

Business Briefs

Dope, Inc.

Raid uncovers Soviet opium fields

A massive police raid inside the Soviet Union uncovered 170 opium growing fields covering 5 hectares, according to a recent report in *Pravda Vostoka*, the Uzbekistan party newspaper in Tashkent. 164 persons were arrested, 5 of them party members summarily expelled from the CPSU.

Pravda Vostoka said that the ring uncovered represented "only the tip of the iceberg." "The planting of opium yielding crops has a long tradition here, and the large cities guarantee a rising and lucrative market."

One kilo of opium fetches 30,000 rubles on the black market in Uzbekistan.

Technology

Soviet culture has SDI trouble

Soviet culture won't allow the use of an SDI program as a science driver, Gerold Yonas, until recently chief scientist of the SDI Office (SDIO), told syndicated business columnist Gary Meyers.

"What most Americans don't realize, but the Kremlin does, is that the U.S. is securing its civilian economic and technological lead in the world for the next 20 to 30 years," Yonas said. "SDI is a crucial link in the chain of high-tech drivers that support that lead. The Soviets can't keep up with that kind of movement. Their culture won't allow it, their myths won't support it, and their bureaucracy can't tolerate it. Success grounded on the necessary consumer support of a technology base is intolerable in the Soviet structure."

"When it comes to the SDI, it's not future U.S. weaponry that the Soviets fear as much as the rapid development of American high technology," says Meyers in his syndicated column in the *Houston Post* Oct. 25. The SDI could well be called the "Scientific Development Investment," says Meyers, noting that defense dollars "are being spent more for the tools of high technology than

for the defensive systems themselves. . . .

"Experts believe that the real competition between the U.S. and the Soviet Union is for world preeminence in general applications of technological innovation and productivity." Meyers also suggests that the civilian applications of the SDI outweigh their military potential by 20 to 1.

Development

French farm group hits World Bank, IMF

The French Federation of Agriculture (FFA) called for North-South cooperation in a new world economic order, in an editorial by FFA president Henri Gaullandean in *l'Action Agricole de France*, the mass organization's newspaper:

"We denounce the dictatorship of the World Bank, which, through the IMF, controls worldwide development policies . . . and favors the interests of the five big food cartels.

"Those huge concentrations of economic power exist through a bunch of devoted technocrats in Brussels and Washington. . . . Let us work to support those men who will care for the return of power to sovereign nation states. Let those men be strong enough to bring the financial powers to their knees so they can resume their proper role to favor the development of mankind and not their own interests.

"We in the FFA imagine that world development can be achieved through an economy of contracts between developed and Third world nation states; this would be financed by long-term and low-interest loans."

The Invisible Hand

Casino gambling in Mexico?

"There is increasing speculation on both sides of the border that casino gambling will return to Mexico as a way to help wipe out the nation's \$96 billion foreign debt," wrote *The*

News, the English-language newspaper controlled by the U.S. Embassy in Mexico City, on Oct. 30. Although officials in public deny that the 1935 prohibition by President Lázaro Cárdenas del Río will be lifted, "some say in private it is inevitable," *The News* states.

"During the 1920s and '30s, celebrities such as Clark Gable, Charlie Chaplin, Jean Harlow, and Douglas Fairbanks flocked to Tijuana to frolic and gamble at its casinos. The heyday of Tijuana casino gambling abruptly ended in 1935 when President Gen. Lázaro Cárdenas del Río banned gambling throughout Mexico on the grounds that games of chance were immoral. Times have changed."

Oil

Gulf leaders met on Iran-Iraq war

Leader of the six Gulf Arab states gathered Nov. 2 in Abu Dhabi for a summit focused on stopping "the very serious escalation" of the Iran-Iraq conflict, and formulating joint measures to protect shipping.

The Emir of Qatar, Sheikh Khalifa Bin Hamad al-Thani is quoted saying that the so-called tanker war is as serious as attacks on civilian ships during World War II. There will also be discussion of expansion of coverage by Saudi-owned Airborne Warning and Control System (AWACS) planes to all six states.

Astronomy

Star gazer to be built in Australia

The world's most powerful and accurate instrument for measuring stars is to be built near Sydney, according to the city's university. The official *Sydney University News* said the stellar interferometer, estimated to cost \$1.5 million, would be built at Culgoora north of Sydney.

