

Business Briefs

Foreign Exchange

E. Germans revalue against Poland, Hungary

East Germany revalued its currency against those of Poland and Hungary, effective May 2. The currency remained at its pre-May value with respect to other currencies.

The East German mark will now be exchanged for 52.34 Polish zlotys; the old exchange rate was 41.87 zlotys. The mark will be worth 7 Hungarian forinths; the old rate was 6.10. The change amounts to an increase of 27% in exchange value against the zloty, and 15% against the forinth.

The East German regime explained the change as a "price increase" with respect to both countries. For Poles and Hungarians who come to East Germany to obtain goods they cannot get in their own countries, the currency adjustment translates into a drastic price increase.

European Community

Spain rocked by strikes, protests

Hundreds of thousands of farmers, cattle-men, and industrial workers across Spain are simultaneously engaged in protests or strikes against their government's economic policy, and the Spanish Communist Party appears primed to exploit the ferment to destabilize the government of Socialist Felipe Gonzalez.

Farmers are particularly incensed by the policy imposed on Spain by the European Community, which translates into a drastic reduction in the price they receive for their products should output exceed a fixed quota.

Protesting pig breeders disrupted traffic in Madrid by unleashing their pigs in the streets. Observers reported that many were grabbed up by hungry people.

At the same time, tens of thousands of schoolteachers went on strike demanding pay raises. Their average salary is about \$625 per month.

In the north of Spain, at mines and shipyards, 40,000 workers are threatened with

immediate layoffs, and violent protests have broken out.

Meanwhile, the Spanish Communist Party has recently elected as its leader a fanatical Muslim, Julio Anguita, who is an energetic rabble-rouser and agitator. There is also a new head of the Communist trade union; both are committed to joint action with greens, squatters, the so-called peace movement, and various separatist movements. Intelligence sources thus expect to see the Spanish left seek a head-on clash with the government on every possible issue.

Energy

International project to design fusion reactor

The United States, the Soviet Union, Japan, and the European Community "have begun collaborative work on a conceptual design for a fusion engineering test reactor," according to press release issued May 3 by the U.S. Department of Energy.

A U.S. team of ten headed by Dr. John Gilleland of Lawrence Livermore National Laboratory arrived in Garching, West Germany to begin the joint work at a new design center at the Max Planck Institute. Personnel were drawn from Oak Ridge National Laboratory, the Princeton Plasma Physics Laboratory, and the Argonne National Laboratory, as well as Livermore.

The goal of the three-year project, called ITER or International Thermonuclear Experimental Reactor, is to develop a conceptual design for the reactor by the end of 1990.

The work will also involve validating research and development conducted by the fusion programs of each of the nations. The parties have agreed to make equal contributions, and the Department of Energy said it expects to devote about \$50 million over the next three years.

"The goal of a test reactor," the release stated, "will be to complete the scientific data base for a magnetic fusion reactor and to gain experience with technologies required to use fusion energy for electric power generation."

Municipal Budgets

N.J. mayors stage march for state aid

Three thousand New Jersey municipal employees, led by the mayors of their towns, marched on Trenton, the state capital, May 3, asking the state for more money to prevent layoffs and offset the soaring costs of providing municipal services.

The tremendous rise in the costs of garbage disposal (most rates have doubled or tripled) was the central theme of the demonstration, sponsored by the New Jersey State League of Municipalities.

About 50 garbage trucks led the procession of mayors, firefighters, police, and other municipal employees and elected officials. The mayor of Paterson brought 43 police recruits who had just completed training school to the rally. "I told them that if we did not get extra money, they would have to be laid off."

Trade

South Korea to change U.S. trade policy

South Korea will penalize the United States for its protectionist trade legislation, even though President Reagan has promised to veto the bill just passed by the Congress. Actions against the United States are seen as inevitable since the ruling Democratic Justice Party (DJP) failed to win a majority of seats in the April 26 parliamentary elections, and opposition parties are now capable of blocking measures that would have opened up parts of Korea's economy to U.S. interests.

According to "a senior government official" quoted by South Korea's YONHAP news service, the government is going to "substantially revise" its U.S. trade strategy.

The changes will probably include retracting its earlier plan to allow the establishment of branch offices of U.S. shipping companies in South Korea. The official also said that a planned law concerning liberali-

zation of Korea's agricultural and communications markets is also uncertain.

East-West

A 'Marshall Plan' for the East bloc?

