

# Business Briefs

## **Nuclear Energy**

### **Russia to build floating power plants**

Russia plans to build four small floating nuclear power plants in the next few years to supply electricity to distant corners of Siberia, Reuters reported on Sept. 16.

"This will save us the expense of shipping coal or oil at high costs to these remote areas," said Georgy Kaurov, spokesman for the Atomic Energy Ministry. "The economic advantages are fabulous."

The four stations, believed to be the first of their kind, are to be equipped with two KLT-40-type reactors, already used on nuclear ice-breakers and submarines.

Kaurov said the small-capacity plants would move "from one port to another depending on each region's needs." But an official at the nuclear agency Gosatomnadzor said the plants would remain moored to one fixed point.

## **Russia**

### **Soros makes a quiet visit to Moscow**

American speculator George Soros had been in Moscow for three days, before the Russian newspaper *Sevodnya* discovered his presence, the paper reported on Sept. 14. *Sevodnya* correspondent Sergei Parkhomenko reported that Soros's visit "has been extremely modestly, even secretly arranged, and not accompanied by any actions calculated to attract public attention." Soros "is paying visits to high-ranking bureaucrats of the Russian administration and the federal government, as well as leaders of several powerful businesses of the capital."

Parkhomenko reported that Soros is expanding from "philanthropic" operations in Russia, to business operations, although he claims that he will not use his philanthropic activities to benefit his company, Quantum. Soros plans to invest \$133 million in those eastern European countries, including "in their financial markets," where he deems reforms to

have advanced sufficiently: Hungary, the Czech Republic, Poland, and Russia.

At the same time, Soros is reported to have passed a letter to a representative of Russian President Boris Yeltsin proposing that, at the projected U.S.-Russia heads of state summit in late September, a new \$400 million fund to support scientific research in Russia be established. Soros is proposing that the Soros Fund and the United States contribute \$150 million to this fund, and Russia \$100 million.

## **Petroleum**

### **Bosnia, Croatia said to have major oil fields**

Bosnia-Herzegovina, Croatia, and adjacent areas along the Adriatic coastline have enough potential petroleum resources to surpass the daily 2.5 million barrel production of Kuwait, according to Matt Raich, formerly a leading geologist with Standard Oil of New Jersey, the Balkan News Service reported in early September.

"We know there are sizeable oil and gas fields along the Dinaric Mountains," said Raich, who is credited with discovering the Orinoco River basin oil fields in Venezuela. "Communist Yugoslav authorities discouraged exploration drilling activity by western firms, and at the same time, kept quiet information on the area's potential." During the past several months, a number of petroleum magazines have reported exploration structure drilling activity along the Albanian coast of the Adriatic, Raich said.

Raich said that "Serb intelligence" is "aware of abundant petroleum deposits in Croatia and Bosnia-Herzegovina," which is "the main reason for their attempt to gain a foothold in the Adriatic."

Raich related that several years ago, Armand Hammer, the late president of Occidental Petroleum Corp., during a trip through Croatia, told the news media that there was a lot of interest in the Balkan area due to its major oil and gas deposits. Hammer had plans to begin oil extraction, but his death prevented the plans from being implemented.

## **Finance**

### **Thatcher adviser incited financiers against France**

The Paris weekly *L'Express* in mid-September revealed that one of the authors of an article which appeared in the Aug. 15 *Forbes* magazine calling on investors to flee France, was Sir Alan Walters, described by *L'Express* as "the preferred adviser of Margaret Thatcher, the rival of Nigel Lawson and one of the most determined adversaries in Britain of the European Monetary System." The *Forbes* attack on France must be seen as being in line with Jimmy Goldsmith and other Thatcher boys' attacks against French sovereignty.

According to *Forbes*, the French government is "arrogant," "seized by excessive ambition," and "has chosen to be prisoner of German policies and to disobey the orders of speculators," said *L'Express*. "One knows the singsong. . . . From the peremptory and abusive style, one can say that Sir Alan remains worthy of Margaret Thatcher. He is still fuming to see a solid franc and a reunified Germany."

*Forbes* warned investors that come September, the army of unemployed in France would take to the streets to demonstrate, and that the corruption scandals which have been hitting important industrialists would continue. The British have played a major role in unleashing those corruption scandals, which earlier hit Italy and are now hitting France.

## **Dope, Inc.**

### **China bans Jardine Matheson from project**

The People's Republic of China has banned Hongkong's Jardine Matheson, the original Dope, Inc. opium-trading firm, from leading a consortium to expand Hongkong's container port, the Sept. 15 London *Financial Times* reported. Beijing acted on the eve of the visit of British Foreign Secretary Douglas Hurd to Hongkong during a tour of Southeast Asia. The decision "casts doubt over Jardine's abil-

## Briefly

ty to expand its business in China or Hongkong after 1997," the paper said.

