

Business Briefs

Commerce

Hamburg merchants court Khomeini's Iran

The Chamber of Commerce of Hamburg, West Germany, met on Oct. 16 to discuss the future prospects for Iranian-West German economic cooperation. The keynote speaker was the economics attaché at the Federal Republic's embassy in Teheran. Also attending were representatives from the Hamburg-based West German-Iran Chamber of Commerce and the Near and Middle East Association, including the president of the former organization, Christian Brinckmann, banking partner of the Hamburg branch of the Warburg family.

Following that meeting was another at the Hamburg elites' think tank, Haus Rissen, to discuss the crisis in the Persian Gulf.

The German-Iranian rapprochement is the work of German Foreign Minister Hans-Dietrich Genscher, and comes as the United States and other Western powers are in a virtual state of war with the regime of Ayatollah Khomeini.

According to a commentary in the Saudi newspaper *Asharq al Awsat* on Oct. 9, the two countries are resuming a longstanding love affair which started in the 19th century, when philosopher Friedrich Nietzsche wrote a book on Zoroaster.

The Oct. 9 *Saudi Gazette* blasted Foreign Minister Genscher for having sponsored a recent meeting between Iran's Foreign Minister Ali Akhbar Velayati and Israel's Foreign Ministry Director General Avraham Tamir, in the villa of a German intelligence agent, some 16 km from Bonn. After the closing of the Iranian arms procurement office in London, the paper reported, West German weapons started going into Iran.

Mideast

Israel, Soviet Union increase trade ties

Israeli-Soviet trade relations have been steadily growing in recent years, according

to the September issue of *Israel and Palestine*. Most of the trade agreements involve industries on the Israeli-occupied West Bank of the Jordan River.

I&P identifies four Israeli corporations as most heavily involved in the Soviet trade: G.G. Trade Investment Corp., based in the West Bank's Ariel Settlement; the Association of Soviet Jews in Israel, chaired by Grisha Feigin, who is quoted saying he deals with a Soviet foreign trade ministry official who was his military commander in World War II; the Tavori company from the West Bank, which exports bottled juice; and businessman Shabtai Kalmanovitch, a diamond dealer who fostered Soviet trade in Sierra Leone and is now about to be extradited to the United States on charges of fraud.

Development

South Africa offers help to neighbors

Speaking on South African television on Oct. 4, South African Finance Minister Barend du Plessis said that his country was willing to play an important role in fostering the economic development of countries of sub-Saharan black Africa, but that the international campaign of sanctions against South Africa had prevented this potential from being realized.

He was asked, "In your address to the IMF, you asked for recognition of the role that South Africa can play in the development of sub-Saharan Africa. What did you mean by that?"

Du Plessis replied: "Actually, I pointed out how ironic it is that everyone speaks of the development of sub-Saharan Africa, and how important it is, and everyone wants to help. Yet the one country south of the Sahara that can really make a contribution—that is, South Africa—is being subjected to an international attempt to bring our economy to a standstill, or at least inflict serious damage to it.

"What I meant was that we are Africans. We are fully aware of the problems of Africa in agriculture and the like. Indeed, recently we even had to give assistance outside Africa to control equine fever. Now, this is the

kind of service we can provide, for example through Onderstepoort Veterinary Institute, or the cooperation between ourselves and Lesotho in the Highlands water scheme, where we, on our part, can assist through the Development Bank, and where technical people from South Africa will be involved."

He further pointed to the role of Third World countries in the development of the industrialized nations. "In the final analysis, the future markets are to be found in the Third World countries, too. That is where population growth is still taking place, where there is still room for expansion of living standards, in other words, where there will be a place in the future to get rid of manufactured products."

Energy

Mexico, U.S. to share electric power

Mexico and a U.S. electric power company will share power supplies in the event of an emergency, UPI reports. Fernando Hiriart Balderrama, director of the Mexican Federal Electricity Commission, made the announcement on Oct. 17, after signing an agreement with Gerald L. Moore, president of the Imperial Irrigation District, which serves part of Arizona and California's Imperial Valley agricultural zone.

The accord "commits each side to bring reciprocal support on both sides of the border of Baja California and the U.S.," Hiriart said. "This is a classic example of agreements that equally benefit both sides." The two parts will provide mutual emergency electrical supplies as well as economic and technical assistance when needed.

Ibero-America

Brazil looks to continental integration

Brazilian President José Sarney raised the issue of a common market for Ibero-America, during a visit to Venezuela on Oct. 16.

Briefly

He was critical of recent discussions of a common market to link the United States, Mexico, and Canada, calling this a response to Brazil's own recent steps toward integration with Argentina and Uruguay.

