

# Business Briefs

## Technology

### DARPA fears White House reprisals

Fear of being accused of espousing "industrial policy," has led the Pentagon's Defense Advanced Research Projects Agency (DARPA) to drag its feet in setting up congressionally mandated research to promote industrial technology, *Washington Technology* has reported. DARPA was directed by Congress last year to spend \$50 million to set up seven consortia with industry to stimulate U.S. industrial technology.

DARPA head Craig Fields lost his job last year for approving a \$4 million grant to a small microcircuits firm, in an effort to promote the development of "dual-use" technologies having civilian and military applications.

## Development

### Mahathir says ecologists foster neo-colonialism

Malaysian Prime Minister Mahathir Mohamad charged that big powers like the United States and European countries are using non-governmental organizations to recolonize developing nations like his own, in an Aug. 12 statement opening the meeting of the Malaysian Heads of Mission and Institute of Diplomacy.

In the last issue of *EIR* in an article entitled "Environmentalists Declare World War on Malaysia," Rogelio Maduro exposed the campaign to destroy the Malaysia economy. "According to the environmentalists, Malaysia should remain in the Stone Age, and its national income will be derived from Westerners coming to gawk at them," Maduro concluded.

Mahathir said that such groups, environmentalists, for example, were used to try to check countries' economic growth, particularly exports that could compete with goods from the advanced countries.

Prime Minister Mahathir charged that restrictions based on the environment, human

rights, democracy, and other matters not previously connected with trade, are now being raised in trade negotiations. European nations and the United States, which lost their political power following the end of their empires, were trying to use economic clout to revive their colonies.

He directed Malaysian diplomats abroad to concentrate on economic matters, especially trade, because the limited domestic market made foreign trade necessary for rapid economic growth.

Mahathir also directed diplomats to intensify efforts to explain the aims of his proposed East Asia Economic Group, so that it would receive international backing. The idea is disliked by "certain powers," he said, because of their "geopolitical interests."

## Agriculture

### Irradiation backed by USDA's Madigan

"Irradiation is the best method for destroying the things that cause food poisoning," said Agriculture Secretary Edward Madigan in a statement for publication in the Fall issue of *21st Century Science & Technology* magazine. "It is a process that has been approved by the Food and Drug Administration, and it is a process that is used in other countries."

The magazine launched a campaign to support the technology of food irradiation and the nation's first commercial food irradiation plant in July. *21st Century* printed and distributed postcards addressed to Secretary Madigan urging him to "speed the commercialization of food irradiation in the United States." The Fall issue will feature stories on food irradiation and the Vindicator of Florida plant, scheduled to open in August, as well as an exposé of the anti-nuclear group "Food and Water," which has tried to stop the plant from opening.

A spokesman for the Food and Drug Administration told *21st Century Science & Technology* that food irradiation was a safe process and had a 40-year history of research behind it. "The rad levels we have set are based on the

scientific data submitted to us and are safe, in the view of the agency. Despite disagreement by some groups over this assessment, we have never been provided with any substantive data that would compel any reconsideration of the actions we've taken to date."

Referring to a radio campaign by Food and Water, which claimed that food irradiation "might kill you," the spokesman said, "This is a very complex issue and the public is entitled to base its judgment on the basis of sound, factual information and not on irresponsible comments that seem to be intended to spread fear and not understanding about an issue."

## Energy

### Electricity shortfalls on the horizon

A new report by the North American Electric Reliability Council, which projects electricity supply and demand, reports that electric utilities in the U.S. are planning to increase capacity 87.7 gigawatts in the coming decade, an amount probably too low to meet demand. Moreover, less than half that capacity is actually under construction. Even if all is built, this averages out to a growth rate of 1.3% per year, which is unrealistically low.

Summer peak demand grew at an average annual rate of 2.5% in the United States over the past decade, but is estimated in the report to grow an average of only 1.9% per year. Utilities will not be able to deliver reliable electric power if demand grows any faster than they are projecting.

Reserve margins, which represent the surplus capacity needed to continuously meet demand during extreme weather, unscheduled equipment outages, and natural disasters, are projected to fall over the 1990s. They are projected to decline from a national average of 22.3% this summer to 19.1% in the year 2000.

A July 29 syndicated column by Warren Brookes reports on a recent study by former Department of Energy official Donna Fitzpatrick, which points out that even with a paltry 2% per year growth in electricity demand, the U.S. will need more than 100,000 megawatts

of new capacity, of which only one-third is under construction. Her study, done for the Alexis de Tocqueville Institute, lays the blame for this on the environmentalist movement, which has helped create a situation where no baseload electrical generating plant can come on line in less than a decade, and an "uncertain regulatory climate."