It would allow astronomers to measure the temperature, mass, and physical size of

more than 50,000 stars. Previous interferometers could measure only about 50 stars, it said. Work on the three-year project, funded jointly by the university and the Australian government, would begin in January.

Several programs were planned for the giant instrument, including one to determine the distances to binary or double stars, known as cepheids, it said. Cepheids are used by astronomers for determining distances to galaxies.

Domestic Credit

Occidental now in trouble?

Standard & Poor's has placed about \$7.5 billion of the debt and preferred stock of Armand Hammer's Occidental Petroleum company on its "Credit Watch List." The move is said to have "negative implications" for Hammer and his company.

The rating company said that Occidental faces "\$1.5 billion in potential claims and prolonged weak energy markets." Moody's gave similar reasons for opening a review of Hammer's debt.

The potential claims, so far, are the \$724 million damages award against the company by a Wyoming jury, and the Colombian tax man's claim of \$800 million owed to that state's treasury.

The Recovery

GM to close plants, lay-off thousands

General Motors has announced plans to close five assembly and three stamping plants to cut costs and reduce production capacity. As many as 26,750 hourly workers could be left without jobs by the move.

The plants include four in Michigan, with 16,850 workers, and those in St. Louis, Mo., Norwood and Hamilton, Ohio, and Willow Springs, Ill. totaling 9,000 UAW workers.

It is projected, however, that for every job lost in the auto assembly field, three are

lost in the auto supplier field.

None of the plants will be closed immediately, but will be slowly phased out of production, according to the *Detroit News*. Some of the phase-outs could take as long as three years.

Company officials cite an "over-capacity" in auto production. GM lost \$338.5 million in the domestic automotive market, which sliced into the company's overall quarterly profit.

GM also plans to cut its salaried workforce by a minimum of 25% by the end of the 1980s.

Not all of the hourly workers at the plants to be closed will be laid off. Many have transfer rights to other plants and will be eligible for displacement training.

Union officials charge that the closings are a way for GM to put pressure on the UAW before contract negotiations begin next year on a new labor contract. The old contract expires in September 1987.

Usury

Egypt capitulates to IMF . . . again

An Egyptian delegation to the IMF and World Bank has agreed to all conditions demanded by the two agencies of international usury, according to Cairo's *Al-Ahali* newspaper. In return, the United States will increase investments in Egypt, says the paper.

The IMF will only extend short-term loans for various IMF-sponsored projects, not cash loans as demanded by Egypt. The negotiations centered on Egypt's next Five Year Plan. The government's demand for lower interest rates on U.S. military loans (from 13% to 6%) met with strong objections from the United States and the IMF. The IMF suggested postponement on these debts.

As part of the deal, Egypt will create a free zone in the new Damietta Port area.

Egypt will be given a \$600 million loan from the World Bank. The first \$200 million will go for small farms and development of agricultural land. Some industrial growth will be permitted within Egypt's agricultural reform program.

Briefly

● **JAPAN** is looking for a way to reduce its trade surplus through investments in Southeast Asia.

● **CARGILL**, one of the most notorious of the grain-cartel firms, is the largest private company in the United States, with \$32 billion in sales, ranking twice as high as Koch Industries, the number-two company, according to *Forbes Magazine's* second annual listing of the 400 largest private firms.

● **INDIA** will negotiate with the United States for the purchase of a supercomputer. The United States has agreed to the sale in principle, providing New Delhi can provide assurances that the sophisticated technology will not slip into the hands of the Soviet Union. The technology, a computer that is superfast in computations, could also be used to design nuclear weapons. U.S. officials therefore described the pending negotiations as certain to be "long and hard."

● **SOVIET TRADE** Minister B. I. Aristov received a Japanese business delegation headed by Y. Mimura, chairman of the board of directors of the Mitsubishi Corp., on Oct. 16. The delegation is in Moscow to take part in the Japan-86 trade and industry exhibition.

● **MEXICO'S LABOR** Congress protested the government's decision to sell 34% of banks nationalized in 1982 back to private owners, on Nov. 5, saying the move will "put the Church in Luther's hands," and the banks will return to the old vices of promoting capital flight. The Congress said the government should instead shut down the exchange houses which have been acting as "private banks."

● **THE UNITED STATES** has decided to abstain, rather than vote "no," on a proposed \$250 million World Bank loan to Chile. European governments are now expected to vote in favor.