

Business Briefs

War on Drugs

Spain wants Marshall Plan to stop cocaine

Spain proposed a "mini-Marshall Plan" to enable cocaine-producing nations to produce other products, at a meeting of anti-drug experts and state secretaries responsible for internal security in Madrid on Oct. 24. Representatives attended from Spain, Italy, the United States, France, Colombia, Bolivia, and Peru.

Also discussed were plans for the industrialized nations to assist the police forces of Ibero-America with know-how and technical support.

French President François Mitterrand, meeting with Spanish Prime Minister Felipe González in the Spanish town of Valladolid Oct. 24, underlined that banks must open their books if the fight against drug trafficking is to succeed. "I demand the utmost severity in the fight against drug-traffickers," he said.

Cold Fusion

Symposium calls for expanded research effort

A symposium on "cold fusion" sponsored by the National Science Foundation (NSF) and the Electric Power Research Institute (EPRI) in Washington, D.C. concluded that more research should be done, in a statement released Oct. 18. The meeting's backing for such an expanded research effort strikes a blow at the skeptics who have tried to dismiss claims of cold fusion generation as "human error."

The 50 participants summarized their results, saying, "The anomalous effects reported in the metal-deuterium system are interesting. . . . New, positive results in excess heat production and nuclear product generation have been presented and reviewed in a logical, frank, open, and orderly manner. Based on the information that we have, these effects cannot be explained as a result of artifacts, equipment, or human errors. . . . Fur-

ther research is definitively desirable to improve the reproducibility of the effects and to unravel the mystery of the observations."

Representatives of the sponsoring NSF and EPRI stated that the recommendations for more research will include more advanced diagnostic sensors to measure the products of the reactions, and will be considered by NSF and passed on to the Department of Energy "cold fusion" group, which issued a negative interim report in July.

Dr. Edward Teller called for more research to be done in a statement released to the press, and Dr. John Appleby of Texas A&M University said the cold fusion results "are widely accepted" now. "Texas A&M presented data at the Santa Fe meeting in May, which I would have been hesitant to believe. But we are beginning to get rid of instrument artifacts, and the results are widely accepted."

Third World

London professor blasts ecologists

London University College economics professor Dapeek Lal denounced "ecological imperialists" and advocates of "sustainable development" for trying to suppress development in the Third World, in a speech at London's Institute for Economic Affairs Oct. 19, according to the London *Financial Times*.

Lal said that he found it deplorable that dispensers of international aid funds were demanding that developing-sector countries save trees but not people in need.

Lal also charged that "hysteria" is being whipped up over the "greenhouse effect" and "ozone hole" issues. Global warming, even if there really is such a thing, which is not established, could "turn out to be quite beneficial for India and Africa," even if it would hurt the U.S. grain belt, he said, adding that the much-publicized link between the ozone layer and chlorofluorocarbons (CFCs) was an "ephemeral" one.

Lal challenged those advocating international cooperation on the environment and in-

ternational macro-economic coordination. Their arguments are "deeply flawed," he said.

Development

India argues against cuts in subsidies

A paper prepared by the Indian government and now being circulated to member-countries of the World Bank, has strongly objected to any reduction of government subsidies as a strategy for curtailing its non-development expenditures. The paper is designed to preempt World Bank pressure on India to cut subsidies.

The paper argues that such action would reduce the help being provided to the agricultural sector, such as fertilizer subsidies, which would have a deleterious effect on the rate of agricultural growth and India's hard-won degree of relative food security. It also points out that such cuts would necessitate cutbacks of food subsidies, which have played a significant role in alleviating urban distress.

Such cuts, it notes, would reduce subsidies to the export sector which were aimed at neutralizing the export disincentives which were inevitable in the first few decades of planned development as the country was following an import substitution strategy of industrialization.

The paper argues that there are constraints on reducing expenditure until enhanced public sector surpluses and expansion of the tax base could overcome the problem of inadequate resources.

Infrastructure

Double road and bridge funds, studies say

On June 17, the American Road and Transportation Builders Association decided to begin pressing for an increase in federal spending on bridges and highways from the current level of

Briefly

● **JAPANESE BANKS** are pulling out of Mexico, according to the London *Financial Times*. A director of the Bank of Tokyo said that the banks have no incentive to put up any new money for Mexico. British banks announced a similar decision in September.

