

Business Briefs

Mining

Multinationals buying up South America

More than half of the U.S. mining companies' funds for exploration is now going into Ibero-America, the *New York Times* reported in its Business section on April 17. The investments are being made by multinational firms which can afford the high security costs of countries overrun by guerrilla armies.

For example, "The Colombian government plans this year to sell its 50% interest in El Cerrejón, the world's largest open-pit coal mine," which is half-owned by Exxon. Nearby, the Drummond Co. of Birmingham, Alabama is investing \$50 million to develop a private port for another coal mine, the *Times* reported.

An "unabated mining stampede" into Peru is being abetted by government plans to privatize in the next six months a copper refinery, a gold mine, and two copper mines, the *Times* reported. Bolivia's President is a U.S.-raised mine owner, and foreign investment boomed after a free-market mining code was adopted in 1991.

The spread of British free trade policies across the continent is heralded by the *Times*: "Discarding decades of prickly nationalism, Argentina, Bolivia, Chile, and Peru have rewritten their mining codes to encourage foreign investments. The new codes establish clear tax rules, easy repatriation of profits, protection against nationalization, and low tariffs on machinery." One purpose of the story is to pressure Brazil to introduce similar so-called reforms.

Development

Pope backs peaceful use of nuclear energy

Pope John Paul II sent a message supporting nuclear energy to the 37th regular session of the International Atomic Energy Agency in Vienna. The message, delivered by Archbishop Donato Squicciarini, read: "The Holy See hopes that the [IAEA] will have ever greater

success in its efforts to serve humanity in the peaceful application of nuclear energy to health, agriculture, and industry and in the promotion of research and development projects for irradiation of foods and safe water supply. . . . Industrial development [in the Third World] would now seem to be impossible without some application of nuclear energy. . . .

"Today, all people are concerned about development. Every country has its own particular set of problems and all seek solutions for the betterment of the economic and social life of their people. The Holy See believes that all possible efforts should be made to extend to all countries, especially to the developing ones, the benefits contained in the peaceful use of nuclear energy. Developed and industrialized countries should generously share their own know-how and expertise with the developing countries. Such a policy will indeed foster a progress that all nations can share, a progress that can also further greater understanding among peoples. In particular, after the end of the East-West confrontation, industrialized member states, in cooperation with the Agency, should do their utmost to improve the nuclear power installations in eastern European countries, in order to guarantee a continuous supply of energy."

Europe

Belarus enters monetary union with Russia

A treaty for a Russia-Belarus monetary union was signed April 12 in Moscow by Belarus Prime Minister Vyacheslav Kebich and Russian Prime Minister Viktor Chernomyrdin. In exchange for the surrender of economic and financial sovereignty to Russia, Belarus will get subsidized deliveries of fuels and raw materials. Customs duties and debts owed by Russia for the transit of Russian goods across Belarus will be cancelled. The Belarus currency, the zaichik, will be able to be exchanged for the Russian ruble at a rate of 1:1, whereas the current rate is about 9:1.

According to Itar-Tass, before the monetary union is complete, there will first be a "political expression of the Belarussian people's

will for unification," an ambiguous phrase which leaves it open whether this means a referendum or, more likely, a vote by the Russian-controlled Belarus Parliament.

The monetary union treaty comes on the eve of the planned Community of Independent States heads of state meeting, where a proposed economic union will top the agenda. The Russia-Belarus treaty will be used by Moscow as further leverage to push Ukraine to follow suit.

Russia

Food riots reported erupting nationwide

"There are serious food riots erupting throughout Russia, they are occurring regularly, but the media, under intense pressure from the Yeltsin government, are blacking out any reportage of this," a European strategist just returned from Moscow told *EIR* on April 15. He said this is one clear indication of how seriously the situation has degenerated. Another indication, he said, is that "9,000 pensioners have been killed" in the country in the recent period, including "800 who were uncovered in a mass grave. The pensioners are being killed as part of a national racket to get their apartments. They are lured out of their apartments, knocked down, and killed." He said there are also many killings of alcoholics in St. Petersburg and other cities. But all of this is being covered up and suppressed by the media.

From his discussions in Moscow with Russian influentials, he received the evaluation that the current situation "cannot go on for long. By late summer, from what I understand, Yeltsin will be bulldozed out of power, sidelined, and a broad coalition, rallied around Aleksandr Rutskoy, will come into power."

Whatever in-fighting there may be among various factions, he observed, there is general agreement on certain fundamentals. One is that the West is being held responsible for imposing disastrous policies on Russia. The second is that any idea of U.N. "multinational peacekeeping forces" being sent into the territory of the former Soviet Union is "nonsense, the Russians won't play along with this. I heard

Briefly

● **CROATIA** will only receive credits if it does not exclude the Serbs from talks about the future of the "former Yugoslavia," i.e., agree to pay the debt of the pre-1989 regime, is the message of the IMF envoy who met with President Franjo Tudjman and other officials in Zagreb April 11, Croatian press reported.

