

# Business Briefs

## Technology

### Yantai furthers China, Russia cooperation

The purpose of the new Russian-Chinese high-technology base at Yantai, China, "is to strengthen Sino-Russian cooperation in the field of science and technology in order to introduce more new and high-technology and technical personnel from Russia," *Zhongguo Xinwen She*, the official Chinese paper for overseas Chinese, reported on Oct. 28.

The agreement to build the Yantai base was signed in October, but the idea grew out of the meeting between Chinese Premier Zhu Rongji and then-Russian Prime Minister Yevgeni Primakov last spring. The base will focus on developing electronic, information, new materials, biological engineering, and fine petrochemical industries. It will have an area of 500,000 square meters, of which 300,000 are to be used for developing science and technology and applying achievements in industry, and 200,000 are to be used for residential areas.

An official of the Chinese Ministry of Science and Technology said that there are broad prospects for cooperation in science and technology between China and Russia, and in the past five years, China has introduced more than 1,000 technical projects from Russia.

Russian Vice Minister of Science and Technology Vladislav Nichkov said that China is the most reliable partner, and that Russia is willing to cooperate with China in building the base so that Russian science and technology can be applied in China's industry.

## Debt

### Forgiveness essential, says Nigerian President

Nigerian President Olusegun Obasanjo said on Nov. 12, at the Commonwealth Heads of Government Meeting in Durban, South Africa, that if he had his way, there would be born a Durban Economic Charter of Commonwealth, which would take a definite po-

sition in favor of debt forgiveness, which is essential for the economic health of nations, the Nigerian daily *The Guardian* reported.

Respecting Nigeria, he said, "We are among the 24 poorest countries in the world in terms of the highly indebted poor countries [HIPC] index. But we are committed to regional and global peace. . . . Look, we spent over \$8 billion to maintain our troops in Liberia over a period of between eight and nine years. . . . Our troops are still in Sierra Leone. We are not complaining, but having taken these responsibilities, those who maintain these responsibilities, those who maintain that we are owing must be ready to give concessions.

"We cannot pursue human development with a huge debt overhang. For us, democracy is a necessity, and not a luxury. Debt overhang saps democracy dividends and impoverishes the nation and the people. Therefore, we believe that the world needs to look again at this whole issue if we truly intend to entrench democracy and achieve sustained human development."

## Infrastructure

### TVA-style projects proposed for Brazil

As meteorologists forecast that drought will continue to afflict Brazil's devastated northeast well into 2005, a debate on the need for major infrastructure works has broken out.

On Oct. 20, the northeast Congressional delegation presented in Congress a new book, *Drought: Man as the Starting Point*, which outlines various tasks which must be undertaken by the government. It proposes the establishment of a Semi-Arid Institute, to centrally map the water resources, vegetation, and climate of the ten northeast states, as well as the diversion of the São Francisco River, as key to water management in a region where only an estimated 5% of yearly rainfall is utilized, the rest lost to evaporation or run-off to the sea.

On Oct. 22, Jose Celso de Macedo Soares, in *Jornal do Brasil*, outlined a strategy modelled on the Tennessee Valley Authority (TVA), aimed at eradicating the "panorama of poverty and misery" in the northeast. Without doing this, he warned,

Brazil will never become a developed nation. The key to agricultural and industrial projects, is the provision of basic infrastructure: transport, energy, irrigation, scientific studies, education of a skilled labor force, and health care. The states are unable to mobilize the resources for this kind of investment, and therefore the responsibility falls on the federal government. He proposed that SUDENE, the development ministry for the northeast, be transformed into a public company to oversee the mobilization, and that the Bank of the Northeast be made into a real development bank, to lead the effort.

"What we propose . . . is not original," Macedo Soares wrote. The TVA "is a successful example. Created to resolve the problem of controlling the flooding of the Missouri and Mississippi rivers, it became the great watchspring driving progress in the region, enlarging its initial scope to realize innumerable infrastructure projects of every modality."

## Russia

### Revive military-industry sector to boost output

Russia's military-industrial complex must be revived for defense purposes, and also for the production of other goods, Vladimir Kucherenko wrote in an article entitled "Preparing an Offensive for the 'Defense,'" in the government newspaper *Rossiskaya Gazeta* on Nov. 11.

Kucherenko said that many people reacted negatively to Prime Minister Vladimir Putin's statement that "the military-industrial complex and the weapons trade will be a priority of the country's economic policy. Man does not live by oil and gas alone," but the destruction of Russia's military industry has left "millions of people without work and, indirectly, left old people without pensions and budgets without taxes. . . . We were turned into beggars seeking international credits on very harsh terms. We regressed to being a primitive trader in raw materials who is hit when oil and gas prices fall."