## Trade

### U.S.-Australia wheat war intensifies

The Australian government has charged the United States with undermining its wheat sales in various parts of the world. On Aug. 8, the government reported that the United States had offered heavily subsidized wheat to Yemen, for which Australia has long been the principal supplier, holding 60% of its wheat market over the last five years.

As Australian government subsidies have been removed, Australian farmers have been trying to sell for almost double the price of subsidized U.S. grain.

Trade Minister Neal Blewett said Aug. 9 that messages from Washington had pledged that the U.S. would not harm Australia's interests. However, in the previous six weeks, the U.S. had undercut Australian grain sales in Kuwait and China. Blewett said the latest move, however, would be the most damaging, occurring where "the traditional market is clearest."

Blewett noted that President Bush had personally promised Australian leaders last March that he would avoid hurting traditional Australian markets like the Middle East. Blewett said he was "extremely angry" and warned that Australian wheat farmers could affect President Bush's planned visit to Australia in November.

Earlier in the week, the leader of Australia's National Party, Tim Fischer, urged Bush to minimize the possibility of ugly scenes by meeting with representatives of farmers, according to an article in the *Sunday Age*. Fischer warned that the "pressures for a more radical approach are fast gaining strength" among

Australia's farmers.

Prime Minister Bob Hawke has outlined Australian concern to the U.S. ambassador, accusing the U.S. of jeopardizing what he called an improvement in Australian-American relations. Foreign Minister Gareth Evans likened the behavior of the U.S. to that of a hostile country.

## Environmentalism

### Science magazine backs off on PCB scare

A recent issue of *Science* magazine carries an editorial attack on the PCB scare, a scare that *Science* magazine itself played a role in creating. PCBs (polychlorinated biphenyls) were used extensively in electrical transformers where they were mixed in oils due to their low flammability, but in the past decade, they have become a favorite target of the environmentalists as an alleged carcinogen.

The cost of removing PCBs in the U.S. would be over \$100 billion, but as *Science* editor Philip Ableson states, "There is no justification" for such action. A recent series of experiments indicate that only one type of PCB, which contains over 60% chlorine, can give rats cancer in old age. A German study shows that rats ingesting "the less chlorinated PCBs had a low tumorigenic response in the liver, had less total cancer than the controls, and lived longer than the controls!"

The only PCB that has been demonstrated to be slightly carcinogenic in rats accounts for less than 12% of the PCBs in existence. Furthermore, there is no evidence at all that PCBs cause cancer in humans. According to *Science*, "Many industrial workers were exposed to substantial amounts of PCBs during the 1950s, '60s, and early '70s. But the industrial exposure led to no known cases of cancer." This fact has been accepted by the Environmental Protection Agency, which in the January 1991 Federal Register, stated that it agreed that "there is inadequate evidence of carcinogenicity of PCBs in humans."

## Briefly

● **A NEW CAR**, which cost the average person just under 21 weeks of pay in 1972, now costs over 30 weeks of pay. The 1972 car cost 40% of the average family's median income. This year, it costs nearly 60%. The total cost of a car has increased more than 4.5 times since 1972, while the average family's median income has only tripled.

● **SHELL OIL** has announced that if it cannot find a buyer soon, it will close its Wilmington refinery in Carson, California, which produces 130,000 barrels of gasoline a day. Said Shell spokesman Gene Munger, "With the increasingly tough environmental laws, the cost required to achieve compliance and the cost to stay ahead of these requirements, we decided that we did not want to manufacture gasoline here."

● **AN OFFICIAL** of the Ghana cocoa industry charged that the World Bank has stalled a \$128 million loan involving Britain's Overseas Development Bank, the African Development Bank, Ghana, and the World Bank, "in an effort to pressure the country to privatize the industry." He said his government would lose 27% of its cocoa foreign exchange earnings if the industry were privatized.

● **PROFITS** of small and medium-sized Italian firms have fallen sharply, according to the Aug. 6 *Corriere della Sera*. Net profits, which were roughly \$4.5 billion 1989, fell to \$3 billion in 1990, the same level as in 1984.

● **FERTILITY RATES** dropped by two-thirds in the 14 largest Third World nations from the late 1960s to today, according to a study prepared over nine years by Demographic and Health Surveys. DHS is funded by the U.S. Agency for International Development. In the Third World as a whole, fertility rates dropped by one-third. The "best" region cited is China and Korea with 2.3 births per woman; the "worst" is sub-Saharan Africa with 6.4 births.