

Business Briefs

Budget Crises

Connecticut city stops paying bills

Bridgeport, Connecticut has stopped paying all non-emergency bills. The *Bridgeport Telegram* reports that, despite the fact that the city borrowed \$25 million in June to continue operations, Chief Administrative Officer John Norko said that "several million dollars" more will be needed in September and October.

Norko said that the city is counting on the state's accelerating some payments to the city and major taxpayers paying October tax bills early. Then, the city will be able to meet the payroll and make "selective" payments to vendors.

Norko told the *Telegram* that checks have been written to pay "several million dollars" worth of bills, but are not being issued for lack of cash. Some bills are four months old, he said.

Foreign Debt

Castro asks CAP to lead debt fight

Socialist International figure Carlos Andrés Pérez (CAP), a candidate for the Venezuelan presidency this year, was asked by Cuban dictator Fidel Castro to lead the unification of Ibero-America to negotiate its debt with foreign banks.

The conversation between Castro and CAP, as he is popularly known, took place in August at a meeting of the Ibero-American leadership of the Socialist International in Quito, Ecuador.

According to an insider's column in Venezuela's *El Nacional* Sept. 10, Pérez responded coyly when Castro made his recommendation. "But the idea was not disagreeable. Fidel Castro was recognizing CAP's leadership in front of this distinguished group of Latin America Socialist Democratic chiefs," argued the report.

Castro has, not surprisingly, proposed massive cuts in the U.S. defense budget to permit the U.S. government to bail out creditors of Ibero-American nations who cannot

pay. CAP has categorically ruled out debt moratorium in presidential campaign statements.

European Community

Germans resistant to 'Europe 1992'

There is massive resistance to the "Single Europe 1992" act inside Germany, report well-informed sources close to Christian Democratic (CDU) government.

The act, passed by the European Commission in Brussels, will eliminate all customs and tariff barriers between the 12 member-nations of the European Community, and is a harbinger of a supranational dictatorship preparatory to reducing the continent to the status of a "Soviet protectorate."

"Beneath the level of [Chancellor Helmut] Kohl, the large German companies and banks, and the Bundesbank, there is enormous opposition to '1992.' This is especially so with the trade unions and from the *Mittelstand*," the small and medium-sized entrepreneurs, "who have extremely strong influence inside the CDU. Both groups are convinced they will lose under the new changes of '92," one source emphasized.

He said that "Europe 1992" became a "live" policy, not just Brussels' bureaucratic pipe-dream, after the Oct. 19, 1987 stock market crash and fears of a new depression.

It would appear that the oligarchical European Commission intends only four regions to actually gain economic advantage under the terms of "Europe 1992." A Sept. 9 meeting of leaders of the regions containing Milan, Stuttgart, Lyons, and Barcelona arrived at a regional cooperation agreement in anticipation of 1992. The governors of Baden-Württemberg, Lombardy, Catalonia, and Rhone-Alps say they will be holding annual such ministerial meetings. They announced plans to develop common high-speed rail infrastructure, telecommunications, culture, and "sports" policies for what they term the "four motors of Europe."

"With macroeconomic policy being made more and more from Brussels, we must strengthen the 'micro-revolution' of regional cooperation," declared Jordi Pujol, President of Catalonia's regional government at

the gathering.

Meanwhile, London's *Economist* magazine sponsored a Sept. 12 conference, "1992: The Implications for Marketing, Advertising, and the Media." The conference discussed the "restructuring" of companies to meet the "new potential" represented by 1992, according to press reports. It addressed the question, "Will the media empires continue to expand, and if so, how and to what effect?"

Among the speakers was British publishing magnate Robert Maxwell, who has many friends in the Kremlin and has launched joint publishing ventures with East bloc concerns.

Biological Holocaust

FAO warns of locust disaster in Ethiopia

"The locust situation in northern Ethiopia is going to explode within the next 10 to 14 days causing severe damage to crops," the representative of the United Nations Food and Agriculture Organization (FAO) in Addis Ababa told Reuters Sept. 9.

Locust swarms about to hit Sudan and other points have already been called the "worst in 1,000 years," and are blamed on FAO refusal to act against the locusts in previous years, for reasons of malthusian ideology. Its spokesmen have privately taken the view that they should let "nature take its course."

The Addis Ababa FAO official, Ingo Loerbroks, estimated that at least 1,500 square miles of Ethiopian territory would have to be sprayed, requiring 40 helicopters and fixed-wing aircraft to spray 150 square miles daily.

"We have neither the money nor the aircraft to do the job. All we have is one helicopter and \$150,000, when the job requires 40 aircraft and \$16 million. Unless material and financial assistance for a concerted campaign is forthcoming soon, whatever is given could be too little too late," Loerbroks said.

