

Business Briefs

Technology

Is German SPD making pro-technology shift?

The German Social Democratic Party Program Commission under Peter Glotz has released a paper that is intended to define an SPD election platform for the 1994 elections which will be published at the end of March. The paper appears to signal a shift away from the radical environmentalist policies which have dominated the SPD in recent years, and comes as the official unemployment level in Germany has topped 4 million.

The paper calls for giving up the SPD policy of strictly separating research from industry, and argues that industry should be supported by research and transfer of technology. It emphasizes that the wealth of society is based on technological progress. The paper says that while it is useful to assess the risks of new technologies, without new technologies the problems of mankind cannot be solved. It calls for a federal advisory board to coordinate technology policy, to be made up of government, industry, and science community representatives.

Africa

Privatization of Elf signals French pullout

After the devaluation of the CFA franc in Africa, the ongoing privatization of Elf Aquitaine, France's main oil company, confirms that France is withdrawing from Africa, according to Jean Pierre Tuquoi in the Feb. 16 Paris daily *Le Monde*. Tuquoi attacked Prime Minister Edouard Balladur's decision to hand over Africa to the International Monetary Fund and the World Bank.

With the end of public control over Elf, the state will lose a key instrument of its African policy. Created in 1966 by Charles de Gaulle, and headed by Pierre Guillaumat, a former member of de Gaulle's intelligence service in London during World War II, Elf was part of de Gaulle's design to develop an independent network of oil supplies in order for France to carry out independent policies. Elf developed

those capabilities partly in Africa, where the exploration and development of production and distribution networks were also in the interests of African countries.

The further withdrawal of France from Africa will worsen the already horrible conditions there. Elf is economically vital to many African nations. In Congo, for instance, Elf accounts for 75% of the oil production of the country and is its main taxpayer. The relationship between Elf and the state finances is so intertwined that the country's oil revenues are already mortgaged to Elf for the next four years, because of financial advances extended by Elf. The situation is similar in Angola, Gabon, and Cameroon. Two-thirds of Elf's crude oil production of 30 million tons a year comes from Africa.

Finance

Japan believed a target of economic warfare

Several leading Japanese officials and industry leaders now believe that the current economic "recession" in Japan is the result of a five-year economic warfare operation launched by Wall Street and the economic warfare unit of U.S. intelligence, sources in Japan report.

Under the "Webster doctrine" (of former CIA director William Webster), which considers the economic capabilities of U.S. allies as a national security threat to the United States, U.S. intelligence has penetrated Japanese financial and economic institutions and provided critical intelligence to help target and weaken the dirigist economic institutions of Japan. One Japanese source told *EIR* that Tokyo is starting to look at the role of the various U.S. assistant and undersecretaries of the treasury, commerce, and state departments, and the National Economic Council as part of the ongoing destabilization. This source also cited the role of the American International Group, led by Maurice Greenberg, a business and personal associate of Henry Kissinger, as playing a leading role in demanding that the Japanese insurance companies deregulate their financial services. Part of the operation, according to Tokyo sources, comes from Kroll Associates, which is now partially owned by AIG. Kroll's Tokyo office is housed in AIG's building in

downtown Tokyo.

Japanese observers believe there is a potential for a "nationalist" reaction against the ongoing economic warfare. After Prime Minister Morihiro Hosokawa's meeting with President Clinton, Japanese officials may begin to reexamine their thinking about the nature of their ongoing economic difficulties, and shift toward the view that the globalization drive and deregulation demanded by the western financial institutions should not be the direction Japan takes.

Speculation

Bank of England may join consensus for controls

In a recent speech which has been largely ignored in the British financial press, a director of the Bank of England pointed to the "systemic dangers" of uncontrolled international derivatives trading. According to City of London sources, the Bank of England has reluctantly decided to move in the direction of the continental European central banks in an effort to develop "capital adequacy" rules for derivatives which would include "transparency" or full disclosure of "off-balance sheet" or "over the counter" derivatives contracts held by banks, as well as mandating a larger "margin" to back up a bank's derivatives risks.

"The bank is concerned that present abuses could threaten a systemic crisis, so they seek to act in a way which will not close down the entire derivatives business, which is highly lucrative for the City of London," the source said.

Energy

Russian nuclear plants running out of fuel

Russian nuclear power plants were expected to run out of fuel by March, the daily *Komsomolskaya Pravda* reported on Feb. 11. While nuclear power plants in St. Petersburg and in Kursk then had fuel for two more weeks, the plant in Smolensk had only nine days' worth

of fuel. These three powerplants produce electricity for Moscow, St. Petersburg, and many cities in central Russia.

