

Business Briefs

U.S. Industry

Cincinnati plant closes to break union

When Lunkenheimer Company of Cincinnati, Ohio, closed its doors June 19, three days ahead of its scheduled shutdown, it was reported throughout Cincinnati that it would not be long before the 122-year-old valve plant would reopen—but without unionized labor.

The firm's parent corporation, Condec, has sold the factory to a group of investors who terminated the members of United Steelworkers Local 1728. Salaried employees were retained by the company.

Lunkenheimer once employed 2,000 people, and as recently as 1979 was the fifth-largest valve manufacturer in the nation. But in its 17 years of ownership of the factory, Condec invested virtually nothing in modernization or maintenance, ensuring that the antiquated plant would never be competitive.

The plant's new owners are planning to hire workers at \$7 an hour, with few benefits and no union protection, slashing wage costs in half.

Japan

Japanese fight developing over budget cuts

Masayuki Fujio, chairman of Japan's ruling Liberal Democratic Party's (LDP) Policy Affairs Research Council, came out on June 21 against the national finance ministry's plan to impose an across-the-board negative-growth ceiling on budget requests for fiscal 1985.

The government and the LDP cannot fulfill their responsibility for the Japanese people under a uniform ceiling, Fujio stated, which would cut funding for vital economic sectors at the same level as less important government functions. Fujio was speaking at a council meeting on the budget. Representatives from seven LDP groups, including construction, agriculture and fisheries,

and transportation, stated their unanimous opposition to the ministry's proposed budget austerity.

A top official of the Ministry of International Trade and Industry, said the same day that the ministry has begun to review three possible investment tax reductions as one measure to guarantee adequate budgets to promote development of advanced technology. The ministry has to consider, the official said, how to use tax reductions and treasury investments in addition to securing budgetary appropriations for the development of advanced technologies in the context of the rigid "negative ceilings" expected on budgetary requests for FY85.

The taxation being reviewed is that for new energy development, new technology for small- and medium-sized enterprises, and the construction of "Technopolis," high-technology oriented cities of industrial plants, research institutions and housing areas.

U.S. Labor

Mine Workers head wants end of labor law

United Mine Workers President Richard Trumka called June 21 for the repeal of the landmark labor law of the 1930s, the Wagner Act. In testimony before the House Subcommittee on Labor-Management Relations, Trumka stated that the act has perpetrated a "cruel hoax" on workers, because it permits employers to flout the law for years before having to suffer any penalties.

In the 1930s Great Depression, the Wagner Act was the centerpiece of legislation designed to end the industrial warfare tearing apart the nation. The act was a critical step in protecting America's labor force, ensuring the rights of workers to unionize, engage in collective bargaining, and to strike.

Now, Trumka is de facto joining his anti-union opponents in demanding the end to the Wagner Act, with no prospect in sight of anything better replacing it.

When asked by the subcommittee if that might mean returning to the turmoil of the

1930s, Trumka replied: "At least we would go into the battle free to swing with both arms, instead of with both arms tied behind our back."

Great Projects

Japan seeks funding for Panama Canal project

Japan's foreign ministry decided June 21 to seek appropriation of about 200 million yen (\$860,000) for FY85 to promote a project to construct a second Panama Canal, according to Jiji press.

The funds will be used to send officials to a Japan-United States-Panama joint feasibility study group to be set up in the next fiscal year, and a preliminary survey by the Japan International Cooperation Agency.

Ibero-America

Jack Kemp to 'defend' Argentina

Representative Jack Kemp (R-N.Y.), spokesman for radical free-enterprise policies and Swiss-based financial interests in Congress, has decided to defend Argentina. In the June 20 *Congressional Record*, Kemp is quoted as saying:

"The IMF . . . seeks to repay old debts by squeezing even more from the already impoverished people who seek only jobs and security for their families. . . . We need to help nurture democracy and prosperity in Argentina, as they are but a symbol of the many friendly nations who look to us for leadership, friendship, and the right kind of help."

"The right kind of help" is unrestricted foreign capital, which must be allowed, Kemp says, to buy up the country.

"Those who negotiate for us do not use this lever [of foreign capital]," Kemp complains. "Instead of insisting that nationalized industries be placed in the free markets,

the IMF insists that imports be limited." Kemp calls for the capital markets and industry in the Third World to be "opened to all investors—while retaining full political control for the sovereign power."

