

# Business Briefs

## European Labor

### Truckers' strike spreads unrest

The strike by France's two national truckers associations, who set up blockades throughout France after a strike by Italian customs officials closed the border between the two countries, is spreading to other sectors of the economy—and to other nations. The blockades began on Feb. 16.

The strike spread to West Germany and Austria by Feb. 23, when all traffic between Germany and Italy was halted. Truckers blocked the strategic Brenner Pass through the Alps by a human chain, a tactic first used by the "peace" movement last year.

French truckers are demanding compensation for losses due to the Italian officials' strike. Negotiations that began between the government and the two truckers' associations on Feb. 21 have been ineffective. The strike, which has caused numerous violent clashes, is being compared by the French press to the truckers' strike which brought down the Salvador Allende government in Chile in 1973. Maurice Voiron, president of one of the truckers' associations, challenged the government that if negotiations with the truckers failed, "the Chile syndrome could develop."

The strike is reportedly being directed through U.S. independent trucker leader Michael Parkhurst, who was involved in the Chilean strikes. Leaders of the French truckers attended a 1982 meeting run by Parkhurst in the United States.

The blockades were called in response to work stoppages by French and Italian customs officials which caused trucks to back up for miles. The truckers, who have accused the government of favoring railway travel to trucking, are demanding reimbursement for time lost as a result of the customs strikes, for spoiled cargoes, and other minor grievances.

More than half the French departments have been affected by the truckers' protest. French miners went on a two-day strike Feb. 20 and 21, while at least one association of small businessmen called for a strike by their members to express solidarity with the

truckers. Other trade unions are watching the outcome of the truckers' confrontation with the government preparatory to taking action.

## European Community

### Labour joins Tory assault on EC

Neil Kinnoch, the new head of the British Labour Party, responded to Tory Foreign Secretary Geoffrey Howe's threat to collapse the European Community (EC) by calling for a "fundamental restructuring of the European Community."

"The EC in its present form," the Labour leader wrote in the current issue of the London monthly *New Socialist*, "cannot be characterized as a truly European community since it encompasses only a few Western European countries and none from Eastern Europe, thus precluding any venue which might facilitate the East-West dialogue. Yet this dialogue is as indispensable as economic cooperation and arms control."

Claiming that President Reagan is one of the main obstacles to the realization of the EC's economic objectives, Kinnoch calls for a new "Messina Conference," (such as the one which led to the Rome Treaty and the founding of the EC), whose purpose would be to pursue close relations with "other economic and political alliances which now exist on the continent of Europe."

Kinnoch declares that the present world economic crisis will require the common and coordinated activities of "all the Socialist forces of Europe" (both East and West), and must include the establishment of a "nuclear-free Europe as proposed by both the Socialist government of Andreas Papanreou and the British Labour Party, as well as fundamental transformations in the functioning of the community."

Kinnoch made his statement after a Feb. 10-15 visit to the United States where he met with Secretary of State George Shultz, Cyrus Vance of the Palme Commission, and members of the New York Council on Foreign Relations.

## Energy

### North Africa gas project relaunched

Sources cited in the Spanish newspaper *Cambio* reported in the Feb. 14 issue that Reagan administration representatives have been going to Algiers since the beginning of the year to negotiate a gas pipeline that will supply Europe from the North African Magreb. Vice-President George Bush apparently expressed interest in the project on his last trip to Algeria and has taken steps to get it moving again.

The total cost of the project, which is being run by Bechtel Corporation and will use technical assistance from Nigeria, Algeria, Morocco, and Spain, would be \$10 billion. The U.S. Eximbank has already opened a \$250 million credit line to open the first part of the gas duct.

Nigeria is apparently most reluctant to participate, although Bechtel has already created a firm there, called Nibec, to study the project. The Nigerian government is concerned about foreign debt.

## Ibero-America

### Venezuela rejects IMF austerity terms

Venezuela's new president, Jaime Lusinchi, has rejected the IMF's demand that his nation devalue the bolivar, impose a five-fold increase in domestic fuel prices, and eliminate all subsidies, import restrictions, and price controls. According to the Feb. 23 *Financial Times*, there will be some measures "parallel" with IMF demands, but the government will either modify or reject steps that would lead to a recession.

Venezuelan Finance Minister Manuel Azourua stated that, instead of devaluing the bolivar, the government will set a parity between the preferential rate of bolivar and the free-market rate. They are ready to accept an inflation rate of 20% to 25% as a result.

