

Business Briefs

Energy

Attack Cuomo's plan to destroy N-plant

"There is . . . something almost flaky about junking a newly built \$5.3 billion facility before it has so much as supplied a single volt of electricity to Long Island consumers," wrote the *New York Post* in its lead editorial July 18.

The editorial was an attack on the deal reached in May between the Long Island Lighting Company (Lilco), builders of the Shoreham nuclear plant, and the New York State government under Mario Cuomo, to bulldoze the plant after 18 years of environmentalist obstruction and delay. The plant is ready to come on line, but lawsuits and ridiculous "evacuation plan" requirements had delayed start-up long enough that Lilco could no longer afford to maintain the unused facility. Under the state-utility agreement, the anti-nuclear Cuomo will provide state monies to subsidize the plant's destruction—and the area is sure to suffer black-outs and brown-outs and an increase in Long Island's electricity rates by at least 60% over the next decade.

According to Scientists and Engineers for Secure Energy in Washington, D.C., to try to keep up with demand, Lilco on Long Island is running two small diesel generators of 3 MW each which were built as emergency back-up power for the nuclear reactor!

"There is . . . a simple way for both the governor and the legislature to escape blame" for killing Shoreham, the *New York Post* wrote. "They could admit that scrapping the brand-new, never-used facility is a bad idea, and go forward with Shoreham. . . . Many of those who opposed Shoreham . . . seem not to have realized how much scrapping it would cost. . . . Lilco has a very slim electricity reserve. Without Shoreham, it will have to buy power from other utilities—power that might well be unavailable during peak periods."

New York's state legislature had voted a week earlier against Cuomo's plan to reimburse Lilco. But Cuomo then said that he would order the legislature into special session shortly after the Nov. 8 election if it did

not pass a bill he maintained was necessary to let his plan go forward.

Food

Canadian brewery taking over U.S. dairies

Labatt's Brewery of Canada has been buying up U.S. dairies in the Northeast and Mid-Atlantic states for the last two years.

Acquiring large fluid milk processors and distributors already in, or on the verge of, bankruptcy, Labatt's has seized control of 90% of the Philadelphia milk market, and about 10% of New York City's.

Dairymen in the Northeast are predicting that Labatt will soon start importing milk from Canada, and shut down the U.S. dairies they used to gain control of the markets.

Water

Artificial swamps used to purify waste

"We're looking at a whole new generation of waste treatment that's cheaper and more efficient than anything that's available now, and produces useful resources," stated William Jewell, a Cornell University agricultural engineer. He was speaking of the development of hydroponically grown artificial swamps that are being used in several cities at present to produce clean water and, as a byproduct, methane, which can be sold for a profit.

"Our goal is to eliminate pollution at a profit," said Jewell. NASA has sponsored plant-based waste treatment projects in towns in California, Louisiana, Mississippi, and Alabama, the *Washington Times* reported July 18.

"These are wastewater treatment systems of the future for small towns, especially since the federal grant money for sewage treatment has dried up in the last few years," said B.C. Wolverton at NASA's National

Space Technology Laboratory in Bay St. Louis. Wolverton's artificial marshes, which use floating plants like water hyacinths or rooted ones like bulrushes, have treated all the chemical waste and sewage from the NASA lab for more than 12 years. "We've saved many millions of dollars by using these systems."

Most of Wolverton's systems are designed for towns of fewer than 3,000 people, but an experimental system in San Diego is expected to eventually handle a million gallons a day. Jewell's system in central New York differs from Wolverton's in that it uses greenhouses and hardy plants, making it feasible for use in northern climates. "The quality of water produced far exceeds that achieved by conventional facilities," said Jewell.

Electricity

Future resource availability looks grim

A study by *EIR*, soon to be featured as a cover story, demonstrates that even according to the most optimistic projections made by the nation's utilities, by 1992 demand will outstrip on line electricity-generating capacity. For the first time in 100 years, Americans will not have reliable power.

Based on a survey of all utilities, the National Electric Reliability Council projects that demand will grow at an average of 2% per year for the next decade. In the 1960s, electricity demand grew at more than 7% per year. Even in 1987, despite the continuing physical breakdown of the economy, summer peak demand grew by 4% in most regions. For the first quarter of 1988, electricity demand in New England grew by 6.4%.

NERC is projecting that only 79,000 MW of new capacity will come on line in that time, which corresponds to a 1% per year increase.

Therefore, even if all the projected capacity came on line on time, NERC's projected capacity growth rate (1%) is half its projected consumption growth rate!

