

Business Briefs

Agriculture

Cattle industry: give surplus cows to Europe

The beef-cattle industry wants President Reagan to donate surplus American dairy cattle and beef to Europeans affected by the Soviet nuclear accident, according to UPI.

"We have dairy cows running out of our ears as a result of the dairy extermination program," Donald Butler, president of the National Cattlemen's Association, said on May 7. In the new government herd termination program, approximately 10% of the national dairy inventory will be eliminated—supposedly to eliminate "surpluses."

Explaining his request to the President, Butler said that giving dairy cows and dairy beef to people whose animals may have been harmed by radioactive fallout "not only disposes of the meat without doing further damage to the beef industry, it allows the American people to visibly express their humanitarianism in a meaningful way."

"By donating it to the areas affected by the Chernobyl nuclear disaster, we can avoid filling government warehouses with dairy beef, and by donating live program dairy cows, we can avoid overloading the packing industry with so many additional cattle coming to market."

European Labor

Red/Green alliance will cost jobs

A Social Democratic Party (SPD) and Green Party coalition controlling the Bonn government would kill at least 250,000 jobs, according to private estimates among the German utilities.

Asked by *EIR* on their evaluation of the effects of the realization of the anti-nuclear policy of the SPD and the Greens would have, a spokesman for the National Asso-

ciation of Utilities in Frankfurt said that "several hundred thousand jobs would be affected." With a 36% share of the nuclear power sector in the country's total energy supply, the future of a good portion of 162,000 utility workers and about the same number of workers in the nuclear-building industry would be in severe jeopardy.

Not counted in this estimate are thousands of workers of the nuclear engineering and servicing sector, whose future and income depends on the investment of several billion deutschmarks per year in nuclear power generation.

Nevertheless, the German labor movement continues to support such an alliance. Franz Steinkuehler, acting vice-chairman of the German Metal Workers Federation, said in an interview with *Neue Hannoversche Presse* on May 6 that he "would not principally rule out a red-green government coalition for Bonn in 1987."

He added that the labor movement should not reject the Greens as a partner "just because they are anti-industrialist in their outlooks." Steinkuehler is a prominent member of the labor commission of the German Social Democrats. One of the Metal Workers' national executives, Horst Janssen, attended the February convention of the Green Party as a guest speaker.

Money Laundering

Casino employee under investigation

An employee of Golden Nugget, Inc.'s Atlantic City casino-hotel is currently the target of a federal grand jury investigation concerning a possible \$800,000 money-laundering scheme involving persons convicted of drug trafficking and money laundering in April, according to documents the company filed with the Securities and Exchange Commission.

A Golden Nugget spokesman said in the filing that the grand jury investigation "apparently stems" from a customer who deposited \$1.1 million in small bills at the

firm's Atlantic City casino one night in November 1982. After losing about \$300,000, the unidentified customer was given the approximately \$800,000 balance of his account in larger bills.

Scheduled to testify before a federal grand jury in Newark in May are the otherwise unidentified "important marketing employee" of Golden Nugget's Atlantic City casino; the casino's president, D. Boone Waysort; and Golden Nugget Chairman and President Stephen A. Wynn.

Drug Traffic

Deak & Co. emerges from bankruptcy

Deak & Co. emerged in early May from Chapter 11 bankruptcy-law proceedings under the control of an Australian financial services company.

Under terms of a court-approved reorganization plan, Deak & Co. has become a subsidiary of Deak International, Inc., whose chief businesses are retail foreign currency and precious metal sales, travelers checks and overseas remittances in foreign currencies, and a foreign collection service for businesses.

Nicholas Deak, the gold and foreign-exchange trader, was forced to close two units of his firm, Deak-Perreña, in November 1984 when the President's Commission on Organized Crime revealed his ties to Colombian drug-trafficker Eduardo Orozco, who moved approximately \$97 million through the Deak-Perera New York City branch in the early 1980s. Deak's officers managed to forget to file any reports on the cash deposits.

Arkadi Kuhlmann, formerly executive vice-president of Deak & Co.'s Canadian operations, has been named president and chief executive officer of Deak International. Mr. Kuhlmann, 38-years-old, succeeded a Singapore lawyer, Chan Cher Boon, who was briefly the head of Deak & Co. while he tried to put together a takeover plan, which later was rejected by creditors.

Martin Properties Ltd., a Brisbane, Australia, concern with interests in stock and commodity trading, insurance, and real estate, has bought a 75% stake in Deak International for \$12 million.

