

Business Briefs

Environmentalism

Starving Zambia Refuses Donations of Maize

The Zambian government has announced that it will not accept donations of genetically modified foods for fear they may be toxic, Zambian newspapers report. The fear has been whipped up by foreign Malthusian environmentalists and depopulators who are determined to destroy Africa's population.

As 15,000 tons of U.S.-donated, genetically modified maize sit waiting, Zambia does not have enough food for its starving people; indeed, many of the country's 9 million people are "on the verge of death," said one Zambian chief on Aug. 12—victims of a drought extending from South Africa to Senegal.

The decision followed a debate at Lusaka's Mulungushi International Conference Centre on Aug. 12, reported in the *Lusaka Post* on Aug. 13. Numerous influential figures expressed fear of genetic modification, including the president of the opposition Heritage Party, Brig. Gen. Godfrey Miyanda; Women for Change Executive Director Emily Sikazwe; and Dr. Mwananyanda Mbikusita-Lewanika of the National Institute of Scientific and Industrial Research.

Speaking for acceptance of the maize were the University of Zambia's Dean of the School of Natural Sciences, Luke Mumba, and Simon Zukas, national chairman of the opposition Forum for Democracy and Development Party.

Also urging acceptance, in an Aug. 9 appearance in Lusaka, were U.S. Reps. Earl Hilliard (D-Ala.) and Eva Clayton (D-N.C.), who emphasized that Americans eat the corn every day.

There is no danger from genetically modified maize. The modification of the genes of maize takes place in nature through cross-pollination; so-called genetically modified maize is different only because there is human supervision of which of the naturally occurring possibilities are permitted.

A leading environmentalist, Greenpeace founder Dr. Patrick Moore, has broken ranks to write that "the campaign of fear now being

waged against genetic modification is based largely on fantasy and a complete lack of respect for science and logic."

International Trade

U.S. 'Productivity Boom' Never Happened

Financial analyst Henry Ck Liu demonstrated in the *Asia Times* of Aug. 14 that the "productivity boom" of the 1990s was really only due to the U.S. import boom, which amounted to theft from other countries.

Liu writes: "There was no productivity boom in the U.S. in the last two decades of the 20th Century; there was an import boom. What's more, this boom was driven not by the spectacular growth of the American economy; it was driven by debt borrowed from the low-wage countries producing this wealth. Or, to put it a tad less technically, the economic boom that made possible the current U.S. political hegemony was fueled by payments of tribute from vassal states kept perpetually at the level of subsistence poverty by their own addiction to exports. Call it the New Rome theory of U.S. economic performance. . . .

"The 4% productivity rise cited in U.S. government statistics can be primarily attributable to sharp import increases. The gain in net productivity is much smaller, on the order of 1.8%. . . . The transition to offshore production is the source of the productivity boom of the "New Economy" in the U.S. The productivity increase not attributable to the importing of other nation's productivity is much less impressive. . . .

"Those economies that have been dependent on exports for growth will do well to understand that the recent drop in exports in more than a cyclical phenomenon. It is a downward spiral unless balanced trade is restored so that trade is a supplement to domestic development rather than a deterrent. Regions like Asia and Latin America should restructure their export policies to focus on intra-regional trade that aims at development instead of those that transfer wealth out of

the region. Places like Shanghai, Hong Kong, Singapore and Tokyo should stop looking for predatory competitive advantage and move toward symbiotic trade policies to enhance regional development."

European Union

Italian Economist: Cancel Maastricht

The budget-balancing criteria of the European Union's Maastricht Stability Pact are "a fruit of superstition," and, contrary to popular opinion, private debt, not public debt, is what is dangerous, said Giacomo Vaciago, an economist who teaches at the Catholic University in Milan.

Interviewed by the daily *Il Giornale* on Aug. 14, Vaciago said, "The constraints established first in 1992 in Maastricht, and confirmed at Amsterdam in 1997, are mythological, a fruit of superstition. Sixty percent of debt relative to GNP, 3% of deficit over GNP . . . [are] figures that no country, since Romulus and Remus, has ever dreamed to forecast. Figures that exist in no theory whatsoever. And therefore, we can just cancel them."

"Too much importance," said Vaciago, "is put on public debt. I explained this ten years ago in a lecture at Oxford. What is worse: an excessive private debt, as is the case in Anglo-Saxon countries, or an excessive public debt, as in Italy? The answer is, that you must look at the aggregate debt: of the citizens, of corporations, and of the state. In this context, the Amsterdam constraints put excessive emphasis on state debt, ignoring private debt. . . . The most serious economic crises have occurred because private debt was high, not because of public debt. The 1929 crisis was a private debt crisis. It is when there is too much family and corporate debt, that things go bad, and you are forced to go more deeply into public debt. I will never say that a country is more or less poor according to its public debt. Today, the United States is in worse shape than Italy, even if Italy has a public debt twice as large

THE HOUSING BUBBLE may collapse in the United States in the months ahead," wrote Dean Baker, the co-director of the Washington-based Center for Economic Policy Research, in the July 31 issue of *Beige Book Review & Analysis*, a publication of the Financial Markets Center. Baker notes that housing prices have risen by an average of 29 percentage points more than the inflation rate over the last seven years. Some Americans have pulled money out of the stock market, and placed it in real estate instead—"the sort of behavior one would expect to see in a bubble," he writes.