The difference will be made up in low-

ered reserve capacity margins and lowered reliability, which makes it more difficult for utilities to respond to any unforeseen circumstances, including severe weather and equipment failure.

To make matters worse, it is already impossible that even the capacity projected by NERC will come on line as scheduled. The U.S. Council for Secure Energy reports that since the NERC made its projections in 1987, which included 22 new nuclear power plants being fired up between 1987-96, three plants have been "indefinitely" deferred.

Agriculture

China grainbelt hit by drought, heat

China is no exception to the disastrous pattern of drought conditions afflicting the world's food-producing regions.

Anhui Province in East China, one of the country's leading grain-producing regions, is suffering from the worst drought in 20 years, according to the *China Daily* July 15. More than half the fall rice and corn crops have already been lost.

In the Huaibei City area, 200,000 people are facing a drinking water shortage.

The area is also hit by high temperatures of 38-40°C (101-104°F). The heat wave has also hit South China, where 400 people, mostly elderly, have died from the heat in the month of July.

Hong Kong, too, may have to ration water unless it gets either more rain or supplies from the mainland. Hong Kong's water supply is down 26%.

Trade

Hammer mediates China, Taiwan deals

Soviet asset Armand Hammer has placed himself in the rather advantageous position of mediating trade between China and Tai-

wan, a Taiwan paper, *The Free China Journal*, indicated in an article June 13.

It notes that the Soviet-made billionaire American oil baron came to Taiwan in the first week in June "with a message that Peking has no objections to the ROC [Taiwan] buying mainland coal, and that his company might be able to supply Taiwan's needs through Hong Kong or a third country."

Hammer was reported as saying in a Tokyo conference two months ago, that Communist Chinese leader Deng Xiaoping wants to export mainland coal to Taiwan and South Korea.

The *Asian Wall Street Journal* reported June 6 that "agents" of Beijing and Taipei were holding "secret negotiations" in Hong Kong regarding the sale of mainland coal, crude oil, cotton, and other raw materials to Taiwan.

Markets

Rohatyn again asks for market 'reform'

Lazard Frères banker Felix Rohatyn, the man mooted as Michael Dukakis's choice for Treasury Secretary, again condemned the lack of stock market "reforms" in testimony before the House Finance Subcommittee July 14. He complained that "people still don't realize today that last Oct. 20, we came within half an hour of really blowing up the Western economic system."

The *Wall Street Journal*, which reported the testimony in its July 15 edition, noted that Rohatyn's alarm and proposals for increased market regulation align him closely with George Bush's prospective Treasury Secretary, Nicholas Brady.

Rohatyn also warned of problems with the nation's savings banks, which could bring the dollar's value down, causing interest rates to jump up. "The break in the credit market then would be followed by a break in the stock market, comparable to or even worse than what happened last October."

Rohatyn, a month earlier, had proposed a variety of measures to stop speculation in a commentary in the *Wall Street Journal*.

Briefly

● **THIRD WORLD** debtor nations paid out \$30 billion more to OECD creditors than they received in 1987. This included a net \$11.6 billion to multinational creditor institutions—the World Bank, the International Monetary Fund, the Inter-American Development Bank. The net payout to the IMF alone was \$6.8 billion, with another \$3.4 billion going to the World Bank.

● **THE ASSOCIATION** of Catholic Entrepreneurs in Germany (BKU) objects to the Third World debt relief called for by the German Catholic Bishops Conference in a resolution May 16. Except to "the really poorest of all countries in Africa south of the Sahara," the BKU would not grant debt cancellation, said a press release by the organization. It also called the bishops' appeal for a "global" conference on debt and development questions, "not quite helpful."

● **THE EUROPEAN** Community in Brussels has agreed to the sale of 200,000 tons of Intervention Stock beef and 100,000 tons of butter to the Soviet Union at heavily subsidized prices, which EC officials are refusing to divulge. It is known that the EC subsidized Soviet purchases of butter at dumping prices of \$3.3 billion between May 1987 and May 1988.

● **INDIAN** Prime Minister Rajiv Gandhi, during informal talks with newsmen in Belgrade July 15, said that India and Yugoslavia are planning a new initiative on the current international economic crisis and the debt burden of the developing nations.

● **U.S. SECRETARY** of State George Shultz said in Seoul that the Republic of Korea must import more U.S. goods to make up the \$10 billion trade surplus South Korea has with the United States, the BBC reported July 18. Korea has failed to fulfill an agreement made three years ago to open its markets, Shultz said. "If my comments cause anti-American feeling, it cannot be helped."