

Business Briefs

Agriculture

Brussels EC mafia plans nitrogen ban

The European Commission is preparing a secret plan to force a cut in EC farm production, by introducing a scientifically fraudulent assertion of nitrate damage. According to high-level EC sources, the plan has received the "green light" from the office of the Director General for Agriculture DG VI, Guy Legras of France.

By July, the plan is to have a full 12-member review panel of experts to hammer out final details of the proposal. The initiators of the scheme admit that the attempt to restrict nitrogen fertilizer and nitrates from animal manure, vital inputs into agriculture production, is aimed at cutting food production. "We could not care less about the environment," said one. "This is going to be used to cut food production . . . to meet market demand."

A source intimately involved in the preparation of the controversial new initiative admitted that it has no scientific basis whatsoever. "The initiative is based on no close collaboration [with any scientific research agency]. We based it on the general feeling, as expressed in the literature on nitrate pollution." According to this "general feeling" in Brussels, nitrates from fertilizer and animal manure sources is responsible for 70-80% of nitrates found in ground water! Yet as detailed studies by Danish Agriculture Research Stations have shown, absolutely no such causality can be demonstrated. In fact, quite the opposite.

EC planners expect this formula will hit the Netherlands, West Germany, Denmark, U.K., and parts of France most severely.

Research & Development

British Defense White Paper calls for cuts

The 1987 British Government Defense White Paper has unveiled a new government em-

phasis on withdrawing funds from "unnecessary" R&D in the military sector, and shifting funding focus, instead, to civilian R&D.

Releasing the paper, Defense Minister George Younger noted "concern in some quarters that defense had been preempting too high a share of R&D funds. . . . We will look more closely at defense programs with a large R&D element, to ensure that their government funding is essential."

A "significant reduction" in military R&D spending in two to three years is foreseen by the White Paper.

The demand for such a reduction originated in part with a Soviet-linked group at the Sussex University Science Policy Research Unit (SPRU), headed by "peace movement" influential Mary Kaldor. Kaldor had, in 1986, co-authored a report which purported to prove that economies like Japan and West Germany, with comparatively less money spent on military R&D, were in better shape than those like Britain and the United States.

The *Financial Times* of London reported on May 7, that British ministers argue that one reason for military R&D cutbacks, is that the overall pool of scientists and engineers in Britain is "not inexhaustible," while the May 2 *Times* of London maintained that "too many of Britain's top scientists are concentrating on defense-related projects."

'The Recovery'

Soviet press gloats at dollar collapse

The Soviet news agency TASS on April 28 released an analysis of U. S. economic "vulnerability," in light of the plunging value of the dollar and the collapse of industry.

"The fall in the dollar rate is undoubtedly influenced by the instability of the U. S. economy," TASS wrote, "by the rapid growth of the U. S. trade deficit, by the United States being turned into the biggest debtor in the world.

"But the ills of the dollar are also a result

of Washington's unfair play with regard to its partners. At the recent conferences in Paris and Washington the U.S. representatives swore to take measures to stabilize the dollar. But no sooner had the participants in the conferences gone home, than the Washington administration resumed the practices of lowering the dollar rate. . . .

"The bitter awakening of the U.S., as the *Washington Post* put it, was caused by the realization of the fact that the dollar blackmail is unable to arrest the erosion of the U.S. position in the world economy, the economic vulnerability of the U.S.—without precedent since the Great Depression—the vulnerability which has fundamental reasons. The U.S. is paying for the militaristic intoxication of the present administration with huge budgetary deficit, due to which there is a lack of funds for the modernization of industry."

The Black Economy

U.S., Panama in huge anti-drug crackdown

"Operation Pisces," the most elaborate undercover operation conducted yet by U.S. agents against cocaine traffickers, ended May 6 with the arrest of 58 top U.S. and Colombian drug figures in Los Angeles, Miami, and New York.

As many as 20 undercover agents of the Drug Enforcement Administration (DEA) laundered \$116 million in drug money over the past three years, in an operation Attorney General Edwin Meese called "the largest and most successful undercover investigation in federal drug law enforcement history." José Auli López Chacon, whom the DEA ranked as comparable in importance to Medellín Cartel kingpins Hugo Obando Ochoa or Carlos Lehder, was picked up as he stepped off a jetliner in Miami, where he had been lured from Colombia by DEA agents. Ochoa was also indicted, but remains at large. Also arrested were Anibal Zapata of the Medellín Cartel and Jacobo Wasserman, a Colombian money launderer.

