

Business Briefs

Nuclear Energy

Indonesian government split over reactor

Indonesia's plan to build a nuclear plant has led to an open conflict in the government, the Jakarta newspaper *Kompas* reported on Jan. 31, according to the U.S. Foreign Broadcast Information Service. Minister for Research and Technology B.J. Habibie, who is close to President Suharto, is insisting that construction will start in 1998, and that the need to industrialize means that "other technology cannot supply our demand for energy."

However, Minister for the Environment Sarwono told journalists on Jan. 29 that "it was too premature to say a nuclear plant will be constructed," because there has not been an analysis of the "environmental impact." The non-governmental organization apparatus is gearing up to stop it.

Africa

Cardinal: West should cancel the debt

Cardinal Hyacinthe Thiandoum, archbishop of Dakar, Senegal, called for a debt moratorium for Africa, and said that it is in Western interests to support such a policy, in an interview with the Italian newspaper *30 Days* in late 1995. The call echoed *Ecclesia in Africa*, a document produced by the Vatican's 1994 Synod on Africa.

Asked if the demand for a debt moratorium were realistic, the cardinal answered: "Yes, it is, because this debt—on whatever terms—is attacking and undermining the economies of our countries. Every time a serious attempt at launching an economic policy is made, it drowns in a bottomless pit of foreign debt. The interest burden on this debt continues to grow so dramatically that Africa will never ever be able to shake off the noose around its neck. It will never be able to rise above it, and if Africa does not rise above it, the world will never have peace. For, if there is no peace in a continent as big as Africa, it is hard to imagine all the disorder that could

be triggered on a world scale. So, if Western countries maintain this debt, making no attempt to reduce or annul it, they are going against their own interests."

Quoting from Pope John Paul II, the cardinal called the raw materials multinationals "brigands preying upon" Africa. "Their names are well known," he said. "The brigands are people who covet Africa's thieves, without giving anything in return. The problem is that thieves and brigands work at night, but these multinationals operate in the light of day and for all to see. But no one cares. . . . What is really appalling is that these profiteers, hiding behind their anonymity of their boards of directors, do not even realize the horrors they perpetrate. And the leaders of our countries must also stop being the accomplices of those who would like the continent to stay on its knees so that they might continue to exploit it. All of this must cease, and as soon as possible."

Shipbuilding

German Vulkan yard files for bankruptcy

Germany's Vulkan shipyard, which employs 23,000 workers, filed for voluntary bankruptcy on Feb. 21. Vulkan mistakenly counted on an uncertain European Union (EU) loan when it signed a contract roughly \$62 million below "market price," for the amusement cruiser *Costa II*. The affair underscores the fact that building of freighters has become a minor aspect of the European shipbuilding industry.

Especially since the oil crisis of 1973, the EU has promoted a continuous decrease of employment in Europe's shipbuilding industry, which has shrunk from 460,000 workers in 1975, to less than 80,000 today. Recently, the EU signed (but has not yet ratified) an international OECD accord with the United States, South Korea, and Norway, that prescribes timetables for ending direct government subsidies to shipyards. Most shipyards in the EU are surviving only through government or EU support.

The German daily *Frankfurter Allgemeine Zeitung*, in its lead editorial by free-

trade advocate Hans D. Barbier on Feb. 22, said the Vulkan failure was good news, and blamed high labor costs.

The London *Financial Times* urged Vulkan to follow the example of Poland's low-wage shipbuilding sector. But Vulkan is facing the British model, imposed by the Brussels Commission and the banks: In 1946, Britain built 40% of the world tonnage in ships; 50 years later, it produces 1%. German shipyards controlled a world market share of 5.4% in early 1996. If the voluntary bankruptcy of Vulkan succeeds, and it fires half of its workforce, total tonnage produced in Germany will fall to 3% of world output.

Petroleum

British escalate 'oil war' against Russia

British-linked Chechen forces blew up a gas pipeline on the Chechen-Dagestan border, and an oil refinery in Grozny, the capital of Chechnya, on Feb. 22, the British Broadcasting Corp. reported. The BBC said that this would jeopardize Russia's negotiations with the (British Petroleum-centered) oil consortium in Azerbaijan, for oil to be transported through pipelines in Russian territory, and that, instead, Azeri oil might now have to go through Georgia and Turkey.

The Chechen attack is the first-ever on a trunk pipeline from Azerbaijan into regions of the Russian Federation, indicating that British-backed networks are escalating their "oil war" against Russia. This border area is populated by Lezgins, and there has been talk in British and related "circles" recently, that a new independent region, "Lezgistan," would soon be created.

U.S. Presidential candidate Lyndon LaRouche said that behind the "Chechen liberation war" against Russia, is really a British-backed "oil war" to destabilize Russia, in an interview with the weekly radio program "EIR Talks" on Feb. 21.

Jonathan Lee, from the Center for Global Energy Studies in London, told BBC, "This is the last thing the Russians want, because it will make their negotiations with the Azeri oil consortium all the more difficult." He said

the decision on which pipeline route would be chosen, would be made over the next year.

