

Business Briefs

Agriculture

Wheatgrowers demand more droughts

The Nebraska Wheatgrowers Association has released a mid-October report claiming that corn supply stocks should be reduced and calling for mandatory production controls in the 1985 farm bill. Chase Econometrics was commissioned to do the study, and argues that farm wheat prices will rise only under two conditions: 1) If the national corn supply carryover is reduced from the current alleged 1.3 billion bushels to 700 million bushels; and 2) if, in addition, there are droughts in other nations.

Chase says that stocks reduction alone would not improve the domestic farm wheat price. The droughts are also essential, and might increase prices by \$2.00 a bushel.

The wheatgrowers say they must ask for mandatory production controls because they don't know what else to do. In effect, these farmers are falling into the food-cartel's plan for food shortages in the United States, genocidal famine in the Third World, and a reduction of the farmers of the U.S. farm sector to share-cropping under giant grain companies' control.

Food Crisis

Kissinger: 'friend of the hungry'?

Newspapers have lately been reporting that Henry Kissinger and Cargill grain are the dearest friends of the hungry, and very much for food production. A Cargill executive was recently featured in a *New York Times* interview calling for more "food for the starving."

Then, a former Cargill associate, Dwayne Andreas, now president of the agrigiant Archer Daniels Midland, was reported in a recent Jack Anderson column calling for more PL-480 U.S. food aid. He demanded that the program be relocated from the "insensitive" State Department back to the Department of Agriculture, where, he ne-

glected to add, the undersecretary of agriculture is a 25-year Cargill executive.

On Oct. 16, World Food Day, Henry Kissinger was referred to in a special report by the U.N. Food and Agriculture Organization on the world hunger situation. "The conference [1974 World Food Conference] goals of, within a decade, having no child go to bed hungry, no family fearing for its next day's bread, and no human being's future and capabilities stunted by malnutrition seem as remote today as they did when Secretary of State Henry Kissinger enunciated them in 1974, despite significant improvements in world food availability."

This is the same theme of the latest OXFAM charity campaign, called "Hungry for Change," which features the headline, "Henry Kissinger, Eat Your Words," and quotes the same Kissinger 1974 line, "Within a decade, no child will go to bed hungry."

Technology

Breakthrough in laser propagation

Robert S. Cooper, director of the Defense Advanced Research Projects Agency, predicted earlier this month that "optical phase conjugation" (OPC) may be able to compensate for distortions produced in laser beams propagated through the atmosphere, enabling ground-based lasers to attack targets in space, such as ballistic missiles—a proposal first made in *EIR* June 15, 1984. Cooper's remarks were reported Sept. 24 in *Aviation Week & Space Technology* magazine.

Optical phase conjugation is a non-linear effect in nature. In one type, Stimulated Brillouin Scattering, a non-linear material, such as a liquid, backscatters a high-power incident beam so as to reflect a divergent, unfocused beam as convergent and focusing. The beam interacts with the liquid to establish an acoustic shock front, which then backscatters the beam with a frequency down-shifted by the frequency of the acoustic wave.

The phenomenon demonstrates the fun-

damental electromagnetic character of sound production.

As a result of its ability to correct for distortions, Cooper argued that OPC would also reduce the required precision of fabrication for high-energy laser optical components from a small fraction of a wavelength of the generated laser light "to many wavelengths, perhaps even many tens of wavelengths." One effect of this application would be to reduce the precision with which space-based mirrors need be machined. Kosta Tsipis of MIT has argued that the required precision would never be attained. Cooper's remarks indicate that, combined with OPC, presently existing technology could suffice.

Industry

Factories use less capacity in September

U.S. industry used less of its capacity in September than in August, slipping to an operating rate of 81.9%, the Federal Reserve reported on Oct. 17. The report was gloomy news for laid-off factory workers, whose employers now have less reason than ever to call them back.

The Labor Department earlier reported that 120,000 factory jobs were lost in September alone.

The Fed said the decline in the operating rates of industries to 81.9% of capacity took it below the 82.4% average maintained from 1967 through 1982.

According to the Fed, half of the decline in production in September was attributable to the one-week General Motors strike and to general parts shortages.