Nuclear power supplies 80% of this region's electricity, but the plants no longer have money for nuclear fuel. All nuclear power plants have been ordered to reduce their production by 70%. According to Interfax, the nuclear power plant in Balakovsk has already been shut down. Novovoronezh will be shut down soon, because employees cannot be paid. The Russian Ministry for Atomic Energy has now informed Vice Prime Minister Oleg Soskovetz that Russian nuclear energy could run into a "potentially dangerous situation" and this would create a threat to the security of the country.

Middle East

World Bank sabotaging Israel-PLO accord

A conference on the economic possibilities in the Middle East peace process sponsored by the Danish Confederation of Industries in mid-February in Copenhagen, demonstrated how the World Bank is sabotaging the Mideast peace accord.

The keynote speaker, Danish Minister for Development Aid Helle Degn, declared that it was imperative that visible economic improvement be felt by the Palestinians within 3-6 months. She and other speakers indicated how the World Bank has in effect made that impossible. Degn reported that all bilateral aid from individual donors to the Palestinians has ceased and that all programs must be channeled through the World Bank, which controls 70% of the funding, and the European Union which controls the rest. She revealed that the Danish government had to wage a serious fight to ensure that 50% of its aid would be channeled to specific projects.

Danish Ambassador to Tel Aviv Jacob Ritter stressed that "not one penny, not one penny" in aid has been released by the World Bank. Jörgen K. Hanson of the Confederation of Danish Industries warned investors and potential donors that the World Bank bureaucracy was "ten times worse" than any other. He said that because all projects had to be certified by the World Bank and the U.N. Refugee Re-

lief Agency (UNRRA) in Gaza, it would take at least 27 months to get any single project approved. He compared the situation to the failure of the World Bank and International Monetary Fund to aid economic development in eastern Europe.

Morgans Heering of the Danish Cowiconsult firm, which does studies for the World Bank, stated that infrastructure projects such as the Gaza seaport and airport were not to the "appetite of the World Bank," even though he admitted there were good political and economic reasons for the projects.

Health

Millions dying from preventable diseases

Over 2 million children are dying annually from vaccine-preventable diseases such as poliomyelitis, measles, hepatitis B, and neonatal tetanus, *World Epidemiological Review*, the magazine of the World Health Organization, reported in February. The WHO's program on immunizations reported:

- Poliomyelitis: Resources are insufficient to allow all countries wishing to implement essential strategies for poliomyelitis eradication to do so. Progress is being made in the development of an oral polio vaccine that is stable for seven days, of a rapid diagnostic test for poliovirus infection, and suitable methods of intratypic differentiation of isolated polioviruses.

- Neonatal tetanus: Progress toward neonatal tetanus elimination has been made in many developing countries, particularly in the Americas. The major constraints to global elimination are: High-risk areas are not being identified in many developing countries; inadequate health infrastructure and services exist to allow deliveries in a sterile environment; and insufficient funding.

- Measles: Achieving high levels of control and eventual global eradication will require supplementary immunization strategies that have maximum impact on interrupting transmission of the virus, such as non-selective campaigns in which all children below a certain age are vaccinated regardless of prior immunization status.

- **CATTLE IN BRITAIN** have been found for the first time to be infected with bovine immunodeficiency virus. Related to HIV which causes AIDS in humans, BIV was first detected in 1969 in the United States. It infected a British herd originally imported from Germany and Holland.

- **INDUSTRIAL ACCIDENTS** in China are claiming the lives of an average of 500 people each week, the Feb. 13 London *Observer* reported. Factory workers, trapped by locked windows and doors intended to prevent them from leaving work, are dying in fires. Workers are also collapsing from exhaustion after being forced to work night and day without a break to fill "rush" orders.

- **GOLDMAN SACHS'S** London derivatives trading department lost \$640 million in its holdings of derivatives in Japanese Government Bonds in January alone, City of London sources report. "This also explains its frantic efforts a week ago to reverse the impact of the Federal Reserve's interest rate rise," one said.

- **BUBONIC PLAGUE** has returned in 11 of 12 districts of the Bunia region in Zaire, which could spread to the rest of the nation. The disease came with the Belgian colonialists, but after outbreaks in the 1920s it was carefully controlled by the colonial authorities. Roughly 70% of the health centers in Zaire are closed.

- **CHINA** will soon begin to build the Longtan hydroelectric power station in Guangxi Zhuang autonomous region (west of Guangdong), *China Daily* reported Feb. 17. The station is 1 of 10 planned along the Hongshui River and would be second in scale only to the Three Gorges Dam project on the Yangtze River.

- **'RUSSIA is boiling,'** the German *Bild Zeitung* reported Feb. 17. The daily noted that workers in many sectors in Russia have not received a salary for four months, and said that it is not certain how long they will stay silent.