

Business Briefs

Nuclear Energy

Japan To Restart Monju Fast Breeder Reactor

In a move with non-linear national security and regional Asian economic implications, Japan's Atomic Energy Commission decided on Nov. 24 to restart the experimental Monju fast-breeder reactor (FBR) as soon as possible. The reactor was shut down in December 1995, following an accident in which several tons of sodium leaked from its cooling system. The plan reaffirmed Tokyo's commitment to nuclear power, despite several mishaps and cover-ups, including an accident last September at a reprocessing plant northwest of Tokyo, which killed two people and exposed hundreds to radiation.

The plan didn't specify when the reactor, located about 220 miles west of Tokyo, will be back in operation. Japan relies almost entirely on imports for oil and other natural resources, and the government is betting heavily on nuclear power to achieve a measure of long-term energy self-sufficiency. The FBR would enable Japan to produce its own fuel.

The Japanese Science and Technology Agency on Nov. 23 released a study saying that Monju and breeder technology are critical to the nation's future. "The reactor 'Monju' will be placed as the core for research and development of Japan's FBR and nuclear fuel cycle, and Japan will aim for [Monju's] restart as soon as possible," the agency said. It noted that nuclear power generation will continue to be Japan's core electricity source as it contributes to the country's self-sufficiency and stable supply of energy.

Europe

EU Blocks Italy on Aid to Mezzogiorno

The European Union (EU) Commission has turned down a decision by the government of Italy to aid its southern region, the Mezzogiorno, the daily *Corriere della Sera* reported on Nov. 23.

Under pressures from industry and labor, the government of Prime Minister Giulio Amato had agreed to reduce taxes for firms operating in unemployment-ridden southern regions, thus resuming a policy which had been cancelled in 1995 by then-Finance Minister Giancarlo Pagliarini, a member of the Lega Nord party, and EU Commissioner Van Miert. The new measures have been formally inserted into the 2001 budget; however, Amato sent a courtesy letter to EU Commissioner Mario Monti, to check whether this would be a violation of EU regulations.

Monti, who carries an Italian passport, has a British pedigree: In a matter of days, Monti answered that the Italian measures consist of "state aid" to the firms, "against which the Commission has a negative orientation, as they alter competition."

The spokesman of Confindustria (a business association) for Mezzogiorno policies, Francesco Averna, commented, "It is a slap in the face, a defeat for the Italian government. I believe this is the quickest decision ever taken by the European Union." Averna accused Amato of not being tough enough in defending the interests of his own government against the EU bureaucracy.

Health

Use DDT To Save Children from Malaria

The "Save Children from Malaria!" campaign is urging that the insecticide DDT be used to protect against malaria. The group, a coalition of organizations including Africa Fighting Malaria, a South African non-governmental organization; the U.S.-based Competitive Enterprise Institute; the European Science and Environment Forum of Cambridge, England; the Liberty Institute of New Delhi; and the Institute of Economic Affairs of London, was formed to oppose efforts by the Persistent Organic Pollutants (POP) convention, sponsored by the United Nations Environment Program, to impose a worldwide ban on the production and marketing of DDT.

At a Nov. 21 press conference in Washington, D.C., Dr. Donald Roberts, a professor of public health at the Uniformed Services University of the Health Sciences in the United States, briefed reporters on the necessity of keeping DDT available for house spraying in those areas of the world, mostly the southern land masses, where malaria is a leading killer. He warned that malaria is "spiralling" out of control in countries where it had once been controlled, and said that this increase in infection rates is related to pressure brought on developing countries to stop using DDT, pressure that comes from the industrialized world, international aid agencies, and the World Wildlife Fund and Greenpeace. "Our coalition doesn't believe a country should be pressured to use DDT, but we believe that developing countries shouldn't be pressured to stop using the only chemical they can afford to protect their people," he said.

In response to environmentalist assertions (which *EIR* has disproved) that DDT is bad for the ecology, Dr. Roberts said that the issue is what value we place on human life. "We need a chemical that will stand guard over people's health," he said. In response to a question from *EIR* on the effect of a complete ban on DDT, he focussed on Africa. He said that there's never been a malaria eradication program for Africa except in South Africa (which stopped using DDT five years ago, and now is having second thoughts). "Malaria rates would respond," he said, "if DDT was used in Africa." Dr. Roberts also reported that numerous countries in Africa are resisting the POP convention.

Economic Policy

Brazil Must Lead Fight Against Globalization

Brazil must lead a campaign against globalization, before it brings about worldwide death and destruction "on a scale never before seen," Brazilian Air Force Brig. Ercio Braga (ret.) warned in a "Manifesto to the Nation," issued by his "Movement to Re-

store Brazil to the Brazilians,” founded earlier this year. Braga is also president of the Air Force Club, the association of retired Air Force officers.

