

Vatican may issue bonds to offset its deficit

By John Thavis
Catholic News Service

VATICAN CITY — The Vatican is considering the possibility of issuing low-yield commercial bonds to help meet its chronic operating deficit, a top church official said.

Cardinal Rosalio Castillo Lara, who administers Vatican investments, said buyers would acquire the bonds "with the intent of helping the Holy See." The yield would be lower than that of most bonds — in effect, a "charity rate" of interest that would benefit the Vatican, he said.

Cardinal Castillo Lara made the comments in an interview published April 26 by the Italian financial newspaper, *Il Sole — 24 Ore*.

If the Vatican decides to issue the bonds, the cardinal said, it may also invite buyers to "donate" part of their value when they come due. He said the proposal at this stage was "more than an idea," but had not yet been approved.

The Vatican is entertaining the idea only because of unrelenting pressure on its annual operating budget, Cardinal Castillo Lara said. The 1991 deficit is expected to hit a record \$91.5 million, and the Vatican is worried that it may have to begin selling off some of its property and investments, he said.

Pope John Paul II summoned bishops from all over the world to the Vatican in early April to ask them to help find a more systematic solution to the annual budget deficit. The meeting ended with a pledge by the bishops to try to send more money, but with no major fundraising innovations.

Cardinal Castillo Lara said that if contributions from the bishops do not increase sufficiently, "it may be that the contribution of each bishops' conference will be determined with greater precision." In the past, the Vatican has avoided imposing an annual levy on the conferences.

For now, Cardinal Castillo Lara said, the contributions will continue to be made

through Peter's Pence, the annual worldwide collection for the pope. But he emphasized that, in the Vatican's view, Peter's Pence should go toward special projects and not toward Vatican operating expenses.

"The pope ought to be able to intervene wherever there is a need for charity," he said. He mentioned as examples the churches and seminaries of Eastern Europe, Christians in the Middle East and church communities affected by civil war.

"Peter's Pence should therefore be left to the pope, while the financial needs of the Holy See should be taken on by every diocese," he said.

Cardinal Castillo Lara acknowledged that the Vatican's ability to raise money had been compromised by the "distorted image" left by the Banco Ambrosiano scandal. The Vatican bank, while denying any wrongdoing in the affair, eventually paid \$240 million to former creditors of Banco Ambrosiano, which had collapsed

under massive debt.

The Vatican bank, which is considered separate from the Vatican Curia, paid the entire sum by opening lines of credit, Cardinal Castillo Lara said. "Not a single lira came out of the Vatican" in the payment, he said.

The cardinal also updated the Vatican's basic budget and net worth figures. It shows that the Holy See is not wealthy, he said.

The value of its liquid holdings is about \$170 million, he said. This includes long- and short-term bank investments in 17 currencies, as well as stocks and bonds. Very little is invested in the stock market, and the Vatican does not have controlling interest in any stock, he said.

Real estate holdings represent another \$170 million, he said. Many of the properties are in Rome, and, unlike most of the city's apartments, are rented out at low rates set by Italy's fair-rent law.

Non-profits face another postal hike

By Patricia Zapor
Catholic News Service

WASHINGTON — A shortfall between a federal postal subsidy and rates that went up in February could mean a second increase for non-profit organizations as early as May.

And in the 1992 fiscal year, cuts in the federal budget could spell yet another big boost in postage for non-profit mailers, including most Catholic charitable groups and publications.

Non-profit organizations "have every reason in the world to be very concerned about this year," said George Miller, leg-

islative counsel for the Nonprofit Mailers Federation in Washington.

Those groups already are struggling to absorb the February postage increases. Sean Dolan, public relations coordinator for the National Catholic Development Conference, said the conference's 500 non-profit fundraising groups are working to drive home to their elected representatives how much postage increases affect them.

For example, the Sacred Heart League, which sends about 25 million pieces of mail a year, expects postage costs to increase by about \$500,000 this year based

on the February rate hike alone, Dolan said. The league's 35-percent estimate of the effect of an increase proposed by the Bush administration's Office of Management and Budget for 1992 would tack on another \$900,000 to this year's postage bill of \$2.6 million.

In the more immediate future, the Postal Service Board of Governors was scheduled to consider April 29 how to cover the \$97-million budget shortfall that followed the February postal increase. Although non-profit groups that rely on second- and third-class rates saw their costs increase in

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AP/Wide World Photos
FLOWER FOR FIREFIGHTER — At a newly opened cemetery in the outskirts of Moscow April 26, a Soviet woman lays a flower on the tomb of a firefighter killed during the Chernobyl disaster five years ago.

Right to Life

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Willke was to have read the letter at the board's April 13 meeting, but could not attend because he was recovering from pneumonia, the spokeswoman said.

He said he thought the National Right to Life Committee has become "pre-eminent in legislation and lobbying, and certainly in political action" but that "there is a vast amount yet that needs doing in education."

"And so, while continuing to support in every possible way the legislative and political activity that NRLC has been pursuing, I feel that my talents, such as they are, must now move in another direction, and that is, back to education," he added.

Willke said he would not accept any leadership position with National Right to Life but would remain on the board as Ohio representative. The 54-member board is made up of representatives from each of the 50 states, the District of Columbia, and three at-large members elected by mail ballot.

First elected president in June, 1980, Willke held the post every year since then except 1983-84, when Jean Doyle of Sarasota, Fla., was president.

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