

Business Briefs

France

Mitterrand sets 'reform' to close steel industry

French President François Mitterrand defended his government's new restructuring of the steel industry, in a press conference April 4 that took place while the steel-producing center of Lorraine was paralyzed by a general strike.

Mitterrand's "reform," announced the previous week, will abolish between 21,000 and 27,000 jobs. The President declared that this "rationalization" would be done, not through lay-offs, but through early retirements and a program giving workers two years' leave of absence for retraining in electronics and the "information" industry.

This would be done, Mitterrand said, on the model of Pittsburgh, the steel center which is now being hailed by proponents of the "post-industrial society" for its shift into the electronics and communications industry. The French president visited Pittsburgh March 27, and gave a speech to the Carnegie-Mellon Institute on this theme. His trip was described by a French associate as an important phase of an operation to make Pittsburgh a "new renaissance" city in cooperation with France—through electronics and the "rationalization" of heavy industry.

The shutdown of the steel industry has created new friction in France's ruling coalition, as Communist Party head Georges Marchais charged that Mitterrand was violating the ground rules of the communist-socialist coalition.

Petroleum

U.S.S.R. may lower production this year

"Serious setbacks" in oil production may force the Soviet Union to lower its targets this year and in the 1986-91 Five-Year Plan, according to *Pravda*.

The target for this year is 624 million

tons, an 8-million-ton increase over 1983. But present trends indicate that output will be about the same as last year. The problem lies chiefly in the western Siberian fields, which account for 63% of Soviet production, and particularly in the large Tyumen district.

Ibero-America

Colombian trade union: 'no limits to growth'

The Union of Workers of Bogotá and Cundinamarca (Utraboc) issued an economic policy document following its departmental plenum March 22-23. Utraboc is the regional federation of the UTC, Colombia's largest national trade union federation. The statement says in part:

"The current crisis we are facing is the clearest proof that all the economic theories and practices that have been applied are thoroughly bankrupt. . . .

"There are no real limits to growth. The apparent limits are overcome by technological innovation, which thereby defines new resources. Thus, man has used firewood, waterfalls, coal, and today oil, gas, and nuclear energy. It is time for man to create his own 'suns' here on earth by achieving controlled thermonuclear fusion reactions, for which the raw material of this nearly inexhaustible energy source is sea water.

"The wealth of a nation cannot therefore be based on the production and trade of substances such as marijuana and cocaine. . . .

"The elimination of industry as the priority sector of the national economy and the promotion of 'micro-enterprises' and 'houses without down payment' as the centerpiece of a supposed economic recovery program, will not allow the nation to escape the current crisis. . . . What are required are great economic development projects like a second inter-oceanic canal. This would, incidentally, provide the Contadora Group with an economic program."

The document ends with support for development of defensive weapons to neutral-

ize nuclear missiles, for a moratorium on Latin America's foreign debt, for the Colombian government's war against narcoterrorism.

"Colombia should become an industrial power. We need machines to produce more machines, mechanized agriculture, nuclear plants, and modern railroads, highways, and ports. . . . We need productive credits at long terms and low interest. . . . Speculation must be done away with. Foreign investment must be subject to rigorous regulation.

"We propose the creation of an economics school for workers, provided with its own center of statistical information."

Debt Crisis

Soviets try to cash in on anti-IMF ferment

Moscow has suddenly taken up the cause of the "debt crisis" in its effort to seize control of the opposition in Ibero-America to the austerity demands of the International Monetary Fund (IMF). On March 29, two days before Argentina's end-of-quarter debt deadline, director of the Soviet Latin America Institute Viktor Volskii exhorted the countries of the continent to confront "the problem of the foreign debt in a joint form."

Speaking at the Argentine International Relations Center (CARI), Volskii charged the "creditor countries" with "practicing robbery in view of the huge interest rates . . . established for loans" and urged a "common debtors' front to face this barefaced robbery."

Volskii, whose magazine every month highlights the "revolutionary" potential of "indigenist" movements and is full of the greatest animosity to Ibero-American nation-states, will go on to Mexico and Peru.

On March 16, the Soviet government paper *Izvestia* published his article, "Hopes and Fears of the Seething Continent," in which Volskii stated his agreement with the Socialist International that the central issue in Ibero-America today is a "struggle against

the neo-colonialism of the U.S. empire.”

In content, the Soviet “anti-imperialism” matches Henry Kissinger’s proposals on the debt, beginning with allegations that the region tried to grow too fast and ending with the proposal that Ibero-America’s raw materials could provide the backing for a regional currency—exactly what Kissinger proposed in 1975 with his “International Resource Bank” scheme.

