

Business Briefs

Ibero-America

U.S. to cut off aid to Bolivia

The U.S. government intends to cut off all new aid to Bolivia, until Bolivia wipes out at least 10,000 acres of coca bushes, the U.S. embassy in La Paz announced the first week of March.

President Victor Paz Estenssoro replied that the withholding of aid "endangers our delicate program of economic and political stabilization." The Bolivian military is now considering canceling some small joint maneuvers with the United States.

The aid involved totals \$1.5 million, but the fact of Bolivia falling into the bad graces of the United States suggests that pressures on Bolivia from the International Monetary Fund and bankers will escalate.

Almost simultaneously, on March 4, Hugo Banzer, Bolivian dictator from 1971 through 1978, was in Washington, D.C. as part of a secretive visit which will also take him to Europe and Israel.

Banzer, who overthrew an elected government and ruled during the period in which Bolivia was made into a cocaine paradise, was an "honored guest" at the 1984 Republican Party convention in Dallas. Banzer has a pact with President Paz Estenssoro to protect the regime from the workers' movement, but claims no responsibility for the government's failures.

Austerity

Panamanian workers in anti-IMF demo

Panamanian workers held the largest anti-International Monetary Fund (IMF) demonstration in Panama's history on March 4. Leaders of the National Council of Organized Workers (CONATO) said that 40,000 were in the street.

The demonstrators marched peacefully to the National Assembly, chanting slogans such as "Delvalle, respect us, or you go like Barletta," referring to the resignation last

fall of ex-President Nicolás Ardito Barletta, who was implementing IMF dictates. He was replaced by then-Vice President Eric Delvalle.

CONATO leaders were then permitted to go inside to address the assembly and condemn "undeniable pressures on our country from the IMF and World Bank." The speech given by a CONATO representative was broadcast on National Radio, which covers every session of Congress.

Nevertheless, the Panamanian government on March 6 introduced the legislative package demanded by the IMF and the World Bank. By all reports, this was the result of intense blackmail by the U.S. State Department.

That legislative package, the same as that which forced Ardito Barletta to resign, includes anti-labor changes in the labor code, and reforms in investment laws to allow foreign capital to take over companies and local markets. The reforms are opposed by both labor and industry. The whole package is expected to be approved by the Congress on March 10.

The Panamanian labor movement immediately held an extraordinary general assembly, in which they decided to hold a general strike March 10.

U.S. 'Recovery'

Measures to liberate the poor from 'dependence'

In a desperate effort to cut the domestic side of the federal budget to conform to the dictates of the Gramm-Rudman law, President Reagan has called for a cap of \$10,990 as the maximum income allowable for families receiving federal assistance through any combination of welfare, Medicare-Medicaid, subsidized housing, and other such programs. That figure represents the official poverty line for a family of four.

Right now, the percentage of recipients of such programs with incomes above the poverty line ranges from 46% for Medicaid to 27% for subsidized housing. Thus, the "cap" would create hordes of "new poor." In addition, in six months' time, as inflation

continues to soar—despite administration claims—the poverty-line ceiling will crush more and more families.

The proposal, which the President is pushing as a way to "disentangle" the poor from "dependency" on the federal government, attacks the welfare system for destroying families, eliminating work incentives, etc.

Development

García buys into Nestlé milk production

Peruvian President Alan García's government will buy out 15% of the Nestlé milk plant in Arequipa.

Peru will make its investment in terms of new packaging equipment so that milk can be provided more cheaply to the poorest sectors. García, while visiting a poor Lima slum, stated: "It is preferable to drink powdered milk packaged in plastic bags that would cost 5% of the milk's total price" than wasting one-third of the cost on cans for the evaporated milk Nestlé now markets.

He also condemned Nestlé, a Swiss-based food-cartel giant, for having a "monopoly" over milk in Peru. It takes powdered milk imported and subsidized by the government, only to add water, can it, and sell it.

International Trade

U.S.S.R., Kuwait sign agreements

The Soviet Union and Kuwait signed important oil market and banking accords in February. According to the Feb. 11 KUNA news agency of Kuwait, the protocols include joint construction of oil installations and other projects in the two countries, as well as the building of such facilities in third countries; an agreement to regularly exchange information on conditions in the oil markets; and an agreement to cooperate on

trade exchanges involving oil and its by-products.

The protocol also provides for "financial cooperation between banking institutions in the two friendly countries. . . ."

