

Business Briefs

Economic Theory

World Bank chief: 'Malthus was right'

Speaking in Kenya on July 11, World Bank President A.W. Clausen called for a rapid reduction in the rate of growth of black and brown people as the only way to solve the development problems facing the Third World. He raved that "world population has grown faster, and to higher numbers than Thomas Malthus could ever have imagined."

The statements were made as part of Clausen's annual World Bank Report.

Clausen waited until the last paragraph of his speech to cite his mentor: "If we can correct the current mismatch between population and income-producing ability, . . . we may yet evade the doom which Malthus saw as inevitable. It is *not* inevitable that history will vindicate his dire prediction of human numbers outrunning global resources. We have a choice. But that choice must be made now. Opportunity is on our side. But time is not."

The World Bank Report is no doubt intended to lay the basis for discussions at the World Population Conference, to be held in Mexico City in August.

Operation Juárez

Colombian labor leader asks debt moratorium

Jorge Carrillo, UTC leader and president of the regional federation Utraboc, delivered a speech to the federation's Third Congress July 18 calling for a debt moratorium and debunking the theory that workers are responsible for economic crises because of their demand for higher wages and benefits. Carrillo warned that the government would never be in a position to reduce unemployment as long as it accepted the International Monetary Fund's austerity policies.

It is the debt that is causing mass firings in Colombia, Carrillo said; currently companies are paying more in interest on debt than they are in wages and benefits. The

only solution, he said, is for Colombia to join other debtor nations to declare a debt moratorium.

Carrillo also pointed the finger at recent proposals by Colombia's Labor Minister, Oscar Salazar Gómez, for small, cottage industries that the labor minister had claimed created employment. Carrillo counterposed to this large energy and capital-intensive infrastructure projects—canals and other water projects, energy projects, highways, and railroads. Oscar Salazar Gómez, who was present at the Congress, made no attempt to defend his proposals.

European Agriculture

Swedish farmers forced to destroy food

Angry vegetable farmers in Sweden are plowing their summer harvests into the ground, since this is cheaper than having their crop picked, packaged, and delivered to market. Sources report that many of these farmers had only recently switched to producing vegetables, having been ordered to make the switch by Palme government advisers because the grain market was "oversaturated." The result? Both agricultural categories are now rapidly going downhill, while Olof Palme's government sits on its hands.

A federation of 800 farmers from southern Sweden recently attempted to contact the country's agriculture minister, Svante Lundqvist, to stress that the government must intervene in the situation immediately. The delegation was told that the minister was on vacation until August, and that no action could be taken in the interim.

The country's farm sector has been demanding price subsidies, but to no avail. Instead, the government is encouraging cheap exports of food and heavily taxing domestic production. Nor have the farmers' attempts to find export markets for their produce been successful. On the occasions export markets were found, many of the farmers reported that they were forced to cut their prices so far below the cost of production that they still found it cheaper to burn their produce.

In recent years, the government has sought to discourage the consumption of meat utilizing the propaganda that 80% of the population's dietary needs could be met by bread and milk alone. From 1982 to 1983, Sweden fell from the 13th to the 20th position as a meat-consuming country. In 1983, the average Swede ate 49.1 kilograms of meat per year, compared with 91.5 kilograms in New Zealand; 82.3 kilograms in the U.S.A.; and ironically, 90.2 kilograms in the Third World country of Uruguay.

U.S. 'Recovery'

Westinghouse to close Pennsylvania plants

Westinghouse Electric Corporation July 19 announced plans to close one plant for six months and to permanently shut down another in Pennsylvania.

About 600 workers will be "furloughed" during the suspension of operations at Westinghouse's medium power transformer plant in Sharon, Pennsylvania, announced D. L. Donatucci, general manager of the power equipment division. Donatucci said that business conditions over the next six months will determine whether the plant is reopened.

About 100 hourly workers and 50 white-collar employees will be affected by the closing of the Westinghouse dry-type distribution transformer plant in Gereeville.

Technology

Beam program to improve food processing

Just as the U.S. Food and Drug Administration is about to change its regulations to permit food irradiation up to 100 kilorads, the U.S. beam defense research program has come up with a spin-off technology to improve the whole process. Dr. Stephen M. Matthews, from the Lawrence Livermore National Laboratory, has presented a detailed analysis of how electron accelerators developed for the U.S. beam-weapon pro-

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gram could provide economical sources of radiation for the processing and disinfection of food and agricultural products. Matthews first presented the plan at the International Conference on Radiation Disinfection of Food and Agricultural Products, held last fall.

