Business Briefs

Nuclear Power

Russia Plans To Export Floating Plants

At a briefing for reporters Jan. 29 in Moscow, Russia's Minister for Atomic Energy, Alexander Rumyantsev, reported that for 2003, Russian nuclear exports increased by $400 million, to $3 billion. He also said that the Ministry will file applications to participate in all tenders offered by China for the construction of its new nuclear plants. Russia has a plant under construction there now, which will be put into operatiion this year.

The Minister said that tests done on the nuclear reactor from the *Kursk* submarine, which sank in 2000, showed that it could have been started and operated, indicating the promise of developing floating nuclear power plants. He said that "the search is under way for investment to construct the first such floating, small-capacity nuclear power station," and that potential investors include China, India, and Indonesia.

Rumyantsev expressed regret that no contracts had been concluded for importing, storing, or reprocessing spent nuclear fuel from foreign countries in Russia. In an interview with *EIR*, a counsellor at the Russian Embassy in Washington explained that this is because the fuel from plants in South Korea and Taiwan is "American-obligated," because it was supplied by the United States. For the spent fuel to be sent to Russia, the United States would have to give permission, which it has not, due to its opposition to Russia's construction of the Bushehr nuclear plant in Iran.

Japan

A Veiled Threat To Shift Into Gold

Japanese Finance Minister Sadakazu Tanigaki suggested Jan. 27, in answer to a question in Parliament as to how Japan should handle its gigantic $673.53 billion foreign reserves, that it was necessary to study the future composition of national reserves, and "this might include a review of bringing Japan's modest gold reserves into line with much higher levels elsewhere," the *Business Times of Singapore* reported Feb. 2. "It also occurs when Asian central banks, the People's Bank of China for one, are expressing strong interest in gold," the paper added, calling it a "Sword of Damocles for the dollar and the U.S. Treasury market. . . . The impact of such a move on the dollar would be severe, as Japan has a third of total U.S. Treasury securities held outside the U.S."

Japanese Foreign Ministry officials confirmed Tanigaki's statement to *EIR*, but strongly downplayed any immediate intent to act. "It doesn't make any sense right now to even think that Japan would sell dollars for gold," one Tokyo official said, "when we have just spent a record Y20 trillion [$189 billion] to *buy* dollars, to prop up the dollar in 2003, and another Y7.15 trillion [$67 billion] between Dec. 27 and Jan. 28, a record intervention for a single month!" BOJ interventions continued in early February.

However, the dollar's value has become entirely dependent upon vast such intervention purchases of dollars by Asian governments, at the rate of over $300 billion year—which the Tokyo official admitted is "untenable." The four top Asian buyers hold $1.44 trillion in (actually) useless U.S. dollar reserves: Japan with $673.5 billion, China with $403.3 billion, Taiwan with $206.6 billion, and South Korea with $157.4 billion at the end of January.

Unemployment

Planned U.S. Job Cuts Jumped in January

American companies announced plans to cut 117,556 jobs in January, up from nearly 94,000 lay-offs announced in December, reported outplacement firm Challenger, Gray and Christmas on Feb. 2. Further, planned job cuts in January exceeded 100,000 for the first time since last October. Consumer product firms led with 22,775 job cuts—the largest monthly number of reported job cuts in that sector since 1993. The main reason for the increase in job cuts, Challenger said, was that more employers eliminated jobs in the United States and moved production to India, China, and the Philippines.

Disconnected from this reality, Treasury Secretary John Snow, while testifying on the budget before the House of Representatives' Ways and Means Committee, insisted that "the job market is improving," and the economy "is growing at a pretty good rate."

Wal-Mart

Sears Pressured To Dump Pension Plan

Sears, under pressure from Wal-Mart, will phase out its pension plan, eliminate most stock options and cut bonuses. To "compete" with Wal-Mart's less costly benefits to employees, Sears will shift workers under 40 years old to self-funded 401(k) plans, and will end stock option grants in 2005 for salaried employees, excluding directors and vice presidents.

Wal-Mart's "famously stingy" health care practices were attacked by the AFL-CIO's Director of Public Policy, Christine Owens: Fewer than half of Wal-Mart employees participate in its health plan, which imposes long waiting periods, high costs, and health coverage exclusions. For example, in Georgia, a state government review in 2002 found that more than 10,000 children of Wal-Mart employees were enrolled in the state's children's health program—nearly 14 times the next highest source.

Usury

Iraq Laws Voided, Hongshang Licensed

Iraq's laws limiting the rate of interest have been eliminated effective March 1, U.S. proconsul Paul Bremer announced on Feb. 2. Interest chargeable and payable had been capped at 14%. "These reforms will bring real benefits to Iraqi people," Bremer said. "They mean Iraqis can earn market rates of interest on their money and enjoy a more modern banking service." Iraq's central bank announced on Jan. 31 that Britain's Hongkong and Shanghai Bank and Standard Chartered, and the National Bank of Kuwait, got the first licenses for foreign banks since Iraq's 1964 bank nationalization.