

Business Briefs

Demographics

Fertility dropping sharply in Third World

Fertility is falling sharply in many developing sector countries, a report published by Johns Hopkins University says. Average total fertility (the number of children a woman has in her lifetime, which is a more accurate reflection of population trends than the birthrate) has fallen from six in the 1960s to four today in the 44 African, Asian, and Ibero-American countries surveyed.

At the same time, fertility in East and West Europe, the Community of Independent States, the United States and Canada, and Japan, has been significantly *below* replacement level for some time. At this point, in all developing countries outside China, 38% of married women use contraception; in the developed countries and China, the figure is 70%.

Fertility rates have begun to fall even in countries with traditions of large families, including Bangladesh, Kenya, Zimbabwe, and Botswana.

The report also notes that every year, 13-15 million children die before the age of five, 98% in the developing sector. Most of these deaths are easily preventable, the report states. Even with improved immunization and preventive health care programs, infant mortality remains seven times greater in the developing sector.

Dope, Inc.

Massive drug cultivation plagues CIS members

While the integration of the Commonwealth of Independent States (CIS) countries into the global economy has been slow, it has done very well as far as its integration into the world narcotics market is concerned, Vladimir Radyubin, a freelance columnist for the Indian daily paper *The Hindu*, wrote on March 2.

Although overall figures for drug-trafficking across the CIS are not available, security officials in Moscow believe that drugs being moved through Russia also originate in the Persian Gulf, India, Hong Kong, Singapore, and even Africa. Drug smugglers consider

Russia not only as a convenient transit route at a crossroads between Asia and Europe, but also as a vast potential market.

Drug abuse and trafficking is on the rise in the former Soviet republics. Cannabis and poppy are grown on 1 million hectares in Russia, 140,000 hectares in Kazakhstan, and 6,000 hectares in Kyrgyzstan. In addition, Tajikistan opium production has doubled since last year, and Azerbaijan has emerged as a major center for the manufacture of synthetic drugs. Experts partly blame the deteriorating drug situation in Russia on a more liberal criminal legislation passed in December 1991 which legalized the consumption of drugs.

Also in eastern Europe, a drug bust in Bulgaria on March 1 has brought heroin seizures in one month to almost 161 pounds, fueling fears that the so-called "Balkan route" is being used for as much as 80% of the heroin bound for western Europe, according to police, Reuters reported. "Bulgaria is still a transit zone for narcotic smugglers," Interior Ministry Chief Secretary Kosta Bogatzevski said.

Energy

Oil assumes strategic urgency for China

According to informed international oil industry reports, China is in the midst of a major shift in its energy self-sufficiency which will have marked impact on Chinese foreign policy over the years ahead. Until quite recently the Chinese economy had been self-sufficient in production of oil, its main energy source. But incentives to domestic and western oil companies have failed to boost the needed new oil and gas production. The largest known untapped deposits exist in the remote and uneconomical areas of Tibet and Mongolia, thousands of kilometers distant from the coastal urban industrial centers.

According to these sources, the domestic oil production of China today has stagnated at some 140 million tons per year, while domestic Chinese energy consumption for industry and transportation is growing at 20% annually. At this juncture, China is being forced to rely on foreign oil imports for the indefinite future for a significant portion of its annual oil needs. China will have to import a minimum of more than 33% of present total production, some 50

million tons per year. This foreign dependence will significantly affect Chinese foreign policy orientation, especially toward the Middle East oil-producing states, according to these reports.

Agriculture

Japanese cities say 'protect our farms'

A new Japanese group composed mostly of city residents appealed on March 1 for protecting rice farmers and a continued ban on rice imports. "We should encourage farmers and sustain agriculture to protect our land and environment," Isoshi Kajii, Tokyo University of Agriculture professor, told a news conference.

Kajii is one of 31 founders of Citizens' Conference on Land, Environment and Agriculture, whose members include academics, television actors and the president of Zenchu, the Central Union of Agricultural Cooperatives.

They are demanding Japan refuse to implement a farm accord of the General Agreement on Tariffs and Trade (GATT) which would "deny the nation its right to meet its own food demands and destroy parts of agriculture," a release read.

Aerospace

Dereg, not competition, said to kill industry

"The real killer of Boeing's sales is not Airbus, but airline deregulation," Robert Kuttner wrote in a commentary in the March 1 *Washington Post*.

Kuttner attacked free market theorists by making the obvious argument that the aerospace industry in the United States was successfully helped by the indirect support of U.S. defense spending, while the European industry was aided by direct subsidies to commercial passenger jet manufacturer Airbus Industrie. Thus, both the U.S. and European governments "helped create superior planes, which would have evolved much more slowly if companies had waited for private capital."

