opposite). I spoke of them in my book "The Finances of the PCF." I will not go over again here the activities of some 300 firms that form the PCF's financial empire. Nearly all of them are to be found in the BCEN, in the company of others which for various reasons are integrated into its clientele, such as Fiat-France, the Assembly Gallery (a borrower from the BCEN and an antiques dealer on the street floor of the Socialist Party headquarters, place du Palais-Bourbon, the Chaussou factories, Bowling of Paris (the Zoological Gardens), the Club Mediterranee, Lenchener Real Estate or the JEUNE AFRIQUE press group. I cite here those that seem to me to be the most important:

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- No 05062-6-001-09: TSF [Telephone and Radio] Workers' Cooperative, Paris 10.
- 05088-1-001-09: Business Canteen Purchasing Federation.
- 05244-0-001-09: Commercial Central Imp. [expansion unknown], Paris 9.
- 05371-1-001-09: Madame Lucie Weill, Paris 6.
- 05457-8-001-09: Botrans Company International Transport, Paris 2.
- 05486-7-001-09: BERIM [expansion unknown] Company, Paris 13...

And others.

All the "Socialist" Embassies

The number 03 (facsimile No 7) covers dozens of important foreign and French import-export companies, all of them connected with the trade between France and the communist countries, from Petrosian Caviar-Salmon and family to Bollore Paper Manufacturing, including Regie Renault, or Hong Kong and Macao Traders. The group of the famous red billionaire Jean-Baptiste Doumeng occupies an important position here; I shall speak of it again later (below, p 140).

Embassies, diplomats and related activities are encountered under the computer number 24. In 1975 there were 324 of them--an absolute record for a bank in France--, listed under the agreeable color blue which is reserved for them. Still more numerous today because of the constant increase in staff at the embassies of the communist countries in France, I discovered there the names of many persons with ties to the world of intelligence.

Cubans (a plethora of staff members), Guineans, Mongols, Russians, Hungarians, Czechoslovaks, Poles, Bulgarians, Vietnamese (curiously, the biggest spenders), come into contact with Palestinian travelers, Israeli, Uruguayans, Algerians, etc. For in the midst of the official world of the communist diplomats there is also a fauna of intermediaries, commission agents, etc., domiciled in Portugal, Liechtenstein, Yemen, Mali, Hong Kong, Tripoli, Rio, Buenos Aires, Kinshasa, Beirut, Hanoi, Tokyo, Thessalonika, Jedda, Bogota, Algiers, Lagos, the Federal Republic of Germany, Austria, London, Zurich, Basel, Geneva (see appendix, p 269 to 282).

The 81 key is that of insurance companies, including the Black Sea and Baltic, which serves the Soviet diplomats.

1,300 Private Individuals

Finally, code 15 (Facsimile No 8, where I have pointed them out with a triangle), includes over 1,300 private individuals, admitted as such into the Boulevard Haussmann club. The gentry of intellectuals, artists or sports figures who are communists or sympathizers, who for the most part affirm their

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independence vis-a-vis Moscow, glitter brilliantly there. Sometimes they have credits, sometimes debits; we cite them in no particular order:

The Billions in CGT Savings

Another characteristic of the Soviet bank is that it swarms with illustrious people, but the communist rank and file or middle officers are conspicuous by their absence. Certainly they are indirectly present in their records. But they contribute involuntarily to the bank's fortune; their modest payments and contributions enrich the treasuries of the organizations of the Party, which in their turn amass them in this bank that is reserved for the aristocrats of the revolution--

--Or those who are just aristocrats:

Mrs Edwige Chevrillon\*: 232,900 francs paid on 26 October 1978 on a three-month term account (No 20690-6).

Mrs Sabine de Boysson\*: 731,559.76 francs, also on a savings account, No 20861-3.

With regard to savings, I note to my surprise that the CGT unions are inclined to have their "savings" bear fruit in the Soviet bank. These patriots distrust the French establishments. The socialist members of the CGT will be happy to learn that the unions and the Shop Councils listed below have well-lined savings accounts in the BCEN (see Document No 11 of 26 October 1978, opposite, bearing the title "Balance listing, certain accounts", "page 67:"

4. "Fixed-Term Accounts": "Three Months"

06581-4: Union Hall 93 rue Grange-aux-Belles	795,010 francs
06829-7: Railroad Orphanage	50,000 francs

4. "Fixed-Term Accounts": "Three Months to Two Years"

07265-3: Gas Transport Production Personnel Union, Reg. Paris Gas Company of France	70,000 francs
08468-2: Federated Transportation Retirees' Union	80,000 francs

18. "Voucher accounts"--three months

05033-7: CGT Reg. Parisian Union Federation	210,000 francs
---	----------------

\*Mrs Edwige Chevrillon, nee Noetinger: niece of the late Andre Chevrillon, a member of the French Academy, mother of Olivier Chevrillon (reporter of the Council of State, president and general manager of the weekly LE POINT), of Remi Chevrillon (an engineer and oceanographer, customer of and borrower from the BCEN) and of Genevieve Chevrillon, wife of Guy de Boysson, whose sister, Marie-Pierre (deceased), married Remi Chevrillon. Sabine de Boysson is their relative. During vacations they may all be found at their properties on the

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05053-5: Textile Workers' Federation	800,000 francs
6. Demand Accounts: +three months to two years	
05336-4: National Clothing Workers' Federation	7,000 francs
06052-6: Water Personnel Union	20,000 francs

And others.

A Challenge to the CGT

On the eve of the 40th CGT Congress the magazine L'EVENEMENT (Channel 2) on 16 November 1978 broadcast an investigation by journalist Francois Gault of "The finances of the CGT": "For the first time," he said, "the Federation has agreed to open its account books." The treasurer, Ernest Deiz, told him that "in 1971 the CGT has 7,300,000 francs, 90 percent of it deposited in a single bank. In 1977, this amount had increased to 21,500,000 francs, deposited in equal shares in four banks...."

I am eager to transcribe these official statements by the highest-ranking leaders of the procommunist Confederation in order to confront them with data taken from the books of the BCEN.

As is their custom, the secretary general and the treasurer of the CGT play with words, catch fish and evade the real questions. The verbs "have at one's disposal" and "deposit" make no sense in this case. "To have at one's disposal 21,500,000" normally means that such are the resources of an institution whose balance sheet is balanced.

Well, only at the BCEN, the single Account No 05101-2 of the Confederation (213 rue Lafayette) is credited on 16 October with:

1,044,488.56 francs in a "regular demand account" and  
9,500,000 francs on "term" deposit (three-month cash vouchers)  
(that is, in reserve).

On 26 October:

1,056,449.02 francs (on demand)  
9,500,000.00 francs "fixed-term."

The falsehood is patent. If the money that the CGT "has at its disposal" is really "deposited equally among four banks", its "availabilities" would be shown between the 16 and 26 October as over 4,000,000 withdrawable on demand and 38,000,000 fixed-term. In all, over 4,200,000,000 centimes.

I challenge the CGT to show bookkeeping vouchers to verify its holding on those dates as much money in three other banks as in the Soviet bank, whose name it refrains from mentioning in its last two balance sheets, published in Ile de Re. A cousin of Mr Guy, Mr Max de Boysson is the director of the Banking and Partnership Company (SBP), in which other CGT funds are on deposit. (See "The Finances of the PCF" p 205.)

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LE PEUPLE, its bimonthly bulletin, No 1045 for 5-20 September 1978. Here is the information it provides for its members:

IV. Available assets	
Bank deposits	21,555,000.00
On demand	
Cash.....	205,542.57
CCP [post office	
account].....	100,000.00
Banks.....	1,898,456.41
	<hr/>
	2,203,998.98

Nothing more; this is very normal. Mr Seguy, Mr Krasucki and those who have a place in the PCF's Political Bureau as CGT leaders have to conceal from the (non-communist) majority of the 2,300,000 members of the Confederation the financial practices of the (communist) minority that holds the command positions there.\*

The Millions of Unions and Shop Councils are Diverting Funds From Their Intended Purpose

With those words I am pointing out a remarkably serious infraction committed by certain Shop Councils working with the BCEN. In violation of the legal provisions they do not need, they have at their disposal, to the profit of the CGT and the PCF, millions of which they are the trustees. The Soviet bank assists them in this diversion of funds which constitutes one of the biggest scandals of our time, the Shop Councils of the most important national firms being associated with it.\* Besides Regie Renault, most of them are firms with an interest in national defense: Dassault, SNIAS [expansion unknown], SNECMA [expansion unknown], etc.

Every year the Shop Councils have an effect on a variable percentage of the total wages. It is at 5 percent in aviation, powerfully represented in the Kremlin's bank where their billions have ended up for a long time. Rich, exempt from tax audits and taking advantage of the ignorance of timid employers, they manipulate this money without a care in the world for the contradiction between their profession of faith ("we buy, we invest and we manufacture French") and their political-financial conduct. The Dassault Shop Council, which is currently in trouble despite considerable income, guaranteed a loan from the bank to a private individual. That firm's salaried workers will appreciate that. For its part, the CGT Public Utilities Federation is "guarantor" for another individual. I doubt very much if the contributors to the CGT approve of such commitments.

\*When I speak of "communists...as CGT leaders" I refer to indications given by Jean Elleinstein in his book "The PCF" (pp 185 to 192).

\*See "Communist France" pp 80-84, 279-284, 296-301.

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Political Loans Called "Personal Loans"

One goes from surprise to surprise with the files bearing the titles "Customer Portfolio--Situation of Personal Loans to Clients" and "Situation of Loans to Corporations as of 18 October 1978."

The CGT, the PCF and the Rene Andrieus save at the BCEN. When borrowing is involved, certain communist dignitaries also select the Soviet bank. Robert Gelly (mayor of Plessis-Robinson, candidate in the 1978 legislative elections and the cantonal elections of 1979, husband of Jacqueline Gelly, a member of the Central Committee and general secretary of the French Women's Union), and Guy Charpentier are beneficiaries of these political loans that are called "personal loans." It is true they seem to need less than two higher-ranking borrowers, Laurent Salini of L'HUMANITE and Jacques Denis, the ~~man~~ Georges Marchais trusts, a member of the PCF Central Committee since 1961 and a foreign policy specialist.

With such heavy debts, it would be surprising if when the time came they could have any freedom of action with respect to Moscow.

In the case of the Medical and Social Cooperative Project (OSCM) of Ivry-sur-Seine (a communist municipality), the Soviet bank's cooperation takes on immeasurable proportions. On 2 December 1976 the BCEN granted the OSCM an "initial loan of 1,238,500.00 francs." On 12 October 1978 the Executive Committee of the Customer Department of the bank analyzes the OSCM's situation:

"We recall that in anticipation of the sale of their Ivry premises (estimated at approximately 4,000,000 francs) we granted a credit on the mortgage of 800,000 francs (see Executive Committee, 4 July 1978).

"We received the president of that association, who informed us that the sale was to take place immediately (two serious purchasers were in competition).

"Meanwhile, the OSCM, which has decided to cease activity in the next 12 months (but gradually, so as to satisfactorily solve the financial and social problems that arise), is asking us to increase our 800,000 francs to 1,100,000 francs, so that its maturity date may be honored without rejection on 30 September 1978.

Following an interview with Mr de Boysson, we agree to grant an additional loan of 300,000 francs with the guarantee of the Public Utilities and Health Personnel Union, but we are informing the leaders of the OSCM that they will have to make all provisions for the loan to be paid on 10 October."

A devout communist, Mr de Boysson is nevertheless forced to set certain limits on the Soviet bank's generosity, even though as wealthy a CGT union as the Public Utilities and Health Personnel has given its guarantee.



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In all these operations Ponomarev, Krivochev, Soudakov, Vanine and de Boysson take the opinion of a certain communist, Robert Pirolli. A friend of Gosnat and Marchais, whom he assisted in the negotiations for the Common Program of the Left, assistant lecturer at the Polytechnic School, this accounting expert for over a year has been playing a considerable role in Manufrance, which was on the edge of bankruptcy in February 1979. It was he who with Mr Gosnat proposed to the St. Etienne communist administration the two last president-general managers, Francois Gadot-Clet and Rene Mestries. He is the auditor for the BCEN, the PCF and its commercial companies, including the Parisian Documents Office of the GIFCO [Economic Interest Group-- Equipment and Supplies for Collectives] group (see below, p 238). In one of his reports to the regular general meeting of that company, I find confirmation of the use of GGT funds by the PCF. Under the heading "Other Debts of More Than one Year" he mentions, in fact, considerable loans to the Paper Box Federation, the National State Workers' Federation, the National CGT Press Union, the CGT Darblay Chapel Union, etc. And he concludes: "This matter is fully expanded. The treasury is comfortable, the indebtedness well balanced." Thanks to the money of the CGT unions, subsidized by the state and the employers. In this way the BCEN is relieved of a burden; the PCF is costing it enough already.

## Behind the CCP Screen

What are the Soviets doing to control the communist and union organizations? It is simple. In addition to the commercial companies that the BCEN already has a solid hold on (see below), the French communists have among their financing methods collections, solidarity campaigns, subscriptions and other entries. This mass could escape Soviet surveillance and constitute pocket money that would confer on them a certain freedom. But these funds, always called for to be paid into a string of CCPs, inevitably terminate their gallop with Mr Ponomarev. After being checked and dispersed throughout the multiple records of the Eurobank, the same money reverts, if needed, to the same or other CCPs.

The round trip has a triple usefulness:

1. It enables the Soviets to have the exact content of the Party's means, including satellites.
2. It makes it possible to collect sums of anonymous provenance which are innocent at the level of the people's contributions.
3. It makes it possible to conceal from the millions of Frenchmen who subscribe to the newspapers and respond to CGT-Communist appeals that the true depositaries of their gifts are the Soviets.

I will explain.

When the PCF Political Bureau, in pathetic accents, opens "a national subscription for solidarity with the Vietnamese people" it adds a postscript\*:

\* [No footnote provided]

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"Funds must be addressed to the CCP G. Gosnat No 636571 F Paris." (L'HUMANITE, 24 November 1978).

February 1977: the PCF publishes the first issue of POLICE ET NATION, a "newspaper for police officials." A box (reproduced in subsequent issues) asks them to "help POLICE ET NATION to live, to develop, to live up ever better to your expectations. Do it by sending your subscriptions to Georges Gosnat, CCP No 636571, Paris."

It is the same for all the other campaigns and requests for pennies, the PCF having as many CCPs as it needs.

Because they automatically receive these funds reserved in the BCEN by Mr Gosnat and his comrades, the Soviets are aware at every moment of the Party's and the CGT's ability to mobilize the masses. They are informed down to the last farthing, about their financial health. It is enough to refer to the case of the great annual PCF mass--the L'HUMANITE Festival.

Mr Marchais will not tell Mr Ponomarev falsehoods about the operation's balance sheet; the BCEN knows it better than he does.

It has all the necessary elements, since it knows from the records the cost of the festival and its proceeds as well. It receives in two accounts (No 08602-6, L'HUMANITE Festival; No 08683-6, Entertainment L'HUMANITE Festival) the money paid on that occasion. Whether the friends and comrades send their contributions by bank check or via the CCP, the only information supplied by the Party, in either case they will not know that their money will be sent to the Soviet bank. On 27 January 1978 L'HUMANITE, for example, transfers 700,000 francs from its CCP to its BCEN account. The makers appearing on the "checks remitted" (26 January 1978) by Andre Reau, treasurer of the Paris Federation of the PCF (Document No 12) and the General Steelworkers' Union (Document No 13) are unaware of this coming and going.

The Movement of Funds

Once we have explained this mechanism and its reasons for being, let us look at a few typical cases.

On 7 November 1978, the president of the Gennevilliers People's Vacation and Recreation Project (OVPLG), which is part of the municipality (mayor: Mr Lanternier, a Communist), sent to the Commercial Bank for Northern Europe (Document No 14):

"Sir,

"Please transfer from the account of the OVPLG, CCP 1428-40S, the sum of 300,000 francs.

"The remainder, including interest, remaining blocked in our account...."

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Let us translate this into plain language: since it needs to carry out the regulations, the OVPLG has its money put into the CCP (a unique indication appears on its letterhead); a BCEN "credit note" dated 14 November 1978 (Document No 15) informs us that this has been done. OVPLG's correspondents will not be paid with checks on the Soviet bank, but by postal check. Why this pretense?

The CGT proceeds in the same way. On 20 November 1978 the Confederal Bureau has the BCEN pay 50,000 francs into the CCP of the Educational Center-- Courcelle Manor-- (Document No 16); the latter is not in the BCEN and they do not want to put it under the secrecy of the gods. For its part, LA VIE OUVRIERE on 12 January 1979 closes its CCP, consisting of 166,780.83 francs received from correspondents who must be unaware of what finally happens to their money (Document No 17).

When camouflage is unnecessary, the movement of funds is carried on between initiates: communists and CGT members use BCEN checkbooks and internal transfers:

LES CAHIERS DU COMMUNISME to Georges Gosnat: payment of 45,567 francs on 23 January 1978 (Document No 18).

