

Business Briefs

U.S. Economy

New federal office to promote technology

Reviving technology in the United States should be a way to counter the pervasive decline in living standards, according to a group of Democratic Party senators led by Jeff Bingaman (N.M.). In mid-September, the senators proposed steps to create a mini-Office of Technology Assessment within the Patent Office and also create a new function within the Commerce Department to monitor foreign science and technology.

Plans would include expansion of the National Science Foundation, an economic competitiveness program to grant 500 science and engineering scholarships each year, a fund to rebuild college R&D infrastructure, and a National Council on Industrial Competitiveness to study economic trends and market opportunities.

This Council would also monitor foreign trade agreements, suggest import restrictions, and run a national "awareness" campaign to promote U.S. productivity. The total estimated cost for the project is \$500 million per year.

U.S. Recovery

Large Texas bank declared insolvent

The Western Savings Association was declared insolvent on Sept. 13 by federal regulators. The Texas savings institution, with \$2 billion in assets, is the largest such unit to fail in the United States in 1986.

Colonial Savings & Loan of Ft. Worth will operate Western for the next 90 days while a buyer is sought. The *New York Times* speculates, "Western is likely to draw the attention of many New York banks that have expressed a desire to acquire Texas banks or savings units."

The director of the bank until the Federal Home Loan Bank Board's takeover said that the regulators' action was "uncalled for, illegal and should never have been done."

South Africa

European Community, Japan adopt sanctions

The European Community decided for an import ban on steel, iron, and gold from South Africa on Sept. 16, after two days of discussion among the European foreign ministers in Brussels. Upon the initiative of German Chancellor Helmut Kohl and Britain's Premier Margaret Thatcher, the ban was not extended to coal products from the Republic of South Africa.

Since coal is the most significant import for Europe from South Africa, the sanctions are not considered very severe. The EC decision did allow for further action by member-nations, however.

Despite the relative weakness of the action, it is expected to set off a new round of sanctions and counter-sanctions from South Africa.

Japan will soon impose additional economic sanctions against South Africa, using the package adopted by the European Community as a "valuable reference," a foreign ministry official said on Sept. 17. But Naoto Amaki, director of the ministry's Second African Division, declined to reveal the exact nature or timing of the additional measures Japan will impose. He indicated the announcement could come by Sept. 23.

"We have only a few days left this week but we don't have to wait until the end of this month [to act]," he said.

Japan is South Africa's second-largest trading partner. It already has banned direct investment there and the export of computers to the army and police. It has also discouraged the import of South African gold coins and restricted sporting and cultural ties.

Health

U.S. ranked 17th in infant mortality

The United States is now ranked 17th in a worldwide survey of infant mortality rates.

The Population Reference Bureau, Inc.

examined the number of babies who died within the first year of birth in 30 countries, and found Finland had the lowest infant mortality rate in the year 1982. Six of every 1,000 babies in Finland died within the first year of birth, compared to 11.5 of every 1,000 infants in the United States.

Japan had the second-lowest infant mortality rate of 6.6, followed by Sweden with 6.8 deaths per 1,000 live births. Costa Rica had the highest infant mortality rate of the nations studied, with 19.3.

The survey showed that twice as many black women as white women have low birth-weight babies in the United States. Further, the study found a mortality rate for black babies, 19.6, to be almost double that of white babies, 10.1.

Mining

Mineral grab by British in Brazil

Brazil's rare mineral deposits are being grabbed by British and Soviet interests. Anglo-American Mining, a part of the Oppenheimer mining group, began moving into Brazil 10 years ago, in preparation for the destabilization of South Africa. Anglo-American now controls 60% of mined gold, 55% of nickel, and 55% of tungsten in Brazil.

The United States is totally dependent on manganese imports, having no domestic deposits. Brazil is the second producer of manganese, and its new deposits are controlled by the state mining company CVRD, which in June signed a letter of intent to hand over half its production to the Soviets. The Soviets already have 40% of world manganese reserves. Another agreement calls for Soviet cooperation in mining titanium and molybdenum.

In an attempt to guarantee Brazilian control over its strategic mineral deposits, a bill was passed by the lower house of Brazil's Congress in September. Foreign companies now directly control 42% of Brazil's mining sector and indirectly almost everything not in the government's hands.

