

Business Briefs

Agriculture

Stanko convicted on all counts

A jury convicted Nebraska beef packer Rudolph Stanko and his Cattle King Packing Company on Sept. 14 for violating federal meat laws. Stanko and Gary Waderich, the firm's top salesman, are now liable for sentences of up to 23 years in prison and large fines.

Stanko and his firms are a classic example of a "Watergate" operation against an ambitious technological firm which stood in the way of the food cartels' control of American food production.

The campaign against Stanko was begun by the Better Government Association (BGA) of Chicago, which has connections to the University of Chicago, Walter Mondale, and NBC-TV. NBC did a "First Camera" exposé of Stanko in 1983, which led to the federal investigation.

Stanko's defense attorneys admitted that criminal acts were done at the Denver plant, but said the actions were done without the knowledge of Stanko, who was living in Nebraska. The attorneys said that the men who actually committed the crimes implicated Stanko to protect themselves. The government case was developed by John Copland, who worked with the BGA and with the Institute for Policy Studies, a radical environmentalist group in Washington, D.C. Crucial to the case was an individual, Wilfred Grant, who has made a career of hiring on at meat packing plants, then disappearing just before the Department of Agriculture makes an investigation.

Stanko plans to appeal.

U.S. 'Recovery'

Third bank fails in Iowa

On Friday, Sept. 7, the Oakland Savings Bank of southwestern Iowa failed, the third such farm-bank failure in Iowa since June, the sixth since 1982.

Farming in the state, one of the world centers of corn and hog production, is being destroyed, and hog and grain farmers are

being forced out of operation. About 40% of the state's independently owned cattle feedlots have been shut down. There are 30% fewer cattle on feed this year compared with 1983, and farmland values are plunging.

On top of this, a late August heat wave will reduce the expected harvest of corn by at least 7% statewide, and soybeans by at least 10%. Iowa state climatologists report that August 1984 will go down in the books as the driest August on record.

Ibero-America

Kissinger's Argentine friends in hot water

On the eve of Henry Kissinger's arrival in Argentina in mid-September, nationalist forces in that country launched an offensive against former Finance Minister Martinez de Hoz and his Swiss-linked financial grouping which took orders from Henry to destroy Argentina's economy between 1976-81.

On Sept. 4, members of a special congressional committee raided the offices of Guillermo Walter Klein, de Hoz's former Secretary of Economic Planning and Coordination, and withdrew documentation pertaining to several questionable financial transactions carried out by de Hoz's team. Under immediate investigation is the government's 1979 purchase for \$300 million of Italo, a utility company valued at \$30 million. Radical party deputy Tello Rosas reported that his purpose in investigating the case was to determine whether de Hoz and his associates "were front men for foreign capital or were the real investors of a Swiss-based holding company, protected by the laws of our country." Klein was reportedly told, just prior to the purchase of the firm, that Swiss capital might look more favorably on Argentina if the government were to purchase Italo.

Tello Rosas added that "Dr. Klein is the real intelligence director of a powerful economic group whose chief and ideological instigator is Martinez de Hoz." Klein's office, said Peronist deputy Julio Araoz "is the central intelligence agency for the financial fatherland." Other spokesmen have pointed to the "sinister" connection between those who destroyed Argentina's economy and the

military repression, unleashed in the country during the same period.

Technology

Biotech conference wants gov't support

Industry leaders at the Biotech '84 conference held during September in Washington, D.C., called for the creation of a new federal agency that would finance basic research, indirectly helping commercial firms involved in commercialization of this field and maintaining the U.S.-leadership role.

Much of the frontier research in biotechnology is presently done by private firms, which must then contend with expensive lag times between research breakthroughs and commercial sale of the products. Basic research done with government support could be done more efficiently, and results would be available to all. Firms could then concentrate on developing practical applications.

Operation Juárez

Brazilian congress calls for moratorium

While the debt crisis is generally being euphorically reported as under control "for the next 12 months" after Mexico's 14-year rescheduling package with the banks, the Debt Commission of the Brazilian Congress was less sanguine.

The Congress issued a report described in yesterday's London *Guardian* stating that of Brazil's \$100 billion foreign debt, \$40 billion was incurred "either illegally or as a result of deliberate U.S. increase of interest rates. . . . There is no way whatsoever for Brazil to redeem the debt completely." The way the debt problem is being handled will cause "the debt to grow forever."

The Commission proposed instead to set up a special congressional commission to scrutinize conditions under which loan contracts were signed, and discriminate between "legitimate" and reimbursable ones, and illegitimate ones. The next step would be to "declare a unilateral debt moratorium,

break with the IMF and the banks' advisory committee," and demand a global renegotiation of debt.

