

Business Briefs

Genocide

Columnist: 'Disease is nature's way'

Houston Post columnist Donald Morris told an April 22 caller that "disease is nature's way of dealing with overpopulation. That is what is going on in the Sahel right now," he said. "The Sahel could only support 5 million people, and it had 8 million, so 3 million will die. Disease will play a role. In the refugee camps in Ethiopia, it is not starvation people are dying of, but disease."

"The biosphere will only support a certain number of people. There are only so many bananas, and if the amount of mouths exceed the number of bananas, the mouths will die. Disease is indeed one of the elements that nature has traditionally used to keep population down. It's not the best means any more, but disease does do it."

Prior to becoming a regular columnist for the Post, Morris was with the CIA (1956-72), division of Soviet counterespionage, having served in the 1950s in U.S. Naval Intelligence. Now he is an occasional lecturer in African History at the University of Houston, Clear Lakes Campus—a hotbed of "futurist" and other Malthusian cults.

The Debt Bomb

Times' Silk: Wreck Ibero-American armies

The New York Times economic writer Leonard Silk yesterday urged Panamanian President Nicolas Ardito Barletta to break the power of the country's National Defense Force.

"Mr. Barletta is trying to find a way out of this country's economic bind," Silk said, "but many in the banking and business community believe he cannot do so unless he shows greater political independence and will in overcoming the dictation of the military."

Panama is exemplary of the growing potential for military and labor alliances

throughout Ibero-America, aimed at compelling governments to resist the International Monetary Fund's austerity "conditionalities." Naturally, the interests for whom Times' writers write, want to crush this potential.

Barletta was recently forced to rescind an IMF-dictated austerity program in the face of working masses in the street, and a military unwilling to engage in repression on behalf of foreign creditors.

East-West Trade

New Western loans to Soviet Union

There is a new European bank loan to the Soviet Union in the making, Deutsche Bank President Wilhelm Christians told journalists in Moscow on April 22, after a meeting with Soviet leader Mikhail Gorbachov.

The meeting, which took place April 18, was also attended by the president of the Soviet State Bank, Alkhimov. According to Christians, the meeting produced optimism as to "good options for big German contracts in the new Soviet five-year plan."

West Germany is already dependent, to the tune of tens of thousands of jobs, on Soviet and East-bloc contracts. Part of Soviet strategy to break the country from the United States, particularly from the U.S. Strategic Defense Initiative, is to couple the stick of military threats with the carrot of large trade and production contracts.

Labor

Trade unions make big concessions

The effects of the Reagan administration's economic "recovery" are being felt by trade unionists across the United States:

- Two woodworkers unions are pro-

posing wage freezes and other contract changes to "save" the industry \$750 million annually, in response to management demands for wage cuts. The real power in the industry is Weyerhaeuser, linked to the super-rich family of Johannes, Prince von Thurn und Taxis, of Bavaria.

- Kaiser Aluminum workers have accepted wage and benefit concessions totaling \$4.50 an hour.

- Alaska Airlines, following a pattern common in the airline industry, is hiring permanent replacements for employees striking the company.

- 11,500 Du Pont workers, nearly twice the number originally estimated, will retire early under a program that chairman Edward Jefferson said will make Du Pont a "leaner, stronger organization."

Banking

Chase eyes savings bank acquisition

Chase Manhattan is looking at and may take over Beverly Hills Savings and Loan, which folded up on April 20, and was taken over by the Federal Savings and Loan Insurance Corporation (FSLIC). Depositors were running the S&L at about \$44 million a day, after it lost \$100 million for 1984 in bad real estate deals, bringing its net worth (capital) to negative \$65 billion.

This is the largest takeover by the government since Continental Illinois.

Recent Treasury, Federal Reserve, and Comptroller's Office regulations—or lifting thereof—are designed to permit the New York megabanks to gobble up failing S&Ls and regional banks on the way to cartelizing the American banking system British-style (see *anking*, page 18).

Fifteen more S&Ls have taken big hits from the collapse of New Jersey's Bevil Bressler house (BBS), because the Broker's Capital Co. of Chicago, which went under in connection with BBS, itself had loans from 15 S&Ls, including Sharon of Baltimore, Edgar County of Paris, Illinois, and

others in Illinois and Missouri. Losses from the BBS collapse itself have mounted to \$200 million, and more than 72 S&Ls stand to take big hits.

