

# Business Briefs

## Argentina

### Italian Congressman Hits Berlusconi, Italy's Banks

Speaking in Buenos Aires on Feb. 16, Italian parliamentarian Giorgio Benvenuto charged that "Italy should help Argentina get out of its difficult situation, given the [Italian] banks' wrong behavior. . . . Given the long-time ties between Argentina and Italy, it is crucial that there not be a 'default' between the two nations."

An opponent of the Berlusconi government, Benvenuto, one of three legislators who went to Buenos Aires to get a first-hand look at the country's economic and social situation, was a prominent supporter of the 2002 New Bretton Woods resolution in the Italian Parliament, inspired by Lyndon LaRouche's programmatic initiatives.

Benvenuto emphasized that tensions between the two governments are "political." Why, he asked, did Berlusconi delegate the delicate task of negotiating with Argentina on its debt restructuring, to banker (and vulture fund kingpin) Nicola Stock, who isn't a member of the government? "I am very struck by the fact that there are no direct relations with the Italian government," Benvenuto said, referring to Argentina. The Italian government has a responsibility, but Berlusconi simply acted "like Pontius Pilate"—he washed his hands of the whole affair.

In a Feb. 15 meeting with Argentine Foreign Minister Rafael Bielsa, he recalled how an Italian bank had repeatedly called his mother in an attempt to convince her to purchase the so-called "tango bonds," as an example of how the banks swindled 450,000 small Italian investors out of their money, in order to get rid of the high-risk bonds based on Argentine debt. Benvenuto said that he finally got so angry at the bank's harassment of his mother, that he told her to "tell them I'm going to send the Carabinieri" (Italy's national police) if they didn't stop calling her.

Meanwhile, the Italian Banking Association, which has worked closely with vulture fund kingpin Nicola Stock against Argentina, issued a panicked statement Feb. 15, proclaiming its innocence, claiming that by the first half of 2001, Italian banks had

stopped selling the tango bonds and citizens had stopped buying.

## Labor

### U.S. Union Membership And Wages Are Falling

Trade union membership in the United States fell by 300,000 workers from 2003-04, from 15.78 million to 15.47 million (12% of the workforce), according to a report in the *Kansas City Star* on Feb 15. It is down 830,000 since George W. Bush took office in 2001.

In the private sector, where the average union wage is \$739 a week and the non-union wage is \$604, membership fell by 44,000 in the past year, to 8.21 million, or only 7.9% of the workforce. Among public employees, where the union wage is \$832 compared to a non-union average of \$683 a week, union membership fell by 5,000, to 7.27 million, although that is where the AFL-CIO has placed its focus since 2000.

## Social Security

### O'Neill Goes Nuts Looking for More Loot

Former Bush Administration Treasury Secretary Paul O'Neill, since 2000, has frequently proposed radical privatization schemes which would take all workers under 35, or under 40 in other variants, out of Social Security entirely and into Wall Street investment accounts. He has attributed the origin of these schemes to his discussions with U.S. Federal Reserve Chairman Sir Alan Greenspan, and has said they discussed funding them with "a trillion dollars or two from the Treasury."

However, belatedly realizing that the days of Federal budget "surpluses" are long gone, O'Neill is now proposing (in a Feb. 15 *Los Angeles Times* op-ed) that the government simply establish a savings account for every child born, putting into it \$2000/year

until the 18th birthday, and investing that on Wall Street. It will make every youngster a sixty-five thousandaire, and every retiree a millionaire, O'Neill says, and will cost only \$145 billion or so a year when fully implemented.

This utopian scheme would be, in reality, direct Federal government intervention, on that considerable scale, in the stock-market bubble (in the name of children!). Sometimes called "forced savings," and sometimes just "socialism," it shows how desperate are the circles around Alan Greenspan to get big new flows of cash into the markets. That it would be intended to replace Social Security goes without saying, although O'Neill only briefly implies it in this column.

## Raw Materials

### Huge Uranium Reserves Bought by Swiss Company

The Swiss-based mining company Xstrata has been cleared to buy one-third of the world's uranium reserves in Australia. Australian Treasurer Peter Costello during the week of Feb. 7 cleared Xstrata, 40% owned by Zug-based Glencore, to buy Australia's WMC Ltd., the owners of the Olympic Dam mine in South Australia, which contains 38% of the world's known uranium reserves, according to a Feb. 11 ABC News (Australia) report.

Before 1983, Glencore was owned by financial operative Marc Rich, and current Glencore management are understood to be Rich protégés; Glencore markets most of Xstrata's copper, coal, and mineral production, and is an aggressive user of financial derivatives. Xstrata's bid for WMC required clearance by Costello, under Australia's foreign investment review rules. It is a controversial decision, as leading members of the Australian establishment had called for the Australian government to nationalize WMC, in order to stop it from falling into Xstrata's hands. Costello's decision only gives Xstrata permission to buy; a bidding war is now expected between it and Anglo-American giants like Rio Tinto and BHP-Billiton.