

Business Briefs

Money Markets

E. F. Hutton scam hit by North Carolina

On May 24, the state of North Carolina ordered New York's E. F. Hutton firm to stop selling shares in a motion-picture production partnership, because the company allegedly failed to register with the state securities commission. An investigator for the commission, Stephen Wallace, said he couldn't recall the last time a big securities firm had run afoul of North Carolina officials.

While Hutton's lawyers, in the Cahill and Gordon law firm, tried to minimize the importance of the case, State Securities Commissioner Daniel Bell declared, "The magnitude of the problem is pretty grave, even though it would seem like a routine matter in which they dropped the ball."

Hutton has been caught twice, in investigations by federal authorities, for illegal activities. In April, the Department of Justice charged Hutton with a multibillion-dollar "check kiting" scam. Since 1982, Hutton officials have been under scrutiny from several U.S. federal investigative agencies, for involvement in an international drug-money-laundering scheme, known as "the Pizza Connection."

Oligarchy

Bragança family holds conference on economics

EIR founder Lyndon LaRouche's economic ideas were a featured item of discussion at a conference on "Entropy" held over the weekend of May 25-26 in the Bragança family seat of Petropolis, Brazil, participants reported in Rio de Janeiro. The conference was sponsored by the mayor of Petropolis, and also featured sundry Jesuits attacking Riemannian mathematics, the key element in LaRouche's contribution to the American System school of economic thought.

The event comes in the midst of a family struggle. *Journal do Brasil* reports that, in the upcoming issue of the magazine *Inter-view*, Dom Pedro de Bragança will attack cousin Luis Orleans e Bragança, for being a member of the fanatical Tradition, Family and Property cult, and a black-hating racist. Dom Pedro, says *Journal*, takes credit for the Vatican having cancelled a planned reception for Dom Luis in Rome, where Pope John Paul II was to be present.

Africa

Bishop Tutu backs Gandhi memorial summit

Right Reverend Bishop of Johannesburg Desmond Tutu, 1984 Nobel Peace Prize winner, declared in Paris on May 30 that Helga Zepp-LaRouche's proposed Indira Gandhi memorial summit conference to found a new world economic order "needs to be encouraged as much as possible."

"I think most talk about the better relations between the North and the South is just rhetoric, until we address this particular question of economic power, and a more equitable distribution of that economic power," Bishop Tutu told EIR's correspondent. "I would say, all power to [Mrs. LaRouche]! And I hope that she will be successful."

"There is no doubt at all, that until we can have a new world economic order, most of what the developing countries are doing, will just disappear like water into sand," Tutu stated.

Bishop Tutu forcefully denounced the IMF when asked about its policies in Africa. "I believe that if the [IMF and other such institutions] maintain the policies that they maintain, that they are really extensions of . . . the strong calling the tune, and causing countries to implement policies which are against the best interests of their people. These policies make the governments in these countries unstable, because, for instance, they will say, 'you have to reduce subsidies for food, and let market forces take control.'

The price of food goes up and those governments become unstable and the tendency is that they will be overthrown."

The full interview will appear in a future issue of EIR.

Colombia

Betancur heads for clash with labor

On June 15, Colombia's Democratic Labor Front will decide whether or not to call a national general strike—a decision dependent on whether Colombian President Belisario Betancur follows through with his announced intent to impose International Monetary Fund conditions on the country. Betancur and his finance minister Roberto Junguito have declared that they can implement the IMF's austerity measures "voluntarily."

Hoping to avoid a confrontation with the anti-drug government, the unions had petitioned the President to change his economic policy. The President's first response was negative.

Betancur's step by step implementation of IMF demands, since he visited Washington in April, has even gone to the point of supporting a bill to allow deposit of "black economy" money in the banks—a measure Betancur's government had previously thrown out.

According to the May 6 Colombian daily *El Espectador*, the London *Economist* magazine recommends that, if the Colombian bankers cannot find the money to service the \$3.6 billion foreign debt, the drug kingpins can. "Last November they offered to get the Central Bank \$5 billion."

The austerity measures which Betancur has accepted include: 1) a ceiling of 10% on wage increases, although inflation during the first four months of 1985 was running at the rate of 12% (36% a year) for the workers, which would mean a more than 25% cut in real wages; 2) heavy cuts in the budget of the Colombian Institute for Family Welfare,

which covers vaccination, hospital service, and water services; 3) cuts in the budget of the National Service for Apprentices, which provides education to Colombian workers; and 4) 1.8-2.8% monthly hikes in water, electricity, and other utilities.

