

Business Briefs

Nuclear Energy

Japan plans cheap reactors for Asia

Japan's Ministry of Trade and Industry (MITI) is planning to develop safe, low-cost nuclear reactors for markets in Asian nations which want to increase nuclear power production, the Tokyo *Nihon Keizai (Nikkei)* newspaper reported on Aug. 28. MITI wants power equipmentmakers, such as Mitsubishi Heavy Industries Ltd., Hitachi Ltd., and Toshiba Corp., and utilities such as Tokyo Electric Power Co., Inc. to start joint development by 1996.

A MITI report did not say whether the new reactors would include advanced gas-turbine modular helium reactor technology, which can be produced cheaply on a very small scale.

Japan's current light-water reactors cost more than U.S. and European models, and about twice as much as Russia's graphite reactors. MITI is worried that Asian governments might buy cheap Russian models, which have bad safety records and produce a lot of plutonium.

Outside Japan and North Korea, there are now 26 nuclear reactors in Asia—mainly in China, South Korea, Taiwan, and India—with a capacity of 14.92 megawatts. The paper noted that Indonesia, Malaysia, and Thailand do not have reactors but are planning to build them, and there could be around 40 new ones in Asia by the year 2000.

Russia

Minister warns of unrest over nonpayment of wages

Russian First Deputy Prime Minister Oleg Soskovyets warned that the inability of energy enterprises to pay their workers could lead to mass strikes and protests by coal miners and oil and gas workers, in a report to a meeting which included cabinet ministers responsible for the economy, bankers, and industrial directors on Aug. 31.

The wage payments crisis and the threat of mass social unrest extends almost across the board, to all Russian industry. In most cases,

the last wages received were either for May or June, and in many cases this was only a partial payment. An Economics Ministry report has estimated that the amount of unpaid back wages in industry and agriculture rose from 800 billion rubles on Jan. 1, 1994, to 4,000 billion rubles by Aug. 1. That amount is already far higher, as almost no one received anything for August. For the vast majority of the workforce, August was the second month of forced, unpaid "vacation."

On Sept. 1, the Tula arms factory stopped production for first time in almost 300 years. Workers were put on leave until Oct. 1 because the factory cannot meet its payroll; wages were last paid out in June, when only 40% of the workers were paid. Customers, including the Russian state, have not paid the factory for orders.

Space

Scientists reject Mars mission 'on the cheap'

Two U.S. experts in nuclear propulsion, Steven Howe from the Los Alamos National Laboratory and Stanley Borowski from NASA Lewis Research Center, condemned the "space on the cheap" mania that has infected the leadership of NASA and the Congress, in a letter to the editor of *Space News* in early September.

Claims that Mars missions can be performed with "off-the-shelf" technology are misleading, they report. For example, using chemical rockets means a two-year stay on the surface of Mars, which they characterize as "somewhat irresponsible to the crew," considering the radiation and other initial unknowns and dangers.

Martin Marietta engineer Robert Zubrin's proposal to do a "quick" Mars mission without the space station or lunar infrastructure, the two state, has been advertised to cost \$50 billion. This compares to a NASA estimate for a similar mission of \$100 billion. In current dollars, the Apollo lunar landing would cost \$70 billion. "Do the proposers really believe a Mars mission could be completed that is 200 times more distant and 200 times longer in duration at a lower cost? . . . A mission to send

humans to Mars is a grand and wonderful challenge. . . . But a Mars mission cannot be pursued in the faster, cheaper mind-set that currently preoccupies the American space program."

Germany

Transrapid approved by parliamentary body

Approval for the Transrapid magnetic levitation rail system cleared another hurdle on Aug. 31, when the conference committee, which coordinates between the Bundestag and the Bundesrat, the two houses of Parliament, voted 19-7 for the project. Only the two northern states, Lower Saxony and Schleswig-Holstein, both governed by the Social Democratic Party (SPD), voted against it.

This means that the maglev will most likely connect the cities of Berlin and Hamburg in the years 2004 or 2005, reducing travel time between the two cities to less than 60 minutes. Transportation Minister Matthias Wissmann called the vote a "very important day" for German industry, which guarantees the creation of 10,000 high-skilled jobs.

The enabling legislation establishes the maglev technology in general as an alternative to traditional transport systems, but does not specifically mention the Berlin-Hamburg route. If an SPD government comes to power after the federal elections in October, with Gerhard Schroeder from Lower Saxony as the new minister for economy and transport, some new problems could emerge. However, the decision marks an important tactical victory.

Trade

German-Russian economic cooperation growing fast

Following Russian President Boris Yeltsin's visit to Germany for ceremonies on Aug. 31 marking the departure of the last Russian troops from that nation, economic cooperation between Russia and Germany is on a fast track.