ALAP [Parisian Literary and Artistic Agency for Cultural Exchange] Entertainment to Aeroflot: 341,000 francs (Document No 19).

The CGT Railwaymen's Federation to LA VIE OUVRIERE: 163,911.30 francs (Document No 20).

L'HUMANITE to the New Library (of the PCF): 15,918.40 francs (Document No 21).

The CDLP in the GIELD group: 500,000 francs on 12 January 1979 (Document No 22).

The SNECMA [expansion unknown] Central Shop Council to itself on 2 January 1979: 327,700 francs, the amount of a subsidy it received in October 1978 (Document No 23). We mention that SNECMA works for our ground, sea and air armies: AMX [Issy-les-Mouineaux Construction Company] tanks, submarines and nuclear reactors, plans, etc.

In conclusion, being aware that the BCEN is not a bank like the others, the Party, the unions and the para-communist organizations prefer not to let it be seen that they operate through it. And even in his private life Mr Gosnat is careful to use only his truly personal BNP checkbook--Ivry, 76 rue Lenine.

I find these conjuring tricks in the thousands of receipts of interest to the whole of the accounts cited above, especially the French Women, People's Welfare, L'HUMANITE (credited with 4,724,320.12 francs on 25 January 1979), FRANCE NOUVELLE, LA VIE OUVRIERE, France-USSR, the SNECMA Shop Councils, LMT [expansion unknown], ABG [expansion unknown], the Spring, Dassault, etc.

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"Loan Granted by a Foreign Organization"

Commercial companies directly or indirectly connected with the Communist Party constitute the shock battalion of the Soviet bank, which owes a part of its continued growth to them. But in their turn these firms would not have been able--and still would not be able--to impose their game on French and Western capitalists without the indispensable cooperation given them by the Eurobank.

I have explained elsewhere (see above, p 59) how this interdependence, from which the PCF profits greatly, operates. In the Document I reproduce in the appendix (pp 257-262), in addition to the red press there are several stars of the communist commercial empire: BERIM [Bureau for Modern Industry Study and Research], Interagra, CIFAL [expansion unknown], Actif Avto, SECOPA [expansion unknown], Stanko France, Ipitrade, CED [expansion unknown] Foods, Supemec, etc. The reader will find descriptions of some of them in the appendix.

The BCEN also deals with a number of noncommunist firms and with an enormous number of affairs worthy of its position as the top-ranking foreign bank in France. There would be no point in beginning an exhaustive report on them here. I will content myself with a general view with the help of the most suitable pilot--the BCEN's "customer department." The department authors weekly activity reports. And I will devote one whole section to the group of the red billionaire, Jean-Baptiste Doumeng, who really deserves one.

An excerpt from the "Report of the Management Committee of the Customer Department, 12 October 1978" (reference Sp/Hd-16 October 1978):

"CDLP Group

"Mr Lasfargues talked with Mrs Thomazo and Mr Moreau.

"We indicated that the general restructuring operations were coming to an end.

"At present they are going ahead with reorganizing the financial services... For the immediate future, to meet the October maturity date, /the people we are dealing with are asking for a temporary agreement--in anticipation of setting up a loan granted by a foreign organization/. We are agreeing to a loan of 3,000,000 francs--in the form of discount on a promissory note falling due on 6 November 1978, guaranteed by L'HUMANITE."

We emphasize the information from the Soviet bank: the CDLP (Communist), which says so proudly that it is "under the French flag" is expecting "a loan granted by a foreign organization." Which one? Of what nationality? It would be interesting if the communists would say. We emphasize that far from appealing to the French masses, they prefer, in order to save the Party's press and publishing organs that are in distress, "to solicit the foreigner." Modestly, the BCEN, itself a foreign bank that has long continued to put new life into the tuberculous treasuries of the PCF's organs, does not name it. Doesn't it know? Is it possible that Mrs Thomazo and Mr Moreau, leaders of the CDLP and high officers in the Communist Party, had not communicated to their friend and comrade de Boysson the identity of the benefactors?

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I now give them the opportunity to inform not only Comrade Ponomarev of it, but--especially--the rank and file, who have never heard in the cells, meetings and congresses of the PCF that the PCF asks for loans outside French borders.

Always affectionate and understanding toward the French comrades, the BCEN is still consolidating, three weeks later, the CDLP's shaky situation. I read in the report of its Customer Department of 2 November 1978:

"CDLP Group

"We have agreed to discount exceptionally for Odeon Broadcasting a drawing on the SODIS [expansion unknown] Company of 750,000 francs, due date 31 January 1979."

On 4 January 1979: "report of the good news received concerning SODIS...we agree to grant to the CDLP a discount line on this signature of 5,000,000 francs."

On the condition that in the lot there be no books of Soviet or French contenders. It was precisely at that moment that the communist newspapers denied access to their columns to Jean and Nina Kehayan, the authors of "Red Proletarian Street", a book that recounts this French communist couple's sad experience in Moscow. Was this pure coincidence?

On 21 December 1978 the Management Committee of the Customer Department of the Soviet bank examined the shaky situation of the PCE's [expansion unknown] Social Publishing, known to have refused to publish this work:

"We agree to discount in excess of the 300,000-franc ceiling--exceptionally, 550,000 francs drawn on the CDLP group.

We meet to review further this line set in 1974 within the framework of the talks that are to take place early next year between our management and the CDLP group's management."

The BERIM's Bill of Health

On 22 June 1978 the Management Committee of the Customer Department examines the health of the BERIM, which has a monopoly on the markets of communist municipalities:

"BERIM

"Mr Lasfargues, Mrs Francois and Mr Paumier participated in the annual meeting organized by the BERIM leaders, in which Miss Usclaff, an inspector at the Market Fund, also took part.

BERIM's activity for fiscal year 1977 is shown by a turnover of 30,000,000 francs, an increase of 27 percent over 1976.

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"In the area of credits we are granting the following aid:

"Cash accommodation.....	200,000 francs
Commercial discount.....	According to the case
Advances on certificates.....	200,000 francs
CNME [expansion unknown] line (risks shared 50 per- cent with CNME).....	4,000,000 francs
Treasury credit (guarantor Mutual Surety Company)	
currency balance.....	69,000 francs"

On 14 September the BERIM, definitely insatiable, returns to the charge for a credit of 100,000,000 centimes to install and improve its offices; then it is the turn of another PCF monopolistic enterprise, SOCOPAP\*, to ask the BCEN for still more millions. "Taking into account the favorable development of the activity about which we were informed in this customer's last report, and the good results obtained, we are not opposing this increase."

France-USSR strikes at the fund on 26 October for an advance of 450,000 francs on an "Intourist" note. Agreed, agreed, and that will give a free hand to the partnership with Moscow: "We are meeting with the leaders of France-USSR during November to study the aid we could grant them in meeting their due dates in late November and December."

Mr Rochon of the ALAP\* contacts Mr Lasfargues; his agency would need an accommodation of 500,000 francs to launch the "Notre Dame de Paris Spectacle" at the Sports Palace, in "an adaptation by Alain Decaux, Robert Hossein and Georges Soria, production by Robert Hossein" and for, between now and December 1978, circus performances on ice by the Soviet Union and the Kirov Ballet Troop of Leningrad. Mr Rochon stresses the coming of the Bolshoi to Paris in 1979. Agreed, agreed, a cash accommodation of 500,000 francs; these excellent ambassadors of Soviet culture must be encouraged. Date for payment--end of December 1978, and the premiums will be deducted monthly. On 2 November 1978 the "Lumbroso" spectacles solicit an accommodation of 90,000 francs as an advance on a payment of the same amount as VAT [Value Added Tax]. Commitments made in September for 150,000 francs were upheld. Agreed, again agreed.

Soviet Money to Card-Index the French

Certain aspects of sports contests also interest the Eurobank. I reproduce the 7 September 1978 deliberations of the "Customer Department" concerning:

"Soviet Money for the 1980 Olympic Games  
(See Customer Committee meeting of 10 August 1978)

"As arranged, we called Mr Latinier of the German Lyon Bank--the establishment that plays the role of "wholesaler"--to ask him for an appointment. On that occasion Mr Latinier informed us that the selling price to French clientele could not be set until after a meeting between Numinter, Lazard and the German Lyon Bank on the one hand and the French Olympic Committee on the other....

\*Paris-Province Commercial Company; see "The Finances of the PCF" on this subject, and see below, p 238.

\*See below, p 234.

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"He proposed leaving on deposit two series of "uncirculated" silver coins and a series of "proof" pieces, stating that if we had to let them go for 450 to 600 francs (sic) respectively "we would not be losers." We are deciding not to sell any series before the price is definitely set."

Does not the PCF rightly see in this kind of trade an ideal method--and the most typically capitalistic method--for realizing gold mines? It consists of selling precious metal to collectors at exorbitant prices in relation to bullion prices. The commissions are in the same proportion. Obviously the Marxists have thoroughly assimilated the idea of unearned increment.

To finish with this subject, for the list would be in danger of becoming tiresome, I will mention that the "Customer's Committee" on 26 October 1978, reviewing its relations with the SOGIR [expansion unknown], a company created by the PCF to put the French into computer files, recalls that "our customer is a creditor of the Intercommunal Union for Data-Processing of Aubagne for the sum of 1,100,000 francs..." That really confirms that the SOGIR is no longer limited, as I explained in "The Finances of the PCF" and "Communist France", to indexing the French who reside north of the Loire; its activities now cover the southeast zones, where the PCF is strongly implanted (Aubagne, Arles, Istres, Port-Saint-Louis-du-Rhone, Port-de-Bouc, Nimes, etc.)

To Invest in Bourgeois Stone

How many Frenchmen know that they inhabit premises partly owned by the Soviet bank?

As shrewd businessmen the leaders of the BCEN are making a colossal investment in stone. The USSR aspires to become the most important landowner in France. The real estate department of its Parisian bank has for some time been experiencing a striking development. In the four corners of France it is financing or acquiring participation in a pleiad of companies. Among the most important are:

SCI [Building Society] Buffon; SCI Haxo; SCI Romainville; SCI Borrego; Villa St. Michel; Pyrenees; Axenord Stou Real Estate; Mouffetard Real Estate; Villa St. Michel Real Estate; Crox Louveciennes Real Estate; Olympic Cifal Real Estate; Passy Kennedy Real Estate\*; Forest Edge Real Estate; Light Horses Real Estate; Fonic Real Estate; Sazic 5000 Real Estate; Parkrentier Real Estate.

The total of the BCEN's financial participation as of 27 October 1978 for all building societies: 119,287,651.14, or nearly 12,000,000,000 centimes (a sum equivalent to the combined holdings of the PCF, the CGT and their satellites). We add that at first sight HLM [Low-Cost Housing Program] or workers' housing are not involved. The BCEN, the red bank, leaves the social aspects to French capitalism. This appears to be the ultimate paradox, but isn't really.

\*On the property of the former Peugeot factories, between the Bir-Hakeim Bridge and Radio Hall, Kennedy Embankment, Paris 16.

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The Inevitable Mr Doumeng

I will not write here the story of Jean-Baptiste Doumeng, a colorful personality whom the French now know well, thanks to reporting, articles and broadcasts over radio and television which have recently been devoted to him. No one today is unaware of the activities of this red billionaire, a faithful communist militant who has become the obligatory intermediary for the large and small business concluded between the West on one hand, Moscow and the countries in the Soviet orbit on the other. He goes to the United States, who now give him a visa without any difficulty, after having forbidden him to visit their territory (for a commercial infraction); he is received in Havana with open arms by Fidel Castro, who entrusts to him the sale of his lobsters in Europe and the entire world; he frequents the Kremlin Palace, as often as the French ministries and the favorite palaces of the oil magnates.

Naturally, it is through the BCEN that he prepares and executes his vast, splendid and complex operations; thanks to the documents of that very Soviet bank, he now understands even better the structure of an empire of which Interagra is the triumphal arch.

The reports of "the Management Committee of the Customer Department" are an inexhaustible treasure of information on this subject. I will take from them several excerpts that are indispensable to an understanding of the subject.

On 15 June 1978 the BCEN is studying the situation of:

"Interagra Group

"We have received the balance sheets and explanatory notes from the companies of the Interagra Group, which accompanied the annual request for renewal of the aid we grant these companies.

"1. Interagra Company

"Increase of stable resources: capital that increases from 10,000,000 francs to 15,000,000 francs--long-and middle-term debts increase from 4,500,000 francs to 8,000,000, bringing a comfortable increase in operating funds...

"Good profitability: profit +25 percent over 1976.

"It asks us to carry our lines as follows:

	1977	1978
Cash facilities.....	1,000,000	1,500,000
Commercial discount.....	2,000,000	2,000,000
Credocs [translation unknown].....	2,000,000	2,000,000
Guarantees, security.....	1,000,000	1,000,000
	6,000,000	6,500,000



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"Agreed.

"We call to mind that we gave our agreement to the horse operation:

	Total	Our Share 80 Percent
Cash facilities.....	2,000,000	1,600,000
Discount.....	2,500,000	2,000,000
Credocs.....	5,200,000	4,160,000

"2. International Equipment Company CIM

"Turnover on the increase, goes from 29,000,000 francs to 34,000,000 francs. This increase is basically due to the export turnover of 11,000,000 francs--the Bulgarian contract. The turnover for France is decreasing by 23 percent.

"Stocks, whose level has remained very high, are the subject of special attention by the leaders of the CIM and dynamic measures are to be taken, notably with a view of effecting direct sales over 12, 18 or 24 months, which will necessitate appropriate aid.

"We recall that the aid granted to the CIM is secured by the Interagra Company.

"It has asked us to bring them up to the following ceilings:

	1977	1978
Cash facilities.....	500,000	500,000
Commercial discount	900,000	1,000,000*

\*250,000 of this out of securities at over 90 days.

"3. SEPRAMEC [expansion unknown]

"Two distinct activity sectors:

"1. Agro-equipment: "turnkey" marketing of cattle feed manufacturing entities--cattle raising farms--storage silos--good increase in activity.

"2. Noe Stockings and Knit Goods: Manufacture and direct marketing to cooperatives and Shop Council, of fitted articles. Turnover increasing well.

"The 1977 balance sheet is balanced...

"1978 prospects are optimistic, especially for the Agro-Equipment Sector.

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"They have asked us to renew the lines granted for 1977:

Cash facilities.....	250,000 francs
Discount.....	250,000 francs

"Agreed.

"4. CED Foods

"Formed on 21 December 1977, CED Foods is a continuation of the operation of restructuring the CED, which holds 70 percent of the capital (see Customer Committee of 5 January 1978).

"The balance sheet is balanced, the turnover is increased to 17,200,000 francs, the operating profit to 183,000 francs.

"We recall that we registered our agreement at the time of the company's restructuring, to renew in CED Foods' favor the aid formerly granted to the CED:

	Total Aid	Our Share
Cash facilities.....	15,000,000	1,000,000
Commercial discount, or MC [expansion unknown].....	50,000,000	5,000,000
Credocs.....	25,000,000	2,500,000
Bonds.....	50,000,000	5,000,000
Warrants.....	20,000,000	1,000,000
<b>Total.....</b>	<b>160,000,000</b>	<b>14,500,000</b>

"5. Ipitrade

"The 1977 balance sheet shows a healthy turnover increase, comfortable results, a well-balanced structure.

"It is not asking for general aid; we are studying case by case the requests for financing international trade operations."

A Small Personal Loan

on 14 September 1978, according to its report (reference SP/ML-18 September 1978), the "Customer Committee" is deciding on:

"Loan to Mr Doumeng

"Mr Doumeng asks if we would be disposed to extend by two months the loan of 1,000,000 francs that we granted, with a due date of 15 September 1978.

"Agreed, with the guarantee of Mrs Doumeng."

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Born Denise Trinquet, Mrs Doumeng is the daughter of a wholesale butcher and former socialist mayor of Capens, in Haute-Garonne, her husband's favorite part of the country.

It is bizarre to note that the Soviet bank, better informed than anyone on the state of Mr Doumeng's business, considers it necessary to ask him for a guarantee when he solicits the extension of a small personal loan. Would the Soviet bankers, too, be beginning to worry about the growing disproportion between Mr Doumeng's ambitions and his potential? Or might the red "billionaire" not have actual possession of the fortune he is said to possess? On 14 December 1978 the Management Committee of the Customer Department reexamines the situation of Mr Doumeng, to whom on 7 December it granted new financial cooperation of 3,000,000 francs. In any case, on 19 October 1978 the "Customer Committee" (reference SP/HD-25 October 1978) carried out a detailed examination of the "preparation (sic) of the balance sheet" of the Interagra Group, in the company of Mr Grandin, Mr Doumeng's communist assistant, and Mr Chamak, a former cadre of Leisure and Vacation for Youth (a PCF mass organization), in charge of relations with the banks for the Doumeng group, and of its internal control:

"Request formulated to the Interagra bankers to maintain the balance between resources and fixed assets, to delay middle term, as in years past, the anticipated current maturities of the financial cooperation, and in certain cases to supplement them with new aid, to result in the following amounts:

"Credit Lyonnais: 2,500,000 francs...; CCBP [expansion unknown]: 800,000 francs...; Louis Dreyfus: 800,000 francs...; Worms: 600,000 francs...; BFCE [expansion unknown]: 1,000,000 francs...; BVCP [expansion unknown]: 600,000 francs....

