

Business Briefs

Nuclear Energy

FEF director congratulates Argentina

Fusion Energy Foundation executive director Paul Gallagher wrote to Vice-Admiral Carlos Castro Madero, the chief of Argentina's Nuclear Energy Commission, calling Argentina's creating a full nuclear fuel cycle "an essential achievement as a nation, creating an important new asset for itself and other nations."

"Not only Argentina," Gallagher stated, "but all the nations of the continent, and potentially of the entire developing sector, are the beneficiaries of this breakthrough. . . . The urgent industrial and scientific development of the entire continent can be successfully launched on a high technological level.

"The development of skilled scientists and engineers, the advancement of medical techniques, the development of the most advanced power sources for industry and communications, the improvement of the recovery of resources and the development of new materials—all of these and more in the industrial development of any nation now hinge on the possession of the full range of nuclear technologies, which is the right of every nation. . . .

"In the United States we have, unfortunately for many years, pursued a notion of 'non-proliferation' which was supposed to aid disarmament, but has . . . merely served as the leading argument for those opposing the transfer of advanced technologies to the developing nations for other reasons. This notion has attempted to make of the nuclear technologies themselves a form of original sin, rather than the essential basis, in energy technologies, for industrial development.

"Now a new frontier of breakthroughs in energy technologies, those of plasma physics and lasers, have given us great hope, including the announcement of President Reagan in March of this year, of the search for a way out of the balance of nuclear terror between the United States and the Soviet Union. The way may open for a renewal of 'Atoms for Peace,' but with the far greater advancement of fission, fusion, and energy

beam technologies over the past 25 years.

"You have braved perverse international criticism to do what was correct and urgently necessary. In doing so, you have helped to bring the solution to the dilemma of 'non-proliferation' closer to possibility."

Resources Grab

Representative Schumer: Take Mexican oil

Representative Charles Schumer (D-N.Y.) has a proposal for increasing the rate of filling the U.S. Strategic Oil Reserve without budget outlays to acquire the oil: Steal the oil from Mexico.

Schumer, a proponent of the and the just-passed IMF bail-out bill, is proposing that Mexico store its oil in the strategic reserve salt domes, for no charge. The United States would only actually purchase the oil "in case of emergency." Alternatively, the U.S. government would "seize the oil" and give it to banks for debt repayment if Mexico failed to meet debt obligations.

The congressman was not subtle in demonstrating how he would motivate Mexico to enter such an agreement. "It may be the only way that Mexico can obtain financing for new development projects."

Ibero-America

Bolivian Senate attempts to increase wages

The Bolivian Senate, in an attempt to counteract the devaluation of the Bolivian peso imposed on the Siles Zuazo government by the IMF, voted up a 100 per cent wage increase Nov. 23. Government economic ministers called the vote unconstitutional, since there is no funding for the increase. The Senate also drafted a message to the cabinet, denouncing the IMF-dictated measures which were taken "behind the back of the congress and threatening the economy."

The next morning a powerful bomb shattered the Senate building's vestibule.

Transportation and state workers are on strike, and the Bolivian Central Union called for a 24-hour national strike on Nov. 28. Reports are circulating that right-wing officers will use the pretext of popular unrest to try to stage a coup. To prevent such a move, the military high command has confined all soldiers to their barracks.

The austerity measures, which devalued the currency by 60 percent and increased prices by over 150 percent, were a conditionality imposed by the IMF before it would even consider whether to renegotiate Bolivia's \$2.7 billion debt.

International Monetary Fund

Promoting fascists in Mexican elections

A spokesman for the National Action Party (PAN) intervened in Mexico to demand victories for the PAN—a fascist organization whose leaders have explicitly endorsed the economic austerity policies of Hitler's Third Reich—as a condition for Mexican debt renegotiation.

Humberto Rice García, the unsuccessful PAN candidate for mayor of the most important seaport on Mexico's west coast, Mazatlán, in the mid-November elections in Sinaloa state, acknowledged that the IMF "pressured the system to achieve a democratic opening in Chihuahua and Durango," two Mexican states where the PAN was accorded local election victories in July voting, "as well as in the rest of the country, as a condition for the renegotiation of the foreign debt."

Rice García, a Reverend Moon-style religious fanatic, claimed that the "theft" of PAN victories in Sinaloa "could provoke a reduction in tourism, and lack of confidence by foreign investors . . . who were watching the elections and their outcome."

The economics ministries in the PRI-controlled government, where the pro-IMF faction is entrenched, released a report on

Nov. 19 on "General Criteria of Economic Policy for the Income and Budget Programs of 1984." The report specifies that existing levels of austerity will continue or intensify in every significant area during the next year.

