

Business Briefs

International Credit

Tunisian calls for unity against foreign creditors

Tunisian Prime Minister Mohammed M'zali has called on the Tunisian people to unite "to fight those international financial institutions which are trying to strangle Tunisia." M'zali denounced "those international blocs which are trying to enslave the developing countries."

The speech was made in a July 31 financial debate in the parliament, and comes at a time when Tunisia's main trade union, the UGTT, has called for strikes against the government. The UGTT is under the influence of the Socialist International, and a leading member of the union recently concluded a tour of the East bloc.

The Tunisian daily *Al Amal*, organ of the ruling Ad Dastour party, on Aug. 2 published the press release of the July 15-17 conference of the Trade Union Commission of the Schiller Institute in Mexico. The conference's manifesto called for a collective moratorium by debtor nations to reorganize the world monetary system for real development, citing *EIR* founder Lyndon LaRouche's *Operation Juárez* program.

The Tunisian media has also been giving significant coverage to the inaugural speech and policy measures of Peruvian President Alan García, including García's six-month debt moratorium, limitation of debt payments to 10% of foreign exchange, and refusal to undertake any further consultations with the International Monetary Fund.

Unemployment

British jobless rate bares economic woes

Almost half a million Britons have been unemployed continuously for three years or more, a report released July 31 by the British Manpower Services Commission revealed. Total official unemployment in Britain is 3.25 million persons—13%—and 1.3 mil-

lion of these people have been out of work for one year.

Twenty-six percent of 18- to 19-year-olds are out of work, and the unemployment rate for the overall 18- to 24-year-old group is now 22%.

Chancellor of the Exchequer Nigel Lawson released a letter Aug. 1 to Tory Members of Parliament claiming that the economy was "in good shape" and that Britain had emerged from "a painful period of transition." He predicted a 3.5% growth rate—the highest in the European Community—and boasted that Britain's growth rate would probably be bigger than the U.S. rate—which he called "a performance without precedent."

The number of those unemployed over three years was up 37% since last year. Among 25 to 44 year olds, the rate of those unemployed over three years is up 41%, by 184,000, and for those 45 and over, the rate of those unemployed over three years was up some 33%.

The ranks of the "self-employed" increased by 200,000 since last year, bolstering the rate of increase in the employed labor force over 1983. Most of these self-employed are young people starting their own businesses with government subsidies—the businesses most vulnerable to bankruptcy within the first year.

The only institution benefiting from the British economic collapse is the Manpower Services Commission, which will take on another 1,000 employees to cope with its increased work-load.

Invisible Hand

Castro defends drug-runner Vesco

At an Aug. 4 press conference in Havana, Cuban dictator Fidel Castro confessed that he was sheltering "fugitive financier" Robert Vesco, whom Colombian drug kingpin and Hitler-lover Carlos Lehder had identified as his employer. "He came here to ask for medical care. . . . And if he wants to live here, let him live here. . . . We don't

care what he did in the United States. We're not interested in the money he has. We don't care."

Castro pounded his fists on the table as he described exactly how an NBC crew filmed Vesco: "Is it fair to pursue a human being in such a way? What they want to do is pluck his eyes out, strangle him, make mincemeat of him."

EIR's recent Spanish-language publication, *Narcotráfico, SA (Dope, Inc.)* has a chapter entitled, "Vesco and the Cuban Connection."

On the day of Castro's press conference, held during his so-called conference on debt issues, another spokesman for drug traffickers, former Colombian President Alfonso López Michelsen, defended the International Monetary Fund in a speech to the conference. According to the Aug. 5 issue of the German daily *Frankfurter Rundschau*, Michelsen advised against a debtors' cartel. He said that a case-to-case approach was more helpful, and that the IMF should not be dismantled, but "multilateralized" in order to allow more say for the debtor countries. To top it all off, Michelson demanded that the IMF's role be extended: "The U.S.A. should be subjected to the same policies the IMF recommends for the developing nations."

The Budget

Grace rants at Congress for not gutting budget

J. Peter Grace, chairman of W. R. Grace and Co. and head of the President's Commission on Waste, unleashed a torrent of abuse at the U.S. Congress for refusing to slash the federal budget deficit. Grace told the International Platform Association on Aug. 6 that members of Congress act as "nerds," "yellow-bellies," and said that their failure to deal with the deficit was "pickin' pampers, child abuse, institutional rape."

"If we don't get control [of the deficit], we are going into national bankruptcy," Grace railed. "Congress is like a hog. You have to take a stick and hit him in the snout."

