

Business Briefs

War on Drugs

Colombian eradication program in danger

On Oct. 1, the Colombian National Narcotics Council issued a recommendation for the "temporary suspension" of herbicide fumigation of marijuana crops.

While the final decision awaits a cabinet debate, the recommendation itself represents a dangerous concession to the drug legalization lobby and its organized-crime backers, since it would reverse an eradication program that has been in place since 1984 and that has been successful in almost eliminating Colombia's once vast marijuana trade.

The Council was pressured by ecologist elements within the health ministry (INS), the national farming institute (ICA), the natural resources institute (Inderena), and unsavory individuals like top Colombian "greenie" Jesús M. Hidrobo, a collaborator of the U.S. drug lobby NORML.

The chemical glyphosate has been used extensively as a herbicide in Colombia and elsewhere, and complaints of "ecological damage" from its use have been repeatedly traced to marijuana growers and traffickers.

Electricity

Closing nuclear plant would cost \$1 billion

The U.S. Department of Energy (DOE) reported in mid-October that closing the Trojan Nuclear Plant in western Oregon would cost electricity consumers about \$1 billion. This estimate is based on the higher cost of resources that would have to replace the Trojan's energy generation during the period of its remaining life.

These figures are contained in a study by Bonneville Power Administration, which owns 30% of the output of the plant. BPA did the study to assess what the economic impacts would be if the Oregon anti-nuclear ballot initiative, Ballot Measure 14, were passed on Nov. 4.

The DOE figures contradict the latest work of Ralph Nader's Public Citizen Group, a study released on Oct. 11 titled *The Economic Benefits of a Nuclear Phase Out*.

Nader's study claims to prove that nuclear power "is simply not needed; there is a huge surplus of electricity in nearly every region of the country," in the words of author Joseph Kriesberg. Consumers might save money if nuclear plants were shut down, the study says.

Ecological Holocaust

Locust swarms threaten Saudi Arabia

The U.N. Food and Agriculture Organization's (FAO) weekly locust bulletin on Oct. 12 reports that an "immense" desert locust swarm has appeared in Saudi Arabia, which could be on the move towards the Horn of Africa. The full extent of the problem could not be confirmed.

Damage done by locusts to harvests in this area is now concluded, but the extent of the damage is not yet known, and eggs laid all over the region will hatch in December, threatening the next crops. In southern Africa, hatching of the brown locusts has started in Botswana and South Africa, with a possible northward invasion "as early as December" says the FAO. In Ethiopia, 20-30% damage to crops by grasshoppers is reported.

Nuclear Energy

New openings for U.S. firms abroad

The hard-pressed U.S. nuclear industry has found a number of new markets for its products during the recent period, despite the continuing shutdown of plants at home. These include:

- Two new nuclear reactors have been contracted by the Korean National Utility to U.S. firms. Energy Secretary John S. Her-

ington on Oct. 11 called it a "clean sweep for American nuclear expertise and ability. . . . The United States taught the world how to harness the atom for peaceful use, and we shall continue to do so. Today's decision by KEPCO underscores that commitment and that promise for the future."

The principal contractors on KEPCO's Units 11 and 12 are Combustion Engineering Inc., General Electric Co., and Sargent & Lundy.

- The International Atomic Energy Agency, the United States, and Thailand signed an agreement on Sept. 30 for the supply of enriched uranium for the Thais' research reactor at Bangkok. The project includes the production of radioisotopes for medical applications.

- Despite opposition from radical environmentalist groups, a Nuclear Regulatory Commission panel authorized the loading of fuel at the Seabrook nuclear power plant in New Hampshire, as a first step toward operation of that long-delayed facility. The Clamshell Alliance of anti-nuke radicals has vowed to do "whatever we can" to stop the fuel loading. Massachusetts Gov. Michael Dukakis also vowed to oppose the start-up.

Health

Panic in Italy on spread of AIDS

"Alarm for AIDS in Italy," was the headline on Oct. 13 of the newspaper *La Stampa* of Turin, describing the Italian Health Ministry's report on AIDS, presented to the Council of the Presidency the previous week.

"Alarm" is, if anything, an understatement. In the town of Vicenza, AIDS testing of two kindergartens found 20 sero-positive children—4% of the total number tested. The local population is furious with the health authorities for keeping the results secret for at least a month, and parents are keeping their children out of school.

According to the Health Ministry's report, Italy had 33 AIDS cases in 1984, 169 in 1985, and 92 in the first six months of 1986. The study forecasts as many as 12,000 cases by 1987-88.