● **FOOD IRRADIATION** was banned by the New Jersey state legislature for two years, the Newark *Star Ledger* reported Oct. 21. The state Department of Health will conduct tests in the next two years to determine the effects of irradiation, a technology already known to be safe.

● **ONLY ONE** deepwater port in the U.S. at Los Angeles/Long Beach is able to accommodate ships drawing more than 40 feet, Paul Mitchell, editor of *World Dredging, Mining, and Construction* magazine told *EIR*.

● **A BANGLADESH** Planning Commission report says that the average woman in Bangladesh marries in her mid-teens and has 10-11 pregnancies in a lifetime, losing half of the newborns to disease and malnutrition. It also said that out of 53.3 million women in Bangladesh, less than 8.5 million are literate, compared to 30% of men.

● **ONE MILLION** Polish migrant workers will have worked in West Germany this year, a 30% increase over 1988 and a postwar record, the Bonn government predicted. Full-status immigration of Poles to West Germany also reached a record high in 1989, with close to 160,000 expected by the end of the year.

● **SOVIET HOSPITALS** spread AIDS, according to *Izvestia* of Oct. 16, which reports that another hospital-spawned AIDS cluster has been found in a children's hospital in Stavropol Krai. An anti-epidemic commission found that many medical institutions have "failed to install sterilization equipment."

\$15 billion to \$40 billion a year, after a review of nearly four dozen studies on highway and bridge funding requirements.

The studies cited by ARTBA included a Federal Highway Administration conclusion in November 1988 that just meeting "constrained full highway needs" on the federal aid system required \$39.4 billion annually; an American Association of State Highway and Transportation Officials report that \$100 billion in spending at all levels of government was required each year, compared to the \$66 billion in 1987; a National Council on Public Works study from February 1988 which called for a doubling of annual capital investments in public works of all kinds; an American Transportation Advisory Council call for \$49 billion in federal spending each year, in October 1985; and in May 1983, an Associated General Contractors statement that the U.S. needed to spend \$100 billion for highways and bridges.

Merrill Lynch issued a report since the ARTBA decision, estimating the cost of rehabilitating existing highways and bridges to be \$40 billion annually, for the next 11 years.

In 1982, the percentage of interstate highway bridges classified as deficient by the Federal Highway Administration was 10.6%. That figure climbed to 13.1% in 1984, to 14.3% in 1986, and to 15.9% in 1988.

Energy

South Korea to build more nuclear plants

The Republic of Korea is planning to build three new nuclear power plants over the next decade, and one of them is likely to come from Canada, according to the *Journal of Commerce* Oct. 18. Energy-short South Korea already has nine nuclear plants in operation, six using U.S. equipment, one Canadian, and two French.

The state-owned Korea Electric Power Company says the three new plants will cost around \$3.9 billion, plus nearly \$500 million in foreign loans.

All three plants should be complete by 1999. With plans for two others previously an-

nounced, Korea will likely have 14 nuclear plants in operation by the end of the century. Korea's ninth nuclear plant went into operation in September, increasing the atom's share of the country's electricity generation to just over 50%, among the highest rates in the world.

Electricity consumption is rising rapidly along with industrial production and greater domestic use. It topped 13.3 million kilowatts last year, compared to forecasts of 11.7 million kilowatts. The government intends that nuclear power should account for just over 34% of the fuel mix by 2001, with coal contributing 35%, compared with 18.5% now. Oil's share should fall to 10% from 24%, liquefied natural gas to 10% from nearly 13%, and hydro 10% against 11% now.

Trade

U.S. attempts to open India insurance market

Linn Williams, Deputy U.S. Trade Representative, upped the pressure on the Indian government to open its insurance market, while in New Delhi Oct. 15.

Answering a question on the U.S. Super 301 protectionist trade laws, Williams said that the insurance business in India "has been nationalized for so many years does not mean it is necessarily good. We are talking about opening markets not just in consumer goods. When people talk about open markets, they think about consumer goods. In fact that is not really where American companies are most competitive. They are much more competitive in intermediate goods, producer goods, capital goods, which are more removed from Indian consumers. The insurance industry is a service industry that is important to us and to other countries. We believe it is appropriate for not only the American insurance industry, but other insurance industries, to be made available to the Indian consumers. If the Indian consumer prefers to choose to buy government insurance, that is fine. Again, what we are looking for is the maximum choice for the consumer. We want nothing to restrict that choice."