

Business Briefs

Labor

IMF austerity triggers strike wave

The austerity measures of the International Monetary Fund have triggered mass unrest throughout Ibero-America, and the survival of several governments is now threatened:

- In Bolivia, a general strike was declared on Nov. 14 amid reports that a military coup will be staged against the government of President Hernan Siles Zuazo. The strike was called by the COB labor federation, in support of its demands for higher wages to compensate for an inflation rate of 1,100% during the past year.

COB leader Juan Lechin said that the strike would be evaluated every two or three days, to determine the workers' capacity for resistance, and added that if the expected military coup takes place, the workers will stay out indefinitely.

- In the Dominican Republic, thousands of university and high school students have taken to the streets since last week to protest against the International Monetary Fund.

- In Colombia, the 8,000-member state employees' union declared a strike after talks with the government on the workers' demand for higher wages broke down.

- In Panama, after two weeks of sporadic protest, workers conducted a massive anti-IMF demonstration on Nov. 15. Two days earlier, President Nicolas Ardito Barletta announced an IMF-ordered austerity package, including a two-year wage freeze, massive firings of government employees, and a wide array of new consumer and corporate taxes. Panamanian labor leaders told *EIR* that if the protest does not yield the expected results, they will declare a general strike, which could bring down the unpopular Barletta government.

- In Mexico, labor federation head Fidel Velázquez uncharacteristically blasted the nation's labor minister, Arsenio Farrell, for having "become an obstacle to the labor movement" and for always taking the side of the employers, instead of impartially me-

diating conflicts. Velázquez also demanded a wage increase for government workers.

Technology

Pentagon expects test of space laser by 1989

The Department of Defense expects to complete testing for its baseline Space-Based Laser Triad system in 1989, according to a report to Congress by Undersecretary of Defense Richard DeLauer. *Defense Daily* on Nov. 13 reported that DeLauer said that if tests were successful, a decision to go ahead with an on-orbit test can be expected. "In about five years from the decision to proceed [1993], we might expect to have completed the design, fabrication, and flight test of a technology validator based upon the proven designs of the Triad technology demonstrations," DeLauer told Congress.

The Triad consists of the Alpha chemical laser, the beam generator, the LODE optics beam-control subsystem, and the Talon Gold tracking and pointing system. The Alpha and the LODE systems will be tested on the ground under simulated space conditions. The Talon Gold system, according to *Defense Daily*, had been scheduled for testing aboard the Shuttle against a high-flying aircraft in 1988, but "is likely to slip to 1989." DeLauer's testimony was given "before the possible slip in the Talon Gold schedule was disclosed," *Defense Daily* said.

Space

Panel rejects space-station plan

The Congressional Office of Technology Assessment (OTA), one of the key advisers to Congress on science and technology policy, issued a report on Nov. 12 recommending that Congress not provide funds for the large manned space station which the Rea-

gan administration has proposed be put in orbit by the early 1990s.

The OTA, which has compiled a rabidly anti-technology record since its creation in 1972 and has more recently played a key role against the Strategic Defense Initiative, argued against the Reagan administration's proposal on two counts: 1) the United States has yet to set long-range space goals, and 2) the potential uses for the station don't justify the \$8 billion plan being sought by NASA. The two-year study was prepared by OTA staffer Thomas Rogers with advice from a panel that included James Van Allen and anti-Star Wars zealot Carl Sagan.

The report also urges that the National Commission on Space, established by Congress this year, take the lead in a "national debate on the future direction of U.S. space activities." It suggests as a starting point several "broad goals," including reduction of the unit cost of space activities, direct involvement of the public, increased international cooperation, and greater investment by foreign governments and private interests in NASA.

Invisible Hand

Jamaica's ganja and the Washington Post

A major feature in the Nov. 11 *Washington Post* business section concludes: "The United States' huge imports of dope are people-to-people assistance of the most direct kind. . . . This may be a major headache for U.S. law-enforcement agencies, but it is also one of the biggest transfers of U.S. capital to the Third World today."

The article, "Free-Market Magic: Jamaica Has Gone to Ganja," says: "The Jamaican marijuana production is a shining example of the free market at work." It does not, however, say that Kissinger Associates, Inc. partner Lawrence Eagleburger formulated the State Department policy of tolerating the total take-over of the Caribbean by Dope, Inc.

