

Business Briefs

Strategic Defense Initiative

Times targets SDI's European contractors

The *New York Times* targeted European contractors for President Reagan's Strategic Defense Initiative in an Aug. 5 article, entitled, "'Star Wars' Luring Europe," which was filed from Bonn by John Tagliabue. The article contains a list of 10 European firms and government agencies that are working on SDI contracts.

Information on SDI contracts in the article is from the anti-SDI Federation of American Scientists, which has released a list of 25 companies involved in SDI work.

"Many European companies, particularly in West Germany, are reluctant to disclose involvement," the article states. "Thus, although federation listings include a contract awarded to the Carl Zeiss and Schott optical companies for the study and manufacture of sophisticated mirrors, neither company acknowledges a Star Wars link."

The author also states that there is an obvious concern for the safety of company executives. "Terrorists who killed the research director of the Siemens electrical group, Karl-Heinz Beckurts, in early July, cited his involvement in Star Wars as a reason. Although Mr. Beckurts, a nuclear physicist, had advised Bonn in the Star Wars negotiations with Washington, Siemens is not yet involved in the research program."

Whatever the plans of Soviet professionals, with the publication of this list, the personnel and property of these 10 firms now become targets-of-opportunity for the German "terrorist scene," as the *Times* editors are well aware.

Nuclear Energy

German SPD considers radical new programs

The German Social Democratic Party's (SPD) energy commission is advocating a withdrawal from all nuclear energy technology by 1997, among other things.

The Hauff Commission, established to formulate an energy program for the SPD, passed a platform on Aug. 11 that calls for the withdrawal from nuclear technology and research within a period of 10 years. All projects still waiting for completion would be dropped by an SPD government.

The commission further demanded that a 10 billion deutschemark reserve be established for each nuclear plant in Germany, in case there should ever be a Chernobyl-type disaster.

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The commission also suggested that the role of the police in Germany be redefined—rather than fighting crime, the main duty of the police should be to "fight pollution!"

The SPD obviously has a coalition with the neo-Nazi Green Party in mind in its weird proposals. Joschka Fischer, the Green Party minister for environmental protection in Hesse, welcomed the new proposals. In an interview with the pro-terrorist paper *tagszeitung* on Aug. 13, Fischer said that this development is useful to the Greens and "is a red-green option."

International Trade

Soviet grain imports to increase

The Soviet Union, where grain production has suffered from drought, is expected to import its third-largest amount of grain ever this year, the U.S. Agriculture Department reported Aug. 12.

The USDA forecast that Soviet grain imports from July 1986 to June 1987 would be 36 million metric tons.

The Soviet Communist Party newspaper, *Pravda*, in a front-page editorial the first week in August, criticized poor work in the agricultural sector, and said grain must be saved during the current harvest. The Party Central Committee and the government issued a joint declaration, ordering measures to prevent waste in transport, storing, and processing.

The Agriculture Department announced in early August that subsidies worth \$13 per ton would be offered to U.S. wheat export-

ers (i.e., Cargill et al.) to encourage the sale of up to 4 million tons of wheat to the Soviet Union by the end of September.

Space

U.S. to join Japan in solar program

The United States will join in a Japanese government space research project that will collect data on solar activity and could have bearing on the Strategic Defense Initiative, a spokesman for the Japanese program announced on Aug. 11.

The project, planned for the summer of 1991, could also contribute information for fusion research, said the Institute of Space and Astronautical Science. The United States will provide advanced x-ray telescopes for observing the Sun's activity. The telescopes will be mounted on a Japanese satellite capable of self-developing the pictures, the spokesman said.

A new Japanese rocket carried two satellites into orbit on Aug. 13, on its first test flight. This is the first domestically developed Japanese rocket engine.

Yataro Mitsubayashi, director-general of the Science and Technology Agency, hailed the success of the rocket as "a major step forward toward Japan's space development."

Money Laundering

Panama considering tough legislation

In mid-August, the Panamanian legislature began consideration of a new drug-money laundering bill.

The bill would sentence bankers involved in laundering drug money up to five years in jail. All employees of drug traffickers involved in handling drug-money transactions would face from two to eight years in jail, including those who give "false information" to open a bank account for drug traffickers.

Briefly

The draft bill also says, "An employee of the banking institution who allows the acts described above to take place will face a jail term of from two to five years." Finally, the law would allow for rapid extradition of those charged with drug trafficking, freezing of bank accounts of known traffickers, and denial of bail to all arrested on drug charges.

