

# Business Briefs

## Labor

### Argentine general strike successful

Argentine industry was almost totally shut down on March 25 for a 10-hour general strike beginning at noon, called by the Argentine General Confederation of Labor (CGT). This action follows an earlier CGT general strike on Jan. 24, which was 97.4% effective. The strikes are in opposition to the subordination of the Argentine economy to International Monetary Fund austerity demands.

This time, the CGT used the slogan, "Hay que pagar la deuda con el pueblo!" The debt to the people must be paid!

Observers report that industrial areas closed down completely, but many stores apparently remained open and most transport in Buenos Aires functioned. Transport was deliberately kept functioning by the strikers to ensure workers ability to turn out for mass demonstrations. The strike was also strong in the provinces, such as Córdoba and Tucumán.

The government and the ruling UCR party ran a massive slander campaign against the CGT, saying the workers "should apologize to the country for what they are doing to it." Posters went up with the slogan "Stop or advance." CGT leader Saúl Ubaldini said, "The government should stop and think and not keep going toward the abyss of social confrontation."

The government has been totally inflexible on its austerity policies, despite CGT willingness to negotiate.

## Austerity

### Egypt refuses to accept IMF demand

Egypt will never accept the International Monetary Fund's demand to cut food subsidies, Dr. Mamdouh al Beltegi, director of Egypt's Central Information office, told a London audience March 18.

Al Beltegi is touring Europe to discuss the Egyptian situation after February's riots by 8,000 Egyptian security police.

In a private meeting in London, he said that Egypt was committed to better its economic condition, that it may compromise on some of the IMF demands, but never on food subsidies or other basic subsidies.

On March 17, Egyptian Central Bank Governor Ali Negem announced that there would soon be a new round of negotiations with the IMF for a \$1.5 billion standby loan.

## Development

### Africa's development will cost \$115 billion

An African economic recovery program, aimed at rescuing the continent from the brink of disaster, is likely to cost approximately \$115 billion, the executive secretary of the Economic Commission for Africa said on March 21.

Professor Adebayo Adedeji told a two-day conference of African and United Nations economic officials that African nations could contribute \$80 billion while the rest would have to come from foreign governments and international agencies.

He said that if the continent's debt-servicing burden remains high, and world commodity prices—especially those for minerals and foodstuffs, Africa's main exports—remain low, then efforts towards economic recovery would be futile.

The campaign to reverse Africa's economic decline was launched in 1985, spurred by the widespread drought and famine.

## 'Free Enterprise'

### Drug runner extradited to Colombia, not U.S.

A Spanish tribunal decided to extradite Jorge Ochoa, chief of the Medellín, Colombia narco-mafia, to Colombia, rather than the United States. The decision, rendered on March 25 by a judges' vote of 2 to 1, was

based on the argument that Ochoa would have a "fairer trial" in Colombia because he knows the language and how the judicial system there works.

However, in Colombia, he will face minor charges compared to the drug-trafficking charge facing him in the United States.

Ochoa was arrested along with Gilberto Rodríguez Orejuela. Both individuals have close ties to the American Institute for Free Labor Development (AIFLD), a State Department arm in Ibero-America. Rodríguez served on the board of directors of the Colombian Workers' Bank, founded with a grant from the U.S. Interamerican Foundation to the Union of Colombia Workers (UTC), an AIFLD-connected organization. It is one of four Colombian banks identified as involved in drug-money laundering. Ochoa was a major stockholder in the First Interamericas Bank, whose president was former treasurer of the UTC and Colombian Workers' Bank director, Antonio Beltrán.

The judge who voted that the United States request for extradition should take precedence over the one on minor charges which had been drawn up by a Colombian official, protested that the opinion of the other two judges on the panel, "seemed to be made to order for Ochoa himself."

## U.S. Defense

### Panel cuts retirement pay for military

The House Armed Services Committee voted on March 21 to reduce the pensions of future military personnel who retire after 20 years service, Les Aspin (D-Wisc.) announced on March 21. A 17% reduction in benefits was approved for those who would enter the services after the bill became law.

Aspin, formerly one of Robert McNamara's "whiz kids" and no friend of the U.S. military, U.S. defense, or, for that matter, the United States, stated, "We want to encourage more people to serve longer," asserting that the present system is so generous that it induces people to leave service after 20 years.