"As far as we are concerned, our outstanding bill is 600,000 francs....

"We note our agreement in December to bring our aid to 1,000,000 francs...."

The Fruitful Markets of the "Red Billionaire"

One week later on 26 October 1978 (reference SP/HD-30 October 1978) the same "Customer Committee" takes an important decision concerning the exporting of French cattle to the USSR--by means of Interagra, of course.

Once more on this occasion we note Mr Doumeng's monopoly over all types of commercial markets between East and West:

"Interagra, Cattle/USSR

"Interagra has concluded the sale to Prodingtorg of 5,000 head of cattle for approximately 55,000,000 francs to be shipped from October 1978 to February 1979, CIF [expansion unknown] Soviet port. The suppliers have paid 80 percent on embarkation, 20 percent remaining by bill of exchange payable 55 days from date of BLs [bills of lading]. The freight is payable on embarkation.

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"For resale:

- "a. 1978 shipments (25 October and 5 November) will be payable by Prodingtorg on 15 January 1979 at 100 percent;
- "b. 1979 shipments will take place at the opening of CD [expansion unknown] of VTB [Vneshtorgbank], 80 percent payable against documents and 20 percent 55 days from BL date.

"Consequently, for 1978 shipments, Interagra is asking us to mobilize its credit against presentation to our bank of documents payable on 15 January 1979, or:

"In November	3,500,000 francs approximately
In December	850,000 francs approximately

"We register our agreement."

On 9 January 1979, under reference SP/HD, the leaders of the bank receive the report of the Customer Committee meeting held five days before. It registered its agreement to a contract of 10,000 tons of sugar (as compensation for the butter operation, details of which will be given later on).

This contract--under the heading Interagra Sugars/USSR--has already taken place:

"For 2,500 tons--in favor of CD [expansion unknown] Prodintorg, opened by the UBAF [expansion unknown], resold by Interagra to Iptrade for delivery to Mali, space CD of the BDM [expansion unknown] opened at our bank for approximately 5,500,000 francs (entirely provided for) payable in 90 days. We have discounted for Iptrade our payment commitment to 25 March 1979.

"For 5,000 tons, prepayment envisaged for 15 December 1978 did not take place, but Interagra informs us it has resold 3,000 tons to Algeria against CD of the BNA [expansion unknown] to be opened with our funds).

"For these 3,000 tons Interagra is going to ask us to issue documented collateral in favor Prodintorg for \$1,200,000 payable 90 days from date of bill of lading.

"We have registered our agreement."

Interagra/Fromancais won a contract for 26,000 tons of butter, placed in the USSR, coming from Holland, France and Ireland, total value \$29,382,250:

"Settlement to occur 10 days from date of presentation of documents to Moscow; we have provided Fromancais with various relays of financing: \$3,480,000 from 28 December 1978 to 3 January 1979...; \$6,570,000 from 28 December 1978...; \$3,390,000 from 3 January 1979...."

These agreements are certainly favorable to the Doumeng group, to the BCEN and the PCF. Every time the Soviet bank and its on-duty billionaire pocket

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some profits, part of them must strengthen communist funds.

It is public knowledge--and no secret elsewhere--that Mr Doumeng shares his business commissions with the PCF. It is not only in order to be agreeable that the communists of the East and the West have agreed that he should have the monopoly on commercial transactions between the capitalist and the "socialist" world.

The Most Capitalistic Methods Used to Finance the Party

Here I must explain the methods that make it possible to set aside a variable percentage of the profits earned in the dozens of companies with French facades. In complicity with Soviet bankers in the East and the West, their managers organize channels of rare complexity. Tens, hundreds of documents attest to the fact that they hardly ever use a straight line to get from one place to another. Their boundless affairs are well-stocked with multiple and varied payments to agents, or people claiming to be agents when they are abroad. These combined amounts represent an enormous figure every year. Practised by capitalists, this commission system is denounced in the press of the PCF and the CGT as a fraud organized behind the state's back. It neglects to associate it with the commercial and monopolistic empire of the PCF, which is a master of this art, whether national or international trade is involved.

It is obviously not with its official budget (about 10,000,000,000 centimes) that the PCF can allow itself an increasingly huge propaganda effort, hundreds of publications, billions of posters, 16,000 actual instead of 800 declared agents, a real property patrimony comparable to that of the Church, which no other party possesses or could acquire, etc. The 100,000,000,000 centimes necessary--from one budget or the other--for this tentacular apparatus to function, is of course not the product of the modest contributions of the rank and file, the rebates from those elected which are constantly being paid to the Soviet bank (which often pays them a salary much higher than that of a skilled worker, which they claim to be), nor of the collections launched successively and at great expense, to mobilize the rank and file while persuading them, as well as public opinion, that they are the only money-lenders the Party has. The 100,000,000,000 comes--I demonstrated this in "The Finances of the PCF"--from the activity of some 300 companies connected with the Communist Party, which--most often with BCEN support--go ahead with a genuine diversion of funds in the 1,813 cities, the thousands of Shop Councils and the East-West trade controlled by the communists.

So that no trace will be found of the occult profits realized in the vast markets with socialist countries, other methods can be applied than commissions "due" to Geneva, Zurich, Vaduz, Nassau, Frankfurt, etc.

Thanks to the Soviet bank, which inspires fear of international complications in any potential holder of control, there is nothing to prevent soliciting such a bank in Geneva for a loan for some French company or other, within the framework of an international Operation X. The Bank of France will give its visa and the funds will arrive in Paris. The interest will be paid regularly

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and on the due date the sum will be reimbursed. In reality the Geneva bank has just served as a cover, the money lent being the property of the French company that is the borrower. The latter has in an ordinary way transformed into a paid-up debt (the interest on its own loan) capital deposited abroad and undeclared. That is what in proper terms is called "outflow of capital"-- in complete security. In that world, those who carry suitcases are no longer in style.

The monopolistic system is the only one that can sufficiently restore funds to the communists. It has for its logic the multiplying of earnings, thanks to this type of boundless dissimulation--which is apparently perfect. Just like any other bank established in France, the BCEN can rightly wash its hands of it. It is not in competition with a post office.

By indirectly involving in this channel the Soviet state bank in Paris, one or several Swiss financial establishments, the Bank of France and if necessary several national or privately-owned banks subject to the law on communist merchants, one is given the means to make sophisticated and perpetuate a financing mechanism of the PCF.

That mechanism consists of fleecing the capitalists so that Moscow can avoid spending its gold. All the industrialists, producers, business men are complaining about this racket. They all are familiar with the game, so ruinous for our states and our businesses, that prevails in East-West commerce:

As is well known, official lists (tariffs) of trade establish for every lot of merchandise a price that fluctuates in weak proportions. Customs taxes, insurance, transportation, etc. vary in terms of this initial data.

By establishing the "pro forma" invoice--that is, the document that, duly legalized later by chambers of commerce and consular authorities, will serve as a voucher for each transaction--the seller and the buyer set a fictitious unitary price for import as well as for export.

The difference between the stated price and the actual price is paid under the table. Given the scope of the markets, a small differential (higher or lower) each time is enough to constitute very substantial profits.

The surplus occult commissions accumulated partly in the East will not appear on the books of the companies with French fronts, which, among other direct advantages, will enable them to free their too-large taxable profits and, especially, give them the opportunity of using them then for the "common good" by dispatching them in discreet ways. What then remains is to transfer to Switzerland, for example, the product of these commissions and have them arrive in France or elsewhere, using all the classic methods:

Bank clearing games

Transfer of funds by multiple channels (fictitious companies, for example) invented long ago by capitalism and socialism swindlers

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Purchases and sales of fictitious gold, etc.

These commissions will generally finish their course in the form of anonymous payments for PCF subscriptions (the PCF, just like all other political parties, is not under fiscal control), or even in the BCEN in the pivot accounts concerned. The same things discovered by the Socialist Interior Minister Jules Moch in 1948 I find, immovable sentinels and even more numerous, in 1978/1979.

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CHAPTER 5. THE AMAZING TRIBULATIONS OF THE SOVIET BANK'S TRAVELING SALESMEN

[Text]

Business Everywhere

Like all large banks doing business on a planetary scale, the BCEN/Eurobank has an immense network of "correspondents" and contacts in the four corners of the globe. It cultivates its public relations very carefully, in France as well as abroad. Its remarkable team of traveling salesmen criss-crosses the continents in search of news, with a view to creating or tightening ties with official and economic circles.

Eurobank is the insidious agent of Soviet penetration. In France and in Europe it occupies a position of near-monopoly in trade with the countries of communist Europe, Cuba, Vietnam and certain "revolutionary" African states. It is most often the preferred--almost inevitable--intermediary for transactions between the Western world (United States and Canada included) and the Soviet empire. Through its intervention the Kremlin's influence extends everywhere, behind a soothing mask. But the business circles of the entire world are aware of the influence of Eurobank; it embodies the USSR. To deal with it is to deal with Brezhnev through Guy de Boysson and Vladimir Ponomarev. When Eurobank's *missi dominici* are announced somewhere, their hosts know whom they represent. The reception is rarely cool or distant.

The Soviet multinational uses the same approach procedures as its counterparts--American or others--, approaches so vilified by the communists and the left in general.

I am amazed to find that, far from imitating their illustrious elder, Jules Moch, our new socialists--still so quick yesterday to align themselves with the PCF--are keeping silent about the secular arm of Soviet imperialism in France.

Indefatigable denouncers of a French pseudo-neocolonialism that would have our bankers and business firms as tools, Rocard and Mitterrand never mention the patient attempts at infiltration into the francophile African world to which the BCEN is devoted.

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The well-trained leaders of the Foreign Department of the BCEN are well known for the ease with which they rub elbows with the richest managers. To see and hear them, no one would suspect their allegiance to a Marxist apparatus. Besides, they are not taken in by fine words. Cold, precise, concise, they analyze national and world events from day to day, without sectarianism, without verbiage, without locking themselves into plans and slogans in use among communists. They converse, deal, drink and feast with representatives of European and world capitalist banking. Between Monday 16 October and Friday 27 October 1978 the following were received at Boulevard Haussmann: the director and assistant director of the Banca Del Gottardo de Lugano, the Swiss Italian banking center, the director (arbitration-securities) of the Den Danske Bank of Luxembourg\*, the Paris representative of the Bank of Nova Scotia, the assistant director of the Swiss Credit of Basel, the vice president of the Manufacturers Hanover Trust Company of New York, one of the BCEN's best connections in the USA\*. The vice president of the Gosbank, the state-owned bank of the USSR, which controls the BCEN--does he come to Paris? Luncheon after luncheon with the directors of the BNP [National Bank of Paris], Paribas, Credit Lyonnais, the General Association.

All of these get-togethers are the object of refined preparations. The guests are received in the smartest and most expensive restaurants. Mr de Boysson and Mr Ponomarev have a predilection for Taillevent. They are received there with the respect reserved for the ambassadors of the czar. The table and dishes, which have been studied for several days beforehand, are the object of bills for service, as is everything in the Soviet bank. On 17 November 1978 the secretary's office of the general management received this bill for the luncheon (6 persons: 2,728 francs) to be offered on 20 November to the leaders of our National Bank for Agricultural Credit:

"At the time of your last talk with Taillevent, did you also settle on the menu?"

## Among the Swiss Bankers

At the same time the bank's emissaries are going back and forth, like hard-working ants, between the East and the West. On 10 October 1978 Mr Dupuy and Mr Laroze inform the "Management Committee" of the results of their latest journey to Czechoslovakia; they are pleased with the "very good welcome" they received, at the Statni Banka as well as at the Cekobanka. They recall that the first of these establishments has important deposits in the BCEN. With regard to the Cekobanka, they point out that at their request for intensification of trade they were informed of "the difficulty of communicating with Paris." The Cekobanka "might be interested in a four-year loan." But there is "no loan on the Eurodollars market before 1979."

The Boulevard Haussmann multinational is particularly interested in Swiss bankers. In addition to its Zurich sister, the Soviet financial antenna to the Swiss, the BCEN has close and constant relations with Swiss Credit, the Confederation's third largest bank. In March 1977 Mr Peillon and Mr Roche leave Paris for a huge operation to inform and seduce their Swiss confreres. When

\*Luxembourg is the banking capital of the supranational Europe that communists, assiduous customers of BCEN, daily expose to contempt.

\*We will speak of it later, as well as the Credit Suisse.

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they return they too emphasize "the quality of the welcome" reserved for them by "the banks visited", and continue:

"In addition to questions relative to our mutual business relations, the talks we had with each of the banks naturally dealt with large themes of the day: the international monetary situation, the situation of Switzerland and France, the Third World, etc.

"The points we deem useful to mention particularly are as follows:

"a. Everywhere we went we were asked many questions about the indebtedness of the countries of the East\*.

"b. The large Swiss banks, especially the Swiss Bank Association and the Swiss Credit, strongly recommended that we work with their Luxembourg affiliates, Swiss Bank Association (Luxembourg), Swiss Credit (Luxembourg)."

The exclusive report of details of a celebrated swindle that had shaken the Swiss in 1977, embellished the luncheon given by R. Berthoud, principal director of Swiss Credit-Zurich, and his associate, R. Schriber, assistant director for precious metals, for Mr Sigaudes and Mr Marty of the BCEN.

Such a misadventure, which cost its partners billions, cannot happen at the BCEN; controls there are too severe.

In the USA, "A Very Warm Welcome; We Shall Tighten Our Bonds"

BCEN leaders carry on regular and in-depth explorations in the United States. They make reports in which no detail is missing of the climate of their talks and the results of the investigations for which they were responsible.

The report--19 pages--of the trip into the heart of American capitalism made by Mr Lacoste and Mr Delaye, from 8 to 12 May 1978, is a model of the genre. Following a strict schedule--they have just four days for the trip--the ambassadors from the BCEN go first to Philadelphia, where they are received at the Fidelity Bank and at the First Pennsylvania Bank. In New York no less than nine banks are honored with a visit from them: Bankers Trust Company, Marine Midland Bank, Union of Swiss Banks, Morgan G Trust Company, Credit Lyonnais, Euramcor, Harris Bank International, Manufacturers Hanover Trust Company, Industrial and Commercial Credit.

Though I am elsewhere purely professional, I cannot resist the temptation to quote large excerpts from Lacoste and Delaye's "log book"; it is indeed an edifying document and very revealing of the Soviet bank's relations with the worst representatives of international plutocracy. There is also no doubt that it is a subject for meditation and bitter disappointment for communist and CGT depositors of the BCEN.

\*I wager the next time will be different.

\*I shall return to this.

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"At the Fidelity Bank, Philadelphia:

"This was the first visit to Philadelphia since Mr de Boysson's trip in 1972. It should be emphasized that the welcome was very warm, our reception apparently having been prepared by Mr de Dumast....

"Mr Lindsey, for his part, mentioned the possibility of getting together on matters of international financing for socialist countries. We are not to hesitate to contact them.

"At the end of this visit, we can say that this bank made a good impression on us. Its balance sheet, of \$3,200,000,000, its fourth-place position among Pennsylvania banks..., which might merit increasing the limit that we grant it."

Concerning the First Pennsylvania Bank, Philadelphia, Lacoste and Delaye write:

"With a balance sheet of \$8,300,000,000 at the end of 1977, the First Pennsylvania is the foremost bank in the state and the 22nd in the United States...

"In the international area...it is interested in loans to socialist countries, but prefers the Soviet Union. Mr Schmidt, who went to Moscow on a visit two years ago, has regretted not having been invited into the last operation in favor of VTB [expansion unknown]...

"From our conversation, we also interested them in participating selectively in international financial loans, because they are worried about the troubles of certain countries like Zaire or Turkey (on the latter country we believed we understand that they were rather committed). They like Algeria better than Morocco and Tunisia. Finally, they are sorry that Beirut is disappearing as a financial center....

"At the Bankers Trust Company, New York

"The people we talked with believe that New York's position is becoming increasingly important since the arrival en masse of the foreign banks-- (we were asked whether we intend to establish ourselves there)....

The missi dominici from the BCEN, cautious, answered nothing. It is for Moscow to decide, without their help.

"At the Marine Midland Bank, New York:

"...is still one of our best connections in New York in foreign exchange and is seeking to develop its deposit operations through Nassau\*. (We have also lent them \$10,000,000 in one month). Therefore we will try through telephone calls and Telex to further expand our field of activity..."

\*Nassau in the Bahamas is one of the most highly-valued fiscal paradises in the Western world.

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Always, always this preoccupation with being present more and more at the center of the capitalist citadell

"Mr Luscher of the Union of Swiss Banks, New York, knows us well, having had numerous occasions to work with us previously. But he has to learn to know the American exchange market, and it is probable that at first our contacts will be less easy than in the past. However, we agreed to continue our series of regular calls..."

