

Business Briefs

Steel

European steel condemned on 'Pittsburgh model'

The French and German governments intend to take the destruction of steel production in Pittsburgh as a model for their own nations, with the help of the Mellon Institute that planned the original Pittsburgh catastrophe. For every ten jobs destroyed in steel, they want to create one or two in "sunrise industries" such as consumer electronics.

French Industry Minister Fabius, planning to eliminate 20,000 steelworkers in the Lorraine region, promised to create 4000 new jobs in a "informatics pool."

The state governments of the two main German steel-producing regions, the Saar and the Ruhr, have already voiced their desire for the same insanity. Experts at the universities in Bochum and Saarbrücken are working with the Mellon Institute in the United States created the blueprint through which U.S. Steel is turning Pittsburgh into a post-industrial wasteland.

Mellon's expertise in laying-off tens of thousands of steel workers is intended to be applied to Germany's main steel centers such as Dortmund, Duisburg, Essen, and Völklingen. This policy has been agreed upon by both the Social and the Christian Democratic parties in the states of the Saar and the Ruhr.

Helga Zepp-LaRouche's European Labor Party has undertaken a mass publicity and organizing campaign in the Saar, the Ruhr, and Lorraine to prevent the implementation of the Pittsburgh model in Europe.

Foreign Exchange

Nigeria takes on neo-colonial mafia

The Nigerian government is attempting to stop operations to wreck the naira, the nation's currency, by mopping up the huge black market in naira. The fourth week of April, the government closed the borders,

and began issuing new bills to those who can account for the amount of naira they hold over \$7,000.

EIR founder Lyndon LaRouche suggested to Nigerian officials in February 1983 that the government produce new bills to short-circuit economic warfare.

The government's purpose is to take control of the huge number of naira that were stolen by corrupt officials of the previous regime, and used to finance operations of the neo-colonial mafia in Nigeria.

Large amounts of naira were also sold on the black market, fueling the 60-90% rate of inflation in Nigeria. Although the official rate of exchange was \$1.30 to the naira, its value on the black market fell as low as 33 cents on the black market.

Last year, Nigerian officials told *EIR* that the currency was being threatened by counterfeiting operations outside the country.

International bankers in London and New York have confirmed that Nigeria, the most populous nation in Africa, is being targeted for social breakdown and civil strife.

Energy

Soviets move to develop Baltic oil

The U.S.S.R. announced at the end of April the formation of a new joint holding company, Petrobaltik, whose announced purpose is to explore and develop oil and gas in the continental shelf of the strategic Baltic Sea.

The new company, established with Polish and East German participation, has already begun drilling its first wildcat well from a platform in the Baltic, according to Soviet press reports. The official reason given for the new venture is alleged exhaustion of onshore reserves.

There is an obvious military component, however. In recent months, the U.S.S.R. has greatly stepped up plans for exploration of such strategically vital zones as the Barents Sea, through which the Soviet submarine fleet based at Murmansk must pass in wartime. The Baltic itself has been the target of an enormous campaign of Soviet subma-

rine probes and provocations since September 1982 when a Soviet "Whiskey" class sub went aground off the Swedish coast. It is not yet clear the extent to which the new drilling in the Baltic provides a pretext for increased military presence in that vital region.

In a related area, the U.S.S.R. imported about 500,000 tons, or almost 4 million barrels, of crude oil from Saudi Arabia in the first three quarters of 1983. This is believed to have been Saudi crude provided to Iraq, which presumably used it to purchase Soviet arms for its war with Iran, according to some observers. Additional sources of Soviet crude imports included 5 million tons from Libya and 2 million tons from Iran.

Food Crisis

Millions have died from hunger in Brazil

In the course of the past five years, 10 million people, most of them children less than 5 years old, have died in Brazil's drought-afflicted Northeast, due to starvation and malnutrition-related causes, according to a report released in late April by the Brazilian Agrarian Reform Association.

The report declares that the situation is aggravated by bad land distribution. Most of the good land is owned by big farmers, while the peasants have been forced to migrate and starve.

"Through the whole Northeast, 71% of children are undernourished, affecting their height," the report said. Infant mortality is now 250 per 1,000 in the city of Fortaleza, the capital of Ceara. Ceara is one of the states most hit by the drought.

Research and Development

OECD reports on Japan's increases

Japanese investment in research and development showed the greatest growth among the 24 nations of the Organization for Economic Cooperation and Development, dur-

ing the period from the 1970s to the early 1980s, according to a report released by the OECD April 24.

