
Business Briefs

Continental Integration

Kirchner Invites Mexico To Join Initiative

Argentine President Néstor Kirchner, during his July 29-Aug. 1 trip to Mexico, repeatedly emphasized the crucial importance of Mexico participating in “the building of the nations of South America and Latin America,” and joining such entities as the Common Market of the South (Mercosur), to advance continental integration and economic development for all.

Even though Mexican President Felipe Calderón is a free-trade advocate like his predecessor, Vicente Fox, he stated at the beginning of his Presidency that “looking south” and improving relations with nations of the region, will be a centerpiece of his foreign policy.

Nuclear

Israel Considers Plant; Argentina Mines Uranium

Israel is considering building its first nuclear power plant. According to the Israeli daily *Yediot Ahronot*, the issue is under discussion by the office of Israeli Prime Minister Ehud Olmert and the Infrastructure Ministry. A decision to build a plant would require Israel joining the Nuclear Nonproliferation Treaty.

Possible locations for the proposed plant include the Negev Desert in the south. Israel also may consider building the plant in cooperation with a neighboring country.

Experts estimate that the cost of building a nuclear power plant could reach \$2 billion, and take at least eight years to complete.

Argentina, meanwhile, has announced plans to resume uranium mining and production. Initial estimates are that it will mine 30 tons annually.

Although Argentina has significant uranium reserves, for the past ten years it has relied on foreign imports for the 120 tons it needs to fuel its existing reactors. In the

1990s, many mines were closed under the IMF austerity policy imposed by former President Carlos Menem. Now, the Kirchner government plans on reopening mines and expanding uranium exploration.

On July 27, a Memorandum of Understanding was signed between Atomic Energy of Canada Limited and Nucleoelectrica Argentina, to begin negotiations for the construction of a 740-megawatt CANDU-6 reactor, which will be Argentina’s fourth nuclear plant.

State Budgets

California Crisis a Sign Of Worse Times Ahead

Key California state government programs are threatened with being shut down by the second week of August, since the state failed to pass a budget by the June 30 deadline. Gov. Arnold Schwarzenegger is under fire for having “abandoned the process.” And there is no end in sight to the stalemate.

Purportedly, the basic problem, as widely reported, is that the Republicans in the California Senate are united in opposition to the budget passed by the Assembly. The ostensible sticking point is less than \$1 billion in expenditures: GOP Senators are refusing to pass the budget unless at least another \$800 million is cut.

The reality is different. Schwarzenegger is pursuing the script written by his promoter, George Shultz, who is committed to imposing fascist austerity on the state, while ripping apart the social safety net, just as his previous puppet, Gen. Augusto Pinochet, did in the Shultz-Rohatyn experiment in Nazi economics in Chile. Schwarzenegger is playing the “soft cop,” letting the GOP Senators take the blame; but the stalemate is already having real consequences.

Without a new budget, the state’s \$2 billion emergency fund for Medi-Cal, the state’s Medicaid program for the elderly, has been depleted. A \$227 million payment scheduled for Aug. 2 to hospitals and nursing homes will not be made. There are also warnings that funds are short for firefighting—a dangerous prospect with the year-

long drought—and for road repairs and new transportation projects.

The Senate Republicans insist on further cuts, including \$324 million from welfare, which will cause more than 40,000 families to lose state assistance. The Republicans are also demanding cuts in public transit funds.

Nazi Economics

‘Infrastructure’ Bill Introduced in Senate

The “National Infrastructure Bank Act of 2007,” introduced on Aug. 1 into the U.S. Senate by Chris Dodd (D-Conn.) and Chuck Hagel (R-Neb.), is part of fascist financier Felix Rohatyn’s program for looting the country, just as he looted New York City under the Big MAC program in 1974-75.

The bill calls for private controlling interests in public infrastructure, involving the same “public-private partnership” principle which shaped Big MAC. Now at Lehman Bros., formerly at Lazard, Rohatyn is part of a network of private financiers tracing back decades to Anglo-Dutch-French circles opposing nation-state-serving economics.

The Dodd-Hagel bill has been a Rotatyn initiative for some years. In 2004, he set up the Commission on Public Infrastructure as part of the Washington D.C. Center for Strategic and International Studies (CSIS).

Since then, Rohatyn has orchestrated a committee, including Dodd, Hagel, and others, to support “Guiding Principles for Strengthening America’s Infrastructure,” and calling for “partnering with the private sector”—companies such as Goldman Sachs, Macquarie, and Morgan Stanley.

On Aug. 1, Rohatyn issued a letter of support for the bill, along with former Sen. Warren Rudman, co-chairman of the Commission on Public Infrastructure, saying it would “help re-structure the federal role by allocating costs and financing more fairly and rationally.... The proposed Infrastructure Bank Act also will increase the ability of the private sector to play a central role in infrastructure provision....”