The BCEN does not neglect any contact. Having arrived at Morgan Guaranty Trust Company, New York, Lacoste and Delaye boast of a

"...very warm welcome from Mr Viermertz, who, having been the chief exchange broker at the Morgan in Paris for five years, and then director of the Al Saoudi Bank in London, gave us a very careful economic and monetary analysis. This bank is exceptional in general analysis (as it has often been in the past, by the way) and in the exchange rate of the US dollar as new situations occur.

"Much less optimistic than the chief dealers of the market, Mr Viermertz believes that American currency will be called upon to decline on the exchange markets during the second part of 1978. In fact, he believes that factors unfavorable to the US dollar continue to exist. Thus he thinks the trade balance would scarcely improve, the balance of payments should be aggravated by a deficit rising to \$21,000,000,000 to \$25,000,000,000 for 1978, inflation cannot be smothered this year. Our partner in dialog refers more to the wholesale price index in the USA than to the retail price index, to demonstrate his points. According to him this situation brings with it a decline in ability to compete among American firms, and this shows up clearly in the trade statistics published since the beginning of the year....

"Of course our relations with Morgan Paris and the bank's other headquarters in Europe are excellent; however, we should tighten our bonds with Morgan New York by means of a series of telephone calls, rather than by Telex."

The bosses of Credit Lyonnais in New York, Michel L. Canny, first vice president, Miss Christine T. Wheller, vice president and chief trader, Mrs Martine Parmentier, assistant secretary, Bruno Merlin, chief foreign exchange, gave a sumptuous luncheon for a couple of agents of the Russian bank:

"We were very warmly welcomed at the highest level. Mr Canny, during the meal developed at length the activities of Credit Lyonnais in the USA, which are constantly on the increase.

"No operating results were put forward for fiscal year 1977, but information received elsewhere would indicate that the Lyonnais in the USA did not have good results....

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"Mrs Parmentier and Mr Canny are pleased with the good relations with Eurobank in the matter of clearing operations, and with the lack of incidents to date since we chose them as our sole connection for daily exchange operations. Mr Canny, however, was eager to remind us that Mr Sigaudes\* was a rough negotiator....

"Mr Canny hopes for the development of Treasury and Exchange operations between our two banks and great possibilities certainly exist in this area....

"Although Miss Wheeler seemed very competent to us, the team as a whole did not seem very homogeneous."

Talks of a political nature played a large role at the European American Banking Corporation:

"Very friendly welcome....

"In the long discussion that followed, Mr Duseberg introduced us to the American economy's strong points and weaknesses....

"The most worrying thing is the Carter administration's weakness, and Mr Duseberg hopes he will have only one term as president, while hoping that in the meantime the White House host will surround himself with a more competent team than the "Georgians" who are currently in place. It is thought that at the current level the US dollar is undervalued and, in particular that German industry is beginning to suffer for its exports, its present activity being still based on previous contracts."

"New York Illuminated at our Feet"

The meeting with the leaders of Manufacturers Hanover Trust Company, New York, which is one of Eurobank's principal transatlantic partners, makes Lacoste and Delaye lyrical. Received, invited to lunch and dinner by Messrs Sura, Faulhaber, Devine, Hazard and Meginty--Hanover Trust's big guns--, their welcome "measured up to our relations, extremely cordial throughout an extremely long afternoon and evening, during which on the one hand we visited the foreign exchange room and on the other hand dined sumptuously with New York illuminated at our feet."

No leader of the CGT or the PCF, who are customers of the BCEN, had been invited to enjoy this super-capitalistic fairyland.

After a brief stop at the Harris Bank International, Lacoste and Delaye complete their tour by greeting the Industrial and Commercial Credit, New York:

"Although it has not developed its activities as strongly as the Credit Lyonnais, the CIC [Industrial and Commercial Credit] (which by the way opened its agency later) is making rapid strides. Mr Ravise was detached from Paris two and a half years ago and has developed the exchange service, which is one of the most active in New York with regard to the French franc.  
\*Raymond Sigaudes: assistant general manager of the BCEN.

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The people we talked with also invited us to contact them for deposits in US dollars, in which they claim to be very competitive....

"Our visit to the CIC was the last one we made in New York. The people we talked with had almost the same opinion as their colleagues on the dollar rate. On exchange and taking into account the political stability in France, they are predicting an even firmer French franc."

This perfectly objective report confirms the coolness of the BCEN management and their intention of developing to the maximum their juicy bits of business, especially in matters of exchange, with the plutocrats. Unlike the analysts certified by the PCF and the CGI, they are certainly not predicting that the capitalistic system will collapse.

Hunting for Billions--in Iran

The same prudence, doubled by a curiosity tinged with indiscretion about political events, sees the light of day in the 11 very thick pages (reference Iran 1978--CB/mjp) of the "Report of Talks with Christian Boehm at Tehran--7 to 15 April 1978."

A member of the Communist Party who is totally unknown to the rank and file, this high-ranking dignitary of the Soviet bank, who is 53--blue eyes and elegant glasses--is promised a finer future. Nothing in his appearance allows one to guess the eminent role entrusted to him. He is the one who in all logic should replace Mr de Boysson when the latter is called upon to retire. Perhaps he will then consent to abandon his home in red suburbia for the 16th North or Neuilly, the neighborhoods that customarily fall to the big bosses of the house.

Mr Boehm arrived in Iran at the time when the present crisis was starting. The questions he asks exceed the framework of current affairs and err on the side of indiscretion. For ~~some~~ Mr Boehm has succumbed to the demon of curiosity.

One law for the rich, another for the poor. In Paris, in the communist press, the shah and his regime will be flogged in writing and caricature; in Tehran, they are going to speak, dialog, exchange points of view, solicit the opinion of Iranian financiers on the events in their country. The Soviets like it.

In Tehran there is a bank with 100 percent Soviet capitalization. It is part of the multinational of which BCEN is the head in the West. Mr Boehm's first priority is to contact this bank during a visit that includes the following appointments:

Banks visited: Russo-Iran; Saderat; Bank of Tehran; Sepah; Etebarate Iran; Melli; Markazi; Sanaye Industrial Credit Bank; IMBDI [expansion unknown]; Iranshahr; BNP (Delegation in Iran); BUE [expansion unknown] (charge de mission in Iran).

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Firms visited: SPIE [expansion unknown] Batignolles; Creusot-Loire; Atomic Energy Organization of Iran (AEOI).

Other individuals met with: Indosuez; COGEMA (General Nuclear Materials Company).

When he goes to the Bank of Tehran he receives a "traditional welcome, that is rather cold." They are suspicious, in fact, of Moscow's emissaries. That does not discourage him:

"To encourage conversation, I recalled our previous offers of lines of credit--the answer expected, 'we do not need them.' Changing the subject, I wanted to know their point of view on the reality of the recent events related by the European press, telling of tensions in Iran. Mr Chadha: 'I don't grasp your question very well. Oh, perhaps you are alluding to Tabriz? That is all settled; it was the fault of two police officials who let things get to them.'"

Mr Boehm drew a blank; they gave him some of his own back!

On the other hand, the ambiance was charming at the Russo-Iran Bank. There, they confided in him pal-to-pal. The Russo-Iran Bank is--as I have said--the equivalent of the BCEN in Tehran. Mr Boehm learns from the mouth of its Russian president, Nikolaev (foreign nationals can direct banks in Iran), that Soviet plans in Iran had been too ambitious. The Russo-Iran Bank agency in Isfahan has not been doing well (it is to move into a more modest building) and consequently the anticipated opening of four other branches in the country's large cities is deferred sine die.

Mr Nikolaev does not fail to furnish an explanation of the failure:

"Although economic relations at state level are still important between the USSR and Iran, the present political climate in Iran does not encourage--to say the least--citizens of this country to develop their relations with the Russo-Iran Bank, the only 100-percent subsidiary of a foreign bank."

To encourage their good relations, "his friend" Nikolaev asks Mr Boehm to help "one of its big customers, Mr Kashani, who owns, among other things, a plant for assembling television sets, the tubes for which are purchased from the Videcolor Company of Lyon."

It will be done; how could the BCEN say no to the Soviets?

At the Sepah Bank the welcome is "friendly." They talk about foreign currency, they promise to review it. When Mr Boehm crosses the threshold of the Etebarate Iran Bank, where he has "a long talk with Mr Moizan (assistant general manager) in a very friendly climate, as usual," he is still burning with the unsatisfied desire to know how Iranian bankers envisage the political situation. There, he gets his money's worth:

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"On the recent events, Mr Moizan is of the opinion that they were the result of a growth crisis. In any case not a popular movement, but rather a combination of actions by landowners dispossessed by the "white revolution" (agrarian reform) of the shah, of religious leaders (mullahs), students recruited from the most well-off circles, whose common ideology is an integrist Islamism (although the authorities question the "Islamic Marxists" who are thus reacting against the too-rapid evolution of social structures and mores) brought about by the pace and style of the country's development.

"However, there are real problems like too-significant social distortions, authoritarianism in government, corruption, the absence of representative intermediary bodies (the Municipal Council of Tehran, a city of 4,500,000 inhabitants, was "elected" by 15,000 voters), etc."

Mr Boehm adds no commentary as to whether he believes in this "capitalistic" analysis, which on the whole is identical to the official version. He records it, and says nothing. But one feels he is not taken in by the communist and CGT propagands on the "popular" nature of the revolt against the shah. And the prospect of conducting fruitful relations with the regime of the "executioner of Tehran" (as L'HUMANITE generally calls him) does not take away his appetite. Quite the contrary; it makes his mouth water. Patiently, cleverly, he proposes the BCEN's services to the Melli Bank, the Markazi Bank, the Sanaye Bank (which he wants as a partner in Mexico and Brazil), the Industrial Credit Bank, the IMBDI, the Iranshahr Bank (taking sponsorship into account, entering into relations would appear to be judicious"), so many institutions representing the flower of Iranian supercapitalism, indeed the circles close to the shah. There he discusses wonderful transactions in which the money of French trade unions and Iranian billionaires will be mixed by Soviet speculators in the same package, to fill, among other things, the pockets of that "assassin of the working class," the "torturer", the shah.

The BCEN in "The Murderers' Camp"

Assassin, torturer; we find those words in a thousand and one statements of the PCF and the CGT. On 18 October 1978 LA VOIX DES EMPLOYES ET CADRES, the CGT monthly, absolutely condemned "the bankers and Iran." The text I am reproducing here is approved by the National Group of CGT Cadres (account No 05346-3 in the BCEN):

"The Bankers and Iran

"The press has widely echoed the presence in Iran of 120 bankers on the day following the massacre of a crowd that was demonstrating peacefully (nearly 3,000 dead were counted).

"They were there at the invitation of the Iranian authorities to celebrate the anniversary of the Melli-Iran Bank.

"Allowing for error on our part, the principal French bankers, especially the management of the nationalized banks, were represented at the reception.



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"Definitely, one has the friends one deserves. Everyone has chosen his camp!

Unlike the bankers who chose the camp of the torturers, the CGT camp will always be the camp of the workers and the Iranian people."

Does not the CGT know that its own bank has chosen the camp of the "murderers", against whom the PCF Political Bureau and the National Bureau of the Young Communist Movement launched this appeal on 2 January 1979:

"The French Communist Party again denounces the crimes of a dictatorship that is only maintained with the support of the American imperialism under which tens of thousands of military advisers are staffing the Iranian army....

"We call upon communists, workers, men of courage, laborers, employees, intellectuals, women and youths of the Parisian region who mean to express their indignation at the massacres and their solidarity with the people and the working class of Iran /to go in delegations to the embassy of Iran, 4 Avenue d'Iena on Friday 5 January at 1830.

"Halt the massacres!

"Immediate withdrawal of the American military!

"Freedom and independence for the Iranian people!/"

The PCF Political Bureau obviously could not ask the "communists, workers, men of courage..." to "go in a delegation" to the Soviet bank, its bank, to demand the "immediate withdrawal" of the millions of dollars it invested in this dictatorship.

The BCEN, which needs to infiltrate, to be everywhere, wildly mocks the Iranian proletariat, behind whose back it is going to take profits which will enable it, in its turn, to render service to the CGT. The buckle is fastened; see how Seguy and Marchais have become bloodthirsty men, through the medium of the bank, with regard to their dear Persian brothers.

I am not exaggerating at all. When Mr Boehm notes, as he does nearly everywhere, the "very friendly welcome" by Mr Le Lay, the general delegate of our BNP, he knows that he comes to propose: "The BNP," Mr Boehm writes in his report, "is co-leader of most of the contracts signed by French industry in Iran. They also make direct connections with private Iranians, Goface credits and installment refinancing, because local banks do not want to commit themselves for the middle term. /I am pointing out our interest in being contacted for these operations\*."

With private Iranians! Those frightful people! The bank of the CGT and the PCF is dreaming only of credits and /middle-term/ refinancing with the vampires of Iranian capitalism! Notice the expression "middle term." While Marchais and Seguy sing of the Iranian "revolution" their Soviet bankers are betting on  
\*Author's note: Italics mine.

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the regime. Mr Boehm is up to his old tricks and communicates to his Soviet bosses the conclusion of the BNP leaders in Tehran: "They are formulating a positive opinion on development in Iran for the next five to seven years."

Clear, categorical and candid!

Thus reassured, Mr Boehm goes away with a nimble step, to take on the super-capitalistic French firms established in Iran by Giscardian neocolonialism (as Rene Andrieu would say) in order to starve the Persian masses. At the SPIE Batignolles ("contact arranged through the BUE"), Mr Boehm gets dizzy listening to the general delegate, Pierre) habanne, juggle billions in nuclear contracts by "doubling the Bandar-Chapour railroad (on the Gulf of Oman)--Caspian sea, gas pipelines, etc.: "There is work there," Mr Boehm exclaims, "for 15 years!"

Let the BCEN run fast, with the money of the PCF, of the CGT and the Shop Councils, to lend assistance to these magnates' marvelous plans!

At Creusot-Loire Mr Boehm is proud to find that its "general manager, delegated by the group in Iran, Mr Lebourgeois, knows our bank well. He reviews the activities of the group in Iran."

My listing them will fill with joy the financial experts of the PCF, who are so opposed to the activities of the multinationals:

IGAT [Iranian Gas Trackline) Pipeline 2: the USSR built the first as a result of a barter (including the Isfahan steelworks) in return for supplying the southern regions of the Soviet Union with gas; IGAT 2--1,900 km--will convey 27,000,000,000 cubic meters from the Kangan reservoir near the Persian Gulf, 17,000,000,000 of which will be used by the USSR for the energy needs of the three Transcaucasian Soviet Republics. The USSR will replace it with Soviet gas from Oujgorod, on the border between Czechoslovakia and that country, then Austria (2,000,000,000 cubic meters), the FRG (5,850,000,000) and France (3,800,000,000).

Nuclear: FRAMATOME [Franco-American Atomic Construction Company]

Transportation: doubling the transiranian railroad line; Batignolles, Civil Engineering, SPIE for electrification, MTE [expansion unknown] hopes to have the rolling stock.

Gas compression stations--steelworks.

Similar manna stirs up Mr Boehm, who perhaps thinks of the accounts (numbers 03497 and 03781 respectively) that Comrades Antoine Acquaviva and Robert Lambotte of L'HUMANITE have in the BCEN. To better help these humble men, lost in his millionaire clientele, he hopes that Creusot-Loire (let us say, the French super-monopoly whose nationalization was provided for by the Common Program) "will benefit from the IMBDI loan now in preparation on the Euro-currency market, /from which for us there is encouragement to respond favorably if we are invited./"

\*Author's note: Italics mine.

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Oh, yes, oh, yes, the BCEN will be invited. And in this way the 14,515.23 francs that the L'HUMANITE journalist Madeleine Riffaud entrusted to comrades Guy de Boysson and Ponomarev, can increase and multiply, under the protective wing of Creusot-Loire and the shah. Because--Mr Boehm confirms this ecstatically--Mr Lebourgeois, too, is "quite confident about Iran's future. Even if the shah should abdicate in four years, as is rumored at court, he is persuaded that his succession is provided for here and now by the military."

Billions for the Shah; 15 Francs for "his Victims"

Bravo, Mr Lebourgeois! You saw it almost correctly. And long live those noble soldiers Mr Marchais and Mr Seguy are holding up to public censure, but thanks to whom the red bankers will succeed with their flourishing business, enabling them on 16 October 1978 to grant the PCF's press-publishing and propaganda sector an overdraft of 500,000,000 centimes (the most prudent evaluation) and approximately 2,000,000,000 in loans.

I have left for the last the account of Mr Boehm's latest meetings in Tehran.

The one with the "Commercial adviser to the embassy of France in Iran-- Mr Dalberto--" did nothing to shake Mr Boehm's conviction that the shah is on solid ground. Mr Dalberto told him of the "anxiety points:"

"Agriculture: they will never arrive at self-sufficiency, because this is not a profitable activity for the private contractor. Instead they will develop agro-food activity from imported products.

"Flight of capital: (the figure of \$3,000,000,000 per year is quoted) which illustrates a lack of confidence in the future of the new Iranian bourgeoisie.

"Petroleum: reserves are limited. Gas is hard to sell. Non-petroleum exports are nonexistent.