Kucherenko said that "the military-industrial complex had and still has a colossal

**CHINESE** investment in Nigeria, involving at least ten firms with an investment of \$500 million, is going primarily into agricultural technology, the Nigerian daily *The Guardian* reported on Nov. 10. The Chinese investment will be in textiles, agro-processing, and development and fabrication of agricultural technology.

**MICHEL CAMDESSUS** resigned as Managing Director of the IMF "because of growing antipathy" from U.S. Treasury Secretary Lawrence Summers, a London source told *EIR* on Nov. 10. Mooted replacements include German Deputy Secretary of Finance Caio Koch-Weser. "It could be, Britain throws its support to a German to weaken the French role," the source said.

**MOROCCAN** King Mohammed VI held "a long conversation on the development of Morocco" with French President Jacques Chirac, in Rabat on Oct. 29, Agence France Presse reported.

**ENRON**, the world's biggest energy trader, is selling its Portland General Electric Oregon electric utility to Sierra Pacific Resources for \$3.1 billion. The sale is reportedly part of its strategy to unload assets with regulated rates of return, and concentrate on energy trading and power plant development.

**SUDAN'S** Ambassador to Malaysia, Mohamed Adam Ismail, said that Sudan welcomes Malaysian firms' participation in strategic infrastructure areas, including telecommunications, power production, roads, ports, and airport construction. He said that Sudan could serve as Malaysia's gateway to Africa.

**IRAN AND IRAQ** signed agreements on Nov. 11, for closer economic cooperation, expansion of trade, and tourism. Iraqi Trade Minister Mohammed Mehdi Saleh said that the nations were building closer ties "to promote exchange of medicines as well as food, industrial, and agricultural products."

reserve of dual-purpose technologies, an army of top-class specialists capable of resolving insoluble tasks, production units with world-class quality and cleanliness, and a body of highly skilled workers. And . . . this achievement of ours was not imported and has not been sold or given to the West. All these factors could give Russia not only a first-rate export commodity, but also the personnel to organize completely new civilian production activities. And without support, all of this is simply dying before our eyes. If it dies, we will finally become a contemptible, 'superfluous' country, which has no place in the world division of labor. We will turn into a country of flea markets and prostitutes."

Kucherenko wrote, "The critics of 'militarism' forget that Russia can feed 50-60 million at most from supplies of raw materials. To prevent the genocide of its own people, the country must enter the world markets with machinery and manufacturing output. But what kind? . . . Our woeful reformers completely destroyed the production of our household electronics industry. . . ."

"There is one thing left—to export things which we make at least as well as the rest of the world. And in many cases even better. And in which we have been investing our best resources for decades. Namely, weapons and dual-purpose technologies. And this must be for export—they should not be funded . . . by cutting social expenditure."

## Investment

### 'Smart money' scrambles for agricultural land

Reports appearing in the Italian press indicate a pattern by some oligarchical factions, including global speculator George Soros, to buy agricultural land, as part of a scramble to convert paper assets into physical wealth.

On Oct. 25, the Italian daily *Corriere della Sera* published a report in its economic magazine, entitled "Soros Invests in Farms," which says that Blakeney Management, a London-based firm which so far had invested only in stocks, "has begun to buy companies that are owners of farms and plantations. Be-

hind Blakeney Management, Soros has surfaced so often that a formal connection between Soros and the London-based firm has been hypothesized." For instance, *Corriere* commented, "The Soros Fund Management is part of the consortium of foreign investors that, headed by Blakeney Management, in 1977 became the largest shareholder in African Lakes Corp., a trading company quoted in London and active in sub-equatorial Africa, where it owns plantations and forests, especially in Malawi and Zimbabwe. African Lakes has now bought Automotive Export Supplies, distributor of Land Rover and BMW in 12 African countries."

In 1998 Blakeney Management became, together with African Lakes, the largest shareholder in Lonrho Africa. Another shareholder in Lonrho Africa is Africa Plantations, "also associated with George Soros." Africa Plantations "bought large tea and coffee plantations in Malawi, Tanzania, Zambia, and Zimbabwe and wants to become the most important producer of tea and coffee throughout Africa."

## Africa

### Water projects need political agreement

Sudanese Irrigation Minister Kamal Ali Mhamed, an engineer by training, said that Sudan has drawn up projects for 4.5 billion cubic meters of water, the unused portion of its 18.5-billion-cubic-meter share of Nile River waters, in addition to those "lost" in the Sudd region in southern Sudan, Agence France Presse reported on Nov. 6. These plans and programs, Mohamed said, include dam, irrigation, electricity, navigation, potable water, and sewerage projects.

Mohamed said that each Nile Basin state has agreed in principle to obtain approval from fellow Nile Basin member-states for any project for the river's waters, but that this system has not been put into practice. It should be discussed at a forthcoming meeting of the eastern Nile Basin states of Sudan, Egypt, and Ethiopia, he said. Khartoum will host the tripartite meetings among water resource ministers on Nov. 18-19.