

# Business Briefs

## Agriculture

### Seek mandatory land set-asides in Europe

Farmland set-asides in Europe must become mandatory, declared Sicco Mansholt, the 80-year-old former agricultural commissioner of the European Community, in an interview with *Die Zeit*. Nasty old Mansholt is an architect of the EC policies that have led to the destruction of European agriculture.

Mansholt called for an ordered set-aside policy that would affect 10% of the land of the European Community, which he claimed would stop "overproduction" and keep prices up. Land set-asides are now voluntary in Europe and the United States, although government or EC subsidies usually make it very tempting for a farmer to take land out of production.

"The farms have to be ordered to set aside and this should be done precisely in regions most productive. To get to the point quickly. The small farms in less productive regions will be spared. We need alternate methods, more cultivation that takes the environment seriously, less chemicals, more search for natural pesticides. Besides, the pig-stocks in regions with an intensive production like Holland should be cut by one-half. This is hard policy. But it can no longer go on like this."

Mansholt, Netherlands agriculture minister in a half-dozen postwar governments, was a founding member of the genocidal Club of Rome.

## Foreign Debt

### Former New Zealand premier blasts IMF

Sir Robert Muldoon, former Prime Minister of New Zealand, laid the blame for his country's burgeoning debt burden at the door of the International Monetary Fund. According to a report in the Christchurch paper *The Press*, Muldoon said on Oct. 31, that there

was "not the slightest doubt that the policies inflicted on New Zealand by the government owe at least part of their origin to the International Monetary Fund."

The government has been headed by David Lange and the Labour Party since 1984; Sir Robert headed the National Party government. In 1984, the New Zealand national debt stood at NZ\$12.6 billion, according to official figures. Now it is officially NZ\$39 billion, but sources in the banking community say the figure is really NZ\$56 billion.

In his statement, Muldoon pointed to the fact that several key staffers of New Zealand's Reserve Bank and the Treasury had worked for the IMF and World Bank. "In the last four years, these people had overseen the rise of New Zealand's debt to the level of Third World countries," Sir Robert said, according to *The Press*.

With New Zealand's level of external debt per capita perhaps the highest in the world, Muldoon commented that in his 40 years in politics, "I have never felt so angry at the incompetence and lack of understanding of any New Zealand government."

The former prime minister's statement on the debt came at a time when controversy over the Labour government's plan to sell off numerous national facilities (postal service, financial institutions, etc.) to private owners erupted into a crisis in the cabinet. On Nov. 5, Prime Minister Lange fired Minister of State-Owned Enterprises Richard Prebble, who had been in charge of this "privatization" process. The avowed purpose of the sell-off is to raise funds to service the national debt.

## Foreign Exchange

### Volcker warns of dollar's fall

Paul Volcker, the former Federal Reserve chairman, told an American Stock Exchange conference Nov. 9 that if foreign capital doesn't continue to flow as freely into the United States as it does today, the value of the dollar will fall.

Volcker indicated that in spite of the

campaign rhetoric of "peace and prosperity," productivity is as bad as the 1970s and investment has remained low as a portion of GNP. Volcker said that monetary measures (raising interest rates) will not serve to increase investment as a portion of GNP, but cutting consumption will.

Although he was opposed to cutting defense expenditures, he said that, in his view, the deficit must come down. He indicated not so subtly that entitlements represent 40% of the federal budget, hinting that that is where the cuts must come from.

## Corporate Strategy

### Société Générale targeted by drug money

One of France's largest banks, is now the target of a hostile takeover attempt by Marcel Pebereau's Marceau Investments firm. During October, Marceau bought up more than 5% of the bank's stock, launching the takeover bid.

In the course of the fight, Pebereau has been forced to release some of the names of his shareholders. They include Edmund Safra's Republic Holdings, whose Republic National Bank of New York is being investigated by U.S. Customs in the drug-money laundering case involving the indicted BCCI of Luxembourg.

Safra's bank in New York is holding at least \$500,000 in drug money, according to the Oct. 31 *Wall Street Journal*.

Safra and Pebereau are longtime intimate friends.

Safra was implicated in the U.S. Iran-Contra scandal through his business ties with Willard Zucker, the former financial wizard of Robert Vesco's drug-money handling Investors Overseas Services, who was the financial manager of Lt. Col. Oliver North's "Enterprise."

Safra has just created a new European banking network "only for the super-rich," he told London's *Financial Times*.

