

# Business Briefs

## Technology

### Educator: Soviets fear SDI spinoffs

George Bugliarello, president of Brooklyn Polytechnic University, a school participating in the Strategic Defense Initiative program, urged Americans not to forget during this time of controversy over Irangate, that the thing the Soviets fear most is the SDI.

"The SDI debate will soon intensify," the educator said in the Dec. 20 *New York Post*. "When it does, one critical issue, largely ignored in the debate so far, should be thoroughly explored: the non-military technological implications of SDI research. Perhaps more than it fears the strategic advantage SDI gives the U.S., the Soviet Union worries about the new technologies SDI research will yield . . . [which] could leave the Soviets much farther behind in their race to catch up with the West."

Bugliarello sees the United States benefiting in three general categories:

- 1) er industry;
- 2) terials industry;
- 3) munications industries.

He concludes: "In our political debates and in our future negotiations . . . we must also consider its far-reaching, long-term, non-military economic implications for the U.S.—implications that spell opportunity for us and a most serious dilemma for the Soviet Union."

## Free Enterprise

### U.S. gangs sponsor Thai drug cultivation

Steady progress in reducing opium production in the notorious Golden Triangle is being offset by marijuana cultivation financed and controlled by U.S. crime gangs, Thai and U.S. narcotics authorities said, according to reporter Ted Chan, writing in the *Bangkok Post*.

"What we are seeing is narcotics colonization, U.S. crime syndicates moving into Thailand to grow marijuana," a U.S. drug-enforcement official said.

"The American traffickers have Thai contacts who approach farmers to grow marijuana. With the low price of rice these days, it does not take much persuasion and money," said Police General Chaovalit Yodmanee, head of the office of narcotics control.

The Thai government has destroyed large marijuana fields in almost every part of the country, but General Chaovalit admits much that much of the crop escapes. "We need to make detailed aerial surveillance of the country and mount considerable ground operations," he said. "It will require a lot of resources."

Complicating their efforts is the fact that neighboring Laos has turned a blind eye to and even sponsored marijuana and opium production to compensate for the crack down in Thailand. Police in the northeast say that Laotian officials consider marijuana a cash crop and tax villages about \$10 per acre.

Under the terms of an omnibus drug bill, the United States will provide at least \$1 million in fiscal 1987 to help Thailand's eradication campaign.

## International Trade

### Burt blames Europe for 'trade war'

U.S. Ambassador to West Germany Richard Burt has warned of a trade war between the United States and its European allies in 1987, in an interview published in late December in *Bild Zeitung* newspaper. Burt blames the European leadership for the problem.

"The danger of protectionism in America is greater now than at any time since the 1930s," he said. "If our governments do not really cooperate more closely in trade matters, we could run into serious problems next year."

Burt goes on to say that a trade war could be avoided only if the EC ceases to subsidize agricultural exports and to restrict U.S. food imports.

He also attacked European state support for the European Airbus project, saying it prevented fair competition in the aircraft industry.

A similar attack was made on Dec. 18 by U.S. Special Trade Representative Clayton Yeutter.

A spokesman for the West German machine tool industry told *EIR* that the demand was "unnecessary at this time because German tool exports to the U.S. in the first nine months of the year are down 32%."

## Development

### Egyptian 'Marshall Plan' discussed

A Marshall Plan for the economic development of Egypt has become the number-one topic in Paris, Bonn, and Rome since President Hosni Mubarak's visit to Europe in late December.

French Foreign Minister Raymond, who has been in Cairo since Dec. 23, confirmed that Paris is committed to the plan. Leadership in the no

Egyptian media have underlined that while Israel is trying to get its own Marshall Plan proposal endorsed by the United States, Cairo will receive primarily European help. Renewed vigor in th Leadership in com Mubarak is reported to have made three speeches in a week denouncing the United States for not being concrete in terms of aid to Egypt.

Egyptian sources stress that Cairo is definitely not leaning toward the Soviets, however, and that the recent trade agreement between the two countries has no political importance.

## Defense

### Weinberger demands more for SDI research

Defense Secretary Caspar Weinberger has asked Congress for an extra \$2.8 billion for research on the Strategic Defense Initiative, and for a new rocket to carry military payloads into space and to cover other "must-pay" defense costs.

The \$2.8 billion supplemental request for fiscal year 1987, released Dec. 29, also includes \$300 million in initial costs to provide a variety of aircraft for Special Operations Forces.

