

Business Briefs

Oil

Soviet production falls short of goals

Oil production in the U.S.S.R. for the fourth year in a row is below target, reports the Communist Party daily *Pravda*. The newspaper directed its main attack against the giant Tyumen field in western Siberia which produces about 60% of U.S.S.R. daily output of 12 million barrels/day.

Criticism of equipment used for drilling and processing has been strong. Equipment needed to develop 18 new oil fields has been delivered too slowly, and roads to the fields are not being built fast enough. No official figures for 1985 oil output are published, but the official target was 630 million tons. Actual output for the first nine months of 1985 declined 3% from the same period in 1984, to 445 million tons.

And for the very first time, annual output fell between 1984 and 1983, from 616 to 613 million tons. *Pravda* predicts, that barring, an improbable massive increase in the fourth quarter, 1985 will be significantly lower than that.

Labor

Venezuelan bishops attack capital flight

The 45th assembly of the Venezuelan Bishops Council indicted those entrepreneurs who have taken their capital out of the country.

Referring to the proceeds of national industry, the bishops' statement reads, "The decision on its use was neither before nor now exempt from moral obligation." The document blames such policies by speculators, and those of the government, for unemployment and the climate of hopelessness among youth, which brings delinquency and drugs.

In words recalling John Paul II's encyclical *Laborem Exercens*, the bishops proclaim, "The state, despite the reduction in petroleum income, has the dollars and bolivars to promote economic development, so that the people have the possibility of creative labor which dignifies them . . . because

man, in the image and likeness of God, participates through his labor in the creative work of God and becomes closer to him."

Wall Street

Market crash rigged by investment bankers

The record-breaking stock market drop in mid-January was "very deliberately rigged" by the Israeli-linked Salomon Brothers investment bank and a leading London commodities trading company, for the purpose of warning the United States not to intervene against Libya, a Chicago financial source has reported.

"There was a massive put down of the market that was very obviously rigged," said the contact, who reported that the "Zionist Lobby," in the form of Salomon Bros. and a London firm, had circulated a rumor throughout U.S. financial markets that Arab countries would withdraw their funds *en masse* from the United States, if the Reagan administration took action against Libya.

He further disclosed that Salomon Bros. had engaged in massive short selling of stock market futures in order to drive stock prices down.

Food

Irradiation processing approved by FDA

The *Federal Register* published final approval on Jan. 14 on a new Food and Drug Administration regulation that permits the low-level irradiation of pork for trichina control.

Processing fresh pork with gamma rays at 100 kilorads not only kills the trichina parasite, but also gives the pork a 60% extension of shelf life.

The FDA approval was granted in response to a petition from Dr. Martin Welt, president of Radiation Technology, Inc. of Rockaway, New Jersey, who has led the fight to commercialize food irradiation for the past 40 years. Welt's company now has several plants operating and under construc-

tion, and has been processing food for export for a number of years. An interview with Dr. Welt was published in *EIR* in the March 27, 1984 issue.

Technology

New super-laser now in operation

The Nova laser at Lawrence Livermore National Laboratory, the most powerful laser in the world, created its first "star," when the laser impeded a tiny sphere of fusion fuel, creating 11 trillion neutrons.

"This is our first successful experiment," Eirk Storm, deputy director of the lab, announced Jan. 13. "Its design and purpose was to produce sufficient neutrons to test some advanced diagnostic equipment. And we were delighted with the very high yield. . . ."

"Another way to look at what we've just accomplished is that we've taken another step forward on the mile-long journey toward harnessing fusion energy."

The 'Recovery'

America is losing the 'war on hunger'

According to a Harvard University study, over three times as many people are eligible for food stamps as actually receive them.

The government attacked the study for relying on statistics (the government's own) and not taking into account "seasonal changes" (a standard government accountant's trick).

At President Reagan's prompting, the income ceiling that qualified for food stamps was lowered in 1981 from 150% of the "poverty level" to 130%. In spite of this, the percent of poverty families who received food stamps in 1980 was 65%, and in 1984 dropped to 55%.

The Department of Agriculture replied that the Harvard study wrongly equates poverty with hunger. A family of four is now impoverished if their income totals \$10,609

annually. J. Larry Brown, head of Harvard's hunger research program said: "America is losing ground in its war against hunger."

Austerity

Egypt implements IMF conditionalities

Following the International Monetary Fund's dictates, Egypt is once again raising prices of basic commodities, including bread and gasoline, as of the beginning of the year.