A "Marshall Plan" for the East bloc is the key to getting the West out of its economic problems, a member of the Inter-Action Council of Former World Leaders told *EIR* May 4. The Inter-Action Council is headed by former West German Chancellor Helmut Schmidt and former Japanese Prime Minister Yasuhiro Nakasone. It has been obsessed with the creation of a global malthusian order, with the aid of the Soviet Union.

The Council will meet in Moscow from May 16-19, just before the Reagan-Gorbachov summit.

The council member, of East bloc origin, stated, "The original Marshall Plan was a shot in the arm to the American economy of incredible dimensions. Why not the same now, with a plan for the East bloc? We're talking about \$100 billion of deals a year." He said such a "Marshall Plan" would also help "bail out Poland and other East bloc countries."

The conceptual architect of such a plan, he reported, is economist Wassily Leontief, who put the idea forward at a 1987 conference in Luxembourg, sponsored by Harvard University, commemorating the 40th anniversary of the original Marshall Plan.

Another council member, based in Paris, stated that compared to an East bloc Marshall Plan, both the Marshall Plan for the Middle East proposed by then-Israeli premier, now Foreign Minister Shimon Peres, and the Marshall Plan for Africa advanced by French Agriculture Minister François Guillaume, "are worthless."

"The Middle East and Africa have no absorptive capacity," he asserted. "Africa, sad to say, has no political glamor, it has no sex appeal, none whatsoever. Africa hardly participates in world trade, even with its oil. If you go to Moscow, and see the huge building with the representatives of all the biggest Western industrial firms and banks, then you will see what sex appeal means!"

This was beginning to happen before Gorbachov, but now the feeling is that the moment has come."

Cost-Cutting

Oregon denies boy bone marrow transplant

The state of Oregon has denied a bone marrow transplant to a boy of a poor family in order to save money. The boy faces certain death if he does not undergo the operation.

The two-year-old boy will not get the life-saving transplant as a result of state budget cuts which recently eliminated financing of such transplants to families on Medicaid. The decision has caused enormous controversy and has become a hot political issue.

The family has been forced to move to Washington to seek state aid for the operation. They are living in a camper in a parking lot until they can find a home that they can afford. Meanwhile, the child's condition is deteriorating steadily.

A similar situation is fast arising in the state of Illinois which, as of April 26, had run out of Medicaid money for hospitals and nursing homes, endangering small institutions providing health care for the poor.

The head of the 168-bed Roseland Community Hospital, half of whose budget comes from the state Public Aid Department's Medicaid payments, called this "doomsday or worse." Roseland, on the predominantly black South Side of Chicago, is one of 281 hospitals and 750 nursing homes, including group homes for the developmentally disabled, that are affected by the cutoff.

At the end of April, the state also ran out of money to pay pharmacies, home health care agencies, dentists, podiatrists, and chiropractors for health care provided to more than 1 million of Illinois's Medicaid recipients.

Recently, Mary Thompson Hospital, Chicago's second oldest in-patient medical facility, shut down because of inadequate Medicare and Medicaid funding. Its clientele is 80% black and Hispanic. Thompson hospital is the 8th Chicago hospital and the 12th in Illinois to close since June 1986. A 9th Chicago hospital, announced that it will close June 30 if money is not forthcoming.

Briefly

● **A NUCLEAR ENERGY** pact between the United States and the Soviet Union was renewed on May 3. Renewed twice since its signing in 1973, it provides the basis for cooperation in research on fusion energy and the fundamental properties of matter. Also signed was a memorandum of cooperation on nuclear reactor safety, under which Soviet and American scientists will exchange information on regulatory policies, reactor designs, and health effects.

● **A HEART PUMP** no larger than a pencil eraser has saved the life of the first patient to receive it, doctors in Houston report. The pump is inserted into the heart through an artery in the leg in a 20-minute procedure, temporarily replacing the heart's blood-flow function for up to seven days after a heart attack, giving damaged muscles time to rest.

● **THREEMILE ISLAND'S** damaged nuclear reactor could be "safely mothballed" for 20 years while radiation decays inside, if the recommendations contained in a staff report just received by the U.S. Nuclear Regulatory Commission are implemented.

● **THE AIDS VIRUS** can hide in bone marrow cells, Anthony Fauci, the director of the National Institute of Allergy and Infectious Diseases, reported May 1. Researchers discovered that marrow "can be a reservoir" for the virus, which "can reside in the marrow, but not be detected in the peripheral blood." Bone marrow is the agency of the body that produces blood.

● **BUSINESS SPENDING** has risen sharply, according to a report in the *New York Times*, but this has done little to aid the economy because most of the goods being purchased are imported. "American industry, which once dominated the world markets for capital goods, has ceded large portions of the business to foreign competitors in the last decade."