The projected cost given by Dr. Matthews is \$5.98 per ton of food—approximately the same cost of utilizing chemical disinfection currently. The use of electromagnetic radiation for purification of food, however, is far safer, cleaner, and more effective than chemical methods, Dr. Matthews points out.

He explains that radioactive isotopes are now utilized for radiation purification of food, but that electron-beam generation of radiation has significant advantages over this. Most important is that the new technology has "characteristics which allow the production of a more penetrating, uniform, and efficient radiation than is available from nuclear isotopes."

Matthews noted that at present there is no accelerator commercially available which can meet the requirements for food irradiation processing, but that the Defense Department's beam-defense program has provided a very promising technology. He calculates the cost of such accelerators at \$1.5 million each.

Ibero-America

Peronists reject austerity policies

The high command of Argentina's Peronist Party warned President Raul Alfonsín on July 14 that recently announced economic austerity measures endanger the accord on national unity reached by the government and most opposition parties last month.

The warning was issued at a meeting between the ministers of labor, defense, interior, and economics, and a delegation of the Peronist high command headed by Juan Labake. The Peronists also criticized the recent firing of the head of the army and other military officers, and the government's attempts to reduce the power of the labor unions.

The day before the meeting, the Alfonsín government had announced a 4% increase in real wages in an attempt to stem the rash of strikes and job actions that have been buffeting the country. But it was a compromise that pleased neither the unions, nor the International Monetary Fund, which is demanding more severe austerity.

The Peronist-controlled General Federation of Labor rejected the increase as inadequate, noting that it barely keeps up with inflation. The Peronist reaction was best summed up by a headline: "IMF Wins; Meager Increase."

But Argentina's creditors say that the increase is excessive and that it represents resistance to the International Monetary Fund demands for more austerity.

International Famine

African ministers sought debt relief

An urgent memorandum issued by African ministers in late May, which became public the third week of June, cited an impending "economic and social disaster" in parts of Africa and called on the World Bank and the IMF to grant a moratorium on loan servicing and repayments.

The "appeal to the international community," not generally reported at the time, was drafted at the 10th Ministerial Meeting of the United Nations Economic Commission for Africa. The memo cited the severe drought facing the continent, crippling debt burdens, and low commodity prices. Among other proposals, the ministers called for direct credits to "help reactivate industries."

The Economic Commission's executive secretary noted that there were 34 African countries severely affected by the drought.

Another report released by the United Nations, written in early July, notes that the situation has "deteriorated rapidly" since May, citing the failure of the April-June harvest period in southern Africa. The report cites countries in eastern Africa that are faced with "widespread starvation," and noted that more than 5 million people across the continent have left their homes in search of food and water.

● **KAREN MERRICK**, the mayor of a small Iowa town on the Mississippi River, told delegates at the Democratic National Convention in San Francisco, "My town is dying. It's dying because agriculture is dying. . . . We have only one bank and it's about to go belly-up because of what's happening in agriculture." The mayor said she becomes infuriated when she reads in the *Wall Street Journal* that "everything is hunkydory."

● **KROGER** Food Store clerks and cashiers in Detroit voted on July 18 by nearly 5-1 to reject a concessions contract that would have cost each worker \$2.70 an hour in wages and benefits. As a result, the nation's largest food chain has announced it will close the 70 stores it operates in the Detroit area on the evening of July 21. Many stores are virtually stripped of inventory, offering food at reductions of up to 50% in preparation for such an outcome.

● **AGRICULTURE** Department officials say their latest calculations show that a record 75.6 million acres were idled last year under the largest acreage reduction in history. This compares with 30.4 million acres idled already this year.

● **BRAZIL'S** ambassador to Washington, Sr. Correa da Costa, told a seminar in New York sponsored by Chase Manhattan Bank on July 14 that people should stop kidding themselves: The IMF "prescriptions" result only in "instability." "No one can deny that prolonged austerity leads to instability," he said, "and that it destroys democratic institutions, leads to political radicalization, and authoritarian regimes."