

Business Briefs

Nuclear Power

Indian fast breeder goes on-line

India's first fast-breeder reactor became operational on Oct. 18. The fast breeder will give India the ability to produce plutonium using domestic technology and its plentiful supplies of thorium fuel. It represents a major breakthrough for the country's atomic energy program.

The fast breeder converts thorium into uranium for future fission, thus breeding fuel as it consumes fuel to also produce energy.

The reactor is based on a French Rap-sodie-Fortissimo design.

The success of the fast-breeder reactor marked the entry of India into a select club of nations possessing this important technology—the United States, the U.S.S.R., France, Japan, Britain, and West Germany.

Trade War

South Africa threatens sanctions

President P. W. Botha of South Africa has threatened to impose sanctions on the West, in an angry reaction to British Commonwealth sanctions against South Africa announced in mid-October.

In a speech in Bethlehem Orange Free State on Oct. 22, he said: "If South Africa held back its chrome deliveries, one million people in the United States would lose their jobs, and, in Europe, the entire car industry would come to a standstill."

He said South Africa's population was composed of minorities: "We are talking every day to black leaders, and we continue to be prepared to discuss with reasonable leaders." He stated that, of course, whites must be protected, but that whites must also be prepared to accept that reforms had to take place.

The U.S. State Department on Oct. 23 stated it was unconcerned with the threatened loss of strategic minerals. The British have failed to comment on Botha's threat.

Banking

Tenth and eleventh Oklahoma banks fail

Two more Oklahoma banks have failed, bringing the number of failed banks in the state to eleven. On Oct. 17, the Farmers State Bank in Afton, with deposits of \$9.5 million, was closed, and on Oct. 18, the First State Bank of Jet, with deposits of \$11 million, was closed, both by the state banking commission.

The Jet bank was purchased by the Cleo State Bank in nearby Cleo Springs, with no loss to depositors, and the Afton bank was taken over by new owners, who had also purchased the remains of the Bank of Canton, which failed Oct. 10; the new owners will reopen the bank in Canton and open a branch in Afton.

Oklahoma Gov. George Nigh said on Oct. 18 that State Banking Commissioner R. Y. Empie has assured him that the Oklahoma banking system is sound, and that the vast majority of these bank failures were caused by "imprudent management." The failures are "not necessarily" a sign of hard times.

U.S. 'Recovery'

New York Times: Wage declines to continue

This year's labor settlements to date indicate a continuing trend of decline in the size of wage increases through 1986, according to a front-page article in the Oct. 21 *New York Times*.

Labor settlements reached during the first half of 1985, many of them 2-3 year contracts, provide an average wage increase of 2.8% in the first year, and 2.9% a year over the life of the contract. This is less than the 3½-4½% projected inflation rate. White collar pay is projected to rise between 4.5% and 6.3%.

The *Times* says this causes alarm to economists who see it as a sign of weak

economic expansion. Wages are weakest in the manufacturing sector, where jobs fell by 111,000 in September, the biggest decline in nearly three years.

Oil

OPEC asks producers' summit

OPEC President Dr. Subroto of Indonesia began an informal series of preparatory meetings in late October designed to convene a world oil producers' summit. He will meet with the chief problem for OPEC, U.K. Energy Secretary Peter Walker.

Subroto will also sound out U.S. Energy Secretary John Herrington and Norway's Kare Christiansen about such a summit.

Walker has not yet indicated British willingness, however, to join in a formal producers summit with OPEC which would be a fundamental policy change for both. The U.K. claims its oil policy has been relegated to the private sector, since the British National Oil Council earlier this year abandoned any formal role in setting North Sea crude prices.

Technology

West Germany reports breakthrough in research

Advances in the crystallization of the photosynthetic reaction center of green plants were recently reported by the Max Planck Institute, located near Munich, Germany.

The crystallization of these relatively large complexes of chlorophyll and associated proteins makes possible the use of x-ray crystallography to determine the three-dimensional structure of the complex. This three-dimensional structure, with its implications for the actual functioning of the photo-reaction center, has been one of the main targets of research in photosynthesis for several decades.

Researchers at the Max Planck Institute had previously succeeded in crystallizing the

photo-reaction center in 1980. The recent advances involved crystallizing the material in various states of the photosynthetic process itself.

