

Business Briefs

Space

Brazil attempts launch of indigenous satellite

A decade after an embargo by the space powers against the export of rocket technology to Brazil forced that nation to develop its own space technology, Brazil attempted to launch its first orbital satellite on its own rocket on Nov. 2. The launch was unsuccessful; however, very few first launches are successful.

One engine on the VLS rocket failed to ignite, and after 65 seconds, the range safety control destroyed the rocket, as it is supposed to do. The VLS was carrying a Brazilian-made satellite, the SCD-2A, which was to have relayed remote sensing data from terminals at remote sites in Brazil, to the rest of the country. According to news reports, Brazil will continue its program to launch one rocket in each of the next three years.

Brazil's launch site, Alcantara, has been a major investment for the country, of about \$300 million, which the Brazilian space agency hopes to rent to other national launchers. Located only 2° south of the equator, the site enables satellites to be launched into equatorial orbit, using less energy than launches from higher latitudes.

In October, Brazil signed an agreement with NASA to contribute about \$120 million worth of hardware to the International Space Station, in return for the flight of a Brazilian astronaut. It is the first developing nation to join the international project.

Asia

'Tigers' need science, technology to survive

Southeast Asian nations, even before the onset of the recent stock market disasters and currency crises, began to focus on the need for education and science and technology, if their economies are to survive. The so-called "Asian Tigers," despite appearances, never had sound economies, fundamentally because of their lack of machine-tool capabilities, as *EIR* has outlined (see *EIR*, Feb. 7, 1997, pp. 10-59). Education and science and

technology are key to building up the machine-tool sector.

Reported on Oct. 28, were two cases in point. First, Indonesia's wire service Antara reported on the two-day meeting of the Association of ASEAN (Association of Southeast Asian Nations) Economists on Oct. 25-26. There, Prof. Dorodjatun Kuncorojakti, the chairman of the Economists Association and an economics professor at the University of Indonesia, stressed that with greater effort spent on "enhancing human resources, we would have been able to improve economic productivity and activities in each sector."

On Oct. 28, Malaysian Deputy Prime Minister Anwar Ibrahim, during presentation of the 1997 Science Awards, stressed that greater emphasis on education in science and technology is essential to the country's progress, and that success cannot be measured only on the basis of corporate profit. Anwar said that in the history of great civilizations, progress was achieved through mastery of knowledge, and science and technology are key.

Trade

Iran deepens ties to South Africa

On completion of a three-day visit to South Africa, Iranian Foreign Minister Kamal Kharrazi announced that two agreements and a letter of intent had been signed, to improve trade relations. A joint communiqué was issued by the Iranian-South African economic commission, which met at the same time. On the economic plane, they explored "ways to expand relations" in the transportation sector, especially railroads; launch joint ventures in the metals and mining sectors; and carry out agricultural projects in the sugar and sugar cane industry, IRNA reported.

The two sides stressed the importance of cooperation, not only between the two, but also among the regional economic groups to which they belong: the Economic Cooperation Organization and the South African Development Community. The two sides discussed Iran's proximity to the Central Asian, Caucasus, and world markets, as well as the

possibility of using Iran's transportation routes for the movement of South African goods.

Iran News said the visit marked a turning point in Third World unity, considering that Iran will be the rotating chairman of the Organization of Islamic Conference for the next three years, and South Africa will lead the Non-Aligned Movement, following the summit it will host.

Infrastructure

Industrialist: Great projects indispensable

Big infrastructure projects, such as the Three Gorges project in China, are indispensable to economic growth, Adolf Huettl, head of Siemens-Kraftwerkeunion, which is delivering three power generators for the project, said in an interview with the German weekly *Die Zeit* on Nov. 7. He said that almost all the arguments against the Three Gorges project are nonsense. First, it is not "Mao's dream," but was already worked out in 1919 by Sun Yat-sen. Upon completion, the project will generate 18 gigawatts of electricity; but, he said, China will need 15 GW of new installed power-generation capacity every year. Do our ecologists want this to be coming out of nothing but coal-fired power plants? he asked.

Those who are criticizing the dam construction have one thing in common, he said: "They don't bear the responsibility for China's future." They are trying to give the impression in the media, that the project was worked out by isolated hard-liners behind closed doors. But, before construction started, there were decades of preparations, which involved many international institutions, including many German engineering experts, Huettl said. There had also been extended negotiations between the central government and the provinces.

Since 1870, about 700,000 Chinese have been killed in Yangtze River floods, which the dam will control. Three Gorges is one cornerstone in the overall industrialization program, including the build-up of a power net in China's interior, which is very important to develop. And, the best way to improve

the environment in China, is to "build up new factories," which are much less polluting than the old ones, Huettl said.