"Inflation: (2 percent per month)--manpower shortage, desire for economic slowdown on the part of the authorities, to combat inflation.

"Hence fewer contracts currently being signed, for lack of budgetary appropriations. However, among the projects to be signed are mentioned: new Tehran airport and subway; a first section was opened symbolically. Doubling the railroad; SPIE Batignolles is in a good position, but nothing has been signed.

"Among the contracts signed: Airbus, but financing problems not yet settled (COFACE [expansion unknown]/Hermes purchaser credits or loan on Eurocurrency?).

"Peugeot: financing no more definite there.

"Nuclear: they are still discussing credit conditions. The Iranians accept the 3-percent management board, but reject the 3 percent hiring board.

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They barely accepted the COFACE guarantee board by denying the existence of risks to their country.

"To his knowledge the Finance Ministry is not intervening to form banking pools. They are limiting themselves to choosing the top man."

These shadows on the picture are compensated for by an appealing statement:

"Concerning the recent troubles, Mr Dalberto believes the new fact is not that they are being produced, but that the Iranian press speaks of them, because it is now authorized to do so.

"The troubles are largely inevitable, because of the country's too-rapid development. The force that is resisting this development is animated chiefly by the Muslim clergy, which is losing power."

Leaving the spacious premises of our embassy, Mr Boehm goes to the most interesting institution in Iran--the Atomic Energy Organization of Iran (AEOI). All covetousness is centered in it, given the fabulous volume of its business. A piquant, picturesque detail to enchant Mr Marchais: at the time when Comrade Boehm, on behalf of Brezhnev and Ponomarev, went to greet this bastion of Iranian tyranny, the head of the AE I was a man very close to the shah and considered the real master of the Persian economy, Mr Khadjavi. Mr Boehm was warmly recommended to him by Mr Alcay (authorized representative of the Bank of the European Union in Tehran), who "did not want his name given as a reference." I gladly do it in his place. This indiscretion has scarcely any importance today; for some months Mr Khadjavi has been in prison, a victim of the campaign against corruption unleashed by the army in the government. Mr Marchais' bankers' associations are not always very estimable.

What does Mr Boehm do in Mr Khadjavi's lair? He passionately pleads the cause of the BCEN, which wants to participate in the shah's feast, even if it means picking up the crumbs. Mr Boehm throws himself into a ringing speech, which he summarizes thus:

"A report on the characteristics of our bank, its activity in Iran, its relations with the French firms interested in several important contracts, including nuclear power plants, in such a way that they know what we are if our name happens to be proposed to them by our Parisian confreres on the occasion of new contracts or for extending contracts or subcontracting that have already been signed.

"The people we talked with say they agree with this step; actually, there will be repercussions on the matters already signed and they have other plans: creation of an atomic research center in Isfahan, with French participation. They indicate that they are disposed to enter into relations with 'an important bank like yours.'

"We agree that I will send them documentation on the bank, both the Legal Department and the Financial Department."

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Mr Boehm surely deserved well of Mr Ponomarev; the AEOI is now counted among the partners of the Soviet bank in Paris, which has maintained to the end its help to the shah's regime. On 1 December 1978, in full insurrection against the "tyrant" and while the opposition is putting a stop to the petroleum manna--the supreme weapon for defeating the sovereign--the BCEN is concerned with investing capital in Iran which will serve, on the other hand, to increase production.

On that day the Foreign Trade Department deals with 22 matters, all of prime importance. The 17th concerns:

"Indosuez/Elf Aquitaine/Iran

"See Affair No 2220--contract for 1,200,000 francs--for starting production of the Sirri C and Sirri D oil-bearing field.

"We are participating at the level of 2 percent in the prefinancing credit of 606,800,000 francs.

"Indosuez informs us that the validity of this aid is extended to April 1979 (agreement of the Bank of France obtained), because of the delay in the work of putting the oil-bearing fields into production.

"We confirm our agreement to participate."

The BCEN would have been perfectly well able to refuse it and withdraw the 12,000,000,000 centimes it had invested in this more than fabulous operation, put together at the time by the shah's omnipotence. It preferred to keep its money where it was; Moscow did not believe in Khomeiny's victory. However, in October-November 1978, 117 of the bank's employees, "profoundly angered by the terrible events that are plunging Iran into mourning and in order to come to the aid of the children, the families that are victims of the repression," will, their small change ringing, respond to the appeal of the French People's Welfare\*.

Heading for Portugal

This indefatigable globe-trotter takes himself from Iran to the Maghrib and Portugal as easily as a dragonfly. Here he is in Lisbon, where he participates from 14 to 18 October 1978 in the "Eighth Seminar for Foreign Bankers", organized by the Banco Portugues do Atlantico. On 23 October he transmits to de Boysson, Ponomarev, Soudakov and Peillon the first fruits of his Lusitanian cogitations. Is there any need to state that they do not at all coincide with those of the PCF and the CGT? Mr Boehm perhaps feels some political nostalgia at seeing Portugal leave the Marxist orbit, he contents himself, as a banker, with exploring better ways of exploiting Portugal's "return" to capitalism, for the benefit of the Soviets.

Of all the leaders of the BCEN/Eurobank, Mr Boehm is the only one who has "states of mind" that give his writing a personal coloration. We give him the floor (p 2 of his report):

\*French People's Welfare: A PCF organization (Account No 05055 in the Soviet bank.

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"Although the Portuguese revolution of spring 1974 was of the "1789 type, an air of Restoration is floating in the air of Lisbon in the fall of 1978; the emigres are returning, not from Koblenz, but from Sao Paulo and the "Congress of Vienna" headquarters in Washington."

A picturesque miniature, in which are missing the opprobriums that Marchais and Seguy cause to rain on the latest Portuguese governments. Mr Boehm concludes his lyric couplet with this formidable justification of the present regime: "After three agitated years, Portugal has deeply felt the necessity for a political truce in the face of the urgency for meeting serious economic problems." Resulting from the participation of the Portuguese Communist Party (supported by the PCF) in government and the follies that caused it to be expelled from it.

The bank of the CGT and the PCF really wants to contribute to repairing the damages brought on by the PCP [Portuguese Communist Party].

If, naturally, the conditions proposed are good ones.

To inform himself, Mr Boehm "paid a visit to the following four banks:"

The Bank of Portugal: "Excellent welcome...I seized the opportunity to list our aid of various kinds to Portuguese banks and institutions: COFACE credits (20,000,000 francs), financial credits, \$7,000,000."

Another secret of the Soviet bank in Paris that its customers, the PCF and the CGT are completely ignorant of! While they howl against the Portuguese regime, their bankers are eager to proclaim their support for it.

At the Banco Espirito Santo e Comercial the bosses "say they are optimistic about the situation in general, which is going to continue to settle down. They are hoping that the present provisional government of Nobre da Costa (the pet aversion of the communists and the Portuguese trade unions that are devoted to them) can remain in place until the elections of spring 1979, for it is made up of competent technicians and workers, unlike their predecessors (the Mario Soares cabinet)."

The French-Portuguese Credit and its manager Mr Agostini, according to Mr Boehm, deserve a good mark. However, Mr Agostini "is very reserved about the economic situation. The industrial productive apparatus, which is nationalized, is not profitable." An appraisal that does not produce the slightest reticence in Mr Boehm, despite the dogma so jealously supported by Marchais and Seguy, that it is necessary to nationalize as much as possible. Which was done by the Portuguese "revolutionaries" who led the country into bankruptcy.

Mr Boehm abstains from theoretical debates; they might disturb Mr Agostini, who is "so well disposed, for example, to lend us, for six months, 2,000,000 marks at a rate slightly higher than the market."

How can such a temptation be resisted?

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It is negligible, nevertheless, in relation to the cupidity that takes possession of our Soviet bank when it learns from A. Contreras, assistant manager of the Banco Borges e Irmao, that "their Paris agency has significant cash reserves in francs and would be interested in receiving proposals for diversified re-use of them. To contact his manager, Mr Machado; indeed, out of 900,000 Portuguese living in France, 500,000 are settled in the Parisian region."

This makes the Soviet banker dizzy.

If one were successful in unionizing these 500,000 into the CGT, they would automatically become customers of the BCEN.

One's interest is actively aroused.

To Support Regimes Denounced by the PCF and the CGT

The BCEN's emissaries do not nourish any anxiety concerning their traveling expenses. When the eternal Mr Boehm, flanked this time by P. Remond, left on a /ten-day/ trip (from 18 to 28 September 1978) to Libya and Tunisia, he had already had in his pocket since the morning of Friday 15, the fare solicited for them at the BCEN's travelers' exchange department by its foreign trade department. Each of them collected for the occasion \$1,000 (\$800 in travelers' checks and \$200 in banknotes) and 5,000 francs (4,500 in travelers' checks and 500 in banknotes). Almost 1,000,000 centimes apiece.

What is so amazing? you will say. Expense accounts are a fact of all corporations of a certain size, and there has to be a minimal fare for traveling. Certainly. But why is L'HUMANITE drumming into our ears slogans of this kind: "How Many Times the SMIC [Interoccupational Minimum Growth Wage]?" and why does it launch into a discourse on occasion against abuses of "expenses" by certain employers? Incontestably Boehm and Remond will have enough money to pay for some clandestine whiskeys in their rooms at the Mediterranean Hotel, Tripoli, to thoroughly prepare for the conversations with the "managers" of the "Central Bank of Libya", the "National Commercial Bank," the "Libyan Foreign Bank," the "Wanda Bank," the "Umma Bank," and with the commercial counselor of the French Embassy, Jean-Paul Leroy on 20 September at 1300.

I prefer, considering its content, to keep to the expenses in the report of these talks. It will suffice to know that Col Qadhdhafi and the Soviets are thick as thieves--at our expense, naturally. Their complicity in all fields is too well known to need demonstrating; instead let us take a look at the BCEN's dealings in Tunisia. They contribute proof that the Soviets are making a considerable effort--increasingly crowned with success--to penetrate Franco-phone Africa, and that their strategic requirements are leading them to support regimes that the CGT and the communists violently denounce every day.

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In Tunisia, the BCEN Refutes the Nonsense from the PCF and the CGT

The case of Tunisia is an example. For months the CGT has been expressing its full and entire solidarity with the trade unionists arrested by Bourguiba and charged with "having unleashed the murderous troubles of 26 January 1978." In France their proceedings aroused storms of protest. No adjective is hard enough, in the hands of the communists and CGT members, to wither Bourguiba and his regime. Two excerpts will illustrate what I am saying.

From L'HUMANITE, 2 August 1978:

"The militia in dungarees, armed with clubs, that one saw in January leaving the headquarters of the Destourian Socialist Party in power...had o-rased the image of a liberal Tunisia...Nothing remains of Tunisian "lib-eralism" except the support given it by another liberalism, this one "ad-vanced," the liberalism of the Giscardian government...."

On 4 October, from the WFTU (World Federation of Trade Unions, which is pro-Soviet) and the CGT, which:

"firmly protest this new attack on the freedoms and rights whose victims are once more the leaders of the Tunisian working class".

Well, as usual, fortified by the money of its CGT and communist customers, it is the BCEN and not the Giscardian government that coldly finances this dis-graced regime, and gets ready to consolidate it. Boehm and Remond's report furnishes irrefutable witness to that fact.

It begins with an analysis of the Tunisian situation, under the title of "Tunisian Realism on Trial."

After a panaromic view of the economy, the report gets down to the present facts (p 1):

"Affected by the international crisis and confronted with unprecedented social problems, Tunisia has entered a waiting phase, the next stage of which might be the verdict in the legal action of the Tunisian unionists, for which some see a model sanction matched by a pardon measure.

"A first cyclical balance sheet makes it appear that:

"Some of the most costly plans of the Fifth Plan have been deferred,

"Recourse to foreign indebtedness remains reasonable, servicing the debt represents 11 percent of current receipts,

"Inflation remains confined to between 6 and 7 percent,

\*On the same date, "General Circular No 15" (9 August 1978) of the "National Federation of Employees and Cadres of Insurance, Credit, Social Security and Others" is posted on the bulletin boards of the CGT-BCEN. It denounces "the practice of torture" and "the abominable conditions of imprisonment" in Tunisia.



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"The education and training policy is a success: 95 percent of the young population is provided with education; Tunisia annually "produces" 15,000 with bachelors' degrees."

We emphasize that, unlike their CGT and communist customers and friends, Boehm and Remond take note of the regime's positive aspects. Solid and realistic, they make fun of the slogans and opprobriums of the CGT and the PCF, whining that the masses are being used. And they are not content with observing the purely economic aspects of the situation. They continue:

"What is happening to the political and social climate? The January strikes and their brutal repression were a shock to the Tunisians, and they say many young people are looking abroad, especially to the "South-east," no doubt in the hope of higher salaries and better use of their degrees.

"The Tunisians we talked with do not minimize the magnitude of these phenomena, which have their origin in part in the post-Bourguiba political uncertainty.

"Two hypotheses are to be envisaged:

"A technocratic government of the Nouria type,

"A political government in which either the Neo-Destour Party or the Masmoudi-Mestiri group would have the best of it; in either case, generally, a crisis of regime and the upset of foreign alliances are ruled out."

No one could be more categorical or refute more peremptorily the nonsense of the CGT and the PCF.

Received Like Emirs in Bourguiba Territory

Once the premise is presented that the regime will not be overthrown and will not change its foreign alliances (with the West), the leaders of the Soviet bank tell of their one-week stay, from 21 to the morning of 28 September, in the capital of the tyrant Bourguiba:

"Our welcome was once more excellent and testifies to the quality of our relations with Tunisian banks.

"Our business relations are on three levels:

"In cash, the Central Bank is currently lending us \$15,000,000, it is one of our regular depositors;

"Our financial commitments vis-a-vis the principal industrial corporations and the Republic of Tunisia amount to \$5,000,000;

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"We are participating in seven buyers' credits for a total of 20,000,000 francs, as well as in a framework agreement of 100,000,000 francs recently signed between the Gafsa Phosphates Company and several French banks.

"We made our usual visit to the following banks:

"Bank of the South  
Bank of Tunisia  
Banking Union for Commerce and Industry  
International Banking Union  
National Bank of Tunisia  
Tunisian Bank Company  
Central Bank of Tunisia  
Tunisian Economic Development Bank

"as well as to the Commercial Counselor, and for the first time to the Gafsa Phosphates Company."

This perfect resume saves me a long expose of affairs in which the BCEN works hand in glove with Bourguiba. However, it is instructive to reproduce some fragments of the report.

Welcomed at the Bank of the South by Miled Allouche, Boehm and Remond mention "areas in which we might get together: for example the mobilization of debts held by their customers on foreign suppliers (especially Eastern countries). One of their customers, Star, the first Tunisian insurance company, would be the borrower of \$6,000,000 over seven years. The Bank of the South will talk to us again about this when the operation is put together."

The BCEN never forgets its role as honest agent for the countries of the East.

At the Bank of Tunisia, Ben Brahim, manager of the foreign department, "received us kindly and was optimistic about Tunisia's economic situation; the resumption of relations with Libya would serve as an outlet for their manpower. However, many projects are in suspension while awaiting the verdict in the unionist proceedings. He believes Mr Nouira is the natural successor to President Bourguiba."

Boehm and Remond do not contradict him at all.

At the "Banking Union for Commerce and Industry" they are informed of "Tunisian investment plans, notably a refinery in the Gabes gulf, near a gas field recently brought to light by Elf Aquitaine, replacement of extraction equipment and refining of phosphates (20,000,000 dinars)."

They would like "the International Union of Banks"--the third largest Tunisian commercial bank, which is in the midst of its development," at which on 22 September at 0930 they received a "friendly welcome," to draw up the documents, "however platonic our relations are, because of the importance of the participation of Credit Lyonnais (33 percent), which at the same time as the "Europartners" is their preferred connection."

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Even red bankers are never platonic.

The more they like someone, the more they press. Although Hassen Riahi, assistant general manager of the "National Bank of Tunisia" had on that same day "arranged an extremely congenial luncheon, bringing together, besides his colleagues Mr Benzoubeir and Mr Redissi, directors of the BNT [National Bank of Tunisia], Bach Hamba of the Central Bank and the journalist Jean-Francois Chauvel, who is preparing a work on Tunisia," a roast lamb and some zalabias [translation unknown] in honey are not going to satisfy our insatiable canvassers from the Soviet empire. Boehm and Remond comment (p 6):

"Up to now our very good relations have not been made concrete by a regular operations movement, we promised each other to seek together means of cooperating, perhaps within the framework of their commercial operations with European countries. There again, the means to develop our relations will have to be found through the UTB [expansion unknown] in Paris."

The customers of the "top-ranking commercial bank in Tunisia," the Tunisian Bank Company (Sotubank) are "interested in Eastern European markets." Our two samaritans "proposed to Moncef Maaoui (assistant general manager) that we help them with their early contacts...."

