

Economics in Brief

Brazil

Scared Santanderista: 'We're All Right, Jack!'

Feb. 12—Speaking from within the bowels of Banco Santander's Brazilian branch, chief economist Alexandre Schwartzman told the Feb. 9 *Exame* magazine that the crisis of the Eurozone won't have the slightest effect on Brazil's wonderfully growing economy.

Lyndon LaRouche laughed at Schwartzman's "insanity," and remarked that his own warnings of a meltdown crisis throughout the Eurozone, in the middle of which sits the British-run Banco Santander, must have terrified Schwartzman.

Schwartzman insisted that there have only been a few minor blips in Brazil reflecting the European crisis, but nothing significant. Brazil's economy is dynamic, he lied, based on consumption and investments in the internal market, and it cannot be derailed by any European events.

He was last seen whistling past the graveyard.

Japan

Fast Breeder Reactor To Resume Testing

Feb. 11—The Japanese Nuclear and Industrial Safety Agency gave the go-ahead Feb. 10 for the prototype fast breeder reactor Monju to resume test operations. The reactor, in Tsuruga, Fukui Prefecture, could be restarted as early as March, after approval from the prefectural and municipal governments.

Built in 1991, the reactor achieved a sustained nuclear chain reaction in 1994. But, in December 1995, about three months after the Monju began supplying electricity, a leak of sodium coolant led to a fire that forced it to be shut down.

But, now, the surge in nuclear plants being built and planned, especially in Asia, brings to the fore the rapidly growing need for nuclear fuel, which breeder

reactors can help meet. The major Asian nuclear nations are working to develop supplies of uranium, but they are aware that a nuclear-based economy must rely on a closed fuel cycle, with the breeder reactor at its heart. Such considerations no doubt have had a bearing on the decision to restart the Monju plant, which has been dormant for 15 years.

China/Russia

The Future Shines From the Far East

Feb. 10—A joint Chinese-Russian investment fund and creation of a high-level bilateral government commission to oversee joint development projects have been put on the agenda by Chinese officials, according to Victor Ishayev, Russian Presidential Representative in the Far East Federal District. Ishayev's remarks to journalists in Khabarovsk, just after his return from a five-day visit to China, were reported by FederalPress, RIA Novosti, and other Russian media.

In Ishayev's delegation were officials from the East Siberian and Russian Far East regions bordering China, who met with their counterparts from China's border provinces, to discuss implementation of the extensive cooperation plans signed by Presidents Dmitri Medvedev and Hu Jintao last September. Ishayev also held talks with Wu Bangguo, chairman of the standing committee of the National People's Congress. The FederalPress agency summarized Ishayev's report on what Wu said: "Wu Bangguo stated that China has only one strategic partner, namely, Russia. All the needed documents on cooperation have been signed, to develop our relations. The Chinese leadership is well informed about Russia's priorities, as defined by President Dmitri Medvedev, and is prepared to change the structure of Russia's exports to China and to invest in infrastructure and other priority projects in the Russian Far East. They approve of our fight against 'gray economy' customs schemes, and have no intention to support illegal migration."

The reference to a changed composition of Russian exports is vital for Russia, where the Medvedev-Hu program, and the subsequent package of agreements signed during the meeting of Premiers Vladimir Putin and Wen Jibao in October, have come under attack, as letting Russian raw materials be taken too easily. Ishayev himself, on the eve of his trip, warned that Russia must act decisively for Far East development, so as not to become a "raw materials appendage" of China. Now, Ishayev has said that these concerns are being explicitly addressed, beyond what was already done de facto with the October understandings on boosting Russian nuclear plant construction in China.

Russia

Finance Minister Kudrin Reports to Mother London

Feb. 11—Russian Finance Minister Alexei Kudrin, who continues to be the chief purveyor of British monetarist axioms and specific plans, within the Russian government, will travel to London next week for a session of the Russia-U.K. intergovernmental commission, along with meetings with City of London financiers. Kudrin was not invited to the just-ended G7 finance ministers' meeting in Canada, so he evidently plans to get his British monetarist fix in London directly.

According to the Russian Embassy in London, Kudrin will meet with Chancellor of the Exchequer Alistair Darling, and with Business Secretary Peter Mandelson, and attend "a conference [on] Financial Services in Russia, in the City." He will be accompanied by Central Bank First Deputy Chairman Alexei Ulyukayev, another member of the neoliberal monetarist clique in Russia since the early 1990s.

A russiannewsroom.com wire quotes a source in the Russian delegation: "Financial dialogue is a new form of cooperation. Both sides are interested in discussing questions which are on the agenda of the G20 and G8 meetings."