Operation Juárez

SELA moves toward the Common Market

The 10th Annual Council of the Latin American Economic System (SELA), meeting in

Caracas, announced on Oct. 10 that they have reached "total consensus" on the necessity to create a Latin American Common Market. The creation of a Common Market is extremely important, said SELA, because of the need to establish mechanisms to finance trade, and especially because of the close relationship that exists between trade and the foreign debt. SELA spokesmen also stated that they have scheduled a meeting for the first half of 1985 to discuss the creation of the Common Market.

Real Estate

Houston: more 'recovery news'

While economists babble on about the U.S. economy's "strong recovery," real-estate developers in Houston, Texas, are refusing to open new buildings because they cannot find business tenants. The brand new 34-story Phoenix Tower, part of the Greenway Plaza complex, now sits empty. Its construction was completed several months ago.

Developers of the 660,000-square-foot tower have decided not to open the building until Houston's collapsing real-estate market, which continues to be plagued by high vacancy rates, firms up.

Phoenix Tower is a joint project of Albritton Development of Dallas and Allegheny International. Albritton president James H. Wilson says that no leases will be signed with small tenants until a major tenant is found.

If the building were opened, the financial partners of the project would lose their federal investment tax credit, as well as sustain operating costs for air conditioning, security, and cleaning.

Wilson says their banks are not worried because the financial strength of Allegheny International allows them to meet the carrying costs for the building loan. Republic Bank-Dallas provided construction financing.

"I see that we may have hit the bottom [in the office leasing slump], but I don't think we're coming up yet," Wilson said.

"We will not make wild concessions just to put somebody in the building." Some Houston developers are actually offering tenants up to two-years' free rent merely to lease their buildings.

Military Technology

U.S. Army announces laser-armed tank

The U.S. Army Tank Automotive Command issued a request for proposals from defense contractors to design a directed-energy weapons-system vehicle. The Army's Mobile Test Unit program has already produced a system on a tracked military vehicle that successfully destroyed aircraft in tests over the past eight years. Such a weapon would primarily be of use in Korea and Western Europe for defense against attacking aircraft and tactical missiles.

Oil

Price drop destroys repayment plans

All the carefully laid plans to pay the debt with income from the sale of oil have crashed for Mexico and Venezuela in the wake of the oil-price drop. In Mexico, the head of state-owned oil company Pemex, Beteta, said that in response to the North Sea oil price drops, "The Mexican attitude must be maximally alert to react immediately." Finance Minister Silva Herzog, speaking to the Senate, warned that any price decreases would be a "hard blow" that would eliminate \$550 million for every dollar drop.

Several emergency meetings have taken place in Venezuela to attempt to resolve this situation. The energy minister went on national TV on the afternoon of Oct. 18 to announce that Nigeria had promised the Venezuelan government it would not raise prices. The news reported a few hours later that the Nigerians had raised their oil prices.

Briefly

● **FARMERS** began signing up Oct. 15 to take acreage out of production next year to qualify for federal loans and crop insurance. The "extra" incentive is cash payments before the elections. Said one source, the Agriculture Department opened the sign-up period early "to keep the farmer alive until he votes." Rumors in Washington say more financial "sweeteners" will be used to induce more farmers to reduce production, on the pretext that U.S. corn and other food supplies are expected to be large.

● **PITTSBURGH**, formerly the Steel Capital of the United States, has decided, after the recent closings of so many furnaces, that since no steel is poured anymore in the city proper the city's most famous neon sign—a big mosaic of a steelworker pouring the metal—need no longer be lit up. The sign is now dark.

● **THE USDA** announced on Oct. 2 that the Soviets are expected to buy a record 50 million tons of grain in the trade year which began Oct. 1. This exceeds all previous rates of Soviet imports. The reason given for the grain sales is failed Russian harvests. According to UPI wire reports, "The Soviet wheat crop is especially bleak, and is expected to reach just 75 million tons, the lowest level since a disastrous 1975 harvest." As one pundit observed, the U.S. grainbelt is becoming "one big 'back forty' for the Soviet Union."

● **R&D FORECASTS**, a computer projection of 1985 R&D budgets of 2,400 companies grouped in 185 industry categories, has recently been released. It includes U.S. companies as well as major European firms active in the American market. According to this study, the leader in R&D spending is the computer industry with about \$7.7 billion. The study is available from Schonfeld & Associates, Evanston, Illinois.