● **LITHUANIA** pegged its currency to gold and the U.S. dollar, in a reform that took effect April 1. According to Steve Hanke, a Johns Hopkins professor who acts as Lithuania's state counselor for monetary and finance policy, in the April 17 *Washington Times*, a "currency board system" has been established which will reduce foreign-exchange risks.

● **ISRAEL** hosted a symposium in Tel Aviv in March on nuclear engineering. According to the March 29 Egyptian daily *Al Ahrām*, it was the first time in the history of Israel that a conference discussed the problem of constructing nuclear reactors.

● **THE MAGLEV** rail line which is planned to operate between Hamburg to Berlin by 2005, could be extended to Dresden, Hans-Georg Raschbichler, managing director of the MSB (maglev industrial group), which represents five German firms, told the April 5 *Berliner Morgenpost*.

● **TUBERCULOSIS** infects one-fourth of all Africans, according to the World Health Organization. Officials estimate that a program to treat TB would cost a minimum of \$60 million. Between 1990 and the year 2000, it is forecast that 6.5 million Africans will die of TB.

● **YOUNG ADULTS** in the United States are increasingly living with parents and delaying marriage because of economic pressure, according to a study by the Population Reference Bureau. Roughly 21% of all 25-year-olds in the U.S. in 1990 were living with parents, compared with 15% in 1970. The change is partly attributed to the lack of good jobs and falling income levels.

nothing but bad comments about the U.N. from the Russians I spoke to; they see the United States using the U.N. for its own aggressiveness, being overweening and too assertive." He also found universal dislike for the International Monetary Fund.

Dope, Inc.

Swiss firm caught laundering drug money

The Swiss Banking Corp. has been caught laundering drug money for Ibero-American drug dealers, in an investigation by Swiss anti-drug agencies. Law enforcement officials confiscated \$150 million in a police raid in Zurich on April 13. Investigating Judge Dieter Jann-Corodi told the press that this has so far been the "biggest single confiscation of money" worldwide in the struggle against money-laundering networks.

A vice chairman of the bank, which is the biggest in the Swiss financial community, was arrested in February, but was released on bail soon after. The arrest of a female Colombian linked to the Medellín Cartel on Feb. 23, yielded more evidence about the practices of direct money-laundering in 1979, and later, from Panamanian banks via transfer to the Swiss Banking Corp. in Zurich.

Economic Policy

North must develop the South, says Le Figaro

No "Limes" wall can protect Europe from the misery spreading throughout the world; we need economic development, Charles Lambroschini editorialized in the April 13 issue of the Paris daily *Le Figaro*. The editorial was prompted by the crisis in Rwanda, where the only reason anybody in Europe and in the United States cares is because there are white people to evacuate, he said.

Lambroschini described the hideous situa-

tion in the African continent as a whole. "Like in the times before colonization, entire regions seem to be disappearing from the map. Diplomats and businessmen are no longer interested by the internal part of the continent, ripped apart by tribal conflicts, and are concentrating all on the coastal zones. This is a return to the old colonial policies."

Lambroschini discussed the idea of a Limes wall to protect the North from the "new barbarians" of the South. The Europeans will be no more able than the Romans to prevent the "barbarians" from coming to the empire, he wrote. What is the solution? "Mere speeches on human rights are not a solution. Nor is the open indifference of merchants who are only interested in those vast continents to conquer some markets. We have to reinvent a solidarity which, in saving the South, will preserve the North. Paradoxically, to create jobs in the Third World is the best means, thanks to a technological division of labor, to maintain those of industrial nations. In the lack of an imaginative strategy, no border will be able to close Europe to the invasion of the hordes of misery. As Abdou Diouf, the President of Senegal, stated, 'We cannot stop the ocean or any of its arms.'"

Africa

IMF responsible for misery, says theologian

The International Monetary Fund (IMF) is to blame for black African misery and famines, Fr. Jean Marc Ela, an African theologian, charged in a debate at the Extraordinary African Synod of the Catholic Church at the Vatican on April 13, the Italian daily *L'Umanità* reported. Ela's remarks were blacked out by most news media.

"Our poverty is the fruit of the pressure coming from that international structure—debt and sacrifice. For us, the IMF wants poverty and famine," Ela declared. "The IMF imposes upon the African states the respect of paying the debt as the prime objective. Under this type of policy, there are no longer talks about development plans but solely about the payment of the debt."