Infrastructure

Australians push rail link for Asian trade

The construction of a rail link to the port of Darwin on the northeast coast of Australia in order to boost trade with Asia, is gaining support, according to an advertisement in the March 1 *The Australian*. The link from Alice Springs would connect Darwin by rail with all major cities in Australia. Entitled "Support for the Austral-Asian Rail Link Is Coming from All Directions," the ad is signed by 46 Australians of note, mainly friends of the establishment. Among the signers are former prime ministers (from opposing parties) Hon. Malcolm Fraser and Hon. Gough Whitlam.

"More and more people are realizing that the Southeast Asian market of 250 million people on our doorstep is key to Australia's economic future. Opening up this trade corridor is an essential step. . . . The project could start immediately and the benefits would be immense. It would create at least 2,000 jobs for Australians over the four-year construction period that the project would involve. The national economic benefits far outweigh the cost of construction," the ad read.

Health

Vegetable margarine linked to heart disease

Substituting vegetable margarine for butter and other animal fat could cause rather than prevent heart disease, according to a U.S. study published in the British medical journal *Lancet*, Reuters reported on March 6. The research team was from Harvard University Medical School, and was headed by Dr. Walter Willett.

The findings support other studies that have found hardened vegetable fats can be as dangerous to health as animal fats. "Intakes of foods that are major sources of [fatty acids formed by hydrogenated vegetable oils]—margarine, cookies, cake, and white bread—were each significantly associated with higher risks of coronary heart disease," it said.

Industry

Japanese companies can't cope with yen rise

Despite remarks from the Ministry of International Trade and Industry (MITI), Japanese companies are taking huge losses from the collapse of the dollar against the yen.

Nippon Electric Corp. (NEC) said on March 1 it expected net earnings to plunge \$364 million into the red in the year ending March 31, as sales fall by over \$2 billion compared to the previous year, due to Japan's domestic chip and computer downturn.

The closure of Nissan's Zama plant, the first car plant closing in Japan in recent memory, will force 2,500 workers to move to other Nissan jobs and has shocked the public. "This was a very big surprise. The city feels at a loss," Zama Mayor Katsuji Hoshino said in a television interview. Japan's number-two car maker announced the closure after almost doubling its projection for losses to \$247 million in the fiscal year ending March 31.

Russia

Social unrest cripples Baikonur space center

Damage and theft during a revolt of construction troops at the Community of Independent States' Baikonur space launching center in Kazakhstan, the launch complex assigned to work on the Buran space shuttle, will take more than 18 months to repair, according to the Moscow newspaper *Nezavisimaya Gazeta*, reported *Space News* in late February. Baikonur is the former Soviet Union's "Cape Canaveral" with facilities for launching a manned spacecraft, the Energia booster, and the Buran shuttle.

The group that revolted deserted their posts of duty to protest an unbearable work load, with many units operating at only about 60% of their authorized strength. Social conditions and health care are poor, and clothing and food supply in scandalous shape. Military police arrested 20, releasing no details about injuries.

● **THE DANISH** economy has suffered "a dramatic worsening" in recent months; a Danish economist reported to *EIR* on March 2. "Over the past several months there has been the most dramatic decline in new orders for business since the government's severe 1987 'potato cure' austerity program. There is a sharp acceleration of farmers needing acute financial assistance, and industrial companies are laying off more and more."

● **CREDIT S ISSE** was forced to increase provisions for bad loans by 30% in 1992 compared to the year before, covering 1.5 billion Swiss francs, the board of the bank, Switzerland's third-largest, said on March 5.

● **MACHINE TOOL** maker Wean, Inc. missed debt payments of about \$13 million, and posted a loss of \$1.8 million for the fourth quarter, the March 1 *Wall Street Journal* reported. Last year, *American Machinist* magazine ranked Wean as the ninth largest machine tool maker in the U.S., with 1991 sales of \$101 million.

● **RUSSIAN-CHINESE** trade hit a record \$5.85 billion last year, three times the 1991 figure, the *China Daily* reported on Feb. 25. Russia is now China's sixth-largest trade partner. Some 63% of trade between the two countries is still on a barter basis. There was a sharp increase in industrial products traded, up to 82.5%.

● **BARCLAYS**, a major British bank, posted the first yearly loss in its history in 1992, losing \$352 million compared to a \$776 million profit in 1991, Reuters reported on March 4. The bank blamed the British recession and poor lending decisions for its losses.

● **CHINA** will try to expand its railway system by over 2,300 kilometers this year, three times the amount built last year, *China Daily* reported. China's rail system, the primary transport mode, is so overcrowded that 800,000 passengers travel every day without seats and only 60% of freight is shipped on schedule.