During the previous week, Kemp defended Lane Kirkland and the AFT-CIO-run Project Democracy apparatus, which has been deployed in Latin America to halt motion toward development of a debtors' cartel.

Food Crisis

German newsletter covers Club of Life campaign

Agra-Europe, West Germany's most important newsletter on agricultural policies, covered the Club of Life emergency food campaign and LaRouche Democrats Don Scott and Billy Davis's Bonn press conference on the world food and farming crisis in its issue dated June 18.

Under the headline "Industrialized Nations Accused of Wrong Development Policy," *Agra-Europe* wrote:

"The activities of the Food and Agriculture Organization of the United Nations (FAO), of the Western industrialized nations, and of private institutions to stop the hunger in the world were strongly criticized at a [Bonn] press conference of the Club of Life. This organization, its spokesmen stated, fights for the preservation of human life and supports the ideas of the U.S. politician Lyndon H. LaRouche. The spokesmen said that the conventional aid programs for the poorest countries of the world are inadequate and wrongly conceived. To stop the hunger in the world, the Club of Life representatives demanded a massive expansion of the emergency food shipments to the Third World, with immediate relief for Africa. They emphasized that these nations' infrastructure would have to be built up immediately, so that the food shipments could be brought to the starving people, rather than having the population rounded up into camps to be fed.

"American farmers participating in the press conference also reported on agricul-

ture in the United States. The situation of American farmers has deteriorated dramatically in the last 10 years, and their indebtedness had increased by the factor of 10 in that period. Drawing the parallel to the situation in the European Community, Don Scott, Democratic congressional candidate in Ohio's 7th C.D., declared that the crisis in U.S. agriculture will soon be hitting Western European farmers. But European agriculture, Scott warned, will collapse far more rapidly than it did in the United States."

Agra-Europe has previously criticized the U.S. Department of Agriculture's destructive Payment-in-Kind program.

Adam Smith's Legacy

Argentine monetarist tied to U.S. fundamentalists

A source at the Heritage Foundation in Washington, D.C. revealed on June 19 that the Foundation is working with the members of a "free market organization" in Argentina who were trained by Prof. Hans Sennholz of Grove City College in Pennsylvania, a leading U.S. proponent of the radical monetarism of the so-called Vienna School, and an in-house economist for prominent U.S. Christian fundamentalist organizations.

Sennholz, the Heritage source said, is "a disciple of the theories of [Ludwig] von Mises and [Friedrich] von Hayek," the foremost theorists of the Vienna School. It was the economic policies of the United States' most prominent Vienna School monetarist, Milton Friedman, which totally destroyed the economy of Chile.

An ongoing *EIR* investigation has identified Professor Sennholz as an editor of the magazine *Christian Economics*, the in-house journal for organizations associated with Washington, D.C.'s Religious Roundtable, an umbrella group for Christian fundamentalist groups. Both Sennholz's activities and those of the Roundtable (formerly known as the Christian Freedom Foundation) have been funded extensively by Philadelphia's Pew family, the family interest behind Sun Oil.

Briefly

● **GEORGE SHULTZ**, U.S. Secretary of State, told the *Christian Science Monitor* on June 17 that Latin Americans are to blame for their nations' excessive foreign debt. The problem, he says, is they became too used to the "easy life"; now they will have to face up to the consequences of their actions, a process that is now being carried out with some "success."

● **THE SOVIET UNION** is offering companies and state agencies in Argentina's provinces cheap credit and advantageous financial deals to buy as much grain as possible, a Peronist deputy on the Foreign Relations Committee of the Chamber of Deputies of Argentina, told *EIR* on June 17. Several states have already made separate grain deals with the Soviets. The Soviets have offered to construct a group of granary facilities along the coast to facilitate exporting Argentine grain.

● **IRVING TRUST** could now be bought for only \$400 million, one-third of its nominal capital according to a Swiss insurance source in New York. The bank's building and associated land are worth \$300 million by themselves. He says that six fronts for the same takeover group have each bought just under 5% of the stock (the level at which the purchase would have to be declared to the SEC) in preparation for a takeover.

● **SEN. DALE BUMPERS** (D-Ark.) co-sponsored a bill to set up a secondary market for bank loans guaranteed by the federal Small Business Administration (SBA). The Senate adopted the bill by a voice vote June 22, according to UPI. The bill would allow SBA-guaranteed loans to be pooled for resale to institutional investors such as insurance companies and pension funds, Bumpers stated. A similar measure was adopted by the House earlier in July.