AMERICAN MAGLEV Technology, Inc. carried out its first successful propulsion test at Old Dominion University in Virginia in August, when its test vehicle "levitated, moved forward about 200 feet, stopped and moved in reverse, several times at a rate of 4 miles per hour," said an ODU spokeswoman. The company hopes to build a 193 mile maglev system between Hampton Roads, Virginia and Washington, D.C., by 2007.

THE WASHINGTON POST on Aug. 18 promoted legalized gambling for Mexico, saying that Mexican leaders are considering legislation to legalize gambling casinos, as a way to bring more tourists into the country. While casino gambling has been outlawed since 1938, analysts told the *Post*, "the political and economic climate is right for the Mexican Congress to legalize casinos, possibly by the end of the year."

GEORGE SOROS, the mega-speculator and self-styled critic of International Monetary Fund policies, called for an IMF bailout of the banks to which Brazil owes money, in a commentary in the Singapore *Straits Times* newspaper on Aug. 14. He phrased this as a call to "save Brazil." In addition to IMF money, Soros wrote, "the central banks of the developed countries should open their discount windows for Brazilian government debt."

as the U.S. one, but in the U.S.A., families are in the water almost up to their neck."

Drug Trafficking

Poppy Cultivation on The Rise in Pakistan

The Islamabad newspaper *The Dawn* reported in an editorial on Aug. 14 that there has been an ominous increase in poppy cultivation on the Pakistani side of the Afghan-Pakistan border. The reasons cited are: The prolonged bombing campaign next door and the proximity of the U.S. troops on the Afghan side of the border has made it difficult for people to carry on their traditional trade of smuggling; and Pakistan's Water and Power Development Authority has stopped the supply of electricity to the area because of the tribesmen's reluctance to pay for the electricity they consume, severely affecting agriculture. Over the years, Pakistan had virtually eliminated poppy cultivation in the tribal areas.

The dwindling sources of livelihood have driven many people to turn to poppy cultivation as a last resort. Meanwhile, reports from the bordering eastern Afghan province of Nangarhar, indicate that large heroin factories have been set up in the hills, increasing the demand for poppy. It is evident that the heroin trade is flourishing once more under the warlords now backing the U.S.-supported Karzai government in Kabul.

Petroleum

U.A.E. Zayed Centre Book Prints LaRouche Speech

On Aug. 15, the Zayed Centre for Coordination and Follow-Up, based in Abu Dhabi, United Arab Emirates, published a press release announcing the publication of a book containing the speeches and working papers presented at the June 2-3 international con-

ference on "Oil and Gas in World Politics." Lyndon H. LaRouche, Jr., who was the main featured Western guest, presented a paper entitled "The Middle East as a Strategic Cross-Roads" (see *EIR*, June 14). LaRouche's speech was followed by a discussion session, dealing with his views on major strategic, military, and economic issues.

The ZCCF's press release states: "Considering the great interest shown in the issue of oil and sources of energy, the Zayed Centre for Coordination and Follow-Up compiled and published working papers, articles, and discussions in the form of a book entitled *Oil and Gas in International Security Policies*.

"The working papers and articles were presented at the two-day international conference attended by the U.A.E. Oil Minister, HE Obaid Bin Saif Al Nasiri, and Mr. Lyndon LaRouche, renowned American economist and prospective candidate for the American Presidential election. It also included a number of prominent experts in the field of oil and gas from many Arab countries.

"The publication is significant as it deals with the problem of energy in general, and oil, in particular. Besides, it is directly linked with all political, strategic, economic, and social issues. It is of vital importance to Arab oil-producing countries because it constitutes a major source for their development.

"HH Sheikh Sultan Bin Zayed Al Nahyan, Deputy Prime Minister and Chairman of the ZCCF, stressed the need for initiating a serious dialogue between oil-producing and oil-consuming countries for reaching fair and stable prices for oil. He particularly pointed to the low level of the prices that resulted in hindering the process of development.

"The study also discusses the possibility of using oil as political leverage to resolve Arab conflicts, its positive and negative impacts. The publication focuses on the emergence of competitors to the Arabs in the Caspian region and other areas. It also sheds light on non-OPEC oil-producing countries, how to compromise and coordinate with them for the sake of oil stability in the oil market. Oil pipelines and new world investments in the field of oil and gas have also been explored thoroughly in this publication."