"We want to create a new economic order," he said. "... This is a very big step, and we see that the United States, after our initiative, is beginning an initiative with Canada. . . . I think this response is a result of Brazil's position on the creation of a Latin American common market." Sarney described his visit to Venezuela as important for developing such continental integration.

He and Venezuelan President Jaime Lusinchi agreed to have a meeting of the Brazil-Venezuela Cooperation Commission in Brasilia and to activate agreements between the state-run oil, mining, and metals-processing companies of the two countries, to economically integrate the border regions.

Defense & Aerospace

'No contracts for U.K.,' says SDI foe

The U.S. Strategic Defense Initiative will be largely scrapped by the next U.S. President, so Britain should not count on getting any SDI contracts, stated Robert Bowman, the head of the Washington, D.C.-based Institute for Space and Security Studies, in a statement in London on Oct. 20.

Bowman, billing himself as a former space adviser to Presidents Ford and Carter, said that the only thing the United States had ever wanted was "political entanglement," when it signed an agreement with Britain on SDI cooperation. "You will not get big contracts from SDI because this will be held in check by Congress," he said. "The British Government is shooting itself in the foot. Your space scientists and space engineers have nowhere to go but SDI, but that will come to a screeching halt. This will be counterproductive for the British aerospace industry."

Bowman is a colleague of Carol Rosin, who boasted during the 1984 U.S. presidential election campaign of her cooperation with the Soviet embassy in Washington in shaping anti-SDI programs for liberal con-

gressmen and for Walter Mondale's election campaign.

Petroleum

Swedish firm found running Iran's exports

The Swedish firm A. Johnson and Co. is running oil exports for Khomeini's Iran, according to a report appearing in the Social Democratic daily *Aftonbladet* Oct. 21.

The company owns the tankers that run the shuttle traffic from Kharg Island to Larak Island. The firm is run by Antonia Johnson, a member of the board of the Swedish liberal party Folkpartiet.

The Debt Bomb

Yugoslavia proposes '25% solution'

Yugoslav Prime Minister Branko Mikulic proposed limiting debt payments to 25% of export earnings for 1988, in a speech to Parliament on Oct. 19. The proposal was part of a plan for debt consolidation that Yugoslavia will be presenting to its Western creditors.

The idea is modeled on Peruvian President Alan García's famous "10% solution." García incurred the wrath of the international bankers with his policy, adopted two years ago, of limiting debt payments to 10% of export earnings.

In the past 12 months, Yugoslavia has used 46% of its export earnings to pay debt, a situation which Mikulic described as intolerable. Since July, Yugoslavia has de facto stopped further debt payments.

Mikulic also announced that Yugoslavia will seek further credits from the West, and will increase price controls, given that inflation, now running at a 123% annual rate, otherwise threatens to go totally out of control. The International Monetary Fund, as a precondition for any further bridging credits to Yugoslavia, had demanded that price controls be further relaxed.

● **JAY ROCKEFELLER**, U.S. senator from West Virginia, told AP that the United States might have a thing or two to learn from Japan, since 66% of Japanese executives are engineers, scientists, or mathematicians, while the same portion of U.S. executives are lawyers, accountants, or public relations specialists. Rockefeller's interview was published in the *Japan Times* on Oct. 12.

● **FEDERAL** prosecutors on Oct. 15 filed suit against Manhattan's famous Fulton Fish Market, declaring it to be mafia-controlled. This is the first time the government has filed a racketeering suit to put "an entire commercial center under court supervision," according to U.S. Attorney Rudolph Giuliani. Also charged is the main trade union for the fish market, Local 359 of the United Seafood Workers.

● **BUTTERFLIES** have destroyed 20,000 hectares of cocaine plantations in Peru's Tocache province, according to the daily *El Comercio* Oct. 21. Total losses for drug traffickers from the insects, locally called *malumbas*, are estimated at \$37 million.

● **THE BRONFMANS**, Edgar and Charles, are touring Europe to build up the international operations of their liquor empire and the Bronfman-controlled Du Pont de Nemours Corp. They are reportedly buying up large interests in Germany's Rheinhessen and Rheingau regions. Meanwhile, Edgar Bronfman, chairman of Seagram's, lost the equivalent of £100 million in the Wall Street crash, the *Daily Telegraph* of London reported on Oct. 21.

● **BIG LOSSES** from the Wall Street crash are reported in the British press for international press magnate Rupert Murdoch, but real-estate billionaire Donald Trump and the sleazy Sir Jimmy Goldsmith escaped by selling massively before the crash. "Sir James had viewed the market as massively too high," an aide told the *Daily Mail*.