

Business Briefs

Infrastructure

Build Rhine-Rhône Canal, says French politician

France's former Justice Minister Michel Vauzelle defended the Rhine-Rhône Canal, in an interview with the Paris daily *Le Figaro*, on Aug. 13. Vauzelle lamented the decision by the government of Prime Minister Lionel Jospin to halt the project, and recalled that every President of the Fifth Republic, whether conservative or socialist, had defended it.

The canal, Vauzelle said, "represented . . . a tremendous hope for regions from the Rhine to the Mediterranean Sea. It offered a tremendous perspective of opening up to the rivers and seas. It was considered something which represented the will of the nation to restore the balance toward the South." Beyond symbolic significance, he said, the project represented "a structure linking the Mediterranean Sea to the North Sea, to the Rhine, to the Danube, and which would open up Lyon, Marseille, and their regions."

Demographics

Russian population continues plunge

Russia's State Committee on Statistics (Goskomstat) has estimated the country's population as of June 1 to be 147.3 million, which is a decline of 227,000 since the beginning of 1997. The excess of deaths over births was even higher, but was partly compensated by net immigration. During January-May, there were 533,100 births and 888,100 deaths in Russia, for a natural decline of 355,000. Russia now has a birth rate nearly 40% below what is needed to keep the population level constant.

Prof. Leonid Rybakovsky, head of demography at the Russian Academy of Sciences, said in a recent interview, reported by InterPress Service on Aug. 8, that the natural loss of the Russian population (excess of deaths over births) totalled 3.5 million people in the past five years. This is a 2.5% decline, "a staggering figure in peacetime," he said.

Goskomstat reports that the number of marriages fell by 4,000 (1.4%) for January-May 1997, compared with the same months of 1996. Out of every 1,000 marriages, 768 fail. A study by Kester Kenn Klomegah, circulated by Gemini News in July, pointed up one more, related element of the decline of morale in Russia: The number of Russian women killed by their husbands has reached 15,000 per year, accounting for nearly half the murders in the country.

Petroleum

Chinese firm wins Kazakh oil tender

China National Petroleum Co. has won the tender for the Uzensk oil field in western Kazakhstan, Radio Free Europe reported on Aug. 5. The Uzensk field produces 2.7 million tons of oil per year, but the Chinese say that they can increase that figure to 7 million tons.

In order to secure the contract, the Chinese company must form a joint venture with Kazakhstan's Uzenmunaigaz, and help construct one pipeline from the field to China, and another south to Iran via Turkmenistan. The Kazakh government and China National Petroleum now have one month to agree to terms, otherwise negotiations can begin with the other participants in the tender, Amoco and the U.S.-Malaysian company Unocal-Petronas.

In early June, China National Petroleum Corp. also bought 60% of the Aktyubinsk-mai field and facilities in northwest Kazakhstan.

Finance

Russian-Islamic bank aids BAM zone renewal

In an effort to draw in Mideast oil funds, Russia has established the First Russian-Islamic bank, co-owned by investors from Saudi Arabia, Kuwait, Qatar, Sudan, and Egypt, and the Russian government, *Rossiyskiye Vesti* reported on July 22. The bank, which

is established on Islamic principles, does not extend interest-bearing credit, which in Islam is considered usury, but invests in projects in exchange for a percentage of future profits. One of the areas in which the bank intends to invest, is the impoverished region along the Baykal-Amur Mainline (BAM), the rail line in Russia's Far East.

Adalet Dzhabiyev, the bank's chairman, reports that the bank plans to invest up to \$60 million in various projects by the first quarter of 1998. "The highest priority in placing the investments of the Russian-Islamic Bank," he reported, "is given to the defense industry, space technology, shipbuilding, the processing sectors, industrial ecology, and environmental protection. We plan to allocate the most wide-scale investments in the project for developing BAM."

One of the bank's priority tasks is to develop infrastructure to service trade between Russia and the Near and Far East, and with Southeast Asia. Russia, the paper commented, "in addition to the fact that it is a major producer and supplier of weapons and a strategic partner of many Arab countries, can become a capacious market for investment of the capital of the countries of the Muslim world."

Health

Foodborne illnesses on rapid increase

The world's population is suffering from an explosive increase in foodborne illnesses, according to the World Health Organization. A recent WHO report warns that hundreds of millions of people suffer from foodborne diseases each year after eating food contaminated by salmonella, *E. coli* bacteria, and cholera, and millions of them die.

The report confirms warnings made by Lyndon LaRouche in the 1970s, of the biological holocaust that would result from the collapse of public health infrastructure. *EIR* has warned that a dramatic increase in the death toll would occur due to foodborne illnesses, resulting from the worldwide collapse of food refrigeration, a result of the ban on chlorofluorocarbons. The WHO report also underscores the urgent need for wide-spread use of food irradiation technology.

BULGARIA has the lowest birth-rate in Europe, half of what it had in the 1970s, the National Institute for Statistics reported on Aug. 11. Weighed down by the economic crisis, Bulgarians have a birthrate of 7.79 per 1,000 inhabitants; in 1970-75 it was 16.2. (The U.S. birthrate was 15.9 per 1,000 in 1990-95.)