In December 1985, President Hosni Mubarak announced the creation of special bank accounts within the state bank, to which Egyptian citizens are expected to contribute to "help pay the foreign debt," estimated at \$32.5 billion.

State employees have been told to contribute one day's wages to these accounts, while high officials are reported to have already contributed 10% of their income.

War on Drugs

Italy, Vatican promote development of Peru

The Italian government will extend a \$23.4 million loan to Peru, according to the Jan. 11 Italian financial daily *Il Sole 24 Ore*. The loan will finance four development projects.

A delegation of Italian technicians will visit Peru on Jan. 28 to launch the projects, which will include irrigation, milk production, and training of agricultural specialists.

According to the Jan. 12 issue of the Vatican newspaper *L'Osservatore Romano*, "The Peruvian Government is pushing economic development in order to isolate the guerrillas. . . . [Peruvian President] Garcia's pacification program in the Andean area . . . aims at defeating hunger, which is at the root of the armed rebellion, according to the government."

Three days later, on Jan. 15, *L'Osservatore* described the war against "narcotrafico" (drug traffic) in Ibero-America, citing the recent "war on drugs" meeting of Presi-

dent Reagan with his Mexican colleague, President Miguel de la Madrid. The paper calls Mexico "one of the countries more committed in the fight against 'narcotrafico,' succeeding in eradicating 80% of the clandestine drug-production fields, and arresting 2,500 'narcotraficantes.'"

The paper points to the link between drugs and terrorism in Colombia, Peru, Brazil, and Bolivia: "The drug mafia pays the guerrilla . . . the bloody guerrillas are financed by Dope Inc. [*Multinazionali della droga*], which finances terrorist groups to divert military forces' attention from narcotrafico and to keep the military busy with the terrorists." *L'Osservatore* report that in Bolivia, a "billionaire, the cocaine king, offered to pay \$4 billion of Bolivia's foreign debt."

According to *L'Osservatore*, the capability to stop the drug traffickers rests with "consumer nations, which should close their markets to drug production."

International Trade

Platinum markets thrown into confusion

The firing on Jan. 8 of most of the work force at Gencou's Impala Platinum mines in the South African homeland of Bophuthatswana has sent shock waves through international platinum markets, with the price of the metal soaring in Europe and the United States.

In London, the metal was fixed at \$349.74 U.S. an ounce—about \$8 up on the previous day, while in New York, the price rose even more sharply, gaining about \$15.

Impala is the second largest of South Africa's platinum producers, with current output in the region of 900,000 ounces a year—or close to 45% of the country's output, which itself is about 70% of world output.

Any long-term disruption of production would undoubtedly affect world supplies. But the company has large, although unspecified, stocks that will see it through any short-term halt in underground production. As a result, the soaring price on the international market is thought to be a result of over-reaction.

Briefly

● **THE EUROPEAN** Commission agreed on Jan. 13 "in principle" to retaliate against the unilateral U.S. quotas on import of EC semi-finished steel. Officials recommended restrictions be applied to EC import of U.S. fertilizer and paper products. Final approval was expected by Jan. 17.

● **PRESIDENT ALFONSIN** of Argentina ruled on Jan. 13 that the general strike scheduled for Jan. 24 will be "illegal." He said, "We all have rights here and I don't think the leaders are doing this for any anti-democratic purpose . . . however, the strike is illegal. . . . The Argentine economy can't give all the wage increases we would like."

● **JIMMY CARTER** has invited Peruvian President Alan Garcia to give the inaugural address at an international foreign debt conference scheduled to be held in Atlanta in April. President Garcia has not said whether he will attend.

● **EL COMERCIO** in Peru reported Jan. 11 that Harvard-trained economist Richard Webb, the former Peruvian central bank head who remains as an adviser to the Peruvian cabinet, will hold informal talks with the bankers' Peru Steering Committee in New York, led by Citibank.

● **SEN. TED KENNEDY** has proposed a seven-point strategy to deal with Ibero-American debt. At a meeting at Buenos Aires in mid-January, Kennedy presented his own version of the Baker Plan.

● **THE IMF LOANED** Mexico \$315 million on Jan. 10 "to alleviate the effects of the earthquake." The loan must be repaid over the next five years at 7.87% interest. Mexican Finance Minister Jesus Silva Herzog was scheduled to arrive in Washington on Jan. 20 to seek further loans from U.S. agencies.