In an abstract, H. Michel from the Membrane Biochemistry Department at Max Planck Institute reports:

"The crystals are well-ordered. Using the methods of x-ray crystallography, an electron density map at 3-Angstrom resolution could be calculated and interpreted. . . . The structure and arrangement of the photosynthetic pigment is now known. The protein chains could be traced and their secondary structure determined. . . ."

Dr. James Norris at the Chemistry Department of Argonne National Laboratory in Chicago, who has been a leader in exploring the physical chemistry of photosynthesis, commented that the work at the Max Planck Institute deserves a Nobel Prize because of its significance in opening the way for much broader investigations of membrane structures in general and the details of photosynthesis in particular.

Labor

British union splits in two

Miners in the U.K.'s second-largest coalfield sanctioned a breakaway union in a historic split from the National Union of Mineworkers (NUM), which presided over a failed year-long strike.

Nottinghamshire's 27,000 men were asked on Oct. 18 to vote whether to form a new Union of Democratic Mineworkers. Ninety percent of the membership took part in the secret ballot, with 17,750 voting in favor of the new union. The result represented the biggest official split within the ranks of U.K. miners since a majority of Nottinghamshire's miners formed a breakaway union after a general strike in 19

The decision was also a serious setback for NUM President Arthur Scargill, who campaigned against any breakaway union. Scargill, a declared Communist, called on the national Trade Union Council to ostracize the breakaway organization.

Debt Crisis

Call to 'open up' Mexican economy

Spokesmen of the Mexican private sector issued ultimatums that they will continue to take their money out of Mexico until the government joins GATT, eliminates protectionism, and "allow things to take their natural evolution, according to market forces," as the head of the Mexican Financial Executives Institute stated on Oct. 25.

Capital flight has already driven the peso down to 440 at the border.

The private sector's "guru" economist, J.A. Perez Stuart, wrote in *Excelsior* on Oct. 25 that capital flight won't stop until "the country . . . opens its borders to international companies, accepts majority foreign ownership, and turns the northern strip [of Mexico] into a true trampolin" into the United States.

International Trade

Atlantic Richfield, China sign gas deal

China signed a \$500 million agreement on Sept. 28 with Atlantic Richfield, the largest offshore energy deal ever signed between a foreign firm and Peking.

Atlantic Richfield Chairman Robert Anderson, who signed the agreement, told reporters that it involved the development of a "world-class" gas field south of Hainan Island off Guangdong Province in south China. Under the agreement, Atlantic Richfield joins Sante Fe Minerals of Kuwait and the China National Oil Corp (CNOOC) in a venture to pump 3.25 billion cubic meters of gas a year from the field for 20 years, starting in 1992.

Anderson said that Atlantic Richfield and Sante Fe had already spent \$180 million on oil and gas exploration in south China. Atlantic Richfield will finance its 34% share of the new project from its own funds. Sante Fe's share is 15%, and the CNOOC will assume the remaining 51%.

Briefly

● **GATES** Learjet Corp. announced in late October that they will cut manufacturing operations in fabricating sheet metal parts, manufacturing machine parts, and assembling and painting aircraft. The company proposed to the cities of Wichita, Kansas and Tucson, Arizona to compete over which city's plants will stay open. Gates employs 1,135 workers in Wichita and 815 in Tucson.

● **THAILAND'S** coalition cabinet met in early November to consider the potentially explosive issue of a floor price for the country's rice crop. Some members of the Social Action Party (SAP), a major partner in the coalition, threatened to leave the government unless rice farmers received price guarantees. Economic advisers to Prime Minister Prem opposed the move on austerity grounds.

● **KWU** of Germany announced in late October that it had just won its first nuclear contract, for a nuclear fuel plant to be built near Seoul, Korea. The Siemens subsidiary said the plant will be completed in 1989.

● **SOVIET** industrial output was up by 5% for the third quarter as compared to 1984, Radio Moscow announced in late October. What had been "lagging behind" during early 1985 "has largely been overcome." "10,000 mechanized and automated [production] lines, departments, and whole factories" have been introduced during 1985, the broadcast claimed.

● **PRESIDENT** José Sarney announced in mid-October that as much as 70% of more than 400 Brazilian state-owned companies could be sold to private enterprise in order to eliminate Brazil's public deficit. Sarney said in a speech in Brasilia that the sale would probably be in the form of a public stock offering, and that "only those companies most directly associated with national security would not be considered for sale. . . ."