Informed by a French Diplomat

No one is proof against unpleasant surprises. We pity the Boehm/Remond tandem, whose luncheon on Monday 25, on the invitation of Hedi Toumi, manager of the Central Bank of Tunisia--"one of our good counterparts, in exchange as well as in deposits; it regularly allows us between \$10,000,000 and \$20,000,000, currently \$15,000,000"--was seasoned with disagreeable news:

"We mentioned the different kinds of aid our establishment grants to Tunisia, notably the recent to the Republic of \$100,000,000 run up by BOA [West African Bank], and we were amazed to learn that our participation in the buyers' credit pools was not well known; it represents 20,000,000 francs divided into 7 operations now, according to Bach Hamba."

Le+ Bourguiba know as soon as possible that the Soviet bank, the handlers of CGI and PCF funds, the saviors of the French Communist newspapers who are dragging him through the mud, those who grant People's Welfare exceptional conditions in order to help the imprisoned Tunisian unionists, are largely contributing toward financing the Tunisian regime.

Boehm and Remond were seized by anguish at the idea that the honorable myrmidons of the Tunisian regime did not know the true role of the BCEN. It had to be pointed out. Marchais' and Seguy's bankers were eager to circulate in high places the good news of their agreement with Bourguiba. Especially at the very neocolonialist "Gafsa Phosphates Company," where Hassen Riahi (head of the Resources Department of the Economic Development Bank of Tunisia), "was kind enough to arrange an appointment for us with Amor Chebbir, commercial general manager, and Radhouane Grena, financial director." Thank God, as Boehm and Remond wrote, "our establishment was not unknown to the people we

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were talking with; nevertheless we were able to remind them of the role played by Eurobank in many agreements--as much financial, which they knew about, as in buyers' credits, which they did not know about--run up by the French banks."

They had been hot, the BCEN directors! Thanks to their indefatigable diligence, everyone in business in Tunisia is now aware that Moscow is betting on Bourguiba.

As for the arrested Tunisian union members, Boehm and Remond did not have time to visit them, or to bring them the solidarity funds their own bank is responsible for collecting.

However, as usual they loosened the tongue of the commercial counselor of the French Embassy. Some will be embarrassed at the thought that reports expressing the thoughts of French diplomats at their posts will, several days later, land on Mr Ponomarev's desk and will automatically and immediately be transmitted to the Kremlin. What Henri le Corre said on Tuesday 26 September 1978 at 1530 to the agents from the Soviet bank--Moscow knows. And if Moscow knows, why not inform France?

"The commercial counselor, Henri le Corre is well known to us, since he occupied the post in Havana from 1972 to 1976; he granted us a pleasant and relaxed interview for an hour and a quarter.

"The counselor tackled two subjects more in detail: Franco-Tunisian relations and Tunisia's economic situation."

I will not go over the first part, which is extremely interesting, dealing with "Franco-Tunisian relations;" let us go on to the second part (; 11):

"The counselor considers the economic situation healthy; Tunisia is not too indebted, its resources are being used wisely, finally the present government has been prudent enough to defer certain investments believed to be too ambitious: a refinery, a nitrate fertilizer plant, doubling the size of the Bizerte steelworks, projects which would cost 1,000,000,000 to 2,000,000,000 francs each.

"Mr le Corre nevertheless discerns several worrisome signs: increased trade deficit, inflation on the order of 7 percent, a social imbalance linked with a certain unemployment, and political uncertainties connected with President Bourguiba's succession. He sets two assets against those items: Tunisia's good reputation on the international level, especially with the World Bank, in consequence of which Tunisia is able to borrow whatever it wants at very favorable rates; and the stability of the institutions, which has made it possible to assimilate in four months the most serious crisis Tunisia has experienced since its independence."

With that clear and optimistic analysis, Mr le Corre fortified the Soviet desire to support Bourguiba, with our workers' money.

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Among the Secrets of our Embassies

The quest for information from our diplomats is one thing; the holding of documents one is not authorized to possess, nor even to read, is another. The Soviet bank in Paris texts whose content is very strictly classified. In October 1978 Mr Krivocheev was holding one of the copies of the BULLETIN D'INFORMATION ECONOMIQUE NO 51 of the French Embassy in the German Democratic Republic (108 Berlin, Unter den Linden 40).

If all our secrets are, alas! as well guarded, the Kremlin must have been amused to read on the cover this warning: "The present bulletin is strictly reserved for the information of the individuals and services to whom it is addressed."

The BCEN does not appear on the list of persons or institutions entitled to examine it. How did it get there? By what miracle?

Frequenting French diplomatic circles yields a mine of information for the Soviet bank's emissaries. They scrupulously make notes on the "dope" thus obtained. When Paul Rey, assistant manager of the BCEN, reports to his managing committee on his "mission from 15 to 25 October 1978--Moscow/Leningrad" as a member of the Franco-Soviet Chamber of Commerce, he cites, among other sources, the cocktail party given by the French commercial counselor, and then the

"Luncheon (small) given by the /French ambassador, Bruno de Leusse/, during which Mrs Bruno de Leusse told me that the appointment of the ambassador to the General Secretariat at the Quai d'Orsay was announced too widely and quite prematurely.

"The ambassador and madame asked me to send their affectionate greetings to the president-general manager of Eurobank."

No comment.

With Those who Hold the Italian Wealth

It would be impossible to follow in the footsteps of all the BCEN's couriers. Their perpetual movement makes one dizzy.

In Vienna, in Austria, Peillon and Louvet stay from 18 to 20 October 1978 and in 72 hours contact many bankers, among them the "managers" of the "Creditanstalt/Bankverein--which is sorry it mounted an operation on behalf of Czechoslovakia without consulting the BCEN;" It was agreed that in the future we will be approached; of "Oesterreichische Laenderbank"; of the "Bank fur Arbeit und Wirtschaft Ag.", with which "there are possibilities for cooperation", considering that it "continues to look for ventures with socialistic countries; of the "Donau Bank Ag.", etc.

And how could we follow the BCEN delegates to the Leipzig fair, to Germany (Communist) from 3 to 10 September 1978?

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At the Plovdiv fair (August 1978) in Bulgaria, where the BCEN is represented by Mr Soulerot: "Eurobank's presence is very much appreciated by our Bulgarian connections, and the French firms we meet with are very happy to find there again the Eurobank they know well from all the fairs of the Eastern countries." The French diplomats, delighted to see Mr Soulerot there, Mr Boehm's diligent assistant, are eager to please him: "Jean-Louis Thaumiaux, the commercial counselor, was anxious to inform me personally that he had curtly shown a certain important person, Mr Pumes, the door; he had come to complain to him about proceedings taken by our bank, of which he was the object."

In fact, it is not natural for a French citizen to complain to the French authorities about proceedings used against him by a Russian bank.

However, Bulgaria does not fire the BCEN with enthusiasm. As usual, the general report on a socialist country contradicts both the PCF and the CGT:

"Bulgaria has become an industrial state, while retaining a solid agricultural base. It took 30 years...The present era is one of savings. It is not one of large investments, but for making the industrial instrument profitable--especially since Bulgaria has emerged from a year 1977 that was difficult, to say the least...Agricultural production declined 6.3 percent, whereas a 4-percent increase had been envisaged for 1977; tobacco production fell from 140,000 to 106,000 tons."

L'HUMANITE and the CGT never revealed that. Their theses are well known: "In socialist countries there is no crisis, there are no savings, production continues to increase there and there is no difficult year..."

Gilbert Lasfargues and the insatiable Christian Boehm are careful not to repeat these commonplaces to Spanish bankers at the time of their stay in Madrid (Melia Hotel) from 11 to 16 December 1978.

On behalf of Mr Brezhnev, the BCEN had already made its contribution to the historic compromise with those who hold the Italian wealth. The Soviets dream of opening a bank in Rome, the sixth sister of the BCEN. They attach such importance to this project that Mr de Boysson in person traveled, accompanied by Mr Sigaudes, to our transalpine brothers, from 5 to 9 November.

After numerous meals and business conversations, even a communist banker has need of some relaxation. especially if he deserves well of the Muscovite head office. Leaving Rome, Mr de Boysson goes to relax romantically among the gondoliers:

"Friday 10, Saturday 11 and Sunday 12 November: Mr de Boysson's weekend in Venice. Return to Roissy-Charles de Gaulle on the 12th at 2040..in first class."

First class, too, for Ponomarev and Peillon, passengers on Air France Flight No 033, Paris-Toronto, on 18 September 1978. They are going to Canada to

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meet with the directors of the Canadian Imperial Bank of Commerce, the Bank of Nova Scotia and the Toronto Dominion Bank.

In the capital of Quebec, which they reach on 20 September by Air Canada Flight No 424, Mr Ponomarev has himself announced at the Royal Bank of Canada, the Canadian National Bank, the Provincial Bank of Canada and the Bank of Montreal. At the end of this tour he returns to Paris, still in first class (Air France Flight No 032), on 23 September. A brief stopover. They are waiting for him in Moscow, with his aide-de-camp.

Here is how, on 21 September, the official who arranges travel informs President-General Manager Guy de Boysson of the preparations for the mission:

"Concerning Mr Ponomarev, what you told Mr Vanine is true, that he hoped to leave Moscow two days before you by train..to arrive the same day you will be traveling by air. (He left instructions to that effect for me, for when I would know Mr Alkhimov's answer.)

"I have thought it over: supposing that Mr Ponomarev reacts quickly and can take Air France Flight No 032...this Friday at 2209, don't you think that in order to respond to his wishes, it would be a good idea for him to book on SNCF [French National Railroad], Paris-Moscow, to depart Saturday at 2309..even if he cancels it afterwards...?"

Let us hope, for the sake of the Soviet bankers, that journeys between Moscow, Paris and elsewhere taken by millions of PCF and CGT members require fewer complications.

The Egotistical Instrument of a Greedy and Unscrupulous Foreign Capitalism

Sent by the BCEN to the Algeria Fair being held from 20 September to 6 October 1978, Mr Deloziere and de Regard visit Algiers and "Lucien Gerber, an agricultural specialist in the Economic and Financial Mission attached to the French Embassy in Algeria. He confirmed that the agricultural sector had become very much of a priority in Algeria and that French industrialists had shown real interest in concentrating their efforts there." Good news, which Eurobank, already well established in Algeria, exploits in depth.

During this fortnight with Boumediene, "the welcome for the bankers was every bit as warm as on preceding trips." They are familiar with the position the BCEN occupies in the Russian financial apparatus, and the importance of its operations in Algeria. So one can only smile at the pretext that Deloziere and de Regard offer in response to an ill-timed request from Mr Ghamri, head of the Finance Department of the Algerian national company, SONELEC (Algerian National Company for the Manufacture and Installation of Electrical and Electronic Equipment).. Mr Ghamri, either too shrewd or too naive, wants the BCEN to grant him "Eurocurrency credits to finance additional expenditures within the framework of contracts...whose common peculiarity is that they are entrusted to foreign firms (FRG and USA)." Eurobank is not interested in playing the game of the German and American "imperialist" competitors. So in order to sidestep the pest, Mr Ponomarev's two subordinates find a superb parry: "We \*Serguei Vanine: a director of the BCEN.

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were able to disengage ourselves easily from this bunch of "requests" by recalling our "French orientation."

Comical and genial!

Nothing better testifies to that "French orientation" than the instructions received in Moscow by Mr Rey on the occasion of his previously-mentioned visit from 15 to 25 October 1978. During his lunch with the VTB bosses

"The people we are talking with ask us...to study the appropriate measures to be decreed to increase the role of the Eurobank in Franco-Soviet transactions (relations with banks and clientele)."

Now, to "increase the role," already enormous, of Eurobank "in Franco-Soviet transactions" is to diminish the French role all the more, because Eurobank is a Soviet bank, not a French one, and its profits enrich the USSR, not France. The Soviets happen to be working hard at further diminishing the already extremely meager "role" of the French--thanks to their Trojan horse, the BCEN, which is being informed by certain commercial counselors at the Quai d'Orsay.

The next, day, 18 October, the general staff of the Muscovite bank "Gosbank"--Voronin, Mikhailov, Mozhaiskov, Tatsy and Korneev--which the BCEN is subordinate to, gives the latter's envoys a "luncheon with an anniversary toast in honor of Mr Peillon (administrator-general manager of Eurobank, who had previously been complimented in brotherly fashion in Paris by Mr Ponomarev)."

The report of these joyous reunions speaks for itself:

"No particular problem, general questions were examined at the time of the recent visit (to Moscow) of the president-general manager (de Boysson) and vice president-general manager (Ponomarev). However, it was recommended that we try to increase the role of Eurobank (and its share in the financing pools) in Franco-Soviet trade, in order to compensate for the limitations imposed on other plans. To my comment on the necessary equilibrium for our cooperation with French banks on multiple plans, he answered that Eurobank's wise policy would know how to reconcile the two imperatives."

In other words, since French law prevents the Soviets from gaining--if not monopoly, at least control--of operations "on multiple plans" in which Eurobank is forced to respect "a necessary equilibrium with French banks" (the delightful formula manages to prove that the BCEN is not a French bank), it is a question of pushing the advantages as far as possible in a field where the Russians, that is Eurobank, enjoy a situation of nearly-exclusive dominance.

Mr Marchais might say--it is certainly the case--that the French are paying for the Soviet bankers' feasts.

I have been anxious to present these documents--I have a thousand others no less revealing--so that the most convinced, sincere, naive communist militant



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will finally realize that the BCEN, the depository of his humble contributions, is not a bank "wearing France's colors" but the egotistical tool of a greedy and unscrupulous foreign capitalism.

Of course it has a legal existence. However, the time has come to wonder if it is right to maintain a fiction that is grotesque and prejudicial to France.

The Moscow-Paris-Moscow Trips

Of course our country must support trade with the USSR, but economic imperialism and political infiltration must not find too many facilities here, to the detriment of our own national interest. The BCEN's interests are identified with the USSR, whose creature it is. No one can harbor resentment against it because of its reason for being. On the other hand, we can watch to see that it does not hurt us. At present, its action is hurting France--unless you believe that what is good for the USSR is good for us, following the thesis that our PCF has long defended unconditionally. Mr Marchais, who says he now maintains no functional connection with Moscow--"I see Brezhnev less often than Giscard d'Estaing does," he said one day with his usual irony--is perhaps unaware of the intensity of the human traffic circulating along the Moscow (mother house)-Eurobank Paris (her eldest) umbilical cord.

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CHAPTER 6. GAMES PLAYED BY THE MARXIST MULTINATIONAL AND THE PARTY 'THAT WEARS THE COLORS OF FRANCE'

[Text]

With the Trusts and the Big Monopolies

I refuse to drag the reader down the tortuous paths of Eurobank's business with Moscow, with the Soviet zone, with the "progressive" Third World countries and with countries far from Muscovite influence, where it seeks stubbornly, patiently, to infiltrate. Nor am I addressing specialists or technicians. Leaving aside the thousands of documents I could use, I simply want to attract attention to the prodigious power of this multinational, capable of handling billions everywhere in the world. Never has the image--so dear to the communists--of "the capitalist octopus" been so correct. No region escapes the BCEN's covetousness; it is on the receiving end of all kinds of business. Where it thinks it will gain some benefit, it quickly associates itself with trusts and large monopolies.

First, to Help the "Socialist Countries"

The Soviets never exert themselves futilely. One of the BCEN's roles is to help them in financing their operations. As a bank with French status, it sets up loans--or participates in them--for the profit of the USSR. Here, for example, is a document (reference SB/JS)--13 March 1978) concerning "Financial Loans" in favor of the International Investment Bank (IIB) and the International Bank for Economic Cooperation (IBEC), both with headquarters in Moscow. The loans are spread out over five years:

International Financial Loans to the IBB (in dollars\*)

In March 1973

Loan for a total amount of:	\$50,000,000
in which we participated for:	5,000,000....

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In April 1975  
 Loan for a total amount of: 70,000,000  
 in which we participate for: 7,000,000\*....

In October 1975  
 Loan for a total amount of: 350,000,000  
 Our participations:  
 Direct for \$2,000,000  
 Assigned by Moscow  
 London\* 3,000,000 5,000,000\*....

In January 1977  
 The Vneshtorgbank proposes and we agree  
 to take silent participation totaling: 5,000,000  
 in its share of: 33,000,000  
 in a loan for total amount of: 600,000,000  
 (signed in June 1976)....

In June 1977  
 Loan for a total amount of: \$500,000,000  
 in which we participated for: 2,000,000

Loans to the IBEC, Moscow

Direct Business in Pools:

Outstanding as of 9 March 1978: foreign exchange market dollars 12,160,000  
 for the following three operations:

1. Matter initiated in July 1973:  
 Head: BCI [expansion unknown] London  
 Total amount: \$70,000,000  
 Our share: 5,000,000....
2. Matter initiated in June 1974:  
 Head: Credit Lyonnais  
 Total amount: 50,000,000  
 Our share: 5,000,000....
3. Matter initiated in February 1975:  
 Head: Credit Lyonnais and Eurobank  
 Total amount: 60,000,000  
 Our share: 5,000,000....

\*On 25 January 1979, the day the manuscript of this book went to the printer, the dollar was worth 4.24 francs in Paris.  
 \*Total credits for 1977: \$2,750,000

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As the table below indicates, the BCEN also grants treasury assistance\* to Soviet banks. The imbalance between the loans granted by the BCEN to the IIB and its borrowings from the same bank will be noted. Thus it procures from the IIB additional resources it could not obtain directly.

