

Business Briefs

Nuclear Power

No financial aid for near-bankrupt utilities

Energy Secretary Donald Hodel announced May 8 that the Reagan administration would "help" the troubled nuclear power industry but would not give any economic aid to utility companies with severe financial problems, UPI reports.

"Let me emphasize that we do not support federal financial bailout assistance," he said. "Federal guarantees or payments are not the solution."

In a speech to the Nuclear Power Assembly, Hodel outlined a limited program of assistance to the industry. But when a questioner in the audience noted that some utilities are facing bankruptcy, Hodel replied that the administration's "initiatives are independent of the situation at any specific plant. . . . It is my hope that no such bankruptcies will occur."

The administration's program will include the following measures:

- encouraging the Nuclear Regulatory Commission to review plants under construction and identify potential construction problems early;
- providing resources to assist the Federal Emergency Management Agency's development of an emergency evacuation plan for the Shoreham nuclear power plant in New York;
- reviewing "whether and how the operating license procedure can continue for plants temporarily mothballed. We will seek to support rules and procedures which facilitate prompt removal of plants from mothballed status when appropriate."

Defense Industry

Jesuits corner Eastman Kodak on space research

Jesuit stockholders demanded that Eastman Kodak reveal the extent of its involvement with space weapons research, during the company's annual shareholders' meeting May 8.

UPI reports that Rev. William Miller, speaking for the Friars of Atonement, accused the company of sowing "technical and moral chaos." Suzanne Geaney, a church activist, stated that "we stockholders cannot sit by as spectators as the company develops this new weapon."

She and Miller said they represented the Interfaith Center for Corporate Responsibility.

Colby H. Chandler, chairman of the board, replied that Eastman Kodak's contracts with the government totaled only 3.6% of the company's sales last year, and most of that was commercial products like film and printers. "Setting a policy is a function of the President and Congress," he said. "Our policy at Kodak is to make technology at Kodak respond to the needs of this country as determined by the officials of government. We've done this many years and we've done it with pride."

The shareholders, meeting in Kingsport, Tennessee, voted down the Jesuit resolution, with owners of 96.8 million shares opposing it and owners of 5.2 million shares supporting it.

Education

LaRouche to issue TV economics class

The New York-based television producer Grand Design, Inc. announced May 4 that a two-and-a-half-hour TV special by economist and Democratic presidential candidate Lyndon LaRouche, titled "The Power of Labor," should be completed before the end of May.

The educational program presents the fundamentals of economic science, beginning from the 28th verse of the 1st chapter of the Book of Genesis. The American System of political economy, unlike the "free market" consumer fraud of Britain's Adam Smith, is based upon the moral and philosophical values of Western Judeo-Christian civilization, especially the requirement to progressively enhance the creative powers of the individual and the relative potential population density of society as a whole.

The release of the TV special is coordi-

nated with publication of a new textbook in economic science written by LaRouche, entitled *So, You Wish to Learn All About Economics?*

The video will include an important technological first: It will make extensive use of computer-generated animation. For the sake of laymen who are not familiar with the advanced mathematics of elementary economic science, LaRouche's televised lecture uses animated circular, cylindrical, and conical functions, to make the ideas of "energy" and "technology" comprehensible to citizens with no significant mathematics-training background.

LaRouche hopes that his use of these new teaching techniques will contribute to wider use of the same techniques in public-school and university classroom instruction.

Agriculture

Soil conservation bill approved by Congress

The U.S. House of Representatives approved a bill May 8 that will pay farmers to take "fragile land" out of production and deny benefits to those farmers who plow up grasslands.

The measure, approved by voice vote, would deny government price supports and other farm program benefits for farmers who plow up grasslands for crops. The so-called sodbuster provision was approved in response to the plowing of millions of acres of grasslands in the West for wheat production.

Another provision would authorize \$225 million over three years to pay farmers to take highly erodible land out of production under contract with the government for 7 years or 15 years.

Protectionism

Demand government limit on steel imports

Bethlehem Steel Corporation and the United Steel Workers of America have called upon the U.S. government to limit foreign steel imports.

Briefly

● **THE SOVIET UNION'S** Foreign Trade Bank will sign a \$250 million loan with 30 Western banks in Luxembourg the week of May 13, the first such direct credit to Moscow, other than export credits, since the Russian invasion of Afghanistan in 1979. U.S. banks will not participate.

