

Business Briefs

Europe 1992

Cocaine cartel readies invasion of Europe

The Medellín Cartel is preparing for the advent of "Europe 1992," according to an article published in the French *Journal du Dimanche* June 4. "Several pieces of confidential information received by the U.S. Drug Enforcement Administration in the recent period all indicate that the Medellín Cartel, which controls three-quarters of world cocaine production, has just reached a deal with the major 'godfathers' of the mafia. Their objective: Take advantage of the opening of EEC borders in 1993 in order to 'flood' Europe with hard drugs, since the North American market is close to saturation. This alliance between organized crime multinationals (total turnover in 1988 was \$200 billion, according to the FBI) represents a declaration of war against Western democracies," writes Roland Jacquard.

According to the international police agency Interpol, the European market has become more lucrative than the American one, since the price per kilo for cocaine in Europe is between \$36,000 and \$100,000, whereas it ranges from \$12,000 to \$18,000 in the United States.

British Interior Minister Douglas Hurd stated on May 18 during a conference that the only effective way to fight this "plague" is by adopting European-wide legal means to seize and freeze traffickers' bank accounts.

Jacquard concludes that the financial power of the drug-running mafia is so great that it could eventually trigger a new stock market crash.

Labor

Mexico's Velázquez: Wages can pay debt

The head of Mexico's CTM labor confederation has volunteered 20% of Mexican workers' wages to pay the foreign debt. "In case the negotiations with the creditors be-

come difficult, the workers are prepared to donate one day a week of wages to pay the foreign debt," the 86-year-old Fidel Velázquez told the press June 5.

Although acknowledging to an incredulous reporter that "I have no idea where the workers can come up with more resources, since even now they don't have enough," and that "the working class doesn't even have enough to eat," Don Fidel said that "all we Mexicans must put in our grain of sand and be united behind the institutions, to be able to resolve the principal problems afflicting us," and to ensure this result, "the CTM should at the right time issue a call to all its federations and workers' unions, so they won't be unprepared, and to ensure that the answer will be affirmative."

Velázquez went on, in a later statement, to say that the Mexican working class "has such confidence in the institutions . . . that they have no intention of asking for a wage increase until the conditions are propitious for it and there is a definite resolution of our situation with respect to the foreign debt."

Thanks to the Mexican government's acquiescence to the austerity conditionalities of its international creditors, the purchasing power of Mexicans has collapsed by 46% since the beginning of the previous regime of Miguel de la Madrid.

Protectionism

Allies hit U.S. for fomenting trade war

Member nations of the Organization for Economic Cooperation and Development (OECD) criticized U.S. protectionist policies in a joint statement released on June 1. "The ministers firmly reject the tendency toward unilateralism, sectoralism, and managed trade," the statement said, demanding that all countries "halt and reverse all protectionist tendencies."

The communiqué was the OECD's response to the U.S. naming of Japan, Brazil, and India as "unfair trading countries." Blithely ignoring reality, U.S. Trade Representative Carla Hills insisted that this was not referring to the U.S. trade war moves—

and also announced that the United States would not rule out "unilateral action."

The U.S. Commerce Department has made two related, though less publicized moves. The first is the designation of eight countries as "priority" suspects in the violation of U.S. patents and copyrights: Brazil, China, Taiwan, India, Mexico, Saudi Arabia, South Korea, and Thailand. The second is the naming of 17 other nations to a "watch list" for similar violations.

The Japanese have said that though they have agreed to talk with the United States regarding trade complaints, they would not negotiate "under a threat of retaliation."

"Japan, India Plan Joint Action Against U.S. Trade Measures," read the banner headline in the daily *Economic Times* in New Delhi on June 1. The India-Japan Business Cooperation Committee, at a June 6-7 meeting in New Delhi, planned to take up the "U.S. threat as a priority item in the agenda," the daily reports.

The U.S. ambassador to India, John Hubbard, issued a statement saying that in view of India's "very restrictive policies toward foreign investment," the U.S. action was justified and "hardly the end of the world."

Agriculture

Italian apple producers fed up with Greenies

The apple producers association of Trentino, the richest apple-producing area in Italy, on June 2 filed a legal suit in Rome against environmentalists who have campaigned against the treatment of apples with chemical preservatives.

The environmentalists had used the symbol of a poisoned apple to gather signatures for a referendum to ban the use of fertilizers and chemicals in agriculture. The Trentino apple growers had spent several years and a lot of money on an advertising campaign that established the high quality of Trentino apples. The Greens are now accusing those producers of poisoning children.

