

California group courts contracts in East Europe

Economic commission delegates seek toxic waste cleanup jobs and joint venture opportunities

By M.B. Christie
SPECIAL TO THE EXAMINER

PRAGUE, Czechoslovakia — How is the B-2 bomber connected to a smoke-spouting power plant in northern Bohemia? Jobs, according to California Lt. Gov. Leo McCarthy.

He and 22 other Californians were in Prague last week to tout the environmental cleanup skills of California businesses that have served the state's multimillion-dollar aerospace industry.



Lt. Gov. Leo McCarthy: A cleanup will help spur economic reforms

For them, the end of the Cold War means fewer new contracts with the defense industry. It means they will less frequently be asked to figure out how to dispose of the toxic waste produced by weap-

ons manufacturers. Now, those companies are searching for a new niche.

Eastern Europe may be it, according to McCarthy and other representatives of California's Commission for Economic Development. The group, on a 16-day tour of Eastern Europe and the Soviet Union, is searching for feasible cleanup jobs and joint venture opportunities.

"This whole thing started about three months ago. We had a meeting in Los Angeles and over 200 California companies showed up, all dealing with environmental cleanup technology," McCarthy said.

"We had five panelists, one each from the Soviet Union, Germany, Czechoslovakia, Hungary and Yugoslavia. They gave a frank picture of their environmental problems. . . . Now we are encouraging those companies to compete and see if they can get some of this business."

Pollution one can taste

It could be a lucrative business in a country where pedestrians can taste the coal on their tongues on cold days and feel the sting of acid rain on their cheeks on wet days. Here, mothers can watch their babies turn blue from too much nitrates in the water, and schoolchildren in northern Bohemia are often required to wear masks over their mouths during recess.

Czechoslovakia is second only to Poland in generating the most industrial waste per square mile, according to a report by Neno Duplancic, site operations and engineering director for International Technology Corp. in Martinez and a member of the California delegation.

For the six California environmental firms on this trip, all that pollution spells money. It means a chance to sign long-term contracts which would bring in revenue lost from canceled U.S. defense contracts.

But the scheme has two problems. First, how does a California business persuade Eastern Europeans, who face unemployment, inflation and food shortages, that air pollution should be a top priority? Second, who will pay the bill for this cleanup?

The simple answer to the first question is: Teach these people that economic success comes with clean air and clean soil.

"They need to create jobs, and we are coming in here with abstractions," McCarthy said. "But what we need to do is take these two policy objectives and bring them together. A cleanup here will help bring about economic reforms."

Who will pay

Whether this logic will work on the Czechs remains to be seen. Under the previous regime, "We were told we must sacrifice our forests for better living conditions," said Frantisek Urban, director for the Department of Nature Conservation at the Ministry of the Environment. Now the California newcomers are telling them the opposite.

The second question is harder to answer. The World Bank and the International Monetary Fund are expected to donate funds to help clean Czechoslovakia's environment.

But three members of the California Commission for Economic Development trip — Angelo Bellomo of McLaren Hart in Burbank, Roger Lane Carrick, environmental lawyer at Heller, Ehrman White & McAuliffe in Los Angeles and Duplancic of Contra Costa County's IT Corp. — are convinced these conventional sources will not provide enough money.

They are planning to start a nonprofit agency that will help set up financial structures for environmental projects in Eastern Europe. The group has no formal name or charter yet.

The final barrier to any of these joint venture projects is the communication gap — not just in language, but in expectations. The Californians have worked under one of the most stringent environmental laws in the United States. They measure toxics in billionths of a gram, while Eastern Europeans measure them in tons. It will take time before both sides start talking in the same standards, according to many of the meeting's participants.

Neither side expected to sign any deals during this trip. The intent of the meeting was to match Czechoslovakia's needs with California's skills, according to McCarthy.

Real talks will probably begin in December, when a Czech delegation heads to California, said Rudolf Broz, adviser to the Ministry of Industry.

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