Dope, Inc.

U.S. Customs halts Venezuela's 'CAP'

U.S. Customs authorities searched the baggage of former Venezuelan President Carlos Andres Pérez for cocaine when he arrived in New York's JFK Airport May 24. Press reports said the ex-President, a close associate of the Cisneros family of financial tycoons in Venezuela, was treated like "a delinquent."

Pérez, who still holds a diplomatic passport, asked Venezuelan President Luisinchi to protest to Washington. Venezuela's foreign ministry did send a note to the U.S. embassy in Caracas requesting better treatment for former Presidents, but Foreign Minister Simon Alberto Consalvi said the incident will have no effect on Venezuelan-U.S. relations.

"It was routine. . . . And there is no truth to the thing about the shoes . . . his shoes were not removed," Michael Kaufman, New York City area public affairs officer for the U.S. Customs service told *EIR*. According to the book *Narcotrafico, SA*, the Cisneros family which "owns" CAP, is linked to circles involved in international money-laundering operations.

Banking

Boston dirty-money bank laughs off \$500,000 fine

The Bank of Boston's felony conviction for laundering \$1.2 billion of crime-tainted money, and its \$500,000 fine, haven't af-

ected its operations, the bank says in its latest report to stockholders and the Securities Exchange Commission.

"While it is not possible at this time to predict the total impact of the foregoing, in the opinion of management these matters will not have a material adverse impact on the financial position or results of operations of the Corporation," the bank concludes in its so-called "10K" report.

Food Processing

Speed-up blamed for Chicago salmonella

The open secret on the cause of the salmonella outbreak from Chicago milk supplies this spring, is that deliberate labor speed-up in the processing plant resulted in a breakdown of cleaning procedures, and the production of tainted milk. Salmonella food poisoning—a "Third World" disease of diarrhea and dehydration which is 100% avoidable with modern sanitation and food-handling techniques—infected 15,000 people in the Midwest.

Farmers and milk-processing engineers have supplied the following facts, which have not been released by health officials, nor publicized by any news media:

All the salmonella-tainted milk came from the Jewel Company, Inc.'s Hillside Dairy in Melrose Park, Ill. One month before the milk was released, Jewel was taken over by the Salt Lake City-based American Stores, Inc., owner of Acme and other supermarket chains and food-processing plants.

American Stores imposed labor and equipment speed-up practices in the Hillside processing plant, and began running far more milk through the facility than it was designed to handle. An intense conflict broke out between food workers and management, but management orders prevailed, and, as a result, the cleaning cycle broke down. The time allocated for cleaning the processing equipment was cut back—and the conditions were created for a bacteria outbreak.

Briefly

● **THE GREEK-SOVIET** Ministerial Committee for Economic, Industrial and Technical Cooperation met in Athens on May 14. According to Radio Free Europe, the main topics of the three-day deliberations were the increase of Greek industrial exports to Russia and the participation of Greek companies in Soviet projects.

● **CARL LINDNER** of Cincinnati, exposed in the book *Dope, Inc.* for his decades-long connection to organized crime, bought up Marvin Warner's Home State Savings Bank on May 30, outbidding New York's Chemical Bank by \$5 million. The purchase was approved by Ohio State Savings and Loan Commissioner McAlister.

● **IN BRASILIA**, the International Monetary Fund and creditor banks are now demanding control over the Brazilian economy until at least the year 2000, according to the *London Observer*. The demand was being presented in Brasilia at the end of May, when the new Brazilian government met with IMF officials. José Sarney's civilian regime reportedly rejected the demand as an infringement of national sovereignty.

● **AN EC-COMECON** economic treaty was discussed between Italian Premier Bettino Craxi and Polish Prime Minister Jaruzelski during a two-hour meeting in Warsaw, on May 28.

● **PAPANDREOU** is buying the votes of the Athenians with Libyan gasoline: Swiss television reported that on May 29, the Greek premier's socialist party, PASOK, was giving out gasoline for free in the streets of Athens, causing major traffic jams as cars were lining up, four in a row, to grab parts of Qaddafi's present.