Elsewhere, the Texas State Savings & Loan Department took over operation of the Bell Savings Bank because of losses from more than \$100 million in condominium loans April 11. Losses could cause the thrift, total assets \$284 million, to lose enough assets that they would fall below liabilities. Bell Savings is the fourth Texas S&L put under state control due to the 1982-83 speculative condo boom in Dallas.

Oklahoma's two largest banks have been reclassified with a debt rating of non-investment grade. The banks are First Oklahoma Bank Corp. with assets of \$2.7 billion and MidAmerica with assets of \$3.6 billion. The banks have too much bad energy debt, and the oil price outlook won't help.

Systems Analysis

New Forrester-Meadows hoax for Soviet KGB?

Limits to Growth authors Dennis and Donella Meadows and Jay Forrester are carrying out new "computer simulation studies" on the relation of food and population and "global carrying capacity," a Club of Rome source has reported.

Their original 1973 study was characterized by the Club of Rome's founder, the late Aurelio Peccei, as a justified "hoax" designed to give "shock treatment" to governments.

"Current world population trends are in fact converging on original *Limits to Growth* projections," said the Club of Rome spokesman April 24. "Expected population by the year 2000 will be lower because of China's draconian measures, which have been short of forced sterilization, but have been very successful because of the density of neighborhood and community pressure groups. . . . Population limitation is spreading rapidly around the world; 35% of the world's population lives in countries

where the death rate is now higher than the replacement rate."

The Meadows couple spent most of 1984 at the International Institute for Applied Systems Analysis in Austria. The key figure in founding both the IIASA (1967) and the Club of Rome (1968) was Soviet KGB official Dzhermen Gvishiani, son-in-law of the late Premier Alexei Kosygin, and head of the KGB's Soviet State Committee on Science and Technology.

Deindustrialization

Bonn refuses bail-out to Saarland steel firm

There will be no money made available to the Arbed Steel works in the depressed state of Saarland, West Germany, Bonn Economics Minister Martin Bangemann of the Free Democratic Party told the parliamentary caucus of Chancellor Helmut Kohl's Christian Democrats in Bonn on April 23. He announced that he will stick to the European Commission plan to phase out "steel capacities which are not yet readjusted" after December 31, 1985.

The EC plan, named after its 1970s architect, Count Etienne Davignon, mandated the phased destruction of Western European steel-producing capacities on the pretext of over-production in a projected "post-industrial" age.

Bangemann's policy means that Arbed Steel, with DM2 billion in outstanding corporate debt, will shut down, throwing 14,000 steelworkers out of a job.

This collapse of its central industrial complex will leave Saarland in a state of economic emergency:

- The collapse of the state's revenue base has already put local government in debt to the tune of DM8 billion.

- Unemployment now stands at 14%—50,000 workers, becoming 64,000 after Arbed's shut-down.

- There are at least 45,000 social welfare recipients in the state not included in the unemployment figures.

- **THE ISLE OF JERSEY** in Great Britain is a center for drug-trafficking and money laundering. British customs officials just seized 14 kilos of cocaine, worth 2.5 million pounds, from suitcases belonging to two Brazilians who came to the island from Switzerland. The *Daily Telegraph* reported April 23 that the island's chief of police confirmed that U.S. investigators had found involvement of Jersey banks in money laundering.

- **JAPANESE LABOR** leaders, attending the April 24 meeting of trade-union representatives of the seven nations which will attend the Bonn economic summit in early May, called for new technologies as a means of creating new industrial jobs. The German labor leaders, however, opposed the proposal. AFL-CIO chief Lane Kirkland stated that he saw "little hope" for economic recovery.

- **BUDGET CUTS** by the Illinois Department of Public Health seriously hampered the state's ability to respond to the current outbreak of salmonella poisoning, the Better Government Authority of Illinois has charged. "The responsibility for this disaster rests with Governor [Jim] Thompson. His key staff people ignored repeated warnings . . . concerning the potential for disaster in cutting laboratory and program resources."

- **MANUFACTURERS HANOVER** said on April 17 that it is splitting the bank's holding company up into five autonomous units, competing with each other as profit centers. Manny Hanny's stock is trading at a multiple of only 5.3 of its earnings, compared to New York banks' average of 6.8, Citibank's 7.2, and Morgan's 8.1. Manny Hanny President Harry Taylor will take early retirement, unprofitable activities will be shut down, and staff reduced.