

Business Briefs

Middle East

IMF orders Israel to slash wages and budget

An International Monetary Fund delegation that Israel budget immediately. The delegation is preparing an annual report on the Israeli economy.

The report criticizes Israel its budget deficit through a tax increase and reducing subsidies, rather than cutting spending. It high by about \$400 million, and that salaries, temporarily slashed by 20%, would have to be reduced further during upcoming negotiations with the Histadrut Trade Union to "prevent inflation."

The present austerity plan was introduced by Prime Minister Shimon Peres. Official inflation was reduced from 445% in 1984 to 185% in 1985, by means of "wage and price controls."

Agriculture

German parties call for farm cuts

West Germany's Free Democratic Party has called for drastic cuts in German agricultural production and for retiring land from production, as the "solution" to Europe's agricultural crisis. The FDP is a tiny ultra-liberal party which is part of the ruling coalition.

Georg Gallus, state secretary in the Bonn Ministry for Food Supply and Nourishment, was quoted in the *Sueddeutsche Zeitung*: "Stretches of land must be taken out of production; there's no other way out."

Gallus predicted that at least 100,000 full-time German farms will go bankrupt during March and April. "Agriculture in Germany will consist of part-time farmers exclusively until the year 2000," he said.

A similar program of cutbacks was issued by the environmentalist Green Party in the parliament. Greenie Helmut Werner declared: "Agricultural surpluses can no longer be paid for. . . . For ecological reasons,

the use of nitrogen fertilizers must be reduced. . . . By not using fertilizers, the surpluses can be cut down."

Organized Crime

Assassination blocks U.S. anti-drug drive

The United States government will no longer seek the extradition of three top Colombian drug traffickers, since the murder of a key witness, Adler Berriman "Barry" Seal, has potentially officials announced in mid-March. Seal was assassinated by a Colombian hit team in New Orleans on Feb. 19.

Seal was the primary witness in the cases against traffickers Pablo Escobar, Jorge Ochoa, and Carlos Lehder. Following the withdrawal of the U.S. request, Colombia's justice minister informed all security agencies that the order to capture and detain the drug traffickers is no longer in effect.

Thomas D. Scalfani, one of Seal's attorneys, said, "The year-long efforts to prosecute the person who the government says is the largest cocaine dealer in the world has just been lost."

In informant-witness in the case involving three Ochoa co-conspirators and linking the Medellín cocaine kingpins to Nicaragua's Sandinista government. In testimony helped to convict three of Ochoa's cohorts.

A former U.S. Army Special Forces member and later a pilot for TWA, Seal had become a pilot for the major cocaine traffickers. He oversaw loading and unloading of tons of cocaine headed for the United States. Seal admitted making 100 flight runs, smuggling into the United States for the cocaine mafias narcotic loads that grossed \$75 million.

Assistant U.S. Attorney Richard D. Gregorie, chief of narcotics prosecution in Miami, says that the government plans to proceed with its case, but he told the *Miami Herald* on Feb. 21, "We won't have live testimony. . . . We'll have to use the testimony Seal had given in the trial of Ochoa's

co-conspirators." Unfortunately, Seal had a lot more to tell.

Seal was assassinated while parking his car outside a Salvation Army halfway house where he had been ordered to spend week-nights, as part of his five-year probation sentence ordered by U.S. District Judge Federico Polozola in January 1986 in Baton Rouge. Although the halfway house was described by law-enforcement officials as a "perfect place for a hit," Judge Polozola refused to allow Seal to have bodyguards.

states that the deficit

'The Recovery'

Half of U.S. farms 'to be eliminated'

The Office of Technology Assessment (OTA) of the U.S. Congress has issued a report forecasting that half of all U.S. farms will be eliminated by the year 2000. Of those remaining, 50,000 farmers will produce 75% of the nation's food.

Moderate-sized farms will be hardest hit, when nearly 1 million out of 2.2 million farms disappear. Rep. Cooper Evans (Iowa), 1985 farm bill, by scuttling limits on per-farm subsidies, will accelerate the change that is occurring "naturally."

Austerity

State Department pressures Egypt

Assistant U.S. Secretary of State Richard Murphy is Egyptian President Hosni Mubarak during their meeting on March 10 in Cairo, that the United States will cease to support Egypt unless Mubarak agrees to impose International Monetary Fund austerity on his nation immediately.

The United States has withheld some \$265 million in economic aid to Egypt since last October. During his meeting with Mubarak, Murphy said that Washington would

transfer the funds, as well as next year's, only when Cairo has begun implementing the IMF demands.