IBEC, Moscow

Outstanding treasury as of 9 March 1978:

Our loans:	\$62,214,066 (foreign exchange market dollars)
Loans to us:	5,372,328 (foreign exchange market dollars)

Our loans:	Loans to us:
15,000,000 deutsche marks	\$1,800,000
10,000,000 deutsche marks	4,000,000 deutsche marks
5,000,000 Swiss francs	3,000,000 Swiss francs
6,000,000 Swiss francs	

With interest payable semi-annually or annually:

\$2,000,000  
 1,300,000  
 15,000,000 marks  
 5,000,000 marks  
 10,000,000 marks  
 2,000,000 Swiss francs  
 5,000,000 Swiss francs  
 5,000,000 Swiss francs  
 12,500,000 Swiss francs  
 8,000,000 Swiss francs  
 8,000,000 Swiss francs  
 8,000,000 Swiss francs

IIB, Moscow

Outstanding treasury as of 9 March 1978:

Our loans:	\$43,653,672 (foreign market exchange dollars)
Loans to us:	3,608,604 (foreign market exchange dollars)

Our loans:	Loans to us:
\$ 5,000,000	35,000,000 Belgian francs
\$20,000,000	79,000,000 Belgian francs
\$ 3,000,000	

\*Treasury assistance: loan granted by one bank to another to enable it to balance its resources and employment over a given period.

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\$ 5,000,000  
 \$ 2,000,000  
 6,700,000 deutsche marks  
 5,000,000 Swiss francs  
 5,000,000 Swiss francs

In Millions of Rubles

The BCEN has made of its relations with the USSR and the socialist bloc its preferred area, but it does not neglect any branch of banking activity or any geographic zone.

It establishes its accounts in millions of rubles, at the request of its shareholders. Here are two recapitulative documents giving a global view of its world activities:

Recapitulation

Aid as of 3 January 1978 (in millions of rubles)<sup>1</sup>

	Total
VTB <sup>2</sup> .....	185.9
IBEC and IIB <sup>3</sup> .....	77.0
Banks of socialist countries .....	679.2
-including loans to businesses .....	144.0
Other Soviet banks abroad .....	4.4
Banks and institutions of capitalist countries and developing countries .....	911.9
Firms of capitalist countries, developing countries and clientele .....	439.2
.....	47.1
	2,344.7
	(equal to 15,136,914,260.00 francs)

1. On 25 January 1979 Moscow rated the ruble at 6.4650 francs for the transfer from France to the USSR and 6.4558 for those from the USSR to France.

A ruble was worth \$1.5175.

2. VTB: Vneshtorgbank or USSR Foreign Trade Bank, shareholder of BCEN.

3. IBEC: International Economic Cooperation Bank-Moscow; IIB: International Investment Bank-Moscow.

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Recapitulation

Resources as of 3 January 1978 (in millions of rubles)

	Total
Banks and firms of socialist countries and developing countries.....	1,460.8
VTB.....	385.7
IBEC and IIB.....	14.3
Banks of socialist countries.....	336.9
Other Soviet banks abroad.....	12.7
Own funds.....	44.4
capital.....	2.8
reserves.....	72.4
Sundry liabilities. Rediscounting effects. Vneshtorgbank.....	14.7
	2,344.7

These two tables, expressed in millions of rubles, referring to the date of 3 January 1978, illustrate the BCEN's activity in the East and West.

The share of the "socialist countries" is significant, in "resources" as well as in "employment" (of funds). Also, it is perfectly isolated by the BCEN accounting.

The VTB, the IBEC, the IIB, the banks of the socialist countries, the other Soviet banks abroad, the Vneshtorgbank's own funds and rediscounting effects represent 811,500,000 rubles out of a total of resources of 2,344,700,000, or 34.6 percent.

In the matter of employment, the same elements are added to reach 946,500,000 rubles, or 40.3 percent. Although the BCEN is very well supported by the "socialist" contributions, it knows how to send back the elevator. In fact there is an imbalance in its employments over its resources of about 135,000,000 rubles, to the benefit of the countries of the Eastern bloc.

But it must also be noted that the remainder of its activity is realized with non-"socialist" countries. It draws two thirds of its resources from the capitalist world and it devotes 60 percent of its financing to it. Without worrying about Marxist ethics.

Vietnam: to Make the Capitalist Pay

The BCEN's extremely rare errors represent a minute percentage in the huge mass of its successes. Red bankers make very few mistakes, for they do not practise philanthropy at all.

Their attitude toward Vietnam is a striking example.

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That country's diplomats have been seen to deposit their money in the BCEN; as everyone knows, the USSR is Hanoi's protector. In Paris the whole PCF (with L'HUMANITE and Rene Andrieu at the head) outline the campaigns for Vietnam. Let America pay for the war damage! Let our government protect Hanoi! Let the French aid its admirable regime!

The Soviet bank in Paris might be expected to make a point of using in Hanoi's service the billions deposited with it by our communists and union members. A serious error! The Kremlin has no intention of opening its purse to Hanoi. That role falls upon the proletariat of the whole world, first on France, which is urged to bleed itself white for its Vietnamese communist brothers.

On 23 November 1978 the PCF Political Bureau urges, "faced with the intolerable campaign of disparagement," "supporting the Vietnamese people," who are "confronted with enormous difficulties that are the result of the war's devastation." Denying the existence of an Indochinese Gulag, a glaring lie by those who "emerge from the pools of blood to brandish hypocritically the flag of human rights," the Political Bureau adds:

"Fortunately, Vietnam is the beneficiary of significant aid from a number of countries, especially the Soviet Union."

Consequently it asks French workers to demonstrate "their solidarity" to the sound of their money.

The former Communist deputy, the present director of the Soviet bank in Paris, Mr de Boysson, does not hear the siren songs.

On 16 October 1978 "the Foreign Relations Secretariat" of the BCEN tells in its Report No 33 of the "visit of Mr Ha Huy Sung."

"On 10 October 1978 Mr de Boysson and Mr Roche received a visit from Mr Ha Huy Sung, representing the Vietcombank, Hanoi, in Paris.

"Mr Sung came to speak to us again of the Vietcombank's plan to launch on the market a loan of \$100,000,000, utilizable in November 1978.

"We assured Mr Sung that we were no longer in a position to be the arranger of such a loan, contrary to what we did in 1975, but that we would certainly participate--for a modest share only--in a loan arranged by others."

Those lines, astoundingly cynical, are worth stopping for.

The BCEN, the head or the partner of thousands of business matters, the BCEN of enormous liquid assets, the extremely rich and super-powerful BCEN, would be no longer in a position, in 1978, to "launch on the market a loan of

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\$100,000,000" for Vietnam? However, on the same day it agrees to be "co-manager," at the invitation of "Lazard Brothers and Company," in a pool with eight other banks, of a loan of \$250,000,000 granted to--the Soviet bank, Vneshtorgbank. To quote in this connection the Report No 36 (7 November 1978) of the "Foreign Relations Secretariat," we "have agreed to be co-manager."

Communist bankers lend only to the rich.

In reality the BCEN, more solid than ever, is in a perfect position to do for the Vietnamese in 1978 what it did for them in 1975. But the USSR is not anxious to help Hanoi directly. It yields that thankless job to the capitalist states. Its own bank, the BCEN, "would participate only for a modest share in a loan arranged by others." An abridement summarizing the philosophy of the Soviet bankers to the PCF and the CGT: it is for the capitalists to pay, for us to pocket the proceeds.

From Yugoslavia to the Sudan, by way of the Ivory Coast

Mr de Boysson and Mr Ponomarev are never sentimental. The Yugoslav socialist half-sister knows it very well, from experience.

"Approached for a loan" (in August 1978) by the "National Fund for Agricultural Credit of Yugoslavia," which also approached the Kredjetbank and the Provincial Bank of Canada in Montreal, the BCEN "withdrew from the operation": The margin "was lowered to 1 percent." It is not tempted by meager profits.

The Privredna Banka Sarajevo, which is also Yugoslav, would offer a "discount rate of 9-1/2 percent." "The BCEN...counterproposed a discount rate of 10-1/4 percent."

"An affair not to be repeated," curtly concludes its reporter, irritated that the Serbian comrades had finally chosen an American bank which was not very proletarian, but less greedy.

Of course, one is sometimes inclined to pity these bankers, so clear-headed, deceived by the Koreans--the Koreans praised to the skies by L'HUMANITE.

Sadness drips from the pen of the foreign relations secretary when he informs Mr Ponomarev on 13 November 1978, in connection with the "Korean credits," that "the second fixed-asset maturity date of 16 October has not been met. Our share: 268,643.75 deutsche marks."

The regret becomes insupportable when he adds: "Within the framework of the London Anzbank moratorium", signed on 23 March 1977, we are informed by the agent that the Koreans do not envisage on-time settlement of the first redemption before 15 November 1978. Or 12,551,608.69 deutsche marks. Our share: 390,840.40 deutsche marks--27,982,629.60 Swiss francs. Our share: 440,277.33 Swiss francs."

\*Moratorium: "legal provision suspending the maturity of credits, the course of court actions." (Author's note)



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As usual, we learn from the bankers what L'HUMANITE is keeping from its readers: North Korean is in "moratorium" and, even more serious, it is not even honoring its credits. Its money goes to buy publicity in the French capitalist press for its "great leader" Kim Il Sung.

Tiny as it was, the Korean incident made the BCEN more suspicious than ever. Its leaders redouble the precautions in their approach to customers and potential partners. Reports of the BCEN services are sometimes funny, because they are candid.

The assistant manager of the BCEN, Paul Rey, summarizes his talks with Mr Esnault-Pelterie, who is in charge of the African sector of the Bankers Trust, in several lapidary words: his "relations with Arab and Franco-Arab banks in Paris are warm on the human level, but platonic on the business level." Being unable to make use of this too-sentimental mediator, Mr Ponomarev turns toward the Ivory Coast, where there are fewer philosophers and more banks:

"There are at present in the Ivory Coast:

"Five development banks (Ivorian Industrial Development Bank--BIDI; National Bank for Agricultural Development--BNDA; National Savings and Loan Bank--BNEC; Ivory Coast Credit--CREDICODI; Autonomous Sinking Fund--CAA).

"Fourteen commercial banks, including:

5 with headquarters in the Ivory Coast  
9 branches of foreign banks (against 3 in April 1977)  
12 financial establishments."

The Soviet bankers have already made fruitful contacts; the Ivory Coast is their preferred financial bridgehead in Africa. Which literally fascinates them.

By frequenting the "Chemical Credit" Soulerot and de Regard obtain very serious information.

On 27 October 1978 they inform de Boysson and Ponomarev that they "have rendered a positive judgment on Guinea...and the Sudan (recent oil discoveries kept secret for reasons of political opportunity)."

There is a secret that has ceased to be one; I wanted others to profit from it, besides the Soviet bankers alone.

Four Hundred Billion--That Will go Through the BCEN

No less useful are the figures concerning our economic relations with the USSR. The BCEN reports as follows on 3 November 1978:

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18 JUNE 1979

BY JEAN MONTALDO  
(FOUO 37/79)

2 OF 2

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Large Franco-Soviet Projects

actualized by the Grand Commission at the time of the Franco-Soviet Chamber of Commerce mission (October 1978)

1. Creusot Loire (BUE)  
Extruded tubes (CEFILAC [expansion unknown],  
French-German equipment. French share  
50 percent and/or 300,000,000 francs  
Silicon dynamo plate plant 300,000,000 francs
2. SPEICHM [expansion unknown] (BUE and  
General Company)  
Phosalone unit (insecticides. Rhone-Poulenc  
framework contract 350,000,000 francs
3. LMT (Credit Lyonnais)  
Telephone exchanges--a very old plan, many  
times presented and modified 800,000,000 francs
4. ETPM [expansion unknown] (Credit Lyonnais)  
Bakou platforms 900,000,000 francs
5. PUK [Pechiney-Ugine-Kuhlmann Company] II  
Aluminum (Credit Lyonnais)  
Valve a) anode plant  
Valves b) fluorine products and  
c) electrolysis  
dealing with approximately 3,000,000,000 francs  
require long technical discussions (Soviet de-  
lay of construction of hydroelectric dam on  
location of installation (Salienski)  
and trade relations (Kaiser Aluminum,  
Alcoa Group). However, at the end of  
the Grand Commission: political desire  
affirmed by Mr Kirilline for the Soviet  
choice in favor of the French partner 300,000,000 francs

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6. Various light products

Including pipes (Vallourec--Pont-a-Mousson)  
and machine tools 1,000,000,000 francs

All of the French contract signed in mid-October  
1978 are around 2,600,000,000 francs (including  
TECHNIP Gas Lift)

Total of large projects 3,000,000,000 francs  
Plus sundry light products 1,000,000,000 francs

The total figure of 10,000,000,000 francs declared in November 1977 is ex-  
tended--for the Soviet part--over the time period

July 1977 (deadline for payment of interest before renewal)  
End of 1979 Protocol deadline

Also to be described:

French commitment concerning additional purchases of gas and oil

French intention to increase Soviet sales of equipment goods

Plan to cooperate in the hydroelectric field in Colombia, Argentina,  
Brazil and Greece.

It should be noted that the question of formal interest (7.55 percent and  
7.20 percent, deadline end of December 1978) was not mentioned.

Those 400,000,000,000 centimes will go through the Soviet bank in Paris.  
How much will remain in its coffers as profit?

\$13,189,000 for Peru

South America also arouses the BCEN's curiosity and cupidity. Patrick Deloziere  
had a clear conscience when he took note on 24 October 1978 of the meeting  
held by the ADRAL (Association for the Development of Relations with Latin  
America).

Here is his presentation concerning 10 countries where the BCEN is present in  
one way or another:

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"1. Mexico

"French administration's position "normal" (less open toward this country than toward Venezuela).

"However, we note that France does not have many transactions with this country, except for Metro matters.

"It is regrettable that the recent steel negotiation, exceeding several billion francs, enabled France to pick up only a few 'crumbs'.

"2. Central America

"Nicaragua: position guarded.

"Guatemala: fairly open, but France has little business there.

"Costa Rica: quite open. A telephone operation supplied with an eight-year credit was recently financed by France.

"Salvador: some openness. Following recent meetings at governmental level, a financing protocol was signed, primarily intended for projects of a port installation nature, as well as one to build a power plant.

"Honduras-Panama: France is to all intents and purposes absent.

"3. South America

"Colombia: position normal and comparable to that in Mexico. The only business recorded recently concerns telecommunications.

"Venezuela: very open. This is the best-rated country. Industrialists are strongly encouraged to work with this country.

"Ecuador: position restrictive, linked to a difficult financial situation and the memory of a dispute that encumbers relations with Ecuador.

"Peru: present attitude totally negative. Confirmation that a meeting of the Paris Club is to be held in November for the purpose of establishing a consolidation of the Peruvian debt."

The attitude of the new Peruvian government, less under the thumb of the left than its predecessors, does indeed worry the Soviet bankers. The BCEN introduces it in the "Restructuring of the Foreign Debt of Peru--Request Addressed by Telex of 21 September 1978 to the Steering Committee" (having to do with the mere bagatelle of \$1,342,000, spread out over several pay periods) and lent this country \$13,189,000 dollars. Thank God! Tied up and thoroughly tied up; the BCEN has the guarantee that on 3 January 1979 it will be paid the \$974,000 dollars in related interest. It was with a sigh of relief that the writer of the report alluded to the deal.

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A "Signing Ceremony" with the Algerians

The curiosity of the BCEN leaders is universal. Mr Deloziere hastens to inform Mr Ponomarev on 27 October 1978 that "at the cocktail party given on 26 October 1978 (that is, the day before) by Procofrance, on the occasion of the Cameroon contract (Victoria refinery), we learn that this contract for 800,000,000 francs has given rise to double financing."

Clear the decks for action! Might one not take a hand in it?

Yes, the bosses of the Soviet bank are fond of cocktails, world meetings and signings. Their electronic memory enables them to record for Mr Ponomarev the essential point of the conversations they engaged in with the Credit Lyonnais and the Algerian national company, SONATRACH.

Mr Boehm and Mr Lasfargues attended the "signing ceremony" on 30 November 1978:

"Signing the loan for \$210,000,000 granted to SONATRACH (our share \$3,000,000, of which \$2,000,000 is subcontracted).

"At the ceremony, which was presided over by Mr Pierre-Brossolette, an important delegation from Credit Lyonnais participated, and on the Algerian side, Mr Boudjakdi, Mr Smara, Mr Ali Kara Mustapha.

"On this occasion Mr Lasfargues was able to talk with:

"Mr Carlo Arcari, Paris representative of the Bank of Napoli, who brought up its request for approval to open an office in Moscow and hopes we will support his bank in this plan.

"Mr Esnault-Pelterie, assistant vice president of Bankers Trust Company, Paris, who indicates his company is very much interested in short-term operations having merchandise support (prepayments, barter, etc.) in socialist countries and is also open to Francophone African countries.