Weinberger said an extra \$500 million for SDI would include \$250 million for "space transportation technology," including a manned or unmanned heavy-lift launch vehicle. Other allocations are for space surveillance, directed energy activities, kinetic kill vehicle technology, and other defense areas.

A Pentagon statement said that a vigorous SDI program "is vital in light of active Soviet efforts in this field." The Soviets have spent about \$200 billion on strategic defense over the last 10 years, it reported.

## Transportation

### Brazil building 'grain railway'

Brazil is building a 1,000-mile "grain railway," heading north from an existing railhead near Brasilia to the Amazon, a region that has not been intensively cultivated before because of high transportation costs.

Construction on the railway will begin as early as May, the transport ministry revealed the week of Dec. 22. One percent of the national budget, \$350 million, has been allocated for the project in 1987, and it is expected to be completed in three years.

Planned by CVRD, the state company that runs the Carajas iron-ore-based project, the railroad is expected to open vast areas of Brazil's interior plains to food production, especially cereals such as wheat.

## Space

### NASA spinoffs called benefit to everyone

NASA spinoffs benefit everyone, says syndicated columnist Gary Meyers, in a Dec. 26 column in the *Houston Post*. Meyers defends NASA and the "outburst of U.S. talent

and technology" sparked by the space program under President Kennedy, reminding readers that the benefits of the space program "are with us everywhere from the hospital room to the playground."

He cites such examples as graphite-loaded resins used in cars, boats, planes, prosthetics; telemetry that can monitor a patient's condition, even via satellite; food preservation techniques to help the world's hungry; and image enhancement using computer-enhanced photos to facilitate medical diagnosis and treatment, and arms-control verification.

These are now all possible, says Meyers, "because this nation chased its dreams."

## U.S. Recovery

### Iacocca: U.S. headed for disaster

The United States is headed for an economic blowout that will be "beyond belief," Chrysler chairman Lee Iacocca warned in an interview with several news agencies the week of Dec. 22.

Iacocca, who has been considered a potential presidential candidate, said that he wouldn't want to be President: "If we have [an economic] downer coming up, what are the options? I'd be damned if I know," he said. "That's why I don't want to be President."

Iacocca said that the recent Boesky inside-trader scandal on Wall Street and massive layoffs announced by GM are just "microcosms" of what's wrong with the U.S. economy. "The next President is gonna feel just like Herbert Hoover after the Jazz Age and [Calvin] Coolidge," he said.

"He's going to bear the rap and . . . the next eight years, you're going to have a [Franklin] Roosevelt-type administration that's going to do something because the crisis of 1992 may be beyond belief. And I'm not being a Doomsday guy. I'm just saying we gotta pay the piper some time, don't we?"

The agriculture ministry also has orders to map out settlement programs to make maximum use of land within 500 kilometers of the rail line.

# Briefly

● **AMERICANS** think AIDS is an "extremely urgent" problem. A poll conducted by *U.S. News and World Report* magazine has found that 65% of those queried believe that AIDS will become an "extremely urgent" problem in 1987. AIDS ranked second in the poll's "extremely urgent" category, surpassed only by cocaine use.

● **DWAYNE ANDREAS**, U.S. grain multimillionaire of the Archer-Daniels-Midland firm, is the likely successor to Armand Hammer as the key contact point with the Soviet leadership for U.S. businessmen and big international East-West deals, Italy's *La Stampa* reported on Dec. 29. Andreas, from Iowa, is closer to the age of Soviet leader Mikhail Gorbachov, and has long-standing, good Soviet contacts, *La Stampa* notes.

● **POVERTY** is increasing despite the "recovery," according to statistics published in the annual report of the U.S. Conference of Mayors the week of Dec. 22. According to the report, the number of poor people increased this year in two-thirds of 25 cities surveyed, and in 24 out of 25, the demand for emergency shelter for the homeless increased significantly.

● **OVER ONE-THIRD** of Venezuela's budget will go to interest payments on the foreign public debt in 1987. Of the \$7.6 billion budget, 33.9% will be spent on interest, more than the central government will earn from oil exports. Venezuela's oil exports brought in \$8 billion in 1986, as opposed to \$13.3 billion in 1985.

● **GREAT LAKES** ports are being dismantled for the service economy, according to an article in the Dec. 14 *Buffalo News*. Several once-thriving port cities on the Great Lakes are undergoing major transformations into "more lucrative, consumer-oriented enterprises," i.e., spending hundreds of millions to court tourists.