

Business Briefs

Corporate Strategy

British takeover of Hughes Aircraft?

General Electric Corporation (GEC) of Britain, the firm headed by Peter Lord Carrington from 1982 until June of this year when he became secretary general of NATO, has launched a \$600 million attempt to buy a dominant share of Hughes Aircraft, a major U.S. missile and satellite manufacturer.

The new chairman of GEC, Lord Weinstock, is a longtime associate of Carrington.

Carrington has just completed a trip to the United States during which he worked with his close collaborator Henry Kissinger's circle at Georgetown University in Washington, D.C., to sabotage the Strategic Defense Initiative, which has been targeted by Moscow to be wrecked.

A British, Carrington-linked takeover of Hughes Aircraft would have extremely dangerous implications for U.S. defense, since Carrington is determined to undercut U.S. defense and Hughes is a key defense corporation. It is probable Hughes would play a major role in beam-related technology under a crash beam-weapon defense program.

According to the *Sunday Times* of London on Sept. 16, the attempt by GEC to buy up to 20% of Hughes "would face fierce suspicion from the Pentagon, sensitive over the export of American technology, even to a close ally." What the *Times* fails to say is that Carrington is no ally and has, in fact, since becoming NATO secretary general, done everything possible to make sure the United States is undefended in the face of the growing Soviet threat.

International Trade

U.S. trade war a blow to farmers

China may cease import of U.S. grain in retaliation against new U.S. regulations on textile imports that will significantly hurt the Chinese textile industry. This announce-

ment came from U.S. Agriculture Secretary John Block, who reported that American farm groups are protesting the new textile regulations. The National Association of Wheat Growers has released several studies arguing that the Chinese grain trade has been important to American farmers. Without exports to China over the last four years, the studies estimate, wheat prices would have averaged 28¢ lower per bushel.

Block says that the Chinese threats to stop the grain trade are "unjustified because they haven't been victimized yet" by the new textile import regulations. But in fact, the new regulations would hand over the textile export business to Hong Kong and other countries whose export-limiting quotas to the U.S. are much higher than China.

Agriculture

Citrus-canker outbreak threat to food supply

In mid-September, the infestation of trees by a strain of citrus-canker virus was reported in Florida. The disease causes lesions in the fruit, twigs, and leaves, eventually killing the tree. The Florida outbreak is turning into a national food-supply disaster because of the inability of growers to absorb the costs of damages to the groves and because of the lag in R&D for treating the disease. The only treatment is burning the trees.

The disease has been absent from Florida since 1927. Now it appears to have turned up in January 1984 at a tree nursery. Since then, it has been confirmed in four more nurseries, which have all been burned. All suspect seedlings and tree stocks are being traced, a process which will take weeks.

The rumor in Florida is that the source of canker virus may be a deliberate or inadvertent grafting of an infested twig by a "gypsy budder"—the low-paid itinerants who graft citrus stock. The opportunity for sabotage is very great.

On Sept. 13, the USDA announced an embargo on all citrus from the state, the quarantine of 32 other nurseries, and other emergency measures. Later, the embargo was rescinded, and Florida fruit can now be

shipped, after treatment, to non-citrus producing states.

Growers report that the State Department has for some years protected the special interests of United Brands and other cartel companies that import fruit from areas of the Caribbean, and impose arbitrarily harsher production standards here to constrain independent U.S. production—measures enforced by cartel food channels in the USDA.

The canker outbreak has triggered speculation on orange juice concentrate and juice futures. The orange crop harvesting will begin in a few weeks.

Last winter, Florida was hit with the worst frost in years; an estimated 10 million citrus trees were killed. Since then, growers have gone on a crash tree-replacement program, but the canker outbreak means that it may take 10 years to restore the state citrus output to its recent level.

Operation Juárez

'Civilization depends on debtors' cartel'

Speaking at the opening of the Mar del Plata meeting of the debtor countries in Argentina, Argentine President Raul Alfonsín blasted the international banks that are destroying the less-developed nations and pointed out that unity is crucial for the survival of Ibero-America and civilization. "The international financial situation of our countries, confronted with the policies practiced by the great lending centers, tax our capacity to grow and our prosperity. They threaten the future of our people and compromise our independence to implement the decisions that will ensure peace, progress, and justice in our countries."

Alfonsín brought up the argument of Shakespeare in the *Merchant of Venice*, pointing out that debt repayments mean impoverishment and destruction of the productive apparatus of nations. "Default has only been averted through the impoverishment of our nations." He asked how is it conceivable that the banks will only act according to the

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letter of the contracts, not taking into account that "what is at stake is the global stability of Latin America, the security of a whole hemisphere, the preservation of a civilization and a way of life."