The Marceau-Société Générale case is becoming a big political issue in France. Pebereau was purged from a major French

## Briefly

state company in 1986 by the Jacques Chirac government, for reasons that were not made known. Nevertheless, Pebereau's move against Société Générale has received the official backing of the French presidency and Finance Minister Bérégovoy. Among his financial backers are several close associates of former "opposition" presidential candidate, Raymond Barre.

Former Premier Chirac's RPR party is expected to move in the Parliament for a full investigation in the matter.

At issue is whether some of the leading economic and financial institutions of Europe are going to be taken over by the international drug mafia, as part of the pre-1992 financial and banking reorganization. In 1992, Europe is slated to drop all customs barriers to the movement of people, goods, and capital, and cartelization is to be ushered in, in all economic fields.

### Infrastructure

#### China being forced to curtail output

The Chinese mainland lacks the economic infrastructure to sustain its current rate of industrial output, and must cut back on production of a whole array of industrial items in consequence, the State Planning Commission has announced.

The commission is therefore urging "concrete measures to slow down the excessively rapid growth of industrial production," the *China Daily* reported Nov. 7. The measures include cutting production of machine tools and industrial boilers.

China's industrial growth rate this year to date has been 17.5% higher than last year, and there just is not enough energy, raw materials, or transport to support this, the commission said in a circular distributed throughout the country.

After stating that production of goods "not essential for the people's everyday life . . . must stop," the circular stated that "factories making machine tools, automobiles, internal combustion engines, and industrial boilers are required to curtail their production in the last two months of the year."

Yet, despite lack of energy, in another article, the *China Daily* announced that the country is considering a 40% cut in nuclear energy development.

Meanwhile, Chinese leaders admitted to disarray in the economic reforms instituted under Zhao Ziyang, during an international symposium sponsored by the Geneva-based World Economic Forum. "It was clear that they don't really know what to do," one participant said. "They have a general plan, but that other half is clearly missing. There is no consensus on what to do next."

Communist Party leader Zhao, who met with a small group from the Forum for an hour Nov. 2, acknowledged that his government "made a mistake" in decentralizing economic power in recent years. Zhao said flatly there would "be a slowdown" in foreign trade and investment contracts and that "not many new ones would be signed," a participant in the meeting said.

### Dope, Inc.

#### German health minister wants to legalize hashish

West German Health Minister Rita Süßmuth wants to legalize hashish consumption.

In an interview with *Der Spiegel*, Süßmuth, already somewhat notorious for her do-nothing policy and ridiculous claims that AIDS is not spreading, stated that the consumption of hashish is already tolerated, and that she therefore wants to study demands from doctors and drug information centers that the German Narcotics Law be adjusted to this "social reality."

She also supports methadone programs for heroin addicts and wants to legalize the possession of syringes by heroin addicts.

Süßmuth said that she wants to offer addicts "help," regardless of whether they choose to live without drugs or to undergo therapy.

She said that 30 million deutschemarks will be spent for this pro-drug package in the course of the next three years.

● **CHINA** is seeking to force at least 300,000 self-employed gold prospectors out of business to halt riots, rampant smuggling, and ecological devastation, official reports said on Nov. 6. The move follows bloody gang warfare between miners and near-starving Tibetan peasants whose lands have been ruined by a Klondike-style gold rush in a remote area of northwest China closed to foreigners.

● **THE NUCLEAR** Regulatory Commission raided four southern California companies it said had sold counterfeit circuit breakers to nuclear plants. Used circuit breakers were allegedly sold as new under the labels of prominent companies.

● **GENERAL ELECTRIC** has been awarded an \$89.5 million contract by the U.S. Navy to build and test an electric-drive propulsion system for warships. GE will do the work in Finchburg, Mass., Salem, Va., and Schenectady, N.Y.

● **THE HONEY** industry is worried by the spread of microscopic mites that are killing domestic honeybees by the millions. The mites are spreading through hives across the country, robbing honeybees of their characteristic vigor, and eventually killing them.

● **THE AIDS VIRUS** is found in 1 out of 300 college students on U.S. campuses, according to a study by the American College Health Association and the Atlanta-based Centers for Disease Control, released Nov. 1.

● **ONE THOUSAND** textile workers in Taiwan demonstrated on Nov. 8 against U.S. pressure to increase the value of the local currency. "We are out here to make some noise and remind the government that it shouldn't give in so easily to American demands," an organizer of the protest said. Revaluations between 1986 and 1987 were a major factor in closing almost 500 textile factories.