Coming two weeks after riots by Egyptian security forces, such demands will intensify the political destabilization of Egypt, where living standards have drastically declined in recent months. Many important development projects are being curtailed. Since last October, because of lack of funds, Cairo has not been able to sign the final contract for its first nuclear power plant.

Egyptian journalists in London stressed that Mubarak is desperately trying to get the economic situation under control, without having to implement the IMF demands. He is reported to have delivered an ultimatum to Prime Minister Ali Lotfi to overhaul the Egyptian economy. Mubarak told the Parliament in a televised address that "strong, practical, and radical" measures gently needed. He said that the economic crisis was the primary cause of the riots.

Panama

Workers end strike, continue mobilization

Panama's labor council, CONATO, announced on March 19 that it was calling off the nine-day general strike which had brought the economy to a standstill, but will continue organizing against the government's imposition of austerity policies demanded by the International Monetary Fund and the World Bank. Organizing will begin now for a 24-hour strike on April 30.

The strike resulted in an extraordinary labor-industry alliance in defense of the nation; on March 17, Panamanian industrialists joined the strike. In the country's third-largest city, David, the Chamber of Commerce officially joined in.

Nevertheless, on March 16 the National Assembly passed the labor code "reforms" demanded by the World Bank, by a vote of 41-1, with the opposition party members absent.

CONATO responded, "Although the malignant measures were passed, they never were consented to by the workers and our

struggle will continue." CONATO has formally withdrawn from the governing political coalition and from all joint government-labor commissions.

Panama's military officials blame the economic crisis on the International Monetary Fund—the "giant loan shark," as a high-ranking officer called it.

On March 18, Gen. Manuel Noriega, commander of the Panamanian armed forces, met for three hours with CONATO leaders. According to press reports, he offered to explore various means for compensating for the changes in the labor code.

Economics

Just let Warren Rudman keep on talking. . . .

Major Robert Patton (ret.), Democratic candidate for U.S. Senate in the state of New Hampshire, says he wants his opponent, Sen. Warren Rudman, to receive more coverage in the press: "I believe my campaign benefits every time Senator Rudman opens his mouth."

"Why, on March 18, Mr. Rudman gave a speech in Washington, where he called his infamous Gramm-Rudman bill a 'planned trainwreck,' and a 'bad idea whose time has come.' When asked about the bill's effect on U.S. troop strength in Germany, Rudman told 200 members of the American Defense Preparedness Association that Germany was 'like New Hampshire on the Rhine, it's like a country club. . . .'

"I've estimated that if Mr. Rudman gets better press, I will be able to cut my campaign expenditures by 50-75%."

Mr. Rudman's remarks to the ADPA did seem to confirm Major Patton's evaluation. Among other things, Rudman demanded the dismantling of the Western alliance and attacked Defense Secretary Caspar Weinberger as not "man enough" to face "reality." On the domestic effects of his bill, Rudman said: "It is time the American people realized there is no free lunch. I wonder if the population is really ready to accept the major decline in the standard of living that awaits them."

Briefly

● **MICHELE SINDONA**, the Sicilian financier, was sentenced to life imprisonment by a Milan court on March 18, for ordering the 1979 murder of a lawyer.

● **A BANK OF AMERICA** investment officer, Guillermina Watson, and five other persons, were charged on March 19

million in drug money through three financial institutions, including Blue House Financial, Inc., a currency exchange in San Ysidro, and California Commerce Bank in San Diego. Three of the defendants are Colombians.

● **THE AMERICAN Medical Association** has issued new "ethical guidelines" which permit physicians to withhold not only life-saving treatment, but even food and water, from patients deemed terminally ill or "irreversibly comatose."

● **JAPANESE INVESTMENT** will create some 5,000 jobs in Britain in the next two years, according to a survey of 107 Japanese companies. Japanese firms already provide some 10,000 jobs in Britain.

● **U.S. OIL** producers are announcing mass layoffs and cutbacks in capital investment, as a result of the collapse in oil prices. Chevron will reduce its 61,000-member workforce by up to 15%, eliminating up to 9,000 jobs. Tenneco eliminated 450 jobs, or about 15% of its exploration workforce. Exxon had earlier announced a 26% cut in capital investment for this year; Phillips Petroleum cut 30%; and Atlantic Richfield cut 33%.

● **THE HOUSE TRADE** Subcommittee approved a bill in mid-March that would give the President power to act against countries that restrict U.S. exports of telecommunications equipment. The bill, aimed primarily at Japan, requires that the United States negotiate with other countries on the removal of trade barriers. If negotiations fail, the President would be required to take action against imports from those countries.