Trade Review by Mark Sonnenblick

Cost	Principals	Project/Nature of Deal	Comment
NEW DEALS			
$230 mn.	China from U.S.A.	Dr. Armand Hammer has signed a preliminary agreement in Peking for his Occidental Petroleum to develop what he calls the world's largest coal deposit, the 1.4 bn. ton steam coal pit at Pangshou, Shanxi province. Plan for first phase is for mine to yield 8.7 mn. tpy high-grade coal for export and 3.8 mn. tpy coal for China. Oxy will supply technology and equipment worth $230 mn. and will have 50-50 share of profits with the Chinese govt. until it recoups its investment; then, its share will be 40% of profits.	Is Hammer acting with approval of his friends in Moscow, who have recently been making overtures to Peking?
$44 mn.	Singapore from China	Sentinal Supply Ships has ordered 9 offshore oil drilling supply ships from Hudong Shipyard in Shanghai. Sentinal, a Singapore-based Australian and British operation, says the Chinese defeated 11 Asian competitors not only for cheaper price and better quality, but because Sentinal wants "to establish some sort of relationship" with China. Sentinal will pay cash for the ships.	Sentinal believes China, which has only 5 badly managed supply ships, might want to charter ships from Sentinal.
$28 mn.	U.S.A. from Japan	Conveyor systems for Nissan Motor's Smyrna, Tenn. truck plant and Honda's Marysville, Ohio auto plant will be made jointly by Jervis B. Webb Co. and Daifuku Machinery Works.	Webb says that $21 mn. of total components will be made in U.S.A.
CANCELED DEALS			
	U.S.A. from Costa Rica	USDA banned all beef imports from Costa Rica. Ag. Sec. John Block stated, "In recent months, we have not only received improperly identified products and products accompanied by fraudulent inspection certificates, but one of the plants apparently shipped us two boxes of dirt rather than meat."	One piece of dirty meat Costa Rica won't ship to the U.S. is swindler Robert Vesco whom Costa Rica protects from extradition.
$509 mn.	Brazil from U.K.	Brazil has canceled project for converting its largest oil-fired electric plant to coal. The plan had Northern Engineering and Klöckner U.K. totally replace 4 boilers and modify 2 more at Rio's 600 megawatt Santa Cruz plant at a cost of $509 mn. Deal was highlight of $1.2 bn. financing package signed by Brazil's planning minister in London last yr. (*EIR*, Nov. 10, 1981). Brazil gave a series of projects to British companies in return for large loans which went directly for debt service owed to London banks. These banks have forced 14% reduction in Brazilian manufacturing at a time when cheap nuclear and hydro-electricity is coming on stream. Under these depressed conditions, Brazil needs neither oil nor coal for electricity.	City of London banks have never hesitated to damage industry—even British industry—in order to protect their debt structures and their "invisibles" income.
$82 mn.	Iraq from Canada	Mechanical defects in the first 13,000 shipment of 1981 Malibus shipped by General Motors of Canada have caused Iraq to cancel a second shipment of 12,000 Malibus. GM had prepared the cars specially for desert conditions, but 36 GM mechanics sent to Iraq were unable to fix defective clutches and air filters.	Iraq shifted its car purchases to Toyota; Malibu lemons seeking foreign buyers. Iraq has no complaint on 7,000 Volvo heavy trucks (worth $286 mn.) delivered during last 18 months.