

Business Briefs

Inventions

Company found guilty of suppressing technology

A California jury has found a company guilty of suppressing new technology, and awarded \$18.3 million in compensatory damages and \$7.5 million in punitive damages, to two inventors.

The two had developed a solid-state ballast that allowed fluorescent lights to use 70% less energy, and sold it to Universal Manufacturing Corp., a unit of Magnetek, Inc. of Los Angeles. UMC had promised that it would market the technology aggressively, but instead buried it to protect competing products UMC already had on the market. The two inventors sued, and a jury found that they had been cheated out of between \$54 million and \$70 million in patent royalties that would have been earned if the ballast had been brought to market.

"It's deeply ingrained in American folklore that this kind of thing [suppression of new technology] goes on, but the provable instances have been few and far between," a San Francisco lawyer told the Jan. 15 *Wall Street Journal*.

Eco-Fascism

Tax on CFCs destroying industries

On Jan. 1, a U.S. government-levied tax of \$1.37 per pound on all existing and future stocks of chlorofluorocarbons (CFCs) went into effect. Every business and corporation that had stocks of CFCs worth over \$1,000 on Jan. 1, 1990, will have to pay the government \$1.37 per pound come April 1.

The 300% tax on CFCs, which cost an average \$0.50 per pound, will make prohibitively expensive one of the most widely used and beneficial chemicals in the world. The tax will increase radically, reaching \$4.00 per pound of CFCs in less than six years.

At the same time the law creates what amounts to "a chemical cartel," according to a top expert in the refrigeration industry, who

told *EIR* on Jan. 16 that the law mandates that only those chemical companies that produced or imported CFCs in 1986 will be allowed to continue production and sale of the chemicals under an allocation that caps further CFC manufacture at 1986 levels.

Chemical giants Du Pont, ICI, Allied, and Penwalt now have total control of the CFCs market in the United States. Another source in the refrigeration industry told *EIR* they are now paying between \$3.50 and \$4.00 per pound for the same Freon (CFC) which cost \$1.25 a pound in December.

The 300% tax on CFCs is a part of Bush's plan to reduce the federal budget deficit, according to the Environmental Protection Agency, and the government expects to collect more than \$7 billion from the tax.

Car air conditioners and refrigerators are expected to have shorter lifespans as a result of a CFC ban since the only available replacement for the Freon now used is HCFC-134a, patented by Du Pont. The replacement is three to five times more expensive than the CFCs it replaces, is 18% more inefficient, and it breaks the chemical bonds of the lubricants, which means that all the internal parts of the compressor grind up, destroying the unit. The equipment lubricant will break down in about three years for car air conditioners, and refrigerators will last seven years at best, less than half of the 15-18 year life expectancy of modern refrigerators. Car manufacturers have already decided they can live with an air conditioner that will break down in three years.

Malthusianism

Population control lobby demands more genocide

The Population Crisis Committee, founded by Bush family friend William Draper, Jr., issued a report on Jan. 16 demanding greater "family planning" efforts in the Third World in order to reduce illegal immigration into the United States.

Written by the PCC's Sharon Camp, the report states that uncontrolled population growth in countries like Mexico and the Philippines, is producing a jobs crisis in the Third World which will inevitably produce a new

wave of illegal aliens coming into the United States. Camp says that the U.S. foreign aid budget for family planning assistance, currently \$240 million a year, needs to be substantially increased.

The report castigates the Roman Catholic Church's opposition to artificial contraception and abortion, saying it makes many Third World politicians reluctant to support birth control services and to set national population goals.

Third World Debt

Indian minister warns of 'debt trap' danger

Indian Finance Minister Madhu Dandavate warned of the danger of a "debt trap" for Third World nations which drains resources from development programs in order to finance debt repayment.

"There is an urgent need for our country not to get entangled in a debt trap," the finance minister said according to Reuters Jan. 14.

Indian external debt will rise to \$60 billion by the end of the 1989-90 fiscal year in March from \$55 billion the year before, he said. "That would imply the debt service ratio would be more than 30%, whereas the safe ratio is about 20%," he said. "The implication is that about one-third of our foreign exchange earnings will be spent on interest repayments rather than on developmental activities," he said.

Foreign Aid

Global stability put at risk, Ershad warns

Global peace and stability faces peril if inadequate aid from developed nations continues, Bangladesh President Hossain Mohammad Ershad warned on Jan. 13.

