

# Business Briefs

## Ukraine

### IMF official demands more blood from nation

The Ukrainian 1996 budget is unacceptable to the International Monetary Fund, said the head of the IMF mission in Ukraine, Graeme Justice, in an interview with the German economic daily *Handelsblatt* on Dec. 18. He attacked the Kiev government for not fulfilling crucial aspects of the signed standby agreement.

The list of priorities assigned by the IMF has not materialized, he said. The extension of State guarantees for energy sales in Russia and Turkmenistan, a life-and-death question for Ukrainian households this winter, are, according to the misnamed Mr. Justice, a "blatant violation" of agreements with the IMF. This will cause another hole in the State budget, while the budget deficit was already beyond IMF instructions, he charged. Debt payments have not taken place. The liberalization of foreign trade is "extremely slow," and the Ukrainian privatization program is the slowest among all successor States of the former Soviet Union. For all these reasons, warns Justice, all the scheduled IMF credits for Ukraine have now been put in doubt.

## Eurasia

### China government paper boosts landbridge

The *Renmin Ribao*, a newspaper of the Chinese government, published an enthusiastic appraisal of the Eurasian landbridge on Oct. 25, 1995, according to a translation by the U.S. government Foreign Broadcast Information Service. Entitled "Strategic Ideas on the Development and Opening Up of a New Eurasian Continental Bridge," the article declares that "the new Eurasian continental bridge heralds the gradual entry of the world economy into a new era—the continental bridge era."

The article points to the potential for maglev rail technology: "The rapid development of science and technology, and the modernization and speeding up of trains, ships, and other

means of transport, particularly the successful trial-running of magnetic suspension trains which can run at speeds of over 500 kilometers per hour, will give an inestimable impetus to transport via the continental bridge, with trains as the principal means of transport."

It also emphasizes the creation of "industrial chains" which will "speed up the development of urban economies and regional economies . . . with large and medium-sized cities along the line as supporting points. . . . The reputation of the Silk Road will be restored following the formation of this giant economic corridor where the economies and cultures of east and west meet and integrate."

The authors point out that the landbridge is 2,500 km shorter than the Siberian railroad, costs 20-25% less than ocean transport, is one month faster, and passes through 30 countries and regions with 75% of the world's population.

## Health

### German doctors say, 'Don't panic,' on flu

The German Doctors Association is advising people "not to panic," and not to jump to the conclusion that the influenza epidemic in Germany is like that spreading throughout Russia, a commentator on the "Today's Journal" show on the ZDF television network stated on Dec. 28. Epidemiologists at various institutes in Europe are warning that the present influenza wave could become as deadly as the 1968 epidemic, which claimed 40,000 lives.

As many as 200,000 people were falling ill from influenza each day in Russia, as of late December, according to Russian health officials. Galina F. Lavikova, chief of the department for infectious diseases for the Russian Ministry of Health, said, "We were getting as many as 50,000 new cases a day in Moscow alone the past two weeks," where nearly 1 million people had been infected.

In Ukraine, at least 2 million people have already gotten sick, and officials there have said the number could triple in the next two weeks.

Yuri Solodovnikov, researcher at Mos-

cow's epidemiological center, recently told *Moscow News*, "The deterioration of living conditions have lowered the general resistance of the nation. Viruses that used to pass by almost unnoticed now provoke serious epidemics."

The Doctors Association is stressing that Germany doesn't have the rampant malnutrition, that old people receive better treatment, and that the weather is not as cold as in Russia.

## Finance

### Club of Rome prepares new austerity approach

The Club of Rome, the same people responsible for destroying the world's physical-industrial base, are now crying that there is a "decoupling" of "financial speculation" from "economic reality," and are launching a study on this theme, according to sources.

A leading Club of Rome figure told a source in late December that one crucial feature of the "global problematic" is that "financial anarchy has become incredible. . . . Can we accept much longer, that financial speculation has no relation to realities of the economy? We are launching a study on this subject. We are doing it in cooperation with the Fondation de Finance, in Paris, of [former French Prime Minister] Raymond Barre."

It was the Club of Rome, with its neomalthusian "limits to growth" fanaticism, that was instrumental in expediting the collapse of the world economy, beginning in the late 1960s.

The Club of Rome told a source, "It is impossible for us to accept much longer, that somebody like George Soros can put in danger entire countries, with his currency speculation. We must limit this kind of power." Soros, however, has been a cat's paw for leading financial interests which back the Club of Rome.

The newly restructured executive committee of the Club of Rome will be meeting in Brussels in mid-February. Executive committee members include Bertrand Schneider, general secretary of the organization; Ruud Lubbers, former prime minister of the Netherlands; New Age physicist Ilya Prigogine; Eberhard von Korber, chief executive of

the ABB company; and Fuji-Xerox Chairman Yotaro Kobayashi of Japan.