China News Agency, Beijing's semi-official outlet in Hongkong, questioned what qualification Jardine Matheson has to operate a container terminal, and said that Jardine had only gotten the contract for the \$1.55 million project because it had backed political changes advocated by Hongkong Gov. Chris Patten. Jardine "has no confidence in, and does not wish to make any commitment to the future of Hongkong," the news agency said. Earlier this year, Jardine pulled out of the Hongkong stock exchange and moved its corporate headquarters to Bermuda.

The Sept. 16 London *Independent* reported that while many companies are lining up to get back into their pre-war headquarters in Shanghai, "it can be stated with a high degree of certainty, that one company that will not be moving back is the Jardine Matheson trading empire." In an article titled "Opium Catches Up with Jardine," the paper said, "The degree of antipathy that exists between the Chinese and Jardine is hard to overstate."

"For the Chinese, the Keswicks [who run Jardine] and their *hong* [old British imperial firm] remain a living reminder of the degradation and wars surrounding the opium trade that made the family's fortunes in the 1830s. Jardines and James Matheson were selling 6,000 chests a year of opium in those days."

### Sweden

## Wallenberg demands massive austerity

Peter Wallenberg threatened that the Wallenberg group might move some of its companies abroad unless the Swedish government makes deep cuts in public expenditure, the Sept. 16 London *Guardian* reported, in an article entitled "Wallenberg Dynasty Demands Swedish Chainsaw Massacre." Wallenberg said the government would have to cut spending with "a chainsaw" after the Sept. 18 national election, to avoid a deteriorating international credit rating.

Wallenberg insisted that the deficit be brought down to zero, asserting, "I am genu-

inely worried about Sweden. Unless the politicians take the situation seriously with strong measures to tackle the budget deficit, things are going to be bad."

Wallenberg-controlled companies account for 40% of the Stockholm stock market, including the telecommunications giant Ericsson, the electrical appliance manufacturer Electrolux, and Stora, Europe's biggest manufacturer of paper. The family owns half of Saab-Scania (vehicles) and Asea, the Swedish half of the Swiss-based ABB electrical engineering group. The family's companies employ 760,000 people worldwide. In its four generations of control over Swedish industry, it has consistently maintained a low public profile, preferring to exercise influence behind the scenes. The family motto is "To Be, Not To Be Seen."

### Health

## Cholera alert issued by Albanian minister

Albanian Health Minister Maskin Cikuli has declared a cholera alert, after an outbreak in which more than 300 people have been hospitalized and put under quarantine and at least 10 people have died. Cholera outbreaks have also been reported in Crimea and Romania.

On Sept. 13, Cikuli appeared on national television and called on the population to be careful; he recommended measures that could be taken prevent the spread of the disease, including washing all vegetables and drinking boiled water. Schools and universities will be closed in parts of the south of the country, where most cases have appeared. The population is being partly supplied with water out of water trucks until broken sanitary infrastructure systems have been repaired. Albania has asked the World Health Organization for help.

Meanwhile, the Italian government has increased its coastal controls, and its Coast Guard was told to stop the illegal wave of immigrants from Albania in an attempt to prevent the spread of cholera into Italy. In the last weeks, hundreds of Albanian boat refugees have tried to enter Italy.

● **THE LIRA** will face a new wave of speculation, *La Repubblica*, the Italian daily owned by the De Benedetti-Agnelli-Caracciolo group, reported on Sept. 12. "The markets expect the government to fulfill two aims that became objectively contradictory: a very rigorous budget law and maintenance of social peace," it explained.

● **JACQUES DELORS**, the president of the European Commission, warned the European Parliament on Sept. 15 that short-term upturns will not solve long-term problems. Only infrastructure development will provide the appropriate framework for the creation of millions of new jobs, Delors declared. EU unemployment is 18 million.

● **CHINA** has a growing interest in magnetohydrodynamics, according to a U.S. MHD pioneer. China has the largest coal reserves in the world, it needs to burn it more efficiently and cleanly, and China is committed to be a leader in technology in the 21st century, a Chinese official said.

● **L'UMANITA'**, the organ of the Italian Social Democratic Party, reprinted economist Lyndon LaRouche's ninth forecast on the coming disintegration of world financial markets on Sept. 1 and 2 (see *EIR*, June 24). The articles were entitled "The Federal Reserve Supports the Pirates of Wall Street," and "Only the Creative Capacity Generates True Growth."

● **PRUDENTIAL** Securities is buying back \$70 million in mortgage derivatives that its brokers sold improperly, by telling retail customers that they were less risky than they really are.

● **THE LONDON** *Economist* editorially described the advantages of high-speed rail systems for such "crowded industrialized regions as western Europe," on Sept. 17. Its recommendation to privatize state-owned railways, however, is designed to ensure that such development never takes place.