

Business Briefs

International Trade

Ibero-Americans discuss regional currency

Ibero-American industrialists and government officials will be meeting in Buenos Aires at the end of this month to discuss the adoption of a region-wide currency "to facilitate regional commerce, in light of the payment crisis that is affecting Latin America for lack of hard currencies." A similar proposal was made last year by U. S. Presidential candidate Lyndon H. LaRouche, who had called on the nations of Ibero-America to adopt a common currency, the "golden Peso," as a step toward integrating the economies of the region.

The Buenos Aires meeting, in which all the nations of the Andean Pact and Argentina will be represented, will also study the development of the region-wide "internal Latin American market as the basis for a recovery in productivity."

Agriculture

Court decision enables farm foreclosures

A recent court decision will allow the Farmers Home Administration (FmHA) to resume foreclosure activity in the states where this has been prohibited by a court injunction. The 11th Circuit Court of Appeals in Georgia issued a ruling on *Curry vs. Block*, which has been delaying foreclosures in several key farm states, including Georgia and Kansas, since 1981. Based on a 1978 law, the suit objected to the FmHA foreclosing on loans to farmers who had suffered reversals beyond their control, such as those due to drought. All FmHA foreclosures in states with similar cases were stopped until the issues could be resolved.

Farm loan holders in most states joined in a class action suit with North Dakota farmers in November 1983, which held up foreclosures briefly but soon resulted in a permanent injunction requiring the FmHA to follow certain guidelines, but allowing

them to continue foreclosures. However, six states, Georgia, Alabama, Florida, Mississippi, Kansas, and Minnesota, did not join the suit, and therefore were not covered by the new guidelines.

Under the new ruling the FmHA will be issuing a new set of rules "within a few weeks." In the state of Georgia, there are between 750 and 800 foreclosure proceedings ready to start, which probably represent over \$100 million in loans. In Kansas and Mississippi, an estimated 350-400 farmers, holding \$25 million in FmHA loans, face immediate foreclosure proceedings. In general, almost half, approximately 17,500 borrowers in the three states, are delinquent on at least one FmHA loan, and a hard line on the part of the government could result in half these farmers being forced out of business.

Operation Juárez

Colombian UTC demands debt moratorium

The delegates at an international symposium on "New solutions for the economic crisis in Latin America and the Caribbean" held the week of Aug. 20 in Mexico City were lectured on Operation Juárez and the necessity of rejecting IMF conditionalities by the leaders of the Colombian Labor Federation (UTC). "We cannot accept the recipes of bankrupt bankers, whose theories have led to the present crisis," said the UTC's document, which proposed to mobilize millions of Ibero-American workers to fight for a six-point program based on the ideas developed by Lyndon LaRouche.

The UTC document calls for a debt moratorium to stop the destruction of the economy; the creation of a new Ibero-American monetary system, based on a common currency to finance trade and infrastructure and industrialization projects; mechanization of agriculture to prevent food blackmail by the bankers; great industrialization projects; and the creation of a scientific institute to prepare the labor force to accomplish these tasks. "We call upon all labor leaders of the continent in this meeting to make an intense

organizing effort in the whole region, so this historic moment would not find only little men."

In a sharp attack on IMF policies, the UTC document demonstrated that the IMF export policies and the high interest rates in the United States were responsible for the present indebtedness of the Ibero-American nations, and then stated, "but despite the looting, and usury, our continent has a fundamental wealth that has not been destroyed, its labor power. . . . We have to rescue the courage and spirit of Benito Juárez, the Benemerit of the Americas, that knew how to win after declaring a debt moratorium in 1861, rescuing with this not only the sovereignty of his own country, but the Americas as a whole."

A final resolution approved by the participants included a call for the creation of a new financial institution "similar to the World Bank," and stated that in the case a country or group of countries declare a debt moratorium, the labor movement will rally in their support.

Housing

Recession in housing seen by homebuilders

"We are clearly headed for a recession in housing," Michael Sumichrast, chief economist for the National Association of Home Builders said in late August.

The home building industry's problems were recently highlighted by Chapter 11 bankruptcy filings by Mazama Timber Products of Oregon and Brazier Forest Products, Inc. of Washington.

Northwest producers said that only a flurry of new orders and price increases in the past month has staved off more of the temporary mill closures announced earlier in the season.

Preliminary forecasts by economists point to 1.3 million to 1.5 million housing starts in 1985, still higher than about 1 million in 1982, when wood producers suffered their worst year since the 1930s.