Southeast Asia

Go-ahead given for Land-Bridge link

The Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) group approved projects which will link Southeast Asia to the Eurasian Land-Bridge, the Malaysian government wire service Bernama reported from Ipoh in Perak state, where the group met on Nov. 5-6. Construction reportedly will start in 1998. If confirmed, this means an about-face on the October decision by all three nations to put these projects on hold, because of the financial crisis.

IMT-GT and project official Abdul Rahman Maidin, who headed the Malaysian delegation, was quoted saying, "The pilot company for the project will be formed soon to build the land-bridge, which includes the construction of road and rail links as well as oil and gas pipelines." Rahman reported that the Thai government has given its approval for the project to proceed. And, the wire service reported that Indonesia has approved plans for the 95-kilometer bridge linking peninsular Malaysia with Sumatra.

The land-bridge link was proposed in 1994, and would run from Penang, Malaysia to Songkhla, Thailand, giving Indonesia a land link to continental Asia, through Malaysia.

IMT-GT's business council voted to conduct business in their respective currencies, not U.S. dollars. Rahman said this was a demonstration of their support to help strengthen regional currencies.

Labor

Union membership plummets over decade

The International Labor Office in Geneva has released a report showing that union membership, worldwide, has fallen to less than 20% of workers in 48 out of 92 countries

surveyed, over the last decade, the Australian *Herald Sun* reported on Nov. 4. This included a 30% decline in Australia, 55% in New Zealand, 25% in the U.K., and an average decline of 36% in the countries of central and eastern Europe.

The ILO blamed the declining membership on "shrinking manufacturing and public sectors, fierce economic competition, and restrictive government policies," as well as "laws weakening union protection," i.e., trends which have been part of the policies of privatization and globalization, which have accelerated the decline in standards of living globally. They also said that unions had increasingly tended to ignore workers in small and medium-size enterprises, and that the "super unions" had lost touch with their grass roots.

According to the ILO, only 164 million of the world's estimated 1.3 billion workers belong to unions, and only 14 countries had membership rates exceeding 50%. In the last decade, only 20 countries recorded a percentage rise in union membership, most notably South Africa, where union membership skyrocketed 130.8%.

Nuclear Energy

South Africa, Egypt step up cooperation

An official of the South African Atomic Energy Organization (SAEO) said, in an interview with the Middle East News Agency on Oct. 31, that technological cooperation with Egypt in the use of nuclear energy for peaceful purposes, is vital to realize the African renaissance and to resolve numerous economic and political problems which plague the continent. The official began a visit to Egypt on Nov. 2, to boost cooperation.

An agreement on supplying Egypt with chemical and medical radioactive isotopes might be signed soon, the official said.

Since 1990, the SAEO has been embarked on a program to transform South Africa's strategic nuclear technology program, into one for improving living conditions. South Africa's nuclear weapons-manufacturing program, he said, was never able to produce an atomic bomb.

MALAYSIA has allocated 2 million ringgit (\$612,000) for a feasibility study for the Trans-Asia Railway project, Deputy Transport Minister Wira Mohd Ali Rustam said on Nov. 5. The line will link Singapore, Malaysia, Thailand, Cambodia, Vietnam, Laos, Myanmar, and China, with links to South and Central Asia.

140 MEMBERS of Iran's Majlis (parliament) sent a letter to President Seyed Mohammed Khatami, urging him to allocate a special credit in next year's budget, to complete the Bafq-Mashhad rail link, which will shorten travel from the Central Asian Republics to the port of Bandar-e Abbas, IRNA reported on Nov. 7.

THE PHILIPPINES Supreme Court, by a vote of 9-2, has again shown its nationalist streak, overturning a key element of the government's IMF-backed "trade liberalization" program, the oil deregulation bill passed last February. Ironically, it said its decision is to uphold "interaction of market forces," by deterring "monopolistic power."

RUSSIA and Iran agreed to expand scientific cooperation, at the sixth session of the joint scientific and technical commission, on Nov. 6. In a parallel development, the head of Gazprom said on Nov. 4, that Russia would not be deterred by the D'Amato sanctions from dealing with Iran.

BECHTEL CORP. is drafting a master development plan for the Congo, a company spokesman confirmed on Nov. 5. This "conceptual study" includes major infrastructure projects, industry, and a cataloguing of the strategic, precious, and base raw materials.

U.S. HOUSEHOLDS have more than half their liquid assets in the stock market, the Securities Industry Association reports. In 1980, households held 52.6% of their liquid assets in bank deposits and CDs, falling to 25.9% by 1996. This shift poses a great danger for U.S. households, as the stock market collapses.