● **BRAZILIAN PRESIDENT** João Batista Figueiredo met May 7 with a delegation of six Soviet parliamentarians, headed by Central Committee Secretary Mikhail Zimyanin. The Soviet delegation also met with Finance Minister Delfim Netto to discuss increasing the volume of bilateral trade, particularly in the energy area and machinery. The delegation also met with Foreign Minister Ramiro Saraiva Guerreiro, extending to him an invitation to visit Moscow.

● **SERGEI KAPITSA**, son of the recently deceased Soviet physicist Pyotr Kapitsa, attended a conference on "The Global Possible" at the Aspen Institute's Wye Plantation in Maryland May 6. Participants in the meeting, sponsored by the World Resources Institute, released a joint statement calling for an "environmental stabilization" program which included: reserving at least 10% of the earth's land for park preserves; braking industrial development; reducing population growth, especially in the Third World; eliminating subsidies for energy consumption; and developing "renewable energy supplies."

● **GERALD FORD** called on physicians May 7 to cut medical costs by curtailing "the plethora of diagnostic tests" and hospitalization. "In the face of increasing federal government deficits, it is obvious that the government has no choice but to reduce its costs in every field and, undoubtedly, it must restrain the increases in Medicare and Medicaid," he said in a speech to the annual meeting of the American College of Obstetricians and Gynecologists in San Francisco.

During hearings on May 8, they asked the U.S. International Trade Commission to impose quotas limiting steel imports to 15% of the U.S. market for at least five years.

Imports were 25% of steel sales in this country during the first three months of this year.

"Temporary relief is needed now," said Donald Trautlein, chairman of Bethlehem Steel. "With relief, the domestic industry will be fully competitive within five years. Without relief, the industry will be denied the cash flow to finance the modernization recognized by all as needed."

Trautlein failed to mention that the steel giants have pursued a policy of "liquidating" the steel industry in favor of shifting investment into "post-industrial" speculative enterprises.

Labor Market

Black mayors endorse sub-minimum wage

The National Conference of Black Mayors has endorsed a Reagan administration proposal for a sub-minimum wage for teenagers.

The proposal calls for a wage equivalent to 75% of the federal minimum wage of \$3.35 for youths aged 16 to 21. The administration introduced the proposal to Congress last year and is expected to revive it in June.

Organized labor is opposed to the measure on the grounds that employers would seize upon it to fire workers at the low end of the wage scale and replace them with youths paid sub-minimum wages.

The Invisible Hand

Tax shelter scheme bites the dust

Adam Smith's Invisible Hand has dipped into the pockets of his unsuspecting followers once again. Noted "supply-side" economist Arthur B. Laffer and former NATO commander and Secretary of State Alex-

ander Haig were among the blue-ribbon group of investors in a tax that went awry, leaving the investors to pay many times their original investment to the creditors of the bankrupt enterprise.

The two partnerships, set up to generate tax losses, are Lion Capital Associates and Blackburn Associates. They were intended to speculate in government-backed securities and other debt issues, whose prices fluctuate with movements in interest rates. Losses accumulated through such means are deductible from gross income for tax purposes.

But the losses began to overwhelm the company in January, leaving the partnerships with over \$20 million in claims by creditors, including 30 New York City school districts that invested in Lion Capital Group. Other investors who were burned are: Harold B. Mayer (of Oscar Mayer & Co.), David C. Garfield (Ingersoll-Rand), and Donald C. Lowe (Pratt & Whitney's Canadian operation).

Health Services

Regan calls for cuts in medical care

U.S. Treasury Secretary Donald Regan demanded cuts in social security and medical care in order to balance the budget in a May 6 interview on NBC-TV's "Meet the Press" program. "We have to do something," he said. "Costs in the medical field are running wild."

Regan said that the administration had already taken measures to cap health-care costs—apparently referring to increases in the out-of-pocket amount Medicare participants must pay—but "we must do more."

The Social Security program will have to be overhauled before the decade is out, Regan said, adding that it will probably be necessary to eliminate some recipients from the rolls. "When Social Security first started 50 years or so ago, it was designed merely to help people who would be destitute when they got older. Today, regardless of what a person receives in the way of a pension . . . or how much they've saved or how much wealth they have, they still get Social Security."