

# Business Briefs

## Infrastructure

### Central Asia wants Arabian Sea rail link

Pakistani Economics Minister Sardar Aseff Ahmad Ali told a conference in Islamabad Jan. 16 that Pakistan was willing to join the five states of Central Asia in building a railway line across the mountains of Afghanistan to the coast in western Pakistan. The rail line would give Central Asia and a postwar Afghanistan direct access to the sea for imports and exports, and give Pakistan a new port on the Baluchistan coast.

"This is a very exciting project, and I think that the government of Pakistan will be very keen to get involved," Ali said.

The minister had toured the Central Asian republics and Azerbaidzhan in December. A tentative feasibility report on the railway showed it would cost \$4-5 billion to build and take 8 to 10 years to complete.

The old Soviet rail system goes as far as the Afghan border at Termez. The Salang Highway links the border with the Afghan capital, Kabul, across the high Hindu Kush mountains, with many of its higher sections running through tunnels.

## Space

### Russians propose nuclear engine for Mars trip

Dr. Nikolai Ponomarev-Stepnoi of the Kurchatov Institute of Atomic Energy in Moscow has proposed that a nuclear-powered engine be developed for a joint mission to Mars. The proposal came at the ninth annual meeting on space nuclear power which began Jan. 13 in Albuquerque, New Mexico.

The *New York Times* printed parts of an interview with Dr. Ponomarev-Stepnoi, the head of the Russian delegation to that conference. He proposed a joint program to make use of the advanced nuclear technology developed in his country, combined with the U.S.'s stated commitment to send a manned mission to Mars.

According to Dr. Ponomarev-Stepnoi, the Russians have developed advanced materials which allow them to use nuclear energy to heat hydrogen propellant more quickly and to higher temperature than old U.S. designs. The United States stopped working on nuclear power for propulsion in 1972, when the original Mars program was canceled. Dr. Ponomarev-Stepnoi stated that the Russian research is imperiled by the collapse of the Russian economy. "Taking into consideration the disintegration of our country, this technology also disintegrates."

He said that in September, American scientists would be invited to a meeting in Semipalatinsk (where laser and "Star Wars" R&D and testing took place), on the development of nuclear rocket engines, to share the Soviet data and experimental research.

## Capital Investment

### Aviation Week: Hamilton's policies needed today

Alexander Hamilton's policies are needed today, states an editorial in the Jan. 13 edition of *Aviation Week*. Business editor Anthony Velocci begins his article on innovation and technology: "In 1791, Treasury Secretary Alexander Hamilton wrote, in his *Report on Manufactures*, that drafting policies to boost domestic industry was the nation's 'next great work to be accomplished.' Not only is the same economic and industrial imperative on today's national agenda, but there is good reason to believe that such policies may be even more important today than they were 200 years ago."

After recounting the well-known inability of breakthroughs in science and technology to be translated into new U.S. industries, Velocci hones in on the 1986 Tax Reform Act as a key element in making it unprofitable, if not impossible, for industries to invest in production. The act eliminated the remaining, though watered-down, Kennedy-era investment tax credits, which resulted in an increased cost of capital; changed depreciation allowances, which were now weighted against capital expansion; and increased the capital gains tax, all of which helped the "Reagan revolution"

vector spending away from anything productive.

Velocci continues, "Correcting weaknesses such as these in the U.S. tax code would help lower the cost of capital, stimulate long-term R&D, and encourage American companies to adopt a broader time horizon. The most vital benefit, however, is that it would stimulate the formation of small start-up firms, well-springs of jobs as well as marketable and innovative technology."

"The true significance of being the leader in technology innovation," Velocci states, "lies in the recognition that it is not an end in itself, but a means to raise long-term growth rates so that jobs can be created and the standard of living can be improved."

## Environmentalism

### 'Earth Summit' could be failure

"There is a distinct possibility the Earth Summit will be a total flop," a participant at a recent meeting in Germany of the Inter-Action Council of Former World Leaders told *EIR* Jan. 14. The Earth Summit or Eco-92 is scheduled for Brazil in June of this year, and is intended to impose uniform, radical environmentalist policies on governments worldwide.

"The final communiqué of the Inter-Action meeting supported the Earth Summit. But I can assure you, there are serious problems, very serious problems with it. The objective was to conclude two or three important conventions there, on global warming, rain forests, etc., but I can tell you from very well informed circles, that this is most unlikely. The developing sector's insistence on a fund to compensate for the needed changes is one important obstruction. So, these well-informed circles now worry that the meeting could be a total flop, except from the point of view of publicity about the environment."

He said that many people believe that Eco-92 secretary general Maurice Strong has made a number of serious mistakes in organizing for the event.