The ratio of Japanese R&D investment to overall R&D investment by OECD nations increased to 17% in 1981 over 10% in 1969, according to the report. The ratio of U.S. investment to overall OECD investment fell from 55% to 47%.

The field drawing the most intensive investment among OECD nations was electronics, followed by chemicals, machinery, and space.

The next day, the Japan Economic Research Center released a report stating that Japan has been making rapid progress in development of high-technology products, including fifth-generation computers and industrial robots, but it still follows the United States in basic R&D.

The report recommended that Japan should develop the fifth-generation computer despite the U.S. edge in manpower, experience, and funding.

Japan has already surpassed the United States in robotics, and plans to develop robots for operation inside nuclear reactors and in the ocean depths.

French Industry

Heavy machine producer threatens bankruptcy

Creusot Loire, the private company which is the biggest French producer of heavy machinery and of nuclear power plants, threatened the week of April 23 to declare bankruptcy if the government does not transform a 2-billion-franc loan into a consolidation of capital.

Creusot Loire has some 20,000 employees, and the Schneider group, which owns Creusot, some 109,000. From 1978 to 1982, Creusot accumulated some 1.3 billion francs in losses. By April 1984, the company's losses totaled 1.4 billion.

Creusot Loire has consistently attempted to continue producing steel, machine tools, and equipment for nuclear power plants. With the decline of these sectors under current European Commission policies,

and the collapse of exports both to the developing sector and the East bloc, its position is untenable.

Creusot has also suffered from cutbacks in the French nuclear power program. The company has been producing six nuclear plants a year: the French program is now limited to one per year.

Ibero-America

Argentine Peronists on the offensive

The Peronist leaders of the Argentine labor movement won a declaration from President Raul Alfonsín on April 24 that "Wages will no longer be a variable for adjusting the Argentine economy." Freeing wages from austerity demands by the International Monetary Fund has been a central demand of Argentine labor.

The same day, labor minister Antonio Mucci, who had attempted to break Peronist control over the unions, was replaced by Juan Manuel Casella, who has shown flexibility toward the Peronists.

Reports from Argentina indicated that Finance Minister Bernardo Grinspun may be the next to go. Sources report to *EIR*, however, that Grinspun will be ousted only after he signs accords with the IMF. President Alfonsín is attempting to draw the Peronist opposition into the government now, to make them party to the IMF agreement. He has offered the opposition 40% of the cabinet; however, Peronist leaders have refused to join his government.

On April 17, the Peronist party issued a statement repudiating the agreement Alfonsín and Grinspun had reportedly made with the IMF and denouncing "a future undermining of our national sovereignty regarding nuclear policy." As *EIR* has reported, the nuclear program, Ibero-America's most advanced, has been cut back under IMF pressure.

The Association for the Progress of Advanced Technologies (APTA), in collaboration with the United States' Fusion Energy Foundation (FEF), will hold a series of seminars on nuclear power development in Argentina this June.

Briefly

● **THE IMF** delegation to France was accosted by *Le Figaro* journalist Vincent Gerard in Paris April 24. The delegates refused to reveal much about their mission except that every member country must submit to such a study every year. The delegates will visit the economics ministry, the economic forecasting office, and the Bank of France. "We look at the unpublished figures to complete our investigation," said one expert to the journalist. "Why?" Gerard asked. "Do you mean the published figures don't correspond to reality?" "I won't answer that question," said the expert.

● **SHINTARO ABE**, foreign minister of Japan, said April 24 that the nation's cabinet will probably approve a government plan to extend financial assistance to the Philippines in the very near future, according to *Jiji* press. Abe told a foreign affairs committee session of the House of Councillors that intragovernmental work on the proposed assistance was nearly complete.

● **A FRENCH** company will begin testing a full-size plasma torch on a full-scale blast furnace in July, *EIR* was told April 24 during a visit to IRSID, the National Steel Research Institute near Metz. Until now, the only testing of plasma torches in Europe has been in small-scale furnaces in Sweden. For the Lorraine region of France, use of the plasma torch would make the mining of the low-grade (30%) iron ore a profitable proposition.

● **MEXICO** signed a \$3.8 billion jumbo bank loan with its international creditors April 27. At the signing, Finance Minister Silva Herzog expressed "appreciation" for the loan but warned outright that the soaring international interest rates were threatening to "wipe out overnight" the efforts of the developing sector to improve its lot and pay its debt. He noted that there was an interest rate level at which Mexico would be unable to pay its debts, but slyly commented, "I will not divulge that level."