This, notes the *Guardian*, is the "dominant current in Brazilian opinion."

International Relations

Japan-China bilateral friendship

A Japan-China 21st-century committee has been formed, and inaugurated by Japanese Premier Nakasone in mid-September. Nakasone called on the committee, composed of Japanese and Chinese intellectuals, to recommend guidelines for bilateral friendship for "the next 1,000 years." The committee's creation stemmed from talks between Nakasone and Premier Zhao Ziyang during Nakasone's visit to China in March. The Chinese co-chairman is Wang Zhaoguo, a member of the central committee of the Communist Party of China. Japan co-chairman is Tadao Ishikawa, president of Keio University.

There was also an announcement that the Mitsubishi group will hold symposia in China—in Peking, Shanghai, and Tianjin—from early October to November, based on a science and technology exchange concluded last March.

Currency

1929-like inflows into dollar

The dollar broke through the key psychological barrier of three deutschmarks to one dollar, and, in spite of the West German central bank spending half a billion dollar in one day to stem the increase of the U.S. currency, is remaining at that level before resuming its ascent. Huge amounts of capital flight out of strategically precarious regions are feeding the dollar's upward spiral. According to Swiss bankers, from Taiwan alone, for instance, \$2 to \$3 billion shaved off the country's trade surplus with the United States have remained with U.S. banks, rather than being repatriated. All over Asia, the

sources reported, Chinese merchant families are systematically shipping money to the United States, to the tune of perhaps \$10 to \$15 billion so far this year.

Reagan's position will increasingly depend on the continuance of the currency inflows. Should they falter, so might his political fortunes.

Research

Free electron laser opens research frontiers

According to scientists at the University of California at Santa Barbara, the free electron laser (FEL) reaching completion there offers a breakthrough in many areas of research. Dr. Daniel Horn, the chairman of the physics department, explained today that their particular FEL will be able to produce coherent radiation in the far-infrared part of the spectrum.

The FEL produces laser "light" by guiding an electron beam past magnets. These magnets "wiggle" the electrons and produce coherent radiation. The far-infrared radiation, which has a long wave length compared to visible light, will be "bounced" off materials to see how atoms and molecules react.

Scientists will be able to determine qualities of various materials and chemical reactions by observing the dynamic qualities of the molecules and atoms. Dr. Hone likened this to bouncing a tennis ball off a tennis racket to see how tight the strings are.

Using this infrared laser light, scientists hope to be able to increase their understanding of biological processes, such as the unwinding and replication of DNA. The \$5 million project was paid for by the Office of Naval Research and the Air Force.

Ronald Cape, chairman of Cetus Corporation, a leading biotech firm, compared the international competition in biotechnology to the space race, and envisioned a federal agency analogous to NASA in biotechnology. "The U.S. invented it, is leading it, and is shooting itself in the foot and is not going to win the race," Cape commented.

In addition to the basic research problem which commercial biotech firms face, there is also the problem of the length of time for U.S. regulatory approval for products.

Briefly

● **THE NEW YORK TIMES** ended a series on drugs on Sept. 14 by claiming that the war on drugs is hopeless. The *Times* cites a number of "authorities" for support, including Lawrence Eagleburger, of Kissinger Associates, and Arnold S. Trebach, British director of the Institute on Drugs, Crime, and Justice at American University. The *Times* offered two options: 1) throwing endless amounts of money into a losing battle; or 2) adopting Trebach's proposal for legalizing many drugs, heavily taxing them, and using the funds for "treatment programs" for people harmed by drugs—perhaps by burying them or putting them into slave labor camps.

● **HENRY KISSINGER** told a group of Argentine Congressmen that "As a business advisor, I could not advise my clients to invest in this country with its high interest rates." He remonstrated that President Alfonsin's policy was one of "confrontation with creditors, rather than dialogue."

● **ISRAEL'S** new national unity government faces the immediate problem of a collapsing economy: Inflation rose by 17% in August. The new government must also present Washington with a profile of Israel's economy in September as part of its request for new U.S. economic aid which, outside of some \$2.6 billion already planned, should include an additional \$1 billion and a demand for \$5 billion in additional aid next year.

● **NASA** announced on Sept. 11 that Isaac T. Gillam has been named to the newly created post of assistant administrator for commercial programs, responsible for the NASA effort to encourage and facilitate private sector investment and involvement in space. Far greater emphasis by NASA on commercialization is expected shortly, in conformance with President Reagan's National Policy on the Commercial Use of Space issued this summer.