Meanwhile, the Feb. 12 London *Financial Times* reported that the Russians are invoking an old position on the Caspian Sea's legal status, and this may prevent fulfillment of a contract (signed in 1994, by a consortium led by BP) to extract oil off the coast of Azerbaijan. The Russian stance, a reversion to the "previous tough stance on the Caspian," holds that any drilling should be subject to approval from all states bordering the sea. The paper said this position has "also won support from Iran." One British official threatened: "We hope Russia does not go back to that line, because it could damage its own interests by doing so." The official said that western companies might be forced to rely entirely on a pipeline through Georgia and Turkey.

Infrastructure

Kohl urges high-speed rail link to Russia

German Chancellor Helmut Kohl stressed the importance of German-Russian relations, and specifically endorsed the construction of high-speed rail links between Russia and the European Union, at a press conference following his meeting with President Boris Yeltsin, during his visit to Russia on Feb. 19-21.

"We always said that in the planning of international ties, account should be taken of linking Moscow and Petersburg to high-speed railroad lines," Kohl said. "I believe such a line could start in London, cross the Channel, then go to Paris, Mannheim, Frankfurt, Berlin, Warsaw, Kiev, Moscow, and St. Petersburg. It would be good for the European railway network to encompass all these cities."

"I think it is very important that the European Union intends to finance, this year, this European railway project," Kohl added. "This is a concept clearly understood by all responsible people."

Kohl also said that he strongly disagrees with those who say "that it is senseless for Germany and other countries to invest, con-

sidering the nature of the problems facing Moscow and Russia, their hopes and funds, that the result would be negative all the same. I think this is an idiotic approach, which is totally unacceptable to me."

Organized Crime

Mafia role in Russia is huge, says expert

The Russian mafia dominates 20-45% of Russia's export trade, according to Vienna-based Russian expert Vladimir Pankov, the Vienna *Wirtschaftswoche* reported on Feb. 6. Some "20% of oil production, 34% of fertilizers, and 45% of non-ferrous metals are illegally exported. Pankov estimates the volume of capital exported to the West via mafia machinations at \$30-40 billion in 1994," the paper said. Much of this is U.S. dollar-based, and facilitated by the New York Federal Reserve sales in 1994-95 of over \$40 billion in newly minted notes to dubious, speculation-oriented Russian private banks.

Lyndon LaRouche noted that the "Russian mafia" is a certain section of the old Soviet apparatus, which enforces the deals with the mafia, in an interview with "EIR Talks" on Feb. 9. The funds are laundered through European banks, including ones in London, in return for drugs, which are then pushed in Russia, he said.

At an October 1995 Anti-Mafia Conference in Vienna, Michael Sika, an Austrian law-enforcement official, stated, "In Austria, four of Moscow's biggest criminal organizations are active. Their heads, who live in Austria, control virtually unlimited financial means. Companies are founded, intermeshed with each other, dissolved, with large sums of money transferred, parked, laundered, and then invested." The head of Moscow's Stolichny Bank, a prime recipient of Federal Reserve dollars, runs the banks' international dealings out of Vienna.

An Austrian Interior Ministry source told *EIR* that the inclusion of Austria on the U.S. list of countries referenced as negligent offshore banking centers, produced extreme nervousness in Vienna's financial elite.

Briefly

GERMAN unemployment "could soon reach the horrible 6 million level of the Weimar Republic," if the government tries to impose the Maastricht criteria for currency union, Dieter Spoeri, economics minister of Baden-Württemberg, told the daily *Süddeutsche Zeitung* on Feb. 19.

THE RUSSIAN Labor Ministry published a report in late February which documents that, despite a nominal 100% increase in incomes over the levels of 1994, real wages dropped by 24% nationwide during 1995, the Austrian daily *Die Presse* reported in its Feb. 18-19 issue.

CHINA approved large-scale production of a "bullet train," with the high-speed Dongfeng-11 diesel locomotive, the official Xinhua news agency said, according to Feb. 20 wire reports. A key state project under the 1990-95 Five-Year Plan, the locomotive can go 110 miles per hour.

AFRICA cannot pay its debt, Vijay Makhan, the deputy secretary general of the Organization of African Unity, said in Addis Ababa on Feb. 14. "Africa cannot continue to pay this debt and pursue meaningful development," he said. "Africa's external debt . . . continues to be the single most important obstacle to the continent's development efforts."

MALAYSIA Prime Minister Mahathir Mohamad pledges to continue megaprojects, despite a rise in the current account deficit. But the projects show the problem with his British-influenced approach: a new "Federal Administrative City," Putrajaya, and a new international offshore financial center on Labuan Island, which is meant to compete with other fast-money "tax-havens."

GREECE was struck by transport, bank, and Olympic Airways workers on Feb. 22, who were protesting the austerity program of the previous government which has been continued by Prime Minister Spiro Simitis. A 10% increase in salaries is among the unionists' demands.