RUSSIAN officials began talks with Iran on Aug. 13, on a \$1.5 billion joint venture to build a major port in the Volga River delta, 45 kilometers from the Caspian Sea coast. It would be designed to handle 10 million tons of freight per year. With rail and road connections, the project is estimated at \$360 million.

ARMENIA'S Energy Minister Gagik Martirosyan met with Iran's Ambassador to Armenia Hamid Reza Nik-Kar Esfahani, in Yerevan on Aug. 13, to review bilateral and regional cooperation in energy. Martirosyan expressed satisfaction with the creation of necessary conditions for the export of Iranian electricity to Armenia, and said the project could attract Georgia to regional cooperation.

FIVE SAHARAN nations, Libya, Niger, Chad, Mali, and Burkina Faso, agreed at a summit in Tripoli to set up an economic regional grouping. "The five heads of states have reached a decision favoring closer ties between their countries," Niger's Foreign Affairs Minister Ibrahim Assane Mayaki said on Aug. 16. Nigeria will be invited to join the group.

THAILAND and Myanmar celebrated completion of construction of the first bridge between the two nations, on Aug. 15. It will open to the public upon construction of a road linking the river border town of Myawadi to the capital, Yangon.

THE AUSTRALIAN government is studying the potential of "fresh air" futures, which have been pioneered on the Chicago futures market, to become tradable as "carbon credits," the Aug. 11 *Courier Mail* reported. The scheme is the latest in derivatives.

Worldwide, of the 1.5 billion children under five who suffer diarrhea each year, and the more than 3 million who die as a result, most cases had been thought to be due to waterborne diseases. But Fritz Kaferstein, director of WHO's program of food safety, states that "a significant proportion of the diarrhoeal disease cases are foodborne in origin."

Foodborne diseases are vastly under-reported, especially by developing countries, particularly by authorities who fear that publicizing an outbreak will damage tourism and trade. "It is estimated that the reported incidence of foodborne diseases represents less than 10%, or maybe even less than 1% of the real incidence," the report says. "Surveys in a few countries indicate that foodborne diseases may be 300-350 times more frequent than the reported cases tend to indicate."

Even industrialized nations are suffering from deadly outbreaks of foodborne illnesses. Two U.S. Department of Agriculture experts, Jean Buzby and Tanya Roberts, write that just seven foodborne pathogens cause 3.3 million to 12.3 million cases and 3,000 to 9,000 deaths each year. They calculate that just in the United States, the cost of foodborne illness is \$6.5-34.9 billion, if not much more.

Trade

Ukraine, Turkmenistan, Iran set up barter deal

Iran, Turkmenistan, and Ukraine have entered into a three-way barter deal, which centers on rail equipment. The deal is an example of how regional trade arrangements in the context of the Eurasian Land-Bridge, can provide markets for former Soviet industrial capacities, which otherwise are shriveling up.

According to Kiev Intelnews on Aug. 3, Ukraine's Resources, a state-run joint stock company, has been appointed by the government to run the barter deal for 1997-98, under which Ukraine will receive \$50 million worth of natural gas from Turkmenistan. (Iran and Turkmenistan are building a pipeline to bring Turkmen natural gas to Turkey, and westward.) Ukraine will ship to Iran \$50

million worth of industrial goods, free of the value-added tax and of any extra fees. The bulk of the order is for rail development: Ukraine is to supply 1,000 wheelsets and 600 axle boxes for freight cars, 100,000 tons of rails, 1,000 sets of switch points, and other metal products. Iran will deliver goods worth the same amount, to Turkmenistan.

Ukrainian construction of industrial facilities in Iran is also pending, including plants to produce aircraft, locomotives, paper, polyester thread, and sugar, and to install turbines and generators at two electric power plants.

Australia

Raw materials grab not hindered by 'land rights'

One hundred and twenty mining companies have committed \$64 billion for planned investment in mineral exploration and processing plants in Australia over the next three years, according to *Australian Commodities*, a report by the Australian Bureau of Agriculture Resource Economics, the *Canberra Times* reported on Aug. 14. This high volume of investment comes despite the ostensible uncertainty over indigenous land rights, which, it has been assumed, would hit the mining industry hardest.

The Australian High Court's 1992 "Mabo" decision, which found that "native title" or prior indigenous ownership of the land, exists, and its 1996 "Wik" decision, which found that native title was not extinguished by pastoral leases, have created a situation where the holders of pastoral and mining leases are forced to negotiate with any Aboriginal people who claim ownership of the land, thus tying up projects until negotiations are complete.

However, native title has not affected British mining giant Rio Tinto, one of the funders of Prince Philip's World Wide Fund for Nature, which created the indigenist movement. It has negotiated a number of major projects.

The investment figures indicate that land rights are not seen as a threat to the mining industry generally. Rather, the biggest threat from land rights is to farmers and infrastructure development projects.