He estimated that locust swarms would probably destroy about 150,000 tons of grain in northern Ethiopia, where abundant rainfall since July appeared to promise a good harvest.

Briefly

A European Community official told *EIR* Sept. 9 that 700 airplanes would be needed to fight all the locusts in the whole of Africa—the estimation arrived at during an FAO meeting a week earlier. The FAO deems this sort of effort to be impossible.

East-West

Deutsche Bank man visits Moscow

A former Deutsche Bank co-chairman visited Moscow in early September, in preparation for the October visit of West German Chancellor Helmut Kohl.

Wilhelm Christians returned from preliminary talks in Moscow and Murmansk, saying that the theme of his talks, according to the Sept. 8 *Handelsblatt*, the West German business daily, was West German participation in development of a potential 54 billion deutschemark investment program to develop the Russian region around Murmansk in the Kola Peninsula over the next 12 years.

The project, according to *Handelsblatt*, will involve development of the "tourism and fish economies."

But the Kola Peninsula is the point of concentration of Russia's largest nuclear submarine fleet, and is perhaps the most massive military strategic concentration in the world. It is not thought likely Russia would welcome oodles of Western "tourists" into the area.

International Credit

Mubarak in blistering attack on the IMF

Egyptian President Hosni Mubarak issued what the *Financial Times* of London called "an extraordinary attack on the International Monetary Fund," during a mass rally in a Nile Delta town Sept. 8. He likened the IMF to an unqualified doctor, and charged that it prescribes a "huge dose" of medicine that is detrimental to the health of the patient.

"This is exactly the IMF: one prescrip-

tion for all," charged Mubarak. "Increase this, and the other. . . . If we do this, we shall sink."

In a front-page account, the *Financial Times* noted that Mubarak's attack came as the Egyptian government engaged in "delicate talks" in Cairo with IMF officials.

The Fund is "insisting on faster progress toward reforms of Egypt's debt-burdened economy." The talks between the IMF and Egypt "are said to be slow," as "the IMF is pressing Egypt to increase energy prices, restrain the budget deficit, and unify its various official rates of exchange."

Egyptian officials, the report said, are concerned about the possibility of social unrest brought on by price rises, and are reluctant to agree to IMF demands for energy price increases of between 30-40%.

The paper quotes from Mubarak's Nile Delta speech, "We need economic reform, but I tell the IMF that this reform must be in line with our social and economic situation and the standard of living."

Third World

U.N. head hosts debt conference

U.N. Secretary General Javier Pérez de Cuellar hosted a meeting at United Nations headquarters in New York on the question of Third World debt the weekend of Sept. 10. While no reports on the proceeds were immediately available, the speakers list makes it sound like it was a very one-sided affair.

Those invited include Michel Camdessus, current head of the International Monetary Fund, Enrique Iglesias of the Inter-American Development Bank, Babacar N'Diaye of the African Development Bank, former West German Chancellor Helmut Schmidt, who now heads the Inter-Action Council of Former World Leaders, and Mikhail Gorbachov's chief economic adviser, Abel Aganbegyan.

James Robinson of American Express, the author of a silly debt reorganization proposal, was also said to have attended.

What all have in common is their maltheusian ideology and utter indifference to any debt solution inconsistent with depopulation of the globe.

● **EUROPEAN COMMISSION** president Jacques Delors received a standing ovation from the British Trades Union Congress convention in Bournemouth, after a speech in which he said that all sectors of society, including the trade unions, had to "adapt" to the corporatist (i.e., fascist) restructuring of Europe planned for 1992.

● **MCDONNELL DOUGLAS** Corp., the aerospace and missile manufacturer, reported that its second-quarter earnings fell 27.5% to \$70.4 million from one year ago. The reasons cited for the substantial drop were higher aircraft development costs and heavier losses in its information systems segment.

● **CITY OF LONDON** financial advisers are telling their preferred clients to get out of dollar paper, bonds as well as stocks. They argue that, whoever the next U.S. President may be, he will be faced with "hair-raising" trade and budget deficits and higher interest rates. Said a source, "If one wanted to pull the stock markets in New York down, there would be no better time than the anniversary of Black Monday, given . . . the outright superstition which governs today's financial markets."

● **GOLD'S** sharp drop in price from \$429 an ounce Friday, Sept. 9 to an 18-month low of \$416 Monday, Sept. 12 was triggered by "heavy dumping" by several large fund managers out of New York, according to well-placed London gold trading sources.

● **LAYOFFS** have been announced by AT&T. The company plans to lay off about 6,000 workers in two years from its Network Operations Group, and also expects to cut jobs elsewhere in the company, an AT&T spokesman said Sept. 8. The cut in the NOG, which runs the long distance network but does not include long distance operators, amounts to about 8% of that unit.