The Inter-Action crowd is venting a good portion of its bile against Pope John Paul II, as

## Briefly

● **THE ESTONIAN** Parliament declared a state of emergency Jan. 16 because of dwindling food and energy supplies, creating a committee to control production and distribution of goods, reported AP from Tallinn. Supplies of food and energy have been critically short in Tallinn in recent weeks, with heat lowered in buildings, hot water turned off, and stores empty of basic goods, including bread, milk, cheese and butter.

● **MONGOLIAN** Prime Minister Dashiyn Byambasuren offered to resign Jan. 17 as his nation's economy collapsed. Mongolia has been put through free-market "shock therapy" by western advisers. There are crippling shortages of everything from potatoes and matches to medicine. Mongolia was once a major meat exporter.

● **SWISS** citizens evidently do not want to join the International Monetary Fund. A group opposing the sacrifice of Swiss sovereignty to the IMF presented 50,000 certified signatures to the government in Berne in mid-January, requiring a general referendum on the issue.

● **GENERAL MOTORS** announced Jan. 15 that it will undertake a \$100 million joint venture to make pickup trucks in China. GM holds a 30% equity stake in the new company, Jinbei GM Automotive Co., Ltd., in Shenyang. It will start assembling GM's North American S-class pickups later this year, with production forecast to reach 50,000 units by 1998.

● **A NEW JERSEY** state health regulation outlaws runny eggs because of the danger of salmonella poisoning. Over-easy, sunny-side-up, or other soft eggs can no longer be served in hotels, restaurants, and coffee shops in the state.

● **EVICCTIONS** of the "newly middle class" have risen sharply, according to the Jan. 14 issue of Virginia's *Richmond Times-Dispatch*. Requests for evictions in the Virginia Beach and Chesapeake area have increased by over 50% and 25% respectively.

in part responsible for undermining the malthusian agenda. Former West German Chancellor Helmut Schmidt, chairman of the Inter-Action Council, "and others were totally explicit in their discussion of this pope. He is responsible for weakening the policies of family planning and contraception. Schmidt has felt this for some time, but he and others are becoming more and more impatient with this pope. Many had hoped that the population issue could creep onto the agenda of the Earth Summit, because what's the use of discussing environment and development without discussing the third part of the triangle, namely population? But even if some population issues have crept in, population will not be one of the major themes in Rio, thanks to the Catholic Church."

He said that Schmidt et al. were fervently hoping for "a new pope."

### Africa

#### Uganda's growth industry: coffins

Coffin-making has become the one growth industry of Uganda, IPS reported from Kampala. Carpentry workshops located near the major hospitals in the Ugandan capital of Kampala—where over 30% of the beds are occupied by AIDS patients—are doing especially well.

Due to the rising demand, the price of a coffin has gone up from 10,000 Uganda shillings (about \$10) to 35,000 (\$35) for a coffin with a glass show window. Carpenter Zabedi Mkiibi is quoted: "About a year ago, I used to sell four coffins every month, but now the number has gone up to 12 coffins per month."

He added that a lot more people are dying than the number of coffins being bought every day, because so many relatives of the victims spend so much on long hospitalization, they cannot afford the price of a coffin.

On the basis of official figures, about 1.5 million Ugandans, of a national population of 16 million, are HIV-positive. "The number of HIV-positive people whose AIDS become full-blown will be doubling every six months

due to a cumulative increase from earlier HIV infection which is responsible for causing AIDS," said Dr. Warren Nomara, head of the AIDS Control Program (ACP) in the Ministry of Health.

Nomara says the 23,000 figure of AIDS victims submitted to the World Health Organization in July 1991—second only to the United States with 179,136—was the tip of the iceberg, as most people did not report the disease to medical experts.

### Agriculture

#### Wisconsin, Minnesota face dairy farm losses

An economist from the University of Wisconsin has predicted that Minnesota and Wisconsin will lose one-third of their dairy farms in the coming decade, regardless of milk prices or profits. Robert Cropp told directors of Midwest farm co-ops at the Minnesota Association of Co-Ops Conference held in Bloomington, Minnesota, that there would be major changes in agriculture, because the average dairy farmer is in his upper 50s and there is no one to replace him. Younger farmers cannot pay their debts and make a profit on a small traditional dairy operation.

Wisconsin has lost 25% of its dairy farms since 1985, while Minnesota has lost 50%.

Another speaker at the conference, University of Minnesota agricultural economist Michael Boehije, warned, "Outside pressures could disrupt the dairy industry even more," according to the *St. Paul Pioneer Press* of Jan. 11. He cited new technologies and low-cost producers from abroad.

Meanwhile, former National Farmer's Organization president Devon Woodland told the yearly NFO convention that major dairying corporate farms are positioning themselves to exploit a North American Free Trade Agreement. He said, "Huge dairy farms, each with thousands of cows, are setting up in Mexico. Their plans are to take advantage of the cheap labor, then sell dairy products back into America."