Grace, whose family had deep ties to the Nazis, demanded that Americans "work like the Japanese work." Asked by *EIR*'s Ronald Kokinda if he thought the U.S. needed a British parliamentary model of government where budgets would be imposed upon the Congress, he replied: "We'd be better off if we did, but first let's get the President the line-item veto."

Technology

Nuclear construction at lowest in decades

Construction of nuclear plants in 1984 reached its lowest level since 1968, according to a report of the Vienna-based International Atomic Energy Agency. Only 14 new plants were begun during the year, said the report.

The IAEA blames the slowdown on "excess" generating capacity, lower rates of growth in demand for electricity, and financial constraints on utilities and some governments.

Orders for 10 nuclear units were cancelled in the United States, and construction suspended indefinitely on nine others—four in the United States and five in Spain.

Thirty-four new plants, however, with a capacity of 32 gigawatts, did come on line in 1984, constituting a 17% addition to total world nuclear capacity, which now stands at 220 gigawatts.

The Debt Bomb

Will Kissinger visit Peru's García?

Who would now seem to be threatening Alan García, the new President of Peru who has just declared a six-month debt moratorium, but the thuggish Henry Kissinger.

The Lima daily *Caretas* of Aug. 1 carried a "leak" that Peruvian Industry Minister Cesar Atala, a former World Bank adviser,

has invited Kissinger to visit the country, without seeking permission of the Peruvian Foreign Ministry. The newspaper, owned by Rockefeller-linked Manuel Ulloa, noted that Kissinger was mentioned as favoring a "political solution" to the debt problem in the *Declaration of Lima*, the communiqué jointly issued by Ibero-American Presidents in attendance at García's inauguration.

"After the visit of the ex-Secretary of State, who will come in the first half of September, García will go to speak at the U.N. General Assembly. In this climate, it is hard to think that he will not have a big impact. He is already having one."

Industry Minister Atala, however, denies that he has invited Kissinger, and some observers believe that the report itself is a falsification, part of an attempt to divide and destabilize the new government.

International Trade

Italian economic ties to Libya growing

Italian Foreign Minister Giulio Andreotti hailed the work of the Italian-Libyan Economic Commission which concluded a round of consultations in Rome on Aug. 6. In his statement, he declared that commercial and economic relations between Italy and the Soviet client-state had grown significantly, and should continue to do so.

Italian imports from Libya now exceed 4,800 billion lire, while Libya imports 3,000 billion lire from Italy.

Andreotti, however, called for government-level intervention to remedy an ever-increasing trade imbalance, so as to ensure "ever more harmonious relations in the future based on mutual and permanent understanding."

The commission, he said, laid the groundwork for "the revival of bilateral economic cooperation on the basis of better balance." Discussed were a long-term cooperation agreement and the creation of mixed companies for operations in a range of economic sectors. Contracts have been signed in the fields of fishing and fertilizers.

● **SOUTH AFRICA** is an economic partner on which the United States and Western Europe depend for their industrial survival, reports the current issue of the French weekly *L'Express*. A decrease by 30% in South Africa's exports of chrome, would cost the jobs of 2.5 million workers in Germany, it states. Europe's dependence on South Africa is as follows: 48% for chrome; 40% for manganese; 6% for vanadium; 17% for natural uranium; 54% for ferrochrome; and 35% for ferromanganese.

● **BRITISH** rates of illegitimate births have gone up 11% since last year, the Office of Population Censuses and Surveys reported on July 30. There are now some 110,500 illegitimate births, and the proportion has almost doubled since 1974—to 17.3% in 1984. The most drastic rise was of some 134% of births to women 20-24, the primary childbearing years. Meanwhile, overall births remain far below population replacement levels.

● **CASTRO'S SUMMIT** on Ibero-American foreign debt is "symbolic for the ideological and agitational debate in Latin America," said West German government spokesman F. Ost on Aug. 5. In the same breath that he legitimized Castro, he endorsed the International Monetary Fund. "Our government thinks that without or against the IMF, the World Bank, and the Club of Paris, no solution to the debt is possible."

● **FIDEL VELAZQUEZ** the powerful Mexican trade confederation leader, was asked about foreign bankers' threats to collect Mexico's debt by attaching Mexican accounts abroad, in the event of a debt moratorium. Velazquez responded: "I hope they do that, so that those Mexicans [who have accounts abroad] receive a lesson in what hurts them most."