From a talk with Mr Deflassieux, we learn of the approaching departure (1 February 1979) of Mr Anstett, who is to become the European representative of the Banco Intercambio (the top-ranking private bank in Argentina)."

However, the gentlemen from the BCEN do not like to waste their time on trifles, even with their principal customers. On 8 December 1978 the Board of the Foreign Trade Department tells objectively of a demonstration organized by:

"Arab Prospects

"Monthly meeting of that association, which we attended for the first time as invited guests.

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"Our host, Roger Muratet, mentioned various purchasing problems concerning Egypt, Algeria and Morocco. The questions dealt with were more political and anecdotal than economic or financial.

"The Algerian ambassador, Mr Bedjaoui...answered questions about assistance.

"This kind of demonstration enjoys a certain mass success..., but, in view of our lack of interest in the subjects dealt with, our presence there is not automatically necessary."

Those "mass successes" that are so "uninteresting" do not attract the Soviet bankers at all. The masses they leave in the good hands of the PCF and the CGT; de Boysson, Ponomarev, Boehm, Rey, Krivocheev, Soudakov or Lasfargues do not frequent the halls of those unions and red city administrations that contribute money to them. They prefer to conspire in small committees and rejoice in palaces. That is where they meet, for whatever purpose it may serve, the highest-ranking personages of the French employers' class and the leaders of the hypercapitalistic firms that Marchais and Mitterrand promised to nationalize.

Tomorrow, China

On 24 November 1978 the BCEN is represented at a meeting of the National French Employers' Committee (CNPF).

Its envoy sends Mr Ponomarev an extremely detailed report:

"CNPF (AS [expansion unknown])

"Meeting of 24 November 1978, organized within the framework of the Expansion Abroad Commission.

"To retain its program of activities, organizing in 1979 to have the following priorities:

- |                          |                                 |
|--------------------------|---------------------------------|
| EEC countries            | FRG                             |
| Europe                   | Spain                           |
| Industrialized countries | USA, Japan                      |
| Asia                     | India                           |
| Middle East              | Saudi Arabia and Gulf countries |
| Africa                   | Nigeria and Anglophone Africa   |
| Latin America            | Argentina and Brazil            |

"Concerning China, it was indicated that in 1978 about 50 Chinese sectoral missions came to France. In that context, a strengthening of the structure of the France/China Committee of the CNPF is anticipated. Also, opening a CNPF office in Peking is envisaged."

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The BCEN, spurned by the Chinese as a Soviet institution, will try, in conclusion, to slip into China wearing the colors of the French employers. On 23 October 1978 a meeting of Eurobank's Studies and Documentation Department already examined the "ratings" achieved within the framework of "work for the shareholders (/Soviet/) and the general management." They deal with "the principal data concerning the Chinese economy"; "China's foreign economic and financial relations."

Marchais' and Seguy's bankers in fact dream only of forming an alliance in this sector, as in all the others, with our lords of industry: "Mr Lasfargues and Mr Rosa participated in the ceremony that accompanied the signing of the loan contract (between Cuba and the BUE) on 24 October 1978."

Mr Lasfargues then made the acquaintance of Andre J.P. Perrier, export sales manager at Creusot-Loire Enterprises. On that occasion Mr Rosa was able to have a talk with Mr Gien, assistant financial manager of Creusot-Loire Enterprises. To learn that the latter anticipates that negotiations with Cuba will be opened in 1979 for fertilizer business of approximately 1,000,000,000 francs. The person we spoke with asked us how we felt about an accompanying financial credit.

Our feeling tends toward passion!

Creusot-Loire is undoubtedly the BCEN's cherished partner; the BCEN is proud of being welcomed into the wake of this super-giant of French capitalism.

We let Mr Deloziere tell of his

"Talk with Mr Mijeon of the Creusot-Loire financial management...He commented on our participation in the recent financial credits in favor of Creusot-Loire. This is also the sector which, in connection with the Finex and the BUE is introducing the BCEN into most of the pools made up for financing with the USSR and the socialist countries."

Perfect.

Andrieu, Leroy, Marchais, Salini, Wurmser, Elleinstein and Company will no longer dare to deny that PCF and CGT money is used for financial credits for Creusot-Loire.

The French Communists are also money-lenders of funds for "monopolistic and multinational capitalism."

The Grand Strategy: Drag the Capitalists Into Blending Their Interests with Those of the "Socialist World"

At first sight this statement may seem surprising. All it does is express a paradoxical reality concerning the BCEN's conduct, which is full of apparent contradictions.



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With the help of a basic document I will show the perfect internal logic of the dual capitalist-anticapitalist step by which the Soviet bank drags along its customers and communist proteges and CGT members.

First it must be recalled that the ideologic, political, psychological, economic rivalry between capitalism and communism--in particular, between the two major powers in each camp, the USSR and the United States--is the fundamental given of our time. Their pitiless struggle includes--and without it would have already caused the planet to explode--accommodations to circumstances and a general modus vivendi. The cynical division of the world into zones of influence negotiated at the end of the Second World War is too well-known to need mentioning here; it is behind ambiguous, disconcerting situations so difficult for the uninitiated to penetrate.

The USSR and the communists, propelled by a mixture of messianic faith and imperialism, seek to conquer the planet. Their recent gains are impressive: Vietnam, Angola, Ethiopia, Afghanistan. So many countries in which "socialism" is implanted, presented as the negation and refutation of capitalism.

Facing the communist bloc, the United States, eroded by a profound moral and intellectual crisis, are doing their best to keep their economic leadership. In America's wake, and disputing its position, bustle the former, present and future capitalist parent states: Great Britain, France, Federal Germany, Japan, Canada, Brazil, South Africa, the oil states.

Far from being impervious, the socialist and capitalist worlds are interdependent. Dominated in all fields, the USSR understood that without capitalism's money and technology its own economy would collapse. It had the genius to drag capitalist managers into blending their interests with those of the "socialist world."

The attraction was so strong that the capitalist crow fell into the trap set by the socialist fox.

The whole political, financial and business world is aware today--too late--of that swindle. The socialist bloc's indebtedness has become one of their big worries.

That means that when communist countries buy in the West, for cash or on credit, they are paying us with our own money. But to pronounce the USSR and its satellites bankrupt would have ill-fated, even dramatic repercussions for the Western economy, which is so involved in trade with the so-called "socialist" countries.

The opposite is no less true.

By an irony of history the communist bloc is more than ever a tributary of capitalism. A disintegration of the American and European economy would drag the USSR and its allies into a similar catastrophe. The Kremlin is in a position to eat into the capitalist powers' positions here and there; it cannot

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foment a world revolution without succumbing to the apocalypse it would unleash.

To compete with capitalism, moreover, the Soviet Union has copied its methods. This mimicry has earned it rebuffs in many Third World countries that are not much disposed to exchange one imperialism for another.

In short, outside of ideologic questions, what is involved is a competition between two giant capitalistic systems--one of which, the Soviet, wants to replace the other, the American, which it is eager to swallow up and infiltrate, but which is still infinitely stronger.

In this battle the BCEN, the head in the West of a vast Soviet multinational, has its role to play.

A dual role.

Dollar: Provided Mr Carter "Continues to Show Some Authority"

By supporting Soviet foreign policy while attacking the French political system, our communists are fulfilling the Kremlin's desires. When the Soviet bank in Paris, the BCEN/Eurobank, administers and manipulates the property of the PCF and the CGT, it serves first the USSR. All the more so because the simple knowledge of the internal life of such an important political force would in itself justify the granting of facilities and loans that the BCEN provides for its communist customers.

That is the "revolutionary" French anticapitalist side of its activity. In that, it is not a bank like the others.

When it executes, undisguisedly, on behalf of the USSR classic commercial and financial operations, without being, properly speaking, either a state-owned bank or an issuing institution, it serves Soviet interests; in that, it is not a bank like the others.

When it seeks to worm its way in everywhere in the world, and when it extends its network from Iran to Jamaica, from Mali to Brazil, from Zaire to Chile, it serves Soviet interests.

In that, too, it is a bank unlike the others.

The general interests of the Soviet state do not always coincide with the special interests of the French Communists; so by the force of circumstances it puts them in the background.

Dragged in the wake of the Soviet bankers, our communists thus become the "objective" allies--an expression dear to the Marxists--of American imperialism. Every time the USSR needs or thinks it would be useful to take up with it.

Here is the irrefutable proof.

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On 13 November 1978 the BCEN/Eurobank's "Studies and Documentation Department" sends to de Boysson and Ponomarev, who approve it without objection, a seven-page study on the "Prospects for the Dollar, the Interest Rate and Gold." The report, done by Mr J.S. and Mr C.R., would be worthy of being reproduced in its entirety, because of its lucidity. I will quote one passage from the first part, relative to the "Dollar After the Rectification Plan of 1 November 1978."

On that day President Carter, driven by the obligation to check the fall of the American currency, had announced, as told by the BCEN leaders, "the establishing of a line of defense for the dollar of a total amount capable of reaching \$30,000,000,000." After detailed study of the modalities, weaknesses and dangers of the plan, in language not in the least resembling that of L'HUMANITE, and totally contradicting communist propaganda, the leaders of the Soviet bank conclude, in connection with the measures taken by Mr Carter, "Such realism has made a favorable impression." But, going still further and venturing fearlessly onto political terrain, they sum up in these words, with brutal frankness, their hope of seeing America--save the dollar:

"What remains to be measured is the /degree of determination of the Americans themselves/. Can the demonstration of willingness and authority of 1 November manage not to yield shortly afterwards to the indecision and negligence that up to now have characterized President Carter's policy in this area? This is not certain, for--on the one hand, /non-Americans will put on the pressure/ for the way outlined on 1 November to be maintained (if necessary by making use of the "threat" of the future European monetary system, technical details of which are not yet decreed)--on the other hand, the /international consequences/ of an American relaxation would be /serious/, not only for the dollar, but for the credibility of the United States, for that country's leadership, and for Western cohesiveness. In another connection, the most difficult step for President Carter was hurdled on 1 November. The legislative elections took place. The President can continue to show authority. Will he do it? One can only hope...."

"One can only hope"; that is unequivocally clear. While L'HUMANITE and the French Communists are proclaiming the bankruptcy of the dollar, the deceptions of the Carter Plan and the dangers it will cause to be run by peoples exploited by inflationist imperialism, their Soviet bankers are hoping that the American President "shows authority," that the dollar recovers and that the economic system whose driving force it is recovers its stability.

Such an attitude, totally contrary to communist slogans, has a consistent and rational explanation. The dollar crisis, if it were amplified and became universal, would hit--by ricochet, but hard--the Soviet Union and its bank first of all. This very BCEN/Eurobank which is the creator of the Eurodollar, which has made its fortune. It would suffer, would even be in danger of bankruptcy, if its holdings and enormous investments (drawn up for the most part in dollars) were devalued, rendered anemic, reduced to subsistence level by a lasting disintegration of the American currency.

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Why the PCF and the CGT Cannot Leave the Soviet Bank

The USSR and America are behaving themselves. Their war of attrition has very strict laws that prohibit the K.O. of one of the partners, lest it simultaneously suffer the same fate. The future destruction of capitalism by communism Soviet-style involves first penetrating and infiltrating it. We are in the preliminary phase of that. Which explains the duality, once more apparent, of the Soviet bank in Paris--a bank at the same time revolutionary and-capitalist.

When French Communists place their funds in it, they are entrusting them to a revolutionary institution which in its turn helps them to fight French and Western communism; when the Soviet bankers handle those billions, they are thinking only of the advantages to be drawn from them by their own capitalism, their own imperialism.

The revolution is known to make use of roundabout ways. One of them conducts the money of the workers of the CGT, of Rene Andrieu, of members of Parliament and Communist rank and file into the funds that will nourish the activities of large monopolistic French firms, Creusot-Loire, Elf, Chausson, etc.

Capitalism for capitalism, the French communists would have to go to the French bankers.

If they do not do it because they cannot, it is because Soviet capitalism is barring their way; if they do not do it because they do not want to, it is because they have chosen the foreigner.

I might continue for much longer my promenade inside this bank with its so-exciting secrets. But the time has come to leave it, at least temporarily, and to go on to the conclusions resulting from this study.

However, I could not take leave of Mr de Boysson without communicating to my readers one last document that more than any other summarizes the Soviet bankers' opinion on the condition, situation and prospects of their own bank, at the dawn of 1979.

An "Information Memorandum" signed by the "General Management of Eurobank" and sent to its high-ranking officers on 13 December 1978 by de Boysson and Strauss, establishes a balance sheet of indisputable objectivity:

"Our general expenses," de Boysson writes, "have continued to increase and in 1978 about 15 percent over 1977. That is, short of conducting ourselves irresponsibly, which our shareholders (/the Soviets/) and, in the last analysis the personnel, might justifiably object to, we cannot adopt a policy of accommodation, as far as hiring is concerned, as well as salaries."

That means in other words that despite its profits, which are altogether considerable, the BCEN, like the other banks, will in 1979 follow an austerity

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line closer to Mr Barre's advice than to the demagogic orders of Marchais and Seguy.

In the meantime the BCEN has continued to prosper; any worry about its future is inconceivable.

"In 1978 Our Bank's Reputation has Remained Always Unquestioned"

Mr de Boysson said that extremely well in discussing the "fiscal year 1978 at Eurobank":

"Like the bottle which--according to the point of view--is half full or half empty, it is not easy to catalog 1978, which presents both positive aspects and others that we call less positive.

"On the positive side may be noted:

"In the first place, that the difficulties we may encounter in management have now become basically objective. That is, they arise out of the economic and monetary crisis being experienced by international trade relations, a crisis that is driving us to voluntary and necessary restriction of our activities for obvious security reasons.

"The subjective obstacles we ran into during the second half of 1976 and throughout 1977, resulting from difficulties encountered by some of our sister banks, are no longer a serious problem for our management. We must be grateful to our shareholders (/the Soviets/) for that; there they gave us a show of confidence. We will hope that the control currently in progress will enable them to conclude that their confidence was well-placed."

Mr de Boysson is not mistaken; several days before my work came out, the Muscovite authorities assured him of their satisfaction.

Because on the subject of results, as de Boysson writes, anticipating the end of the fiscal year:

"What can be predicted on this date is that the net banking income (the difference between the banking income and additional income on the one hand and banking expenditures on the other hand which appear under the heading of development) will probably be a little higher than in 1977... And we also hope the net profit will be a little higher than in 1977, but there, too, in "current" francs and not in "constant" francs. This is progress over last year, for which the results in current francs were lower than in 1976."

This "progress", as we have seen, scarcely prompted the BCEN to practise hiring or to increase social advantages.

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Mr de Boysson goes on:

"The reasons for this situation, which is obviously not ideal and which does affect us on the negative side, are numerous and well-known: besides the basic factor, which is the crisis already mentioned, one may cite the narrowing of the margins for international financing, the weakness of the dollar during a large part of the year, /while the majority of our operations are framed in that currency/\*, as well as limits placed by our authorities (/Soviet/) on our ability to convert it."

In one burst de Boyssons has just shot down all the arguments put forward by capitalist bankers. Including the most eloquent, who confirm the analysis I just made (see above, p 209) of the objective alliance, beyond their keen competition, between Soviet and American bankers: the majority of the operations of Marchais' and Seguy's bank are drawn up in dollars, a weak and disputed currency. As good as saying that the francs of the PCF and the CGT are being used to fortify in some way the American currency.

Mr de Boysson, who is obviously sorry about the "Yankee" currency's misadventures, hastens to add that

"So as not to end these considerations on a too-pessimistic note, we may conclude that fiscal 1978, despite the real difficulties /which are the lot of all businesses at the present time/, has unfolded rather better than anticipated and that our working tool, our bank's reputation, has always remained unquestioned."

Will it still be unquestioned tomorrow?

Mr de Boysson was sure of it when he rewarded his intimate associates with these kind final words:

"In conclusion, we wish you happy holidays and we send you quite sincerely our wishes for a good year 1979 for you and yours, and for our bank."

And with all my good wishes for the next trip to Moscow (19-23 February) of Guy de Boysson and Ponomarev:

"Attention Mr Tchernyssov  
Chief, Department of International Relations. Referring to telegram of 5 January to Eurobank from President Alkhimov we inform you that Guy de Boysson and Vladimir Ponomarev will arrive in Moscow on Monday 19 February in the afternoon to visit Gosbank-Vneshtorgbank MBS and MIB [expansions unknown].

"Kind regards

"Eurobank

\*Author's note: my italics.

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That Telex of 11 January 1979 did not announce that de Boysson and Ponomarev would bring with them the first two copies of this book, which had come out several days earlier, on the secrets of their bank. They will have to add it to their report of activities for 1978. And if this work does not please their "/authorities/", they can always offer it on their next visit to the USA (late April 1979), Basel (11 June0, Frankfurt (12 March) or Abidjan (end of May).

Present but invisible, I will be pleased to accompany them on "other visits to certain socialist or Western countries" which, according to the "1979 travel plan for members of the General Management (reference GB/SM-24/1979), may be envisaged as circumstances dictate."

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