They also stated something the Russians have never before said, and certainly have never done, their intention to jointly lend assistance to underdeveloped countries in developing their national economy, and to implement oil projects as well as energy and irrigation schemes in third countries.

Labor

Turkish workers demand strike rights

On Feb. 22, more than 20,000 workers seeking greater union and strike rights staged Turkey's first protest rally since the September 1980 military coup.

Approximately 3,000 police cordoned off Izmir's Republic Square and searched workers attending the rally, organized by the country's largest trade union confederation, Turk-is.

The demonstration was held under the slogan "Bread, Peace, and Freedom"; Some demonstrators, however, chanted slogans calling for the government's resignation.

Turkey has been under intensive strategic pressure from the Soviets and their ally Syria, as well as from Greece, while U.S. military aid has been held up. The nation is known to be on the same U.S. State Department destabilization list which featured President Marcos of the Philippines.

'Free Enterprise'

Reagan reverses stand on oil-import fee

Acting on the advice of his arch-"free enterprise" Counsel of Economic Advisors chief Beryl Sprinkel, President Reagan in early March definitively rejected an oil import fee as part of a larger tax-reform package, over

which he is now wrangling with Congress.

Earlier, on Feb. 4 Reagan had stated that such a tax might be in order, to offset some changes in tax laws that would otherwise tend to discourage investment in oil-production. Now he says he's thought better of it.

The fee, more importantly, would also have functioned as a protective measure, safeguarding domestic producers against the ongoing collapse of international oil prices.

This decision followed testimony by Deputy Assistant Secretary of State E. Allen Wendt to the Senate Finance Committee that an oil import tax would "set back relations with our neighbors and closest allies," and "strengthen the hand of unfriendly elements in key developing countries."

At the same hearing, Texas Railroad Commissioner Mack Wallace testified that 30% of the nation's oil producing capacity will be shut down if prices remain at the \$15 per barrel level for another six months.

Disease

AIDS situation called 'terrible,' but secret

"The plague of the 20th century," has been the theme of a conference on "AIDS, A Problem of Public Health," taking place in Madrid, Feb. 27-March 1. The conference has been co-sponsored by the National Center of Microbiology, Virology and Immunology, and Administration, of Madrid.

According to speakers, the number of cases of AIDS in Spain has risen from 8 in 1983 to 83 in 1985. Cases are expected to double within the next six months. One speaker revealed that the spread of AIDS in Spain is greater among heterosexuals than homosexuals, for various reasons, one being that Spain must import blood for its hospitals from countries with high incidence of AIDS. This has exacerbated the situation, particularly in Madrid.

One speaker at the event was Dr. D. Armstrong of the Cornell University Medical College in New York City, who reported that the AIDS situation in New York is "terrible." He said that panic has not yet hit New York, because of various panic-prevention measures and a "good publicity campaign."

Briefly

● **ABOUT 10,000** people are applying for *only 270 jobs* at the soon-to-open General Electric plant in Buffalo, N.Y. The jobs are to overhaul New York City subway cars.

● **MEXICO** will de-nationalize \$1 billion in state-sector industries, Planning Minister Carlos Salinas de Gortari said in late February. He was quoted in the *Financial Times* saying "at least" 80 more public companies would be put on sale, including Mexicana airlines. The *Financial Times* believes the government will persist in efforts to sell half of the \$3 billion Sicartsa steel complex to Japanese interests.

● **SAUDI ARABIAN** Oil Minister Zaki Yamani blamed non-OPEC producers for the collapse of world oil prices, and he called on Japanese Prime Minister Yasuhiro Nakasone to take up the issue at the May economic summit. Yamani said he hoped that Britain and other oil producers outside OPEC would help stabilize the market by curtailing production. Britain "was not cooperating," Yamani said.

● **THE U.S.S.R.** plans to increase shipping and trade links with Singapore, according to Soviet Trade Representative M. A. Vilenchik on March 4. He said that some 965 Soviet ships passed through Singapore last year, making the Soviet Union the leading merchant navy in the area. Despite a decline in Soviet-Singapore trade in 1985, Vilenchik said his country was "exploring ways to expand economic ties."

● **DR. STEPHEN BARRETT**, a psychiatrist from Allentown, Pennsylvania, in the keynote address at the 115th annual California Medical Association Convention the first week of March, said that "medical quackery" is a \$10 billion business in America. It is not known if he included psychiatry in that category.