Indicative of the real state of mind of this crew, the latter was cited in the Dec. 23 London *Financial Times*, complaining that the Japanese population "has not suffered enough to force politicians to undertake the radical economic deregulation needed to unlock growth [sic]." He believes the population must experience more "pain."

## Africa

### South Africa to help regional agriculture

The government of South Africa is planning to assist South African farmers who wish to resettle in neighboring African countries, in the form of providing agricultural infrastructure, according to President Nelson Mandela. "What we would like to do is to create jobs in the neighboring areas so that these people could get jobs in their countries and not come to our country. I welcome this initiative, and I immediately phoned President Chissano of Mozambique, and he was over the moon!" Mandela said, SABCTV reported on Dec. 14, according to the U.S. Foreign Broadcast Information Service.

South African farmers are preparing to help Congo restart its agro-industrial sector, by rescuing bankrupt State companies, the official ACI news agency reported on Dec. 27. The South Africans, operating in the Niari Valley, the Congo's main farming area, would take over factories making cooking oil and cattle-feed, a cotton company, and an agro-industrial complex producing manioc, corn, peanuts, rice, and potatoes. The South Africans, Congolese private investors, and the Congo government have set up a joint company, the Agro-Industrial Co. of the Niari Valley, to promote the project. It has capital of \$2.4 million. The South Africans have a 60% stake, private Congolese investors 30%, and the State 10%.

Agreements will be finalized in mid-January to settle the first group of farmers in Mozambique, the South African Chamber for Agricultural Development in Africa announced Dec. 14. A spokesman said it had prioritized

soliciting start-up finance to enable the settlement of farmers as soon as possible. The areas for settlement were Niassa and Zambezi, north of Beira, where water is plentiful.

## Science

### Ozone layer determined by meteorology

Kjell Henriksen, from the University of Tromsø in Norway, and Valentin Roldugin, from the Polar Geophysical Institute in Russia, demonstrated that the thickness of the ozone layer over Russia is determined by meteorology, not chemistry, in a paper in the Dec. 1, 1995 *Geophysical Research Letters*. The findings further discredit the ozone depletion theory that stratospheric chemical reactions determine the thickness of the ozone layer, i.e., that man-made chlorofluorocarbons (CFCs) are causing the ozone hole.

After analyzing one year of daily samples from six Soviet ozone measuring stations at two different altitudes in middle Asia, they discovered that changes in the ozone layer were directly caused by the horizontal and vertical movement of air masses (i.e., wind dynamics).

Henriksen and Roldugin state: "The question of so-called 'ozone depletion' has to be investigated from the point of view of long-term variation of general circulation in the atmosphere. Models of 'the depletion,' as summarized in [reports from the World Meteorological Organization], must realize that the meteorological conditions have significant effects on the ozone layer, being the main cause of seasonal as well as most of the shorter and apparently arbitrary density and thermal variations."

The study corroborates the recent discoveries of the German Cristas Spas satellite, which show that the ozone layer is composed of complex vortical and filamentary structures that resemble thunderstorms at the surface. The ozone depletion models falsely assume that the ozone layer is linear and homogeneous with the exception of its chemical composition.

## Briefly

● **MEXICO** raised milk prices 15% on Dec. 28, and is set to phase out subsidies for tortillas, the nation's most basic food, in January, which could more than double prices, the Dec. 29 London *Financial Times* reported. Malnutrition rates in Mexico are already as high as in countries of extreme poverty, according to a Unicef report.

● **COLOMBIAN** life expectancy for the 25-29 age group is under 47 years of age, because of narco-terrorism, which has cost 17,000 lives and \$12.5 billion in economic losses in 1990-94, according to a report issued in December by the National Planning Department.

● **INDIA** is facing a balance of payments crisis, the *Hindustan Times* reported on Dec. 14. The government estimates that it may spend at least \$7 billion of its \$17 billion in reserves by June in order to maintain the 35-1 rupee-dollar rate. Experts say things may get as bad as in 1991, when India was "brought to its knees" before the IMF.

● **CHINA AND RUSSIA** plan to sign a framework accord on a project to pump Russian oil and gas from Irkutsk in Siberia and Sakhalin and Yakutia in Russia's Far East, to China, via Mongolia, Deputy Foreign Minister Alexander Panov announced on Dec. 28, Agence France Presse reported.

● **NORTH KOREA'S** grain harvest in 1995 was 3.49 million tons, less than half that in 1994. Japanese Prof. Yasuhiko Yoshida, who had just returned from Pyongyang, said, "With a severe winter coming, it would not come as a surprise if a number of people starve to death," Kyodo news service reported on Dec. 31.

● **TURKEY'S** economic crisis has become severe under the Thatcherite cabinet of Tansu Ciller. At the end of 1995, foreign debt was \$75 billion, domestic debt \$24 billion, inflation close to 84%, and interest on new loans 170%, precluding long-term industrial investment.