Simultaneously with the arrests May 6,

the Panamanian government, using a new law created to halt drug money laundering in that country, froze 54 accounts in 18 Panamanian banks where proceeds from Operation Pisces were deposited. The traffickers' bank accounts will be opened to U.S. anti-drug agents.

Domestic Credit

Bailout package for FSLIC 'inadequate'

The U.S. House of Representatives voted on May 5 to allow the bankrupt Federal Savings and Loan Insurance Corporation (FSLIC) to borrow \$5 billion over two years, to try to keep its customers afloat. The Senate version allows \$7.5 billion in borrowing.

The Reagan administration had requested that the borrowing authority be set at \$15 billion. This proposal was supported by House Banking Committee chairman Fernand St Germain and House Speaker Jim Wright, but was nevertheless defeated by a 258-153 vote.

Currently 25% of the nation's 3,200 savings and loan institutions are technically insolvent, which means they are losing money every day, and operating only on their day-to-day cash flow. Some experts who oppose the current bailout package as "woefully inadequate," estimate that at least \$45 billion would be required to salvage the FSLIC.

Desperate thrift institutions are increasingly investing in "junk bonds" and other high-yield securities, according to press reports.

Health

Second AIDS virus threatens new epidemic

A "cousin" of the AIDS virus (HIV-I), causing a disease indistinguishable from AIDS, may ignite a new AIDS epidemic, according

to a report by Pasteur Institute researchers published in the May 7 *New England Journal of Medicine*.

The virus, HIV-II, "seems to be localized at the moment" in West Africa, said the Institute's Dr. Francois Clavel. "But there is no reason why this epidemic would not spread over Africa or Europe or other countries like HIV-I did, unless we are very vigilant and can detect carriers of the virus." Dr. Clavel said that while parts of HIV-I and HIV-II are genetically alike, the overall genetic similarity is about 40 percent. Because of this, the test screening for AIDS antibodies will often miss the HIV-II virus, and recommends that the tests, at least in Africa, be modified to include sensitivity to HIV-II.

The Debt Bomb

Zambia announces break with the IMF

Kenneth Kaunda, the President of Zambia, announced on May 1 that his government would no longer follow the economic recipes of the International Monetary Fund. He declared that the IMF's conditions for resuming aid to his country were unacceptable, and that Zambia would embark on a new policy of growth from its own resources.

Kaunda said that debt-service payments on Zambia's \$5.3 billion debt would be limited to about 5% of export earnings—a policy based on the famous "10% solution" of Peru's President Alan García. The decision made Zambia the second African nation to adopt the Peru model, after Zaire's similar announcement last November.

In his nationally televised speech, Kaunda froze prices and imposed import controls, with a specific ban on luxury goods. A fixed parity was established between the national currency and the dollar; loan rates were fixed at 15%; and a new program of public sector investment was announced.

IMF Managing Director Michel Camdessus fired off to Kaunda a telex message, protesting his characterization of the supranational agency.

Briefly

● **PRESIDENT REAGAN** called on Congress May 6 to grant the oil industry two tax breaks, in an effort to increase domestic production. He said that growing dependence on foreign oil has "serious implications for national security." The President rejected a proposal by Energy Secretary John Herrington for more sweeping measures to deal with the crisis among U.S. oil producers.

● **LIZ TAYLOR** is working with "arch-conservative billionaire" Ryoiichi Sasagawa of Japan in her "crusade against AIDS," and this collaboration was firmed up during her recent trip to Japan, the April 25 Norwegian daily *Verdens Gang* reported. Sasagawa is a principal funder of the Reverend Moon sect, and also funded fascist paramilitary gangs in Japan in the 1930s. His closest British collaborator, Soviet-linked millionaire Robert Maxwell, is the head of a new National AIDS Trust in Great Britain.

● **MEXICAN PRESIDENT** Miguel de la Madrid, commenting on U.S. actions against Mexican immigrants under the Simpson-Mazzoli bill, declared on May 5, "We will see what the U.S. does when they no longer have the Mexican labor force." Fidel Velásquez, head of the Mexican Labor Federation, angrily called the bill "racist and inhuman," and said that no employment plan could solve the problem that the deported will cause Mexico.

● **AFRICAN DEBTOR** countries have simply stopped payments on their foreign debt, according to a representative of one of the major African banks in Great Britain. "These countries are simply bankrupt," he said, "but banks cannot write these debts off themselves. There must be government help to do this." Western banks and governments have kept the defaults quiet in hopes of containing the problem, the source reports.