

# Business Briefs

## Infrastructure

### Maintenance cuts make NYC bridges time bombs

"Every time you cut maintenance, you are creating a time bomb on a bridge," said David Steinberger, deputy transportation commissioner for New York City's Bureau of Bridges, in the Nov. 20 *New York Times*. The Bureau of Bridges says that 56% of the city's 842 bridges are structurally deficient, and that most problems could have been avoided with preventive maintenance.

City officials propose cutting the maintenance program for bridges by 30% and the capital budget for bridges by 16% for 1991. This would translate into 1.6 million square feet of bridges unpainted, 310 bridges not cleaned, and 19 bridge rehabilitation projects delayed.

"With these cuts, you can anticipate more potential hazards on our bridges and a greater likelihood that we will have to close bridges to keep the public safe," said Steinberger. In the last nine months, engineers have closed seven bridges, fearing collapses.

## Economic Policy

### Japanese newspaper covers EIR study

*Nikkei Kinyu Shimbun*, Japan's "Wall Street Journal," has given prominent coverage to a just-released EIR study, "Japan's Strategic Dilemma: An Informed View." Frankfurt Germany bureau chief Siguru Ikeda reported that "The study represents a European-American view, aiming to be constructive, rather than engaging in Japan-bashing. . . ."

"The 'marriage' relationship between Japan, which needs the U.S. 'nuclear umbrella,' and the U.S., which needs Japanese money, has changed greatly in the 1980s, the report says.

"Especially, Japanese defense strategy, including the former 'small Japan-ism' policy, is facing difficulties, because of restrictions on a radical expansion of [Japanese] military power on the one hand, and [the need for] an

adequate defensive military approach vis-à-vis the Soviet Union on the other hand.

"The report indicates that the basic reason for increasing [military] demands on Japan, is that the U.S. ability to shoulder the burden is decreasing due to 'the collapse of the U.S. economy,' which used to have the infrastructure and science and technology capable of raising the productive power of individuals and industries, much as Japan does now. The collapse was triggered by U.S. government policy of encouraging financial speculation.

"The biggest mistake and U.S. policy failure was—at the time of the Latin American debt crisis in the early 1980s—to cut off investment and technology transfer to underdeveloped countries, along with the International Monetary Fund and the World Bank. The report's analysis states that, under U.S. pressure, 'Japanese financial agencies, who used to pride themselves on their long-term thinking, followed this policy.' As a result, Japanese exports were massively redirected to the U.S. and other OECD countries, leading to further suffering by underdeveloped countries. . . ."

"From now on, the report appeals, Japan should adopt a global view regarding its assistance to foreign economies and strengthen its relations with Europe."

## Water Management

### Quebec's James Bay project gets nod

Canadian Federal Environment Minister Robert de Cotret has ruled that Quebec may construct the roads and airports needed for the next phase of the huge James Bay project, which will tap into hydroelectric resources at the southern tip of Hudson Bay. The move comes as a defeat for environmentalists who feared that, once the \$600 million logistical base is established, the project will be unstoppable.

De Cotret said Nov. 21, "We can't stop any province from building a road if it's environmentally safe."

The federal environment critic for the New Democratic Party, James Fulton, worried that the Great Whale Project, the next phase of

James Bay, is the "largest industrial project ever conceived in the history of North America."

De Cotret has been recently vowing to slow down the building of a different dam, the Rafferty-Alemeda dam in Saskatchewan. But Saskatchewan Premier Grant Devine, with popular support, has said that he intends to go ahead with the project anyway.

## Science

### Cold fusion work vindicated

A panel at Texas A&M University has determined that allegations that cold fusion experiments were faked are unfounded, the Nov. 20 *New York Times* reported. Such allegations appeared in the June 15, 1989 issue of *Science*.

The original cold fusion experiments were conducted by Dr. John O'Malley Bockris. After reviewing the work, an internal university panel concluded that none of the experiments were fraudulently conducted, but were performed with a "normal" degree of care and precision.

## Mideast

### Soviet publication asks for 'Marshall Plan'

The Soviet foreign language publication *New Times* has called for the U.S. to implement a "Marshall Plan" for the entire Middle East. Author Aleksei Vasiliev proposes that "the United States pledge to take urgent measures for a solution of the Palestinian problem and to adopt a 'Marshall Plan' for the Middle East." Vasiliev does not elaborate on what is meant by a Marshall Plan.

Readers of EIR will recall our series on a Marshall Plan or "Oasis Plan" for the Middle East, most recently reviewed in the July 20, 1990 issue.