## Briefly

Lusinchi's government is expected to raise the preferential exchange rate on the bolivar for essential imports of food and medicines. While government subsidies on essential food items are to remain in effect, other subsidies are to be "phased out." Domestic prices are expected to go up by 20%.

Venezuela will also reportedly ease restrictive foreign investment rules, a move which could render the nation vulnerable to the "assets for debt" policy Henry Kissinger and his business partners have been attempting to force on the developing sector.

Austerity has already taken its toll. Rube Jaen, chief of cardiovascular services in the Hospital Clinico Universitario in Caracas, stated that between March and October 1983, several people died because of lack of medical equipment. Measures taken in February 1983 included restriction of imports in order to save foreign exchange for debt payments.

### Food Crisis

#### Drought refugees starve in Zimbabwe

Over 40 persons a week are dying of starvation in Zimbabwe, mostly peasants who have fled from severe drought conditions in Mozambique. Over 20,000 have left Mozambique for northeastern Zimbabwe—a region where the corn crop has failed for the past two years.

The drought in Zimbabwe is so acute that the country will have to import nearly a third of its maize supply this year, according to the *Financial Times* of Feb. 16. The country's stockpile is scheduled to run out by the end of April, and the financial straits of the country, recently under attack from the IMF, endanger its ability to buy grain.

Conflicting reports estimate that between 40,000 and 200,000 persons have starved to death in Mozambique in the past six months.

Zimbabwe's Ziana news agency quoted officials reporting that women were arriving at hospitals in the northeast carrying their

dead children. Rushinga district administrator Kanyandura Kanyau reported that the death rate has doubled in recent weeks. School headmasters are reporting that they expect to lose many students to starvation this year.

Zimbabwe has been unable to make any provisions for the refugees, who are being fed with the already inadequate rations provided for the local population.

In Ibero-America, Bolivia, which is also suffering from severe drought, has called for air transport of the 30,000 tons of wheat it just bought from Argentina. Bolivia has exhausted its reserves and faces mass starvation.

In Brazil, over 1,000 peasants fleeing the drought in the Northeast raided a government food storehouse and looted businesses and markets in the town of Aguas Belas.

### Development Strategy

#### Peking calls for modernization policy

The *People's Daily* urged China's policy of economic modernization in a front-page commentary Feb. 21 which attacked conservatism and refusal to change traditional methods. The paper stated that many officials still regard the present reforms as capitalist, and others oppose all changes they think are contrary to Chinese tradition. "The inertia and sloth of history do not encourage the spirit of reform and opening up. . . . We advocate bold and positive reform, which also must be cautious and stable . . . but some people consider caution and stability to be incompatible with boldness."

Modernization can mean either that "we will use this opportunity to use new management experiments and the fruits of science to develop the national economy and to reduce as fast as possible the gap between us and economically developed countries," or that "the opportunity will be wasted and we will stick to the beaten path, so that the gap with advanced world standards becomes ever greater."

● **CELSO FURTADO**, Brazilian economist, called on France to be the first country to support unilateral action on foreign debts by Ibero-America. In an interview with the socialist magazine *En Jeu*, Furtado recalled that at the Williamsburg economic summit in May 1983, French President Mitterrand had called for a relaunching of the North-South dialogue "without posing the problem of foreign debt which is paralyzing the Third World countries." He said he expected from France "immediately a change of policy vis-à-vis Argentinian foreign debt and obligations of Argentina toward French banks and insurance companies."

● **VENEZUELA** will participate in a Western Hemispheric meeting on drugs April 9. Laundering of narcotics revenue is so extensive in Venezuela, the nation's press claims, that the value of the U.S. dollar has been depressed, whereas it should have skyrocketed. The former head of the national police, the PTJ, recently noted that the value of the bolivar rose in early February because a huge sum of black-economy funds was being laundered.

● **THE U.N. WORLD FOOD COUNCIL** has issued a report claiming that the threat of a global food crisis now seems remote. The report is to be discussed at an informal seminar of statesmen and food experts at Bellagio, Italy, according to the Feb. 15 *London Times*.

● **BRAZIL'S** Acominas steel project, built with British inputs, is facing shutdown. Over 2,400 workers have been handed dismissal notices and subcontractors on the project have not been paid.

● **THE ECONOMICS** ministry of Argentina was in Rome for a meeting on the "economic future of Argentina" Feb. 22 and 23.