

Business Briefs

Technology

Voyager discovers Uranus phenomena

The space probe Voyager has discovered a magnetic field, new moons, a weather system, and variations in the colors of the rings of Uranus, on its third planetary encounter in eight years (Jupiter 1979 and Saturn 1981).

First observed on Jan. 23 were bursts of radio waves, which are produced when electrons spin along magnetic field lines. Then, on the day of closest encounter, Voyager traversed Uranus' bow shock, which is formed by the interaction of the planetary magnetic field with the solar wind.

The fact that a magnetic field exists at Uranus could have extraordinary consequences. Unlike all of the other planets in the solar system, the axis of rotation of Uranus is not perpendicular to the plane of the ecliptic. Rather, it is as if the planet is lying on its side. This means that it is likely that the solar wind material that flows around the planet, forming the magnetotail, will be twisted into a spiral by the motion of the planet rotating on its tilted axis.

It appears that the fuzzy planet, which looks nearly featureless from Earth, is revealing itself to be as intricate and complex as its giant neighbors.

The Debt Bomb

IMF thanks Germans who back Baker Plan

The International Monetary Fund formally thanked German banks for supporting the Baker Plan. The plan, authored by U.S. Treasury Secretary James Baker III, would permit roll-over of some loans of cooperating debtor countries, reducing outflow from debtor nations from the current annual rate of \$50 billion to about \$20 billion. To qualify, debtor nations must turn over their national resources to foreign creditors—in effect, become colonies again.

More than 40 West German banks, led

by Deutsche Bank, agreed to co-fund the plan with \$2 billion. Alfred Herrhausen, of the Deutsche Bank directorate, welcomed the IMF's letter of appreciation: "A signal that we are on the right way to solve the debt problem."

International Credit

Japanese official asks lower interest

Japanese Finance Minister Noboru Takeshita told an audience at New York's Columbia University that to solve the debt problem of the developing countries, the industrialized nations must make "further efforts to lower interest rates." Takeshita spoke on Jan. 24.

He also called upon the developed countries to expand their economies, roll back protectionism, promote liberalization of financial capital markets, increase official aid flow to developing nations, and create a larger base for the international development banks.

Austerity

Israel being crushed by debt service

Forty percent of Israel's 1986-87 state budget will be devoted to foreign debt repayment, according to figures released by the government and published in the Jan. 21 *Jerusalem Post*. The *Post* says that the government will pursue "a tough wage policy and fiscal restraint."

Prices for bread and milk, education, and health costs will rise, even as health care declines in availability and quality. This, says the *Post*, will maintain "the tendency of last year's budget to let the public shoulder part of the burden of financing public and social services."

The *Times* of London said Jan. 24 that there are grumblings in the military that the

budget will weaken Israel's defense capabilities, since the "lion's share" of the budget will go for debt service.

"The 'think big' era in Israel is dead," headlined a Jan. 23 feature in the *Post*. A report by former Bank of Israel governor Arnon Gafni has been approved by the cabinet, and recommends against the building of a new coal port, against new atomic power stations and new submarines. The Mediterranean-Dead Sea Canal project is now dead, and the Lavi jet project could also go, the paper adds.

Corporate Strategy

Exxon fined \$2 billion

Exxon has been fined \$2.1 billion for overpricing its products between 1975 and 1980, and must pay that amount to the Department of Energy, following the Supreme Court's refusal to reconsider a 1983 court ruling.

The fine is the second multi-billion-dollar legal claim against a major oil company in weeks. Texaco is still trying to post a \$1 billion bond to continue negotiations with Pennzoil after a jury awarded Pennzoil \$11 billion in a suit over Texaco's purchase of Getty Oil.

The collapse of oil prices has wiped out Texaco's collateral for the bond.

Foreign Aid

U.S. cuts funds to Panama

Washington is cutting aid loans to Panama, top government sources revealed Jan. 25. A 10-member delegation of Panamanian cabinet members and business leaders arrived in Washington on that day with high hopes for their lobbying to reinstitute U.S. AID and World Bank loans to Panama. But the delegation was so coldly treated that it flew back to Panama the following day.