All "deposits, withdrawals, transfers, loans, purchase and sale of foreign exchange, stocks, bonds, certificates of deposit, travelers checks, bank drafts and negotiable bearer instruments" would be monitored for drug-related profits, but the bill stops short of eliminating bank secrecy. Deposits in excess of \$100,000 would be outlawed, except where clients can give "satisfactory explanations."

The bill may come up for a vote as early as September. U.S. authorities are said to be favorable to the bill, presented to them during a recent visit by Panama's attorney general.

Sanctions

Zambian President has second thoughts

Zambian President Kenneth Kaunda has appealed to the Soviet Union for economic "help in the struggle with Pretoria," according to the *Sunday Times* of London on Aug. 10.

The paper notes that Kaunda received a "friendly message" from Soviet leader Mikhail Gorbachov, via Soviet Deputy Foreign Minister Anatolii Adamachin, on Aug. 7.

The *Times* states that Zambia and Zimbabwe "face a virtual economic war with South Africa," and that trade curbs imposed by South Africa on Zambia have already "caused great alarm" in Zambia. It is expected that South Africa's curbs will result in severe shortages of all imported goods.

Kaunda, whose concern reflects what many black and white leaders in South Africa have been saying—that sanctions will further exacerbate racial tensions in the southern cone, rather than strike a blow against apartheid—acknowledged that South

Africa's announcement of economic reprisals against hostile black African states, including Zambia and Zimbabwe, "will affect our economy very adversely indeed." Kaunda told journalists that Zambia would not cut off air links with South Africa as it would need to coordinate any such action with other Commonwealth nations, the European Community, and the United States.

Kaunda's cautious stand contrasts with that of Zimbabwe's Prime Minister Robert Mugabe, who stated in early August that by the end of the year, his country would fully implement a package of sanctions agreed to by six Commonwealth countries, including severing air links.

War on Drugs

U.S.-Mexico launch border campaign

A U.S.-Mexican border anti-drug campaign called "Operation Alliance" was announced at a press conference on Aug. 14 by Vice-President George Bush and Attorney-General Edwin Meese.

"Operation Alliance will be the most widespread interdiction program on our land borders in law-enforcement history," Meese said. "Smuggling occurs not just one way, but both ways, and the Mexican Attorney-General and I are determined to confront it on both sides of the border."

The anti-drug drive will be run from a new unified command center in El Paso, Texas, and will involve an increase of over 500% in personnel assigned to the border, and the deployment of five aerostat radar balloons to detect low-flying aircraft, four E-2C radar planes to fill the gaps between the balloons, and six helicopters and two C-130 transport planes equipped with special radar.

In the unified multi-department operation, U.S. Customs Service will intensify air patrols; the Defense Department will provide radar surveillance and intelligence gathering; the Bureau of Alcohol, Tobacco, and Firearms will concentrate on major arms traffickers; and the Internal Revenue Service will focus on tax evasion and money-laundering cases.

● **THE RICO** anti-racketeering statute was limited in its application by a federal appeals court in early August, which ruled that Congress never intended the anti-racketeering law to be used by private parties to gain injunctions to halt business practices they oppose. The court held that the "clear message" of Congress was that only the government has the discretion to seek relief under the RICO law.

● **JAPANESE** companies have slashed their capital investment by an estimated 2.4% in the first six months of this year, compared with the previous half-year period, a government survey reported on Aug. 13. It was the first semi-annual drop in corporate capital investment in nearly two years. The survey, which canvassed nearly 4,000 major companies, forecast that Japan's major corporations would spend 4.6% less on capital investment in the second half of the year.

● **STANDARD OIL**, the nation's ninth-largest oil company, announced in late July that it has taken a \$1.4 billion write-off on the value of its oil and gas holdings, creating a second-quarter loss of \$681 million. Executives said that if oil prices do not rise, the company may post a loss for all of 1986.

● **THE 'HAMILTONIAN** solution" to the world debt problem is "probably the only way left," according to an article in the Italian daily *Il Giornale* on Aug. 11. Maurizio Blondet wrote: "The newborn United States had contracted an enormous war debt. . . . Hamilton offered to the creditors Treasury Bonds [and] linked the new Treasury Bonds to financing major public works aimed at increasing the real wealth of the country. . . . Today, the solution would have to be applied on a monetary scale enormously more difficult, but it is probably the only way left."