the stage for substantial short-term capital flows to scoot into the metals exchanges.

The March 5 turnaround in copper, on the other hand, can be directly traced to announcements that Iranian oil production was being resumed, and that oil deliveries from Iran were reaching Japan and other consumers. Short-term hot money flows continue to traverse world markets, but investors are reported to be "nervous" and according to metals traders, much less confident about a boom than they were at the close of last week.

If the metals price increases were to continue at anywhere near recent weeks' rate, the U.S. economy, to take one example, would face the prospect of a more than 100 percent increase in industrial raw materials prices.

London's capacity to set off such a hyperinflationary spiral depends on generating thorough panic in the investment community through one regional war crisis after another. Fear of inflation combined with regional warfare in supplier countries forces investors to liquidate longer-term, lower-interest investment in favor of speculative, high-earnings gambling.

Exemplary of the investment track London circuits pursue under such a climate of destabilization are reports that "smart money" this week only entered the foreign exchange markets between 9 and 9:30 a.m. and at the close of trading, primarily to speculate against the yen; the rest of the day, "smart money" played with copper, platinum and silver.

After considering the oil-metals price linkup in private discussion this week, one New York analyst asserted that he expected copper to plunge back down to 80 cents no later than August. More important, leading spokesmen for the Zambian and Zairian governments predicted an 80 cent price by August in public statements issued upon their arrival in Washington for the International Monetary Fund (IMF) Interim Committee meeting.

IMF officials linked to London are also known to be infuriated by ongoing West German efforts in Zaire to establish direct producer-consumer sales in copper and cobalt, bypassing the London Metals Exchange — an arrangement which could seriously hamper speculative maneuvering worldwide. IMF officials launched a "scandal" this week aimed at disrupting these Zaire-West German links, asserting that European trading companies were withholding revenues from Zairean cobalt sales in special bank accounts — funds which are apparently being used to purchase food and other supplies for Zaire in violation of IMF austerity conditions.

*—Renee Sigerson*

## KEEPING TABS ON THE ECONOMIST

# French nuclear program dead?

*One misstatement of fact in the Feb. 24 issue of London's prestigious* Economist *was particularly gross in light of French President Giscard's successful conclusion of important deals involving all-French technology during his state visit to Mexico's President Jose Lopez Portillo.*

### The Economist

France's *dirigiste* "... technocrats presided in the 1960s over at least three gross industrial blunders: the search for an all-French nuclear technology; for an all-French computer industry; and the technically wondrous money-sink called Concorde."

### The facts:

Each of these three dirigist interventions was a success until bollixed up by British-linked domestic French networks. The Concorde, for example, was damaged by British attempts to wreck the project by backing out in midstream, and through "environmentalist" sabotage of landing rights in key ports of entry, such as New York. The unwinding of de Gaulle's nuclear and computer programs was a complex sabotage job which the Giscard government is making a major effort to reverse.



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