Free Enterprise

Colombian drug dealers bid for respectability

Carlos Tulio Gómez, a mafioso awaiting extradition to the United States, gave a press conference in early May in which he said that all the "big cheese" of the Colombian mafia are ready and willing to hand themselves over to the national authorities, but not to the United States.

The criminals pledge to bring with them all their money and set up companies that will in a short period of time create a minimum of 500,000 jobs. They say they want to hold dialogue like that held with former President Alfonso López Michelsen and the attorney general in Panama in 1984. They also said that they will hand over all their cocaine laboratories because, "We don't need them anymore, since we have made all the money we want and now we want to be normal citizens, serious in our businesses and meeting all the legal norms."

Tulio Gómez says that they intend to prove that they had nothing to do with the murder of Justice Minister Rodrigo Lara Bonilla in 1984, and will answer to all charges against them pending in the courts. Tulio Gómez is not himself a "big cheese," but is believed to be a front-man for the capos.

According to the Colombian daily *5 pm* of May 7, the consensus among Colombian government officials is that the mafia proposal elaborated by Tulio Gómez is a straw in the wind to see how the presidential candidates Virgilio Barco (Liberal Party) and Alvaro Gómez Hurtado (Conservative Party) respond. Should either prove favorable in any way, the capos would go into action—presumably pouring money and other such into their last-minute campaigns and vote-buying, and beginning the process of

contacts that would enable them to reintegrate into the "legal" business world as quickly as possible.

Steel

Union attacks threat to national security

The United Steelworkers union charged on May 1 that the decline of the U.S. steel industry—particularly its capacity to produce steel plate—has significantly weakened the country's national defense posture.

The union released federal studies showing that U.S. steelmakers no longer have the capacity to produce enough steel plate to meet national needs in the event of military mobilization. The press conference in Bethlehem, Pennsylvania, was publicized in a full-page ad in the *Washington Post* headlined "Steel Mayday!" The ad said that while 27,000 people worked Bethlehem's mills during World War II, today there are only 4,100 steelworkers there. Since 1983, the industry's overall steelmaking capacity has dropped by 15%. This was the third news conference held by the union as part of its "Communities in Distress" campaign, and featured Rep. Don Ritter (R-Pa.), and 50 community representatives.

In confirmation of the steelworkers union claims, government statistics released in early May showed that unemployment remained high in the first quarter of 1986, with particular weakness in the industrial economic sectors of oil, gas, and manufacturing.

The rise in joblessness between January and February—from 6.7% to 7.3%—was the sharpest increase in six years. It dropped in March only to 7.2%. White House spokesman Larry Speakes commented, "We expect a continued steady downward trend in the unemployment rate." The Government Accounting Office also released a report the same week showing that more than 1 million workers lost their jobs in 1983 and 1984 because their companies either went out of business or fired workers; two-thirds of the job losses were among larger firms in the manufacturing sector.

Briefly

● **PRESIDENT REAGAN**, was asked at an early May press conference about a deadline for companies, especially oil firms, to get out of Libya; he replied, "Yes, we have told those that have a share in oil firms in Libya . . . that they are to dispose of their holdings by June 30."

● **SELA**, the Latin American Economic System, says that steel exports from Brazil, Mexico, and Venezuela are down 16% from 1984 levels because of U.S. protectionism. All three nations have been forced to sign voluntary steel quota agreements with the United States.

● **FIRST BOSTON Corp.** has been charged by the SEC with illegally trading on inside information in the stock and options of client firm Cigna Corporation. First Boston has agreed to give up profits of \$132,000 and pay a fine of \$264,000 to avoid trial, and has also agreed to review its so-called China Wall security procedures. Meanwhile, the Bank has issued an order threatening to fire any employee who discusses the case with outsiders.

● **ARGENTINA** decreed on May 7 that an 8.5% "emergency" wage increase go immediately into effect for private workers and 5% for state employees. The announcement came after reports on May 6 were issued that inflation had risen 4.7% in February, making a total inflation of 14.8% so far this year. The national trade-union, the CGT, rejected the increase, but said it would not break off talks with the government.

● **JAMAICAN PRIME Minister Edward Seaga**, with elections approaching, has staged a public spat with the IMF. Seaga, who has implemented IMF orders to turn Jamaica over to drug trafficking, now rejects IMF recommendations as wrong "after long years of essential but painful adjustments." He added, however, that he had a "contingency plan" ready in case the IMF insist on their policies.