Author Jeff Stein, founder of *The Wash-*

Briefly

ington Weekly, cites a Congressional drug investigator who flew over the island as saying the \$3.5 billion annual ganja crop is tended so carefully that it "looks like a Japanese rice paddy." On his motorbike trip across the island, Stein writes, "I was witnessing the evolution of an entire country toward dependence on marijuana—the creation of a 'Ganja Nation.'" He gives one anecdote after another about how mines, sugar plantations, and farms have fallen into ruin with the population having no choice but to go to ganja and become addicted to the fast bucks flowing from it.

The *Washington Post* chides the Reagan administration for promoting the "hardware" approach to eliminating the drug trade. It argues that it would be impossible for Prime Minister Edward Seaga to repress the drug trade now, since the country is under pressure from the IMF for more austerity to pay the debt. Also, says Stein, "Tougher police measures, experts warn, could lead to Bolivian-style 'narco-terrorism,' in which dope lords engage in kidnapping, murder, and extortion, and whole sections of the country slip out of government control."

Middle East

Israel's economic crisis intensifies

With latest reports showing inflation rates to have hit a 1,000% annual rate, the Israeli government is preparing new austerity measures and is setting aside key development projects that had been started during past years.

Israeli Energy Minister Moshe Shahal said on Nov. 15 that ambitious plans to build a canal from the Mediterranean to the Dead Sea for hydroelectric power may now be abandoned. Shahal told the Israeli media that he had commissioned a study "regarding the effect of halting the project." This follows a report from the Israeli Comptroller's office saying that the project's potential contribution to Israel's energy requirements

would not justify the cost of building it.

With expectations that new austerity will lead to levels of unemployment never seen before in Israeli society, one Israeli commentator told the press that the current situation "will leave the government so bereft of credibility that the only policy options left will be so Draconian as to endanger our very democratic system. . . ."

U.S. 'Recovery'

The price of Volcker's policies

Who would have guessed, when Paul Volcker was appointed Federal Reserve Board chairman five years ago, that the U.S. budget deficit would become so uncontrollable that the United States is now being treated as a Third World country, manipulated on the basis of its deficit? *EIR* predicted just that.

On Oct. 12, 1979, Paul Volcker followed instructions to impose "controlled disintegration" on the United States by sending interest rates into the 20% range. Interest rates have never dipped below double-digit levels since, while the deficit swelled.

During Volcker's tenure, the outstanding Treasury debt has risen from \$780 billion to the \$1,828 billion that will obtain at the end of fiscal year 1985 (which ends Sept. 30, 1985), according to best-case projections. The outstanding Treasury debt will have grown from 29% of GNP at the start of 1979 to 39% by the end of the 1985 fiscal year; that is, Volcker will have added over \$1 trillion in public debt outstanding in just six years. That represents more debt than the total amount incurred from the founding of the nation through 1979.

During the same time period, the gross interest on the federal debt grew from \$49 billion to \$150 billion. Whereas interest debt service represented 8.5% of all federal outlays in 1979, it will represent 14.7%, by government projection, at the end of the 1985 fiscal year.

● **ARGONNE** National Laboratory scientists have devised a method using lasers that can detect tiny concentrations of contaminants in semiconductors without damage to the material tested. Unlike mass spectrometry, the usual method, the laser method detects virtually all the impurities present. The Argonne Lab team has achieved sensitivities in parts per billion while removing only 0.001% of the sample's surface atoms. Estimates are that the work is now two to three years away from commercial readiness.

● **WILLIAM BROCK**, one of the President's top trade advisers, told a group of businessmen in San Francisco on Nov. 14: "I don't know what an overvalued dollar is. It's valued by the market and we've got to live with it."

● **THE MIDDLE CLASS** may become extinct, according to two middle-class scholars, Barry Bluestone of Boston College and Bennett Harrison of MIT. Average wages in service "industries" fell to below \$12,500 in 1980, whereas, they note, average wages in manufacturing concerns rose above \$22,000. They predict that it may become harder and harder for workers to find jobs that pay middle-class wages. No mention was made of the future wage prospects of half-baked economists.

● **APPLIED ROBOTICS, Inc.** has introduced a system that allows robot users to easily change grippers used to assemble or handle products. The system, called XChance, will allow a single robot to perform different tasks that previously required complex tooling or multiple robots, the company announced. President Bruce Newell said that the system "promises to automate one of the weakest links in robot automation—hand technology." Applied has filed for a patent for the new system.