He acknowledged, however, that if the bill is implemented, "more people may leave the service early," rather than stay beyond 20 years, and estimated that the change would eventually cut the force with less than 20 years of service by 2.4%.

## **Debt**

### **South Africa gets extension on payments**

South Africa announced on March 24 that it had extended by three months an agreement on repayment of foreign debts frozen last year after overseas banks cut Pretoria's credit lines amid mass township riots. Finance Minister Barend du Plessis said the deal, hammered out in London between working groups of his government and creditors, would run until June 30, 1987.

Du Plessis said in his statement: "This interim debt arrangement has been negotiated in a relatively short period of time and should be seen as an effort to return normality to South Africa's international financial relations."

Under the agreement, South Africa will repay on April 15 this year, in one lump sum, 5% of debt maturing by that date. He did not give specific figures.

Du Plessis said foreign banks that are owed a total of about \$22 billion agreed to carry over the debt until June 30, 1986. The agreement affects an estimated \$14 billion of the country's total foreign debt.

## **International Trade**

### **Boeing high-tech deal signed with SAAB**

The Boeing Corporation of Seattle, Washington signed an agreement on March 25 with SAAB-Scania of Sweden for development of major components in its next-generation 7J7 airliner. The new design incorporates a revolutionary propeller design, developed under NASA, known as the "prop-

fan" which is expected to cut fuel consumption by 45%.

The SAAB industry group is part of the Wallenberg-Gyllenhammer group of companies that has been indicted for industrial espionage and illegal transfer of sensitive American technology to the Soviet Union.

From the time of the Russian Revolution, the Wallenberg group has maintained close relations with the Soviet Union. The group's current chief executive officer, Hans Werthen, is extensively involved in Soviet economic affairs. Many in the international business community consider him "the Soviet Union's most important operative internationally."

The deputy chairman of one Wallenberg group company Electrolux, Peter Wallenberg, is a "confidential" client of Kissinger Associates. Wallenberg is also chairman of ASEA, the nuclear, robotics, and engineering firm which was caught smuggling sensitive American computer technology and other banned equipment to Russia at a time when Kissinger was a consultant to Wallenberg.

## **The Great 'Recovery'**

### **Reports show heavy rural deterioration**

According to a year-long study financed by the Ford Foundation, the nutritional health of poor rural Americans has deteriorated far more severely than the urban poor.

The study says that the rural poor are "underfed, undernourished, and in poor health." Furthermore, "their deprivation and neglect is unrecognized."

The number of rural poor given is 13.5 million, and of urban poor 12.9 million. The number of rural poor rose by 36% between 1979 and 1983.

Rural poor consumed less of 11 of 13 key nutrients than other poor Americans and were 65% more likely to have inadequate diets than all other Americans.

The number of rural poor not receiving food stamps rose by one-third, from 5.67 million in 1979 to 7.5 million, or 57% of the rural poor by 1983.

# **Briefly**

● **GENERAL DYNAMICS**, the nation's second largest weapons builder, has been awarded a \$1 billion submarine contract from the Navy, only six weeks after the government ban against doing business with the firm was lifted.

● **THE TAIWAN** government has ordered almost one-third of Taiwan's companies to close down, according to the economics ministry, as part of efforts to crack down on commercial crime. A ministry statement said that more than 110,000 of the island's 340,000 companies would be closed by this June because they did no business last year.

● **THE REAGAN** administration issued proposals on March 21 to cap damage awards for pain and suffering as part of a wide range of recommendations aimed at solving a national crisis in liability insurance. The proposals would limit punitive damages and awards for pain, suffering, and mental anguish to the "fair and reasonable" figure of \$100,000.

● **WEST GERMANY'S** Bundestag passed a new strike law on March 19 that relieves the Federal Labor Agency of the obligation to pay unemployment benefits to workers who lose their jobs as the indirect result of strikes at other plants. The Social Democratic opposition and the unions have charged the amendment will permanently weaken the position of labor.

● **SOVIET FOREIGN** Trade Minister Mikhail Pankin was in Geneva at the end of March to seek official "observer" status to the General Agreement on Trade and Tariffs (GATT). Opposition to the bid says the Soviet are "seeking observer status to obtain insight into GATT activities without any commitment to following its rules."