

Business Briefs

Natural Gas

Pakistan okays Iran's gas supply to India

On July 12, Pakistan's Finance Minister Sartaj Aziz, in Dubai on his way to Teheran for a meeting of the Iran-Pakistan Joint Economic Commission, said that his country had agreed, in principle, to let Iran transport gas to India by a pipeline through Pakistan, the *Times of India* reported.

"We have no objection, because we do not feel any threat," Aziz said. "Rather, this project will be beneficial for Pakistan as well." Aziz said Pakistan was also negotiating the purchase of gas from Iran, and the project would cost less if the same pipeline were to be extended to India.

Iran had proposed such a pipeline to India some time ago, but details about its route have not yet been finalized. The pipeline and a proposed joint venture oil refinery in Pakistan are the main items on the agenda of the two-day meeting of the commission.

Economic Theory

Mexican columnist: Read List, study LaRouche

José Neme Salum, the leading financial commentator of the Mexican daily *Excelsior*, on July 14 saluted the decision of Mexico's *Fondo de Cultura Económica* publishing house to print a new edition of Friedrich List's *National System of Political Economy*, with a prologue by PRI Congressman Francisco Suárez Dávila. The book was first printed in Mexico in 1942, and reprinted in 1979, in a minuscule 3,000-copy run.

"This is a true scientific treatise on economics, not a simple theory, or one of those dysfunctional monetarist econometric model jobs, with which only crises can be created," he wrote of the German-born American System economist. Neme reviewed some of the influence of List's book (e.g., on Russia's Count Sergei Witte, Japan's Meiji Restoration), ran nearly a page of List's attacks on free-trade propagandist Adam Smith, and recommended that everyone read the book, in which "they will dis-

cover the correct ideas of List, which are those of Alexander Hamilton, of Mathew and Henry Carey. Of those who, in turn, were the sources which fed these latter, such as Gottfried W. Leibniz. And, with time, they will come to the Greek statesman, the great republican, Solon, and why, even then, the necessity of prohibiting usury. Then . . . in search of those who have continued the American System, they will come across its latest leader, Lyndon H. LaRouche.

"Then, you will be left with the question: Why are they afraid of LaRouche? Perhaps, because they will discover themselves to be subjects oppressed by the ideas of the erroneous British System, of perverse globalization?"

Nuclear Energy

China forms new company to expand production

China has set up a new finance company, China Nuclear Finance, to borrow on domestic capital markets and channel funds to nuclear power plants, as Beijing moves for an ambitious expansion of its nuclear power industry. The new company will act as the financial arm of the China National Nuclear Power Corp., which oversees the nation's multibillion-dollar nuclear power development program, a finance company official said.

"We want to make use of domestic funds to help build nuclear power plants," the official said. "We are also thinking about raising funds internationally, but that is not part of our scope at the moment."

China Nuclear Finance will also help channel funds to China's efforts to turn some of its nuclear weapons resources toward the civilian power program.

China has two commercial power plants and numerous experimental reactors in operation. It plans to build at least four more plants by the year 2000, and has cooperation projects with Canada, France, and Russia.

China Nuclear Finance has \$39 million in registered capital. Its 32 shareholders are all from the nuclear power sector, and include the Qinshan nuclear power plant, one of the nation's two operating commercial power plants. It will be allowed to take de-

posits and extend loans, as well as participate in the nation's interbank market, the official said.

Infrastructure

Indian government meets on financing bottlenecks

Top officials of the Indian government met with representatives of financial institutions and the private sector on July 15, to discuss problems related to financing infrastructure projects, the New Delhi *Business Standard* reported. This was the first time that the government has held a meeting on this scale to address problems related to infrastructure financing. The meeting revolved around the report of the Rakesh Mohan committee on infrastructure development; however, no policy decision emerged.

Top officials from the power, telecommunications, surface transport, and petroleum sectors were expected to get direct feedback from the lending agencies and the private sector, which was then to be used to prepare an agenda for a dialogue between Prime Minister I.K. Gujral and industry. Gujral had convened a meeting with industry on July 19, which has been postponed.

The July 15 meeting, organized by the Industrial Development Bank of India, was chaired by cabinet secretary T.S.R. Subramanian. Other officials present included Finance Secretary Montek Singh Ahluwalia, Petroleum Secretary Vijay Kelkar, Power Secretary E.A.S. Sarma, Telecom Secretary A.V. Gokak, and Surface Transport Secretary Yogendra Narain.

Australia

Planned tariff cuts will ravage manufacturing

A battle is brewing in Australia to save 50,000 jobs that will be lost, if the Mont Pel-erin Society-dominated government of Prime Minister John Howard continues with plans to slash tariffs on textiles, clothing, and footwear (TCF) from 34% to 5% within a

decade, the June 30 *Australian* reported. The push to eliminate tariffs is coming from a draft report by the fascist "Productivity Commission," gurus of privatization and free trade.