A source close to the delegation told this news service that they were told to begin implementing the three-point program agreed between ex-president Nicolás Ardito Barletta and the World Bank. Barletta's attempt to implement the program prompted nationalists to overthrow him. The State Department rejected pleas that it would be politically impossible for President Eric del Valle to do the same.

Del Valle has offered to host an Ibero-American summit on collective action on the debt in June.

Invisible Hand

Treasury probes kickbacks in Jersey

The Treasury Department is conducting a major investigation into corporate kickbacks and payoffs. The investigation is focused on New Jersey because the practice there is so widespread.

Two former employees of the Swiss-based Hoffmann-LaRoche pharmaceutical firm, Lawrence J. Westlake and John J. Wiczczak of Nutley, N.J., have pleaded guilty to charges of tax evasion, stemming from their receipt of at least \$400,000 in kickback payments from suppliers while working for the Swiss drug subsidiary.

According to Robert G. Roche, chief of the Internal Revenue Service criminal investigations division in Newark, at least six major New Jersey corporations are under investigation.

The Budget

Customs says cuts would gut drug war

A Dec. 13 internal memo written by Deputy Customs Commissioner Alfred R. De Angelus to his superiors at the Treasury Department indicated that the Office of Management and Budget's proposed cuts for the service would "seriously undermine" the

administrations war on drugs.

The OMB is seeking to reduce Customs' funding for its airborne detection program from \$75 million this year to \$39.8 million in fiscal 1987. "Customs could not continue to operate any of the P-3As (military aircraft with sophisticated radar capabilities), leaving the entire Southwest border without any airborne detection capability," wrote De Angelus.

"With increased success of Customs anti-smuggling activities in Florida, drug smugglers are shifting their operations to areas where it is easier to avoid detection." Without the P-3As, he said, "the Southwest border offers an unhampered opportunity to smuggle drugs into the U.S. with marginal detection."

The memo was made public by members of Congress active in narcotics matters. "If OMB succeeds in bringing about the proposed reductions, then in effect the Reagan administration will be ending the war on drugs," said Rep. Glen English (D-Okla.).

Sen. Dennis DeConcini (D-Ariz.) said the cuts would "gut if not destroy the air interdiction program" of the Customs Service. Sens. DeConcini, James Abdnor (R-S.D.) and Rep. English are seeking meetings with OMB director James C. Miller III, Treasury Secretary James Baker III, and possibly Attorney General Edwin Meese.

Poverty

Homeless overrun New York City

A report on New York City services shows that there are more homeless persons in the city today than during the Great Depression of the 1930s.

Released in January, the *Biannual Mayor's Management Report*, says the city houses more than 24,000 homeless, more than were sheltered during the '30s depression. Many, many more homeless are not sheltered by the city.

The report also shows that in 1985, only 476 children were formally adopted, out of a pool of more than 3,000 children.

Briefly

● **DOCTORS** in Minneapolis have reported an increase in the number of injuries of people from digging into trash dumpsters for food. The informal study was reported in a letter to the *New England Journal of Medicine*. Six doctors from a local hospital signed the letter.

● **THE MAX PLANK** Society's Institute for Biophysical Chemistry has announced an improvement to nuclear magnetic resonance scanners. A new high speed process has been developed which takes only seconds, solving the problem of image blur when scanning living tissues over a period of several minutes. It can also produce three-dimensional images, and, with an electrocardiograph, can make 50 exposures a second to effectively examine heart disorders.

● **SEN. BOB DOLE** of Kansas and fellow Republican Bob Packwood (Ore.), in separate television interviews Jan. 26, stated that the national debt is sacred, and can't be touched, no matter how bad the U.S. economic situation is. "We have to pay the national debt," each stated.

● **'MICKEY, GO HOME!'** is the slogan of a newly created association defending the interests and investments of farmers threatened by the construction of an enormous "Euro-Disneyland" in Marne-La-Vallée, France. The new Disneyland would replace nearly 2,000 hectares of fertile farmland with activities a bit less "down to earth," such as games, games, and more games, and a few office buildings and hotels.

● **ARGENTINA** will denationalize two petrochemical plants worth \$1 billion, in the second phase of its "Austral Plan" for IMF-dictated austerity.