Briefly

● **THE GERMAN** machine-building sector suffered production drops of 1% in the first half of 1994, the economic daily *Handelsblatt* reported on Aug. 30. Employment in western Germany has fallen from 967,000 in December 1993 to 926,000 in June 1994, some 250,000 less than at the end of 1991.

● **SWEDEN** financially "is in a far more alarming position than even Italy," one source noted to *EIR* recently. "Sweden by December will have a public debt equal to 90% of GDP, and over 100% by spring. Fully half the government's current expenses must be financed in the bond market. It's catastrophic," he said.

● **VERNON WALTERS**, former CIA deputy director, called for infrastructure development in Russia, in an interview in the Paris daily *Le Figaro* on Aug. 29. In order to stop Russia from becoming another Soviet Union, he said, "we must help the Russians, not only with money, but by supporting the construction of new infrastructure and the improvement of transport systems." He specifically cited crop storage and transport facilities.

● **INTEREST RATES** in the United States must rise further in order to combat inflation, the International Monetary Fund forecast in a confidential report on Aug. 31, Reuters reported.

● **ROMAN CATHOLIC** bishops in the Central African Republic said their country needs more people and more babies, not fewer, in a statement on Aug. 27. "What this country most needs is capital and people to till the land in order to realize its enormous potential," they said. "The insufficient population is actually slowing our development."

● **GENERAL ELECTRIC** plans to cut 1,200 jobs, 13% of the workforce, in its Industrial and Power Systems Division's manufacturing facilities in Schenectady, New York. The division builds the turbines and generators used in electric power generating plants.

On Aug. 31, the German chemical giant BASF announced that Russian Prime Minister Viktor Chernomyrdin will arrive at BASF headquarters in Ludwigshafen on Sept. 30, the day when BASF begins receiving Russian natural gas. The gas is from a newly completed pipeline across Germany, a joint venture of BASF and Gazprom, the Russian gas monopoly, which cost DM 4 billion (\$2.5 billion). That agreement had been negotiated by Chernomyrdin when he was head of Gazprom.

BASF and Gazprom announced they intend to extend the pipeline into other west European countries in the future. Starting in October, Gazprom will also begin delivering gas to western German utilities and industrial firms through the new pipeline. Chernomyrdin will deliver a speech in Ludwigshafen on Russian-German economic cooperation.

On Sept. 29-30, Yeltsin and Ukrainian President Leonid Kuchma are scheduled to meet in Kiev. In the past, such an occasion always entailed the presence of Chernomyrdin as well. The fact that Chernomyrdin will either not be there, or there on a curtailed basis, further attests to the importance attached to the talks in Ludwigshafen.

Finance

J.P. Morgan behind Malaysia's losses

The New York-based "conservative" J.P. Morgan & Co. has played a scandalous role in convincing the former governor of the Malaysian central bank, Bank Negara, to gamble a huge portion of its hard currency reserves in high-risk global derivatives speculation over the past three years, according to sources in the region. The head of Bank Negara was finally removed last January following trading losses of well over \$3 billion. According to these sources, Morgan manipulated Negara officials into ill-advised currency positions from which Morgan gained handsomely.

"Under the chairmanship of Sir Dennis Weatherstone, Morgan in the past five years has adopted a far more overt political agenda," a senior City of London banking source told *EIR*. "And it is not an American agenda, but rather that of the U.K. Foreign Office estab-

lishment. Morgan is being used to weaken impulses throughout East Asia, together with Japan, to develop regional economic growth which would be independent of Britain's ability to control. This was the real meaning of [British Prime Minister] John Major's trip to Japan and Malaysia this past March, to win those two countries to a British-centered, anti-American foreign economic outlook, and away from closer regional cooperation."

Investment

Soros establishes beachhead in Morocco

George Soros, the Hungarian-born American derivatives speculator, has established a beachhead in Morocco, for launching a financial assault into Africa, where he has started buying up strategic resources and making investments.

In March, Soros bought majority shares in Omnium Nord-Africain, Morocco's largest private company. Through his Quantum Fund, he invested \$40 million in the Moroccan private sector and taken over the Diwan corporation, an important financial concern.

Soros is now poised to buy the Moroccan National Investment Corp., a state-owned financial institution which manages portfolios in all other state-owned companies. He is reported to have taken financial control of the Casablanca stock exchange, and is now locked in stiff competition with *Electricité de France* for the purchase of Morocco's National Electricity Corp.

Morocco's human rights associations have expressed indignation at Soros's speculative activities, which they find inconsistent with his involvement in Human Rights Watch. African nations have been constrained by the conditionalities of the International Monetary Fund to liquidate their most strategic investments such as state plantations, power plants, and financial institution, which is eroding their sovereignty and precipitating their recolonization by the money mandarins in the West.

Soros is expected to continue the buyouts in other African nations, with the assistance of the International Finance Corp., which is brokering the takeovers at giveaway prices.