Arcana

New York Times goes against leaded gas

One of our contributing editors had the following to say about an editorial in the *New York Times* on April 4:

“At last, the *Times* has summoned the courage of its convictions; in its editorial column it came out of the closet, and bared its breast bravely against that ogre, ‘leaded gasoline.’

“I won’t say that the *Times*’s fears are entirely without basis. If your father were a *Times* editor, you’d probably have a strong propensity for drinking leaded gasoline, and that would hurt you, without doubt. Yet, looking back over the years since ‘Earth Day’ 1970, when the liberals began to ban the last six centuries of European and American contribution to science and technology, one must ask oneself: ‘Leaded gasoline today: what will they ban, next, tomorrow? Gasoline, perhaps?’

“I have to admit that gasoline’s pretty poisonous stuff for people to drink, with or without the lead. Before 1970, we’d have probably said we ought to teach children not to drink the stuff. Today, now that the National Education Association has taken over the Democratic Party’s national conventions, I suppose a parent could be sent to jail for life, just for looking as though they intended to stop a two-year-old from drinking gasoline. So, if a fellow thinks about law the way those teachers from the NEA do, the only ethical way to stop children from drinking gasoline is to ban gasoline.

“Of course, you have to admit, the

Times’s next step, after banning leaded gas, might be to move in on leaded glass. If you were the offspring of a *Times* editor or publisher, I suppose you might not be able to pick the odd pieces of leaded glass out of your customary midnight snack of beer bottles and window-pane sandwiches.

“Still, it makes a fellow wonder a bit. If the crowd around the *Times* is so dead set on committing suicide, is it really worth all this effort to try and stop it. After all, the editors of the *Times* stated the other day, in another editorial, that they agreed with the spirit of Colorado Governor Lamm’s instructions to people, that it is their ‘duty to die.’ Why not just spray the *Times* offices with a massive dose of DDT, and end all this agony?”

Argentina

Wall Street worries about debtors’ club

To judge by editorials in the leading East Coast press, Wall Street is anything but pleased with the temporary bailout of Argentina achieved at the end of March.

The *Wall Street Journal* editorial April 2 asked for “harder treatment” of Latin American countries and said: “At first blush, the last-minute financial rescue package for Argentina seems to turn the international debt crisis on its head. But experts see a lot of clouds inside the silver lining . . . the agreement sets the stage for a debtors’ cartel, which might not repudiate debts but might try to dictate lenient debt-repayment terms all over Latin America and elsewhere.”

The *Journal of Commerce* demanded Argentina’s total submission to the IMF austerity program: “The rescue package will have been a mistake, simply postponing the Argentine problem, if Buenos Aires does not take action quickly to agree on a sensible economic restructuring program with the IMF. . . .

“One can, of course, put a very good face on the whole rescue operation. It may be that all involved were so sure of Argentina’s good faith that they were ready to give the nation a brief respite.”

Briefly

● **JAMES D. WATKINS**, Chief of U.S. Naval Operations, has warned that the Navy is facing a “critical shortage” of missiles, torpedoes, and other munitions, and that funds allotted so far in the FY 1986 budget are “still not sufficient.” The warning is contained in a classified memorandum which Watkins sent to Navy planning officers in March; it says that there is a “serious shortfall in modern stand-off weapons” as well as shortages in Navy stocks of Sparrow and Phoenix air-to-air missiles.

● **SOVIET NATURAL GAS** production will increase in the coming years, but not for export. According to an official from the State Planning Agency (Gosplan), a proposal has been adopted “not to expand the export of natural gas in the future, but to begin supplying energy-intensive products abroad based on gas.”

● **ETHIOPIA** appealed March 31 for 450,000 tons of emergency food aid. At least 5 million Ethiopians are affected by drought and severe national food shortages.

● **THE BRAZILIAN** government took over the debt-ridden Continental Credito Imobiliario bank and affiliated companies, saying the bank owed more than 100 billion cruzeiros—about \$73.8 million. The bank’s 637,000 account holders will be refunded up to a limit of about \$11,750 per account.

● **THE FUSION ENERGY** Foundation’s popular paperback, *Beam Defense: An Alternative to Thermodynamic Destruction* (Aero Publishers), has won a 1984 National Journalism Award from the Aviation/Space Writers Association. The award will be presented May 6 at the Aviation and Space Writers annual conference in Las Vegas, Nevada. *Beam Defense* has already been through two printings (totaling 25,000 copies), and the FEF is currently raising funds for a third printing. A Japanese translation will be published on May 20 by Aero Publishers and Jiji Press Service.