Council of Textiles and Fashion Industries of Australia President Robert Hershman said that Australia's clothing industry would lose half its workforce of 96,000 workers. "It will bring a savage reduction in investment, employment, and activity in the TCF industry," he said. Hershman, managing director of Pacific Brands, said that his company would move its operations offshore if the government cut tariffs further.

The Mont Pelerin-owned Treasurer Peter Costello stressed that the commission's report was only a draft, and no decision will be made until September. The government partially backed down in a recent battle with the auto industries over tariff reductions, and now it is trying to wreck the clothing industry.

Philip Holt, Australian Business Chamber director, said, "Government assistance to the TCF has been slashed by 70% in the last 10 years, while other nations have become more protectionist."

France

Jospin announces new plan for Thomson

In one of the first major decisions of his government, French Prime Minister Lionel Jospin rejected the scheme worked out by his predecessor, Alain Juppé, for the privatization of the defense and electronics giant Thomson CSF. Jospin announced a new plan which, although not the best of possibilities, goes along the line of protecting national interests.

Thomson CSF will be partially privatized, with the state keeping a 41% minority, i.e., control over the company, particularly in areas in the strategic domain, and 41% will go to a conglomerate of French interests headed by Alcatel/Alsthom (TGV, electronics, telecommunications) allied with Dassault (aerospace) and with some participation by Aérospatiale. The remaining 18% will be placed on the stock exchange.

The Juppé plan, which was rejected by a

privatization commission, would have handed over Thomson's defense activities to MATRA, a defense contractor headed by Jean Luc Lagardère, who has some joint ventures with British Aerospace, British Airways, and General Electric Company. The high-tech electronics part was to go to the Korean Dae Woo. Because of the firm's debt, both sides of Thomson were to be sold for one franc. This had provoked an uproar in the country, because Thomson's debt is not an insurmountable problem for the company.

Health

Sleeping sickness spreads in wake of Sudan war

There is currently a surging outbreak of sleeping sickness in Tambura County, and doctors believe that the case documents the way in which disease follows war, the July 16 *New York Times* reported. Tambura County is on the Congo-Sudan border, and was the recent scene of fighting by Ugandan and Sudanese People's Liberation Army (SPLA) troops invading southern Sudan. Up until the latest round of the war there, Sudan, in general, did not have problems with sleeping sickness, or African trypanosomiasis, spread by tse-tse flies.

In 1990, when the SPLA invaded this area, the Belgian doctors working there pulled out because of the fighting. Medical services to the population ceased, and many people fled south into Congo, picking up sleeping sickness, where it is endemic. Now, they are bringing the disease back into Sudan. Doctors from CARE are treating people, but even their work was interrupted recently for a month by the SPLA. In the town of Ezo, near the border, 3,000 people out of 8,000 have the disease.

The disease is curable, but treatment costs \$100-500 per person. Untreated, sleeping sickness is a killer disease. The trypanosome parasite carried by the tse-tse fly multiplies in the blood and lymph nodes, causing fever, weakness, sweating, pain in the joints, and stiffness. In two to three years, the parasites migrate to the brain, causing madness, seizures, and, ultimately, paralysis and death. In Uganda, 4 million people died in a sleeping sickness epidemic in 1906.

THE BRITISH Broadcasting Corp. will upgrade seven of its key bureaus, in Brussels, Moscow, Hong-kong, New Delhi, Johannesburg, Washington, and Jerusalem, to regional "hubs," pumping in £15 million to improve its global news coverage, the *Asian Age* reported on July 13. BBC also plans to overhaul foreign news coverage under which 42 overseas bureaus will be reorganized.

RUSSIAN, Chechen, and Azerbaijani officials signed an agreement in Baku on July 11, on the export, via Chechnya, of Azerbaijan's Caspian Sea oil. Russian and Chechen oil executives also signed an agreement in Grozny on July 12, whereby Russia will undertake pipeline repairs.

ASIA TIMES, known as the "hot money" *Times*, halted publication as of June 27, as did the monthly *Manager* magazine, because of a "cash flow crisis," the *International Herald Tribune* reported. *Asia Times* was reportedly losing \$1 million a month.

AUSTRALIA and New Zealand Banking Group's global investment bank has reported a 60% increase in profit at its ANZ Grindlays India arm in the year to March. ANZ, formed from firms created for colonial exploitation, has emerged in India as the largest arranger for international syndicated loans, and has a high profile in major infrastructure projects.

SOUTH KOREAN banks bailed out the Kia Group, the country's eighth largest business conglomerate, on July 15, the third such rescue in three months. The Kia auto subsidiary was suffering a sales and share price collapse, and the Kia Group as a whole has \$10.7 billion in debt, much of it bad.

CHOLERA bacteria have been detected in the Moskva and Medvedka rivers in several areas of Moscow Oblast, the July 15 *Nezavisimaya Gazeta* reported. State Sanitary and Epidemiological Center officials said that contamination was caused by sewage leaks into the river.