The debt problem cannot be solved through bilateral means between debtor nations and creditor banks, Alfonsín said: "A constructive dialogue must start between all parties concerned. . . . The debtors' strategy must be common, even if tactics differ. . . . There is only one way for that: Latin America united must meet to unite."

Economic 'Recovery'

World bank reports uneven economic growth

Africa, Ibero-America, and southern Europe suffered "severe" economic setbacks in 1984, while many Asian nations posted "impressive rates of growth," the World Bank announced on Sept. 16.

But the overall global economy "improved somewhat" in the past year, mainly because of the stronger-than-expected recovery in the United States, the bank lied in its analysis of the fiscal year ending June 30, 1984.

"There remain, however, serious concerns in several areas," said the report.

Despite the fact that world trade did not respond to a resumption of growth in the industrial countries, that commodity prices declined, and that there was mounting concern over the ability of Third World countries to pay off their tremendous foreign debts, the report anticipates "an expansion of developing countries' exports and increases in commodity prices" as the U.S. economic recovery gains momentum and spreads to more industrial countries this year.

"For some countries—in low-income Africa, in southern Europe, and Latin America—1983 brought economic hardships more severe than the year before. On the other hand, low-income Asian countries . . . posted high rates of growth.

"In Latin American countries, income dropped steeply, as high interest rates and

reductions in external finance necessitated severe cutbacks in imports and restrictions on domestic demand. . . .

"China benefited from a series of internal reforms designed to make its economy more responsive to price signals, and India enjoyed a good harvest relative to the drought-plagued one in 1982," the report continued.

Frank Vogel, the bank's director of information and public affairs, described the past fiscal year as "successful" for the institution, which he said had tried to be "as flexible as possible in assisting . . . developing countries to adjust to the dramatic situation in the global economy."

Vogel, speaking at a news conference prior to the report's release, said the year was marked by "exceptionally volatile interest rates, slumps in exports, and a sharp decline in commodity prices."

Technology

New x-rays mean better, safer cardiac diagnosis

Coronary angiograms, which require insertion of catheters into arteries, with occasional serious complications, are performed on some 500,000 Americans each year, most of them survivors of previous heart attacks. Now a new technique, utilizing x-rays from a synchrotron, promises to enable doctors to visualize the arteries of the heart in a way never before possible.

By the end of next year, Stanford researchers will begin human tests of the new technique which takes advantage of the high intensity of the synchrotron x-ray beam to produce clear, precise pictures of the coronary arteries without the necessity of injecting concentrated dye directly into the arteries. With the new technique, the dye can be injected into a peripheral vein, eliminating the need for catheters and the potential risk of producing a heart attack by the injection. The new technique eliminates the complications, including death, and the high cost, including two days in the hospital, of present coronary angiography.

● **ISRAEL'S** new coalition government has lost no time showing what it is unified for: austerity against the Israeli population. In less than a week since it took office, the unity cabinet has announced a 4.5% budget cut and devalued the shekel by 9%. The government announced on Sept. 21 that it plans to increase income taxes over the next four months which will cost Israelis \$80 million and cut consumer purchasing power. The new tax will take 8% to 10% off the top of all incomes.

● **LOS ALAMOS** National Laboratory scientists, using a new doping compound, cesium electride, have developed a plastic that is 100 times more electrically conductive than any other doped polymer. Although conductive plastics are still far from commercialization, researchers anticipate applications such as paper-thin rechargeable batteries and shielding for electronic equipment.

● **PERU'S** creditor banks, just six months after Peru signed a standby agreement with the IMF, have been forced to announce that Peru has fallen more than 90 days behind in meeting interest payments on its foreign debt. Several creditors, among them Citicorp and Bankers Trust, must begin to write off some of its loans as "non-accruing" beginning this quarter. The IMF cut-off Peru from standby credits because the Belaunde government failed to reduce public spending to genocidal levels.

● **CARDINAL SIN** of the Philippines, who purports to organize against the Marcos government in order to defend "the people," announced on Sept. 21 that, although the Philippine population is up in arms against the International Monetary Fund—which has destroyed the country's industry and standard of living—he "supports the IMF and the World Bank because they give us loans for our factories." Sin was also asked if he is, therefore, opposed to the Ibero-American debtors' cartel, to which he replied: "Yes, definitely."