Vasiliev raises the possibility of a "split" in U.S. public opinion on the Gulf deployment: "How long can American troops stay in the Arabian Desert before U.S. public opinion

loses its patience? Leaflets are now being distributed on university campuses. The following questions are posed: 'Do you want to die or kill for the sake of interests of oil monopolies? Do you want to have an inscription on your grave: 'He died so that the price of a gallon of oil could remain the same.' This is, of course, the voice of an absolute minority [which will] be heard more loudly if the crisis drags out. . . .

"The line of confrontation between the West and the East, the U.S. and the U.S.S.R. is now being replaced by a confrontation between the North and the South. The Soviet Union is desperately trying to acquire the social and political values of Western civilization. . . . Many Western leaders [are] guided by the need for an image of the enemy and an evil empire. . . . The Muslim world can assume the image of an enemy. This is very dangerous."

### Transportation

## European Commission to fund railway

The European Commission will establish a special fund to improve railroad and highway links that have continent-wide importance, according to the London *Financial Times*. The new fund, which has long been championed by EC Transport Commissioner Karel van Miert, will earmark ECU 60 million this year and nearly double that amount in 1991 to improve combined road and rail links, ease traffic bottlenecks, upgrade connections of more peripheral regions to the heart of Europe, and lower the cost of moving freight.

Among the projects likely to be funded are the high-speed train lines between Paris, London, Brussels, Amsterdam, and Cologne, transit works on the Brenner Pass, the North Wales coast road, and improvement of the Belfast-Dublin rail line.

The plan's backers overcame objections that other EC programs already finance infrastructure improvements, arguing that most of those are of national or regional importance, and that additional support for projects of a Community-wide significance is warranted.

### Shipping

## Large Japanese-Soviet port project unveiled

A plan announced by the Japan-Soviet Trade Association envisages cooperation on a large-scale project to modernize the Soviet port of Vanino on the Sea of Japan, in order to promote Soviet exports to Japan, the *Bangkok Post* reports.

Officials said the association, comprising more than 80 small and medium-size Japanese trading companies, is planning to organize a consortium with major trading and manufacturing companies and banks in order to obtain packaging orders from the Soviet Union for the project, which is estimated to cost \$500 million. The association is currently sending a survey mission to the port to work out detailed plans.

### Debt

## Brazil to pay on arrears with banks

Brazil is making concessions to its creditors, and it is now expected that the government of President Fernando Collor will pay close to \$2.5 billion toward its \$8.3 billion interest arrears with foreign commercial banks.

In November, Citibank demanded that Brazil pay \$2.5 billion as a precondition for debt renegotiation talks. The Collor government has made it a question of honor that it would make no significant payments until a global accord had been reached. Collor even got Congress to back him on this point. Brasilia had claimed it could pay nothing this year and only \$1.1 billion in 1991 for interest.

The Bush administration successfully lobbied on behalf of the Wall Street banks to get the International Monetary Fund and World Bank to cut off new loans to Brazil until the arrears question is settled. "Two World Bank loans for \$450 million, which were scheduled to be announced in mid-November have been delayed without explanation," the London *Financial Times* reported Nov. 20.

## Briefly

● A 'TECHNOLOGICAL wasteland,' wrote Temple University associate professor of physics, C.J. Martoff of the United States, in a letter to the Nov. 25 *New York Times*. Laboratories are shutting down for want of funds in "our much-vaunted 'free-trade' environment. . . . If he or she is good enough, the engineer may at last find prospects for a great job looking up—working for a Japanese company, of course."

● ONTARIO'S new premier has just declared a moratorium on the building of new nuclear plants. Since the late 1960s, Ontario Hydro has spent over \$27 billion on 20 nuclear reactors along the Great Lakes coasts.

● DREXEL BURNHAM'S recent reunion drew about 500 former employees of the bankrupt and defunct junk bond brokerage house. "You obviously don't remember Drexel Burnham if you're surprised at the turnout tonight," said one reveler to a reporter. "It was not just a firm; it was a religion."

● ISRAELI Agriculture Minister Rafael Eytan has proposed a joint Arab-Israeli water project. Israel is running out of water, and is seeking foreign investments to help build three desalination plants.

● JUDE WANNISKI, the *Wall Street Journal's* chief economist, wrote Judge Kimba Wood to protest her sentencing of convicted junk bond felon Michael Milken, the Nov. 26 *USA Today* reported. "The market [Milken] created helped fuel the growth of hundreds of firms that could not otherwise have grown," he said.

● UTILITY REBATES for installation of energy-saving equipment like heat pumps, will now be taxable as income, eliminating much of the incentive for consumers to "save energy." Utilities have backed this strategy to avoid building generating capacity.