In 1983, industry dropped by an average 10 percent, the Gross National Product by 5 percent, and real salaries by almost 40 percent.

For the second year in a row, fully 10 percent of GNP will leave the country in the form of interest payments on the foreign debt—twice as much as the "ceiling" ostensibly imposed by the National Development Plan of May 1983.

Planning and Budget Minister Carlos Salinas de Gortari, who was trained at the Wharton School and is the most fanatic IMF ideologue in Mexico, was selected by President Miguel de la Madrid to give the keynote speech on the day commemorating the 1910 Mexican Revolution, Nov. 20, on behalf of the government as a whole. The speech was a defense of the IMF program as "revolutionary austerity."

European Debt

IMF: 'Italian government too soft'

The government of Bettino Craxi had anticipated that a late-November report to the Italian government by an International Monetary Fund delegation led by Sir Alan Whittome would approve Italy's austerity program. Craxi's government has cut the cost of living escalator, putting into the effect the wage-indexing policy put forward by the late Ugo La Malfa, the former head of Italy's Republican Party, and several direct and indirect tax increases. But the IMF reported that it found these measures utterly inadequate.

The IMF report states that the government's goal of a 90,000 billion lira deficit for 1984 is unrealistic, unless there is a drastic cut in public expenses.

The IMF "suggests" new measures of taxation on high incomes, given that little more can be pulled out of the low-income

sector.

Public sector wages must be held down, the report states, because the cost of the public sector is the biggest drag on the Italian economy. After three years of recession, says the IMF, with the beginning of an upswing in other economies, Italy is still in the same place. It is therefore necessary to strike the "cancer" in the economy, i.e., the public sector—including schools, hospitals, etc.

Treasury Minister Gianni Gorla has already declared that he agrees fully with IMF.

European Industry

Dutch industrial economy fading

The recent dismissal of 7,000 shipbuilders at the Dutch RSV Group gave a violent shove of that country's economy toward the non-industrial future envisioned by Count Etienne D'Avignon, the head of the European Commission's Industrial Secretariat.

In this country of 14 million, the official unemployment figure is 830,000, and expected to top 1 million by the spring 1985. According to government figures, unemployment stood at 290,000 at the end of 1979.

The official unemployment rate of 17.7 percent is understated since the government wishes to minimize its unemployment payments. Yet the government acknowledges that one-third of the regions suffer over 20 percent unemployment, with industrial areas the worse off.

The ultra-monetarist government of Prime Minister Rund Lubbers has promised a minimum 3.5 percent cut in all social service expenditures, the layoff of 8,000 teachers, closing of hospitals, a reduction in government wages and an increase in general tax and social welfare contributions.

The Dutch economy is increasingly resting on four pinions: natural gas and oil from the North Sea, agriculture (which last year exported \$13 billion), tourism, and invisibles including banking, insurance, and illegal activities. Amsterdam is known as the drug distribution center of northern Europe.

Briefly

● **U.S. AUTO MAKERS** report that sales for the middle 10 days of November were 8 percent behind those of last year. The financial press claims that the lower sales this year is a reflection of the poor sales last year.

● **BRAZIL** finally won IMF approval of its new austerity program Nov. 22. The IMF had to grant Brazil a "waiver," since under the IMF's "anti-inflation" program, Brazil's inflation doubled from just under 100 percent in 1982 to well over 200 percent this year. In return, Brazil has agreed that in addition to wage cuts conceded last month, there will be new budget cuts, new taxes, and tighter credit.

● **THE ASSOCIATION OF American Railroads** reports that less than 1 percent of the nation's 25,768 railway locomotives will be replaced in 1983. In the first 10 months of the year, only 198 engines were delivered, while 1,300 older units were retired during the same period.

● **F. W. DODGE COMPANY** claims that overall construction contracts for October dropped 3 percent from September, which in turn showed a decline from August. Multi-family homes dropped 17 percent while public works and utilities fell 14 percent.

● **PIERRE ELIOT TRUDEAU**, Canada's prime minister, called for a nuclear freeze and for diverting funds earmarked for producing nuclear weapons to "Third World development" at the late November meeting of the British Commonwealth in New Delhi. Trudeau's proposal was couched in the terms of the Nuclear Nonproliferation Treaty, used by the Carter administration to get developing sector nations to sign away their right to develop nuclear energy. Trudeau's proposal got a mixed reception in New Delhi. India rejects any proposal that links disarmament to the nuclear nonproliferation treaty, which New Delhi says discriminates against underdeveloped countries.