"It's clear that interest rates will go up after the election. And next year we'll see

massive tax increases for business and individuals that will cut demand for wood products. We are in the traditional cyclical swing," said Gerard Griffin, public relations manager for the Louisiana-Pacific Corporation.

Legislation

'Superfund' bill passes House

Farmers and ranchers who use pesticides and herbicides could face extensive financial liability in the future due to the passage in mid-August of an amendment to the "Superfund Expansion and Protection Act of 1984" by the House. Senate action is expected shortly.

The amendment would establish a federal "cause of action" giving individuals the right to sue disposers of hazardous waste. However, the provision is written in such a way that it could also apply to pesticide applicators, i.e., farmers.

This means that individuals who claimed injury to themselves, their groundwater, or property resulting from agricultural chemicals could sue a farmer, even if the producer followed label instructions and took other precautions.

The Superfund bill (H.R. 5640) would expand the original federal hazardous waste law beyond its main purpose of cleaning up hazardous waste dumps and holding those who improperly dispose of such materials responsible for damages. Current law exempts chemicals regulated by the federal pesticide law (FIFRA), but the five-year reauthorization now passed would eliminate that exception. In addition, it would give new meaning to the term "disposal" by including such activities as "the . . . deposit, injection . . . or placing of any hazardous substance into or on land or water"—which could include, of course, the routine use of agricultural chemicals.

Dennis Stolte, an environmental specialist, said the inclusion of agricultural chemicals in the Superfund legislation "would be devastating to family farms." If farmers and ranchers have to face the threat

of financial liability because they use approved chemicals, he said, "the cost of insuring against such a liability, if such coverage were available, would put thousands of farmers out of business.

Organized Crime

European authorities probe Hardwicke case

Dutch and Belgian finance ministry investigators are probing the October 1983 bankruptcy of Hardwicke Corporation, a New York corporation which operated some prestige restaurants as well as sleazy establishments suspected of laundering narcotics money. Former Hardwicke chairman Charles Stein was identified in the Feb. 23, 1981 *New York Times* as the recipient of special favors, including VIP entry through New York customs, from narcotics agents suspected of corruption.

Stein, according to former associates, skimmed huge amounts of money from Hardwicke before it went under, an easy task given Hardwicke's enormous cash receipts. These funds were reportedly deposited in the Union Bank of Switzerland. Stein's skimming operation occurred in the period after a 1982 shareholders' fight brought a dissident shareholder onto the board.

Stein came to the Benelux authorities' attention earlier this year, when he purchased control of a London Exchange corporation named Portinax. Portinax, an odd conglomeration of coffee distribution, cat litter, and oil and gas investments, rose to prominence as a speculative stock in early 1984, after a Dutch newsletter promoted the stock heavily.

Portinax stock collapsed and stopped trading after the Dutch press, encouraged by their monetary authority, attacked the newsletter in question, Capital Gains Research. Sources at the company claim it will re-open for trading soon.

However, according to Benelux official sources, the real target of the attack on Portinax was the possibility of a transatlantic money-laundering connection.

Briefly

● **BEECH** Aircraft Corporation has announced plans to lay off 500 production and support workers indefinitely from plants in Kansas, Alabama, and Colorado. About 400 workers received furlough notices on Aug. 22, and 100 more will receive notices in early September, said Gary Hanssen, Beech's vice president for industrial relations. The announcement came four days after Machinists' union workers in Kansas and Colorado ended a 13-day strike, but a Beech spokesman said the layoffs resulted from a weak market and were not related to the strike.

● **BIRD LOVERS** are enraged over numerous deaths of birds at the Kesterson National Wildlife Refuge near Fresno, California. The birds are being poisoned by waste waters leaking from government holding ponds. The problem was created by the cancellation of a major federal drainage canal, cancelled primarily because of opposition from environmentalists.

● **CANADIAN** Consulate General in Philadelphia will host an exposition featuring approximately 75 Canadian manufacturers of high-quality and advanced-technology industrial/defense products. The conference, the Canadian Industrial Defense Exposition (CIDEX 84), will be held at the National Guard Armory, Philadelphia, Oct. 2-3.

● **FAITH** in the so-called economic recovery of the United States is slipping a bit, according to a new poll of financial planners whose results were the *Digest of Financial Planners*. "Although a majority of the . . . panelists remain optimistic, the level of optimism has declined since the end of 1983," said Gloria Golden, director of the poll. "Only 74% of the more than 2,000 respondents feel either extremely or generally optimistic, compared to 92% in our December 1982 survey."