Military Technology

France/U.K. to develop early warning system

French Defense Minister André Giraud said on Sept. 15 that France was cooperating with Britain to evaluate new advance warning systems to update its aircraft surveillance fleet.

Giraud was in Britain for two days of talks with British Defense Secretary George Younger. He told a news conference that the two countries had begun joint feasibility studies in August on several advanced warning systems, including U.S.-made AWACS and the beleaguered British Nimrod project.

"We have decided that we will carry out the evaluation together. . . . Once we have chosen the best system and if our decision is the same, we have decided it would be in our interest to continue the cooperation in such areas as maintenance that might result in considerable savings," he said. Giraud said a decision to purchase could be made by late September or early October.

Nuclear Power

Soviets plan to develop first hybrid reactor

Despite the obvious problems of the Soviet nuclear industry revealed in the Chernobyl disaster, the Soviet Union has plans for developing the first test hybrid nuclear reactor by early in the next century, according to Japan's KYODO news agency on Sept. 18.

A senior Soviet scientist told a group of Japanese science reporters that his institute plans to develop the reactor after attaining maximum temperatures in a model of the nuclear fusion reactor Tokamak-15. He said the hybrid, which will produce power by both nuclear fission and fusion, would have a higher output than a fusion reactor alone.

Meanwhile, in Stockholm, Sweden, U.S. Energy Secretary John Herrington stated on Sept. 18 that the United States is

concerned about possible dangers posed by two Soviet-designed nuclear reactors being built in Cuba.

"The Cuban reactors are important to us, and we're obviously concerned about safety since they're right next door."

He told reporters that he was going to Finland later that day to study a Soviet-built nuclear plant that has been modified to meet Western safety standards. Safety standards within the Soviet Union itself are considerably lower than the standards used either in Europe or the United States.

Strategic Defense Initiative

U.S./Italian agreement on SDI contracts

Italy has signed an agreement to bid for U.S. anti-missile research contracts, as part of President Ronald Reagan's Strategic Defense Initiative, the Defense Department announced on Sept. 19. Italian firms would now be in a strong position to compete for such contracts, according to the DoD.

"We expect that Italian participation in SDI research will contribute significantly to the SDI, helping to increase the program's effectiveness, reduce its overall cost, and accelerate its schedule," Deputy Assistant Defense Secretary Frank Gaffney, a specialist on the SDI, said. He said that on Sept. 16, the Pentagon had signed a contract with the Italian firm Ansaldo SPA for research on "cryogenic inductors," tiny refrigeration devices to regulate the temperature of space-based sensor equipment. Under a cost-sharing agreement, the United States will pay \$298,000 and the company \$167,000.

Italy is the fourth U.S. ally to formally join President Reagan's SDI program, following Britain, West Germany, and Japan. Italian firms had not been barred from bidding for SDI contracts before the present agreement, but the agreement will provide a framework to coordinate bids, make it easier for Italians to compete, and provide certain unspecified safeguards for the Italian firms.

● **THE U.N. HIGH** Commissioner for Refugees (UNHCR) has trimmed rations for about 100,000 Indo-chinese refugees in Thai camps as an economic measure, officials said. A UNHCR spokesman said that the refugees' daily diet was cut on Sept. 1 by about 1%, and could be increased only if donor countries increase support.

● **THE BOLIVIAN** government announced in mid-September that it has authorized 170 U.S. troops to remain there until mid-November, because the nation's police need more communication and transport equipment before continuing to fight the drug traffickers alone.

● **TESTS OF NEW** herbicides in Colombia, including a defoliant that resembles Agent Orange, but is less toxic than aspirin, have boosted hopes for a breakthrough in the fight against cocaine.

● **U.S. BANKS**, already troubled by souring energy, real-estate, and agricultural loan losses, may have another problem on their hands: consumer credit. Controller of the Currency Robert Clarke said he is worried about consumers overextending themselves by using multiple bank credit cards. "You have sort of a stacking of consumer credit. . . . I think that's an area that needs to be looked at."

● **UNITED AUTO** Workers President Owen Bieber on Sept. 12 called for a ban on imports from South Korea, which this year began selling cars in the United States. Speaking at a Detroit College of Law symposium, Bieber said imports should be banned from South Korea and all other nations that kept their own workers' wages low and endanger U.S. jobs. "We should block imports outright from countries that don't observe or respect internationally recognized labor standards."