In spite of pressure from the top layers

Briefly

● **U.S. TRADE** with Communist nations has soared to a record \$19.2 billion in 1988, up from \$13.8 billion in 1987, according to figures released June 5 from the U.S. International Trade Commission, an independent agency. Reuter reports that the rise was due chiefly to "increased exports of farm goods to major nonmarket nations and an increase in manufactured goods from China."

● **AIRPLANE PRODUCERS** cannot keep up with demand. Three thousand new planes are on order worldwide, because of the effort to replace decrepit airplanes before more fall apart in mid-air. The orders amount to about \$203 billion.

● **THE U.S. SUPREME** Court, in a June 5 ruling, rejected without comment an appeal filed by former junk bond king Michael Milken and two other employees of Drexel Burnham, whose object was to remove Judge Milton Pollack from their fraud case. The ruling clears the way for Drexel to plead guilty to six felonies and pay a \$650 million settlement for charges made under the RICO (racketeering) law.

● **CORPORATIONS** have spent \$400 billion on technology to cut auto pollutants 90%, take lead out of gasoline, filter out industrial soot and remove sulfur from coal combustion gas, since the Clean Air Act was enacted in 1971, according to the June 5 *Washington Post*. But much to the government's embarrassment, to this day, not a single scientific or medical report has documented a single case of lead poisoning due to auto emissions.

● **U.S. CONGRESSMAN** Henry Waxman (D-Calif.) has proposed a bill that would ban about 20% of pesticides used in farming. The bill would require that human beings be exposed to no more than a "negligible risk" from an agricultural pesticide, meaning chances of the pesticide causing cancer could be no greater than one in a million.

of the national association, who wanted to keep a low profile, the Concopra decided to go on the offensive, and finally the national association backed the lawsuit. Those charged in the suit are *Espresso* magazine, the committee that organized the referendum, the Italian Communist Party, and Italia Nostra, the premier environmentalist organization in Italy.

If found guilty, the defendants will have to pay millions in damages to the apple producers and will have to change their posters.

Environmentalism

OECD seeks role as ecology enforcer

The Organization for Economic Cooperation and Development (OECD), meeting in Paris at the end of May, took upon itself the task of providing "firm analytical data to facilitate environmental decision-making. It will, for example, assess the economic costs and benefits and resource implications of environmental proposals. . . . Until now, there has been no repository of expertise to tell policymakers what environmental action will cost in terms of economic growth," reported Peter Norman of the London *Financial Times* June 5.

A major focus of the OECD effort will be to "spread the industrialized world's green concerns to a developing world where economic growth has failed to keep pace with growing populations and rising indebtedness."

Health

New York City to log names of AIDS carriers

New York City Health Commissioner Stephen Joseph announced June 5 that the city has adopted a new policy of centralizing the names of AIDS carriers, in order to track their drug and sex partners. The plan will go into effect as soon as new studies are published showing the alleged effectiveness of

new AIDS treatments.

The new policy effectively ends the era of anonymous testing, and represents a small concession to the need for public health measures to control the epidemic. "We will have no choice but to change some of our most basic HIV-related policies," Joseph said in a speech prepared for delivery to the Fifth International AIDS Conference in Montreal.

"Aggressive contact tracing will become standard public health applications for controlling infection," he said. Joseph also indicated in his speech that he plans to move away from "voluntary" testing. He said it is becoming necessary to do "routine" testing.

Corporate Strategy

Tiny Rowland in court on contempt charges

Tiny Rowland, the industrial thug and dirty tricks expert for the British Crown, appeared before Britain's "Law Lords" on June 6, to begin what is expected to be a two-to-three-week hearing on contempt charges. Rowland, the chairman of Lonrho Corp., was accompanied by a battery of 12 Queen's Counsels, several Lonrho board members, and Donald Treford, editor of his *Observer* newspaper.

The charges are that Rowland and the *Observer* illegally published material regarding the decade-long takeover battle over the House of Harrods, and sent it to members of the House of Lords in an attempt to shape the outcome of that battle.

Rowland is reported to be terrified at the proceedings before the House of Lords' legislative committee—Britain's equivalent of the U.S. Supreme Court—from which there is no appeal. In preliminary hearings the week before, Rowland personally showed up every day, though the proceedings were largely technical and he was informed he did not have to come. A highly informed Rowland watcher commented, "That shows you how scared he is. He is the only guy at Lonrho who makes any decisions, and here he is sitting in court all the time. It is so bad, that even his lawyers have lawyers."