Briefly

The report mentions that of those who have AIDS, 51% are drug addicts, 30% are homosexuals, 6% are children born of drug addicts, 3% are hemophiliacs, and 1.7% are from blood transfusions; the remaining percentages are not reported by *La Stampa*.

"Doctors and politicians are slowly beginning to understand the challenge of the situation," Italian virologist Dr. Graziosi, of La Sapienza University in Rome, told *La Stampa*. He reported that within four years, in the United States, it is likely that there will be 100,000 deaths from AIDS, and in Italy, 12,000.

Arms Traffic

Swedish firm indicted for trading with Iran

A Swedish chemical company was charged in mid-October with illegal trade in military explosives with Iran.

According to Swedish police sources, the Nobel/Bofors Company was caught illegally diverting military explosives from Finland to Iran. The explosives were sold by Karl Erik Schmitz, a Swedish "businessman" who has been in Iran since at least 1983. The deals went via East Germany or Yugoslavia to the Middle East, shipped by a Swiss firm, police report.

Nobel/Bofors is a major part of the Walenberg group of Swedish industries that have been at the center of deals with the Soviets since the 1917 Bolshevik Revolution.

South Africa

Economic sanctions will bring poverty and ruin

Foreign disinvestment could cause generations of poverty and hardship, according to a report published on Oct. 17 by the South African Institute of International Affairs.

The U.S. Congress, overriding President Reagan's veto on Oct. 2, voted to apply economic sanctions to South Africa, to force

it to abandon its apartheid policies. The European Community has adopted similar measures, which many moderate South African black leaders have warned will only harm the black population, while making the government more intransigent.

Brian Dollery, senior economics lecturer at Rhodes University in South Africa, said that the idea that investment could be cut off and then resumed without serious long-term implications is totally unrealistic. The economy is likely to deteriorate to the point where it cannot attract new investments, he said, in a report published by the institute.

"In sum, it is incumbent on those who advocate disinvestment to reflect that should such a strategy ever be effectively implemented, it is likely to visit poverty and hardship on generations of people not yet even born."

Domestic Credit

Tax 'reform' blamed for fall in housing starts

Construction of new homes fell sharply in September, primarily because of recently passed tax reforms, government sources reported on Oct. 17.

According to the Commerce Department, starts on single-family homes and rental buildings were down 7.6% in September from August. It was the lowest rate of starts in nearly a year.

Secretary of Commerce Malcolm Baldrige acknowledged that the housing sector is weakening and would continue to do so. "Much of the recent softening in starts was in multi-family unit dwellings, reflecting high rental vacancy rates and changes in tax laws. This sector probably will remain sluggish in the near future."

Lyle Gramley, chief economist for the Mortgage Bankers Association, said that too much building in the past and tax reforms that cut back the tax incentives for rental construction have a double impact: "Tax reform is probably the most important factor, but they're related. When you combine the two, you have a fatal combination."

● **THAILAND** has closed a major heroin refinery near Bangkok that was supplying drugs to Hong Kong and Western Europe, according to Hong Kong police. Nine people and hundreds of pounds of chemicals and laboratory equipment were seized in the Oct. 13 raid in Chol Buri province, 55 miles southeast of Bangkok.

● **THE SWISS PARLIAMENT** voted on Oct. 11 to continue nuclear energy generation of electrical power, defeating a motion by Social Democrats aimed at forcing the country to abandon this source of 50% of its electricity. The Lower House voted 105-68 against a motion calling on the government to begin an immediate, step-by-step withdrawal from nuclear energy.

● **THE CHERNOBYL** nuclear plant's director announced plans in mid-October to restart two more reactors at the site of the accident and to finish construction of two new units in progress when the accident occurred in April. Western nuclear experts had forecast that the No. 3 reactor, which shared equipment with the fatal reactor, would never be restarted because of contamination.

● **DULLES AND NATIONAL** Airports, the two major air facilities serving Washington, D.C., will now be run by a regional authority. Legislation passed both the Senate and House to transfer control of the airports in mid-October. The legislation calls for the airports to be leased to an 11-member regional authority for 50 years at a cost of \$150 million, plus inflation.

● **CANADA** has been accused of unfairly subsidizing softwood lumber imports to the United States, by charging a low price for trees cut on government lands, and the Commerce Department has moved to impose a tariff to offset the advantage. The preliminary ruling sets a 15% duty on Canadian lumber imports.