

# Business Briefs

## Labor

### Kirkland's AFL-CIO now Animal House

The AFL-CIO is only obeying the law of the jungle in abandoning industrial workers as its main organizing base, federation president Lane Kirkland told reporters. He was asked to comment on the AFL-CIO report, *The Future of Work*, released in late February. The report identifies the U.S. "services sector" as the future point of concentration for union organizing. Kirkland explained: "Survival is like Darwin, I guess. It's a constant adaptation to change. It's been our history. And I think it'll always be our history."

*The Future of Work* recommends, among other things, that unions merge into bigger combines, following the trend of corporate takeovers. Kirkland, a member of David Rockefeller's Trilateral Commission, also said that "something mystical" had instructed him that the AFL is "on the verge of revival and resurgence."

## Famine

### OAU secretary general warns of catastrophe

At the meeting of foreign and economic ministers of the Organization of African Unity (OAU) in Addis Ababa, Ethiopia in late February, OAU Secretary-General Peter Onu warned that Africa would "plunge into a catastrophe without precedent in the history of mankind," unless immediate and drastic measures were taken to fight the famine and economic crisis on the continent. Onu stressed that besides efforts to save the lives of the millions who are starving, there should also be efforts to build up African economies, not only for agriculture, but for industry as well.

The Ethiopian head of state, Mengistu Haile Mariam, stressed, "No region of the world had been so hard hit by the world recession as Africa," facing falling prices for its exports of commodities and raw materials, rising prices for its industrial im-

ports, and, especially, an increase of foreign debts preventing the development of the continent. He called on African nations to undertake a common initiative toward the industrialized nations to obtain debt relief for all Africa.

## International Trade

### Commerce cancels Japanese trade talks

Commerce Secretary Malcolm Baldrige announced on Feb. 26 that he is not sending Undersecretary of Commerce Lionel Olmer to Tokyo for scheduled trade talks with Japan. The United States, he said, would not engage in talks on opening up Japanese forestry, telecommunications, and pharmaceuticals markets until the Japanese stop talking about the "theory" of opening the markets and "get down to the nitty gritty."

Baldrige is promoting the general State Department "Euroyen" policy of forcing the Japanese to deregulate and open their markets, especially their financial markets, to the same sort of unrestrained looting accomplished by British and European banking interests against the United States through the Eurodollar market.

## U.S. 'Recovery'

### Wheeling-Pittsburgh suspends dividends

Wheeling-Pittsburgh, the smallest of the Big Eight steel producers which control 70% of America's steel output, suspended dividend payments on its five preferred stocks in late February. The company, which has 5 to 10 million tons of raw steel capacity, has lost \$122 million since 1982, and was expected to show heavy losses for the fourth quarter of 1984 and for January of this year.

The company exhausted its last bank credit lines in August 1982, and has seen a substantial erosion in its cash position. Paul D. Rosen, a United Steelworkers district of-

ficial and the union's chief representative in wage concession talks geared toward keeping the company alive, said that the steelmaker's financial state is "perilously close" to requiring a federal bankruptcy filing, according to the *Wall Street Journal*.

## International Credit

### Study shows dollar rise based on collapse

A study by Dallas S. Batten of the St. Louis Federal Reserve Bank issued on Feb. 25 argues that the dollar's rise is really due to a collapse of U.S. bank lending abroad. Since 1983, American banks, rather than lending net funds abroad, are making net withdrawals of funds from abroad.

"The dollar's strength reflects not an increased demand for greenbacks by foreigners, but a decreased demand by Americans for all other currencies," Batten stated. Foreign investment in the United States has continued at the same rate as 1981, about \$83.1 billion each year since then, figures further show. The net capital inflow into the United States isn't caused by a rise in rate of foreign investment, so much as by a "pronounced decline in the rate of U.S. investment abroad," which has fallen dramatically during the last four years.

## Technology

### Major advance made in KrF laser system

A major system advance has been reported by Los Alamos National Laboratory's Aurora KrF laser project, and is being hailed as "an additional step in the decades-long quest to develop a fusion reactor," according to a Los Alamos press release issued on Feb. 22. In general, when applied to sensors in industrial control applications, Dr. Bert Kortegeard of Los Alamos estimates that productivity could be increased with this technology alone by as much as tenfold.

# Briefly

The advance consists of a new beam-alignment system which permits the original laser pulse to be chopped up into 96 pieces and then reassembled as one combined pulse at a particular point. This process of optical power amplification is called multiplexing.