"An augmented flow of resources would stimulate growth of the low income countries. But, unfortunately, development assistance from the industrialized nations has not reached

the desired level," he told an economic seminar.

"Global peace and stability would face peril if the rich countries persistently ignored the pressing demand for balanced development of the world," the official BSS news agency quoted Ershad.

Space

Japan seeks to become third lunar power

Japan hopes to become the world's third lunar power during January when it launches a spacecraft into orbit around the Moon.

The Muses-A, which is scheduled to be launched from Kagoshima in southern Japan on Jan. 23, will carry two satellites. They are to intercept the Moon's orbit on March 20 and separate, with one orbiting the Moon and the other circling the Earth.

"The main purpose is to swing by the Moon and learn how to use lunar gravity to control satellite orbits," said Yasunori Matogawa, associate professor at the government-funded Institute of Space and Astronautical Science. In addition to gravitational studies, Muses-A will test Japanese communications equipment designed to send data from the outer reaches of the Solar System.

State Budgets

N.Y. deficit larger than projected

The New York State budget deficit is now five times larger than that projected as recently as November. With Gov. Mario Cuomo already scrambling to avert an estimated \$2 billion budget gap in next fiscal year's budget beginning April 1, revised projections show the state spent \$130 million more than it budgeted, while tax collections fell \$566 million below projections.

State budget director Dall Forsythe blamed the gap on the crisis in the Northeast.

"New York City, New Jersey, Connecticut and other jurisdictions have previously acknowledged significant declines in actual revenue collections below levels previously projected," he said. "The state is not immune to this phenomenon."

The state may have to borrow money on a special short-term basis to cover at least some of the deficit before the March 31 end of the current fiscal year. The new state figures will make it very difficult for the governor to help New York City Mayor David Dinkins with the city budget crisis.

Science

Shuttle mission to study biological clock

The study of circadian rhythms, the study of the biological clock that exists in plants, animals, and man, are being studied on the Space Shuttle Columbia mission (Jan. 9-19), which is part of one of the secondary payloads.

Regardless of environmental cues, living systems have been shown to exhibit internal or endogenous clocks which affect sleep and many other kinds of behavior. Jet lag is a common human encounter with circadian rhythms.

On this flight, the neurospora, a kind of bread mold, will be examined for interruptions in its normal 21-hour reproductive cycle caused by increased gravitational acceleration during launch, near-zero gravity during flight, and increased gravitational acceleration during landing.

During previous experiments it was found that plants' circadian rhythms were interrupted due to the launch acceleration, and that a short pulse of light restored the plants' biological clocks. This data will be key in determining the requirements for plants to grow in space, and could also have important applications for people.

It has been found, for example, that medications are used more effectively by the body at specific points in one's circadian cycle. Therefore, less medication could likely be used if applied only when it is made use of. During the Shuttle experiment, 50 tubes of mold will be studied.

Briefly

● **EASTMAN KODAK CO.** has adopted an expensive employee protection plan to thwart possible takeovers. Employees are guaranteed severance pay, health and life insurance benefits, and job search assistance if they lose their jobs following a takeover.

● **ATLANTIC RICHFIELD CO.** sold off its last solar energy power plants, including the 6.5 megawatt Carrizo Plains facility in California which Arco said is the largest array of photovoltaic cells in the world, for \$2 million. The power plants had never shown a profit for Arco.

● **KOOR INDUSTRIES**, the large Israeli conglomerate which is owned by the Israeli labor federation Histadrut and has 20,000 workers, has halted payments on its debt. Its chairman resigned earlier over disagreements on how best to financially reorganize the company.

● **RED CHINA**, to control its debt problem, has issued \$30 billion worth of government bonds, Liu Hung Yu, director general of the National Economic System Reform Committee said recently. P.R.C. Foreign Exchange Administration Bureau director Tong Chi Yu has announced that total foreign debt is \$38.13 billion.

● **A HANOVER-BERLIN** high-speed railway was given the go-ahead at a meeting in Bonn Jan. 9 of a joint German-German group of rail experts. The East Germans are said to have agreed to joint funding of the DM3.5 billion project, and to the construction of the East German segment by a West German consortium.

● **THE LAST URANIUM MINE** in New Mexico was closed by Chevron Corp. on Jan. 15. A company spokesman said uranium prices in the \$20.00 per pound range, instead of the current \$10, were necessary for the mine to remain open. In 1979, before the U.S.-Canada Free Trade Agreement, 7,000 persons were employed in 55 mines.