Brazilian citizens today must choose which path their nation will follow, and there are only two, mutually exclusive and irconcilable choices before them, the manifesto declares: “1) acceptance of a world government, with Brazil as one of its colonies; 2) Brazil remaining a sovereign nation-state.”

Globalization is an attempt by the “International Financial Mafia” to set up a single world government. “This plan, if not stopped, will bring about a rule of violence, of destruction and of death, on a scale never before seen: a true tragedy on a world scale. To stop it, it is necessary to block the formation of the world government which is in embryo, through the strengthening and defense of sovereign nation-states. That is the only path to avoid a world tragedy and secure peace,” it declares.

The manifesto elaborates what constitutes sovereignty (“the power which a state has to define and carry out a policy and a development strategy which best serves national interests”), and the modes of attack upon it. “In some states, there are separatist movements; in others, national industry has been taken down; in others, there is no budget for science and technology; and in others, the dollar has begun to circulate as the national currency, while in many states a combination of these factors is seen.”

These are not separate issues. “It is through a strong and independent agriculture; the rational use of its mineral resources; the production of energy capable of sustaining permanent growth; strong Armed Forces, prepared and supplied by an adequate national arms industry; a developed scientific and technological sector; efficient systems of finance, communications, and transport, that a country can guarantee the minimal conditions to exercise sovereignty over its destiny,” the manifesto declares.

Brazil is more than a people; it is a nation which “has not been irreversibly destroyed, yet, and can say ‘No!’ to those who want to destroy it, thus thwarting the plans to impose a single world government. . . . If Brazil . . . rejects, vehemently, this criminal strategy, other countries, principally from South

America, will find the forces to react, and destroy this attempt right away.”

United States

Virginia Revenue Decline Belies Economic Crisis

State revenue in Virginia is lagging far behind already modest estimates, legislators and state government officials said on Nov. 19, the *Washington Post* reported. The decline is one symptom of an accelerating economic collapse.

Even with strong tax collections in October, state revenue since July is only 3.2% ahead of a year ago, 2.3 percentage points below the 5.5% growth rate forecast, the rate on which the state’s current fiscal year budget is based. As a result, tax collections are lower than the state expected when legislators drafted the budget. The state could face a budgetary shortfall of up to \$480 million for the next year.

The crash of the Internet stocks this year, the collapse of Internet-related companies, such as Oracle and PSINet (both headquartered in Northern Virginia), and the collapse in personal income tax collections, which had been fuelled by the speculative stock boom and the proliferation of high-dollar jobs in the information technology sector, are all playing a role in revenue decline.

With the collapse of the Nasdaq especially, capital gains became massive losses for many people, and, at the same time, there have already been numerous middle management “pink slips.” In addition, the state had given many firms tax breaks to locate there; now, as losses mount, they will never receive the expected benefits of the tax breaks. These problems are compounded by the devastation of the state’s other major industry, big tobacco, which in the last year, suffered massive losses, and numerous layoffs. In general, if it weren’t for the lingering, but diminishing, speculative boom in Northern Virginia in the so-called technology sector, the state would have already been in the throes of a deep depression, as is the case in other parts of the state.

THE SHANGHAI Krupp Stainless (Steel) Co. Ltd., in the Pudong economic zone north of Shanghai, was the site of ceremonies on Nov. 30 celebrating 100 years of German steel-producer engagement in China. Formed in 1997 by a German and a Chinese firm, the facility will help China reduce its 80% dependency on stainless steel imports and provide it with 440,000 tons of steel products.

DAIMLER CHRYSLER, the third-largest automaker in America, announced on Nov. 22 that it will close three plants in December, idling 13,600 workers, to “reduce growing inventories.” The plants, two of which produce Jeeps and SUVs, are located at Bramalea, Ontario; Detroit, Michigan; and Toledo, Ohio.

KAZAKSTAN Prime Minister Ksymzhomart Tokaev said on Nov. 21 that his nation is suffering from “a constant deficit of water,” allegedly as a result of natural causes, Interfax reported. He said that the problem can be addressed only through talks with neighboring countries.

ARMSTRONG Holdings, Inc., the Lancaster, Pennsylvania-based flooring manufacturer, with \$3.4 billion in annual sales, is expected to file for Chapter 11 bankruptcy protection, after it failed to pay a \$50 million short-term debt which matured on Nov. 22. The firm’s financial problems reportedly stem from a recent ruling expanding its liabilities in asbestos class-action claims. On Oct. 5, Owens Corning, Inc. of Toledo, Ohio, which also faces outstanding asbestos liabilities, filed for bankruptcy.

A LONDON bond-market source reports that the \$6-8 billion bond offering by British Telecom is “going very badly. There is little demand, and already interest rates on BT bonds are higher than those state bonds of Malaysia or Korea.”