The beam-alignment breakthrough consists of combining recent advances in computer technology with sensitive photosensors. The system can now achieve accuracies in a few seconds which previously were attainable only in several hours.

The alignment-detection system which made this possible was based on studies of the human eye, which can detect light signals much weaker than the general, scattered background lighting—what is called “noise.” The system actually utilizes the noise background to observe the laser pulse. The new detection system can be utilized to enhance any sensing system by as much as a factor of 10, for example “commanders analyzing battlefield situations through smoke-filled skies, or archaeologists searching satellite photographs of heavily forested land,” according to Los Alamos.

Dr. Kortegaard notes: “The beauty of this is the ability to take something like ‘noise’ that’s bad, that you can’t get rid of, and make it work for you.”

## Currency

### Bolivia agrees to ‘dollarize’ economy

Bolivia’s central bank president, Reynaldo Cardozo, announced on Feb. 26 that the government will “dollarize” the economy as the result of meetings with creditor banks in New York two weeks earlier. The government announced a harsh austerity program the last week of February, including price increases for most basic goods and services. The Bolivian government of President Hernan Silez Zuazo took the economy off the dollar standard soon after taking power in 1982. Re-dollarizing the economy will mean that the peso, already a debased currency, will be virtually worthless, since all contracts, prices, etc. will be quoted in dollars.

Bolivia’s cave-in to the banks came as

the *New York Times* warned on Feb. 26 that the problem of the Ibero-American debt is again causing fears among banking circles. The article, by Alan Riding, states that “financial uncertainty has appeared in the region, provoked by the problems that several key governments are facing putting into effect austerity programs.” Riding cites the abrupt firing of Argentine Finance Minister Bernardo Grinspun, the IMF suspension of credits to Brazil, and the recent drop in the price of Mexican and Venezuelan oil. However, says the British Riding, not to worry: “Many bankers in the region believe that the glitches in the restructuring process are surmountable.”

Riding is the author of a new book, *Distant Neighbors*, a blueprint for a civil war and dismemberment of Mexico.

## Development

### Egypt requests aid for agro-industries

Egyptian Prime Minister Kamal Hassan Ali has stated that Egypt has an “urgent” need for \$2 billion in additional U.S. aid to help fulfill its five-year development plan, particularly for priority projects in construction, power generation, including nuclear power plants, steelmaking, and agriculture.

Ali said that Egypt was committed to nuclear power development, and he was expecting a decision this year on tenders to build its first nuclear power station from consortia led by French, German, and American interests.

Egyptian Defense Minister Field Marshal Abdel-Halim Abu Ghazala arrived in Washington in late February to discuss the military component of the debt problem. Egypt is in arrears of about \$300 million of its \$4 billion military debt to the United States. Military-debt repayment now accounts for about half the funds Egypt receives from the United States in civilian aid.

The new aid request comes shortly before Egyptian President Hosni Mubarak’s scheduled mid-March visit to Washington, when he will discuss his Mideast peace proposals with President Reagan.

● **AMEX**, according to a release from the Chinese news agency Xinhua, is “now ready for a comprehensive expansion into China.” The announcement follows the four-day January visit to China by Henry Kissinger, who represented American Express.

● **PANAMA** will build transshipment ports for containerized cargo on the Atlantic and Pacific coast, President Nicolas Ardito Barletta announced on Feb. 27. The announcement implied that the trans-isthmian railroad would also be modernized to integrate the two ports.

● **NUMBERS** runners in New York City are organizing themselves into a union, according to a well informed Harlem source. The estimated one-quarter-million runners are uniting to fight the drug clean-up as part of an effort to hang on to their jobs.

● **DON REGAN**, according to sources close to the administration, will be given “sole responsibility” for Reagan administration economic policy, and Regan will use his position to push the ideas of New Right luminary George Gilder.

● **INDIA**, according to research in progress by the *EIR* economic staff, outstripped the United States in production of tractors in 1982, 67,000 to 66,000. India is apparently old fashioned enough to still believe in food.

● **SEBASTIAN ALEGRETT**, head of the Latin American Economic System (SELA), called for a larger participation of the nations of Ibero-America in the shipping industry at a SELA meeting on shipping and maritime trade on Feb. 26. He said it is time for the member countries to unite “to jointly face up to the pressures from the industrialized countries and the multinational companies.”