

# Business Briefs

## Development

### Use Space To Bridge 'Have-Have Nots' Divide

"Our greatest challenge now, is to cross the final frontier: to bridge the divide between technology's haves and have-nots, and harness its power to serve all people on this planet," United Nations Secretary General Kofi Annan said on Oct. 4, at the opening of World Space Week. World Space Week was timed to celebrate the anniversary of the launching of Sputnik, and the opening of the space frontier.

Annan recalled that while space technology has provided international telephone service, the Internet, and many other applications, "half of the world's population has never made, or received, a telephone call." Space Week, he advised, "should turn to practical ways of connecting people who need it most."

In his Millennium Report, the Secretary General recalled, he announced a number of new initiatives using space technology. One is the "First on the Ground" disaster-response program, to provide mobile and satellite telephones for humanitarian relief workers. Another is the Health InterNetwork, which aims to establish 10,000 on-line health information centers at hospitals and clinics in the developing world.

## Russia

### Schiller Institute at Moscow Seminar

Schiller Institute representative Jonathan Tennenbaum addressed an audience of 20 Russian economists on the ongoing financial crisis and the crucial role of Lyndon LaRouche, on Oct. 5, during a visit to Moscow. The meeting, at the Academy of Sciences Institute of Comparative Politology, was chaired by economist Prof. G. Pirogov. The audience represented a cross-section of institutions, including the Russian Ministry of Economics, the Lebedev Institute for Laser Fusion, the magazine *Ekonomicheskaya Gazeta*, and the Central Economic-Mathematical Institute of Academician Dmitri Lvov, and an organization as-

sociated with space biology researcher Pobisk Kuznetsov.

Tennenbaum gave a detailed presentation in Russian, walking the audience through the financial crisis with the help of a series of charts, leading up to the urgency of LaRouche's most recent interventions, crucial ideas from LaRouche's paper "Trade Without Currency" (*EIR*, Aug. 4, 2000), and developments in Asia and Europe. The response was described by one participant as "electrified," sparking a discussion which focussed on the connection between the financial and global strategic crises, the danger of Weimar-like hyperinflation, and the policies Russia requires in the present situation. Copies of a Russian translation of "Trade Without Currency" were distributed to participants.

Tennenbaum's visit included an organizing meeting on how to continue the work of the late Prof. Taras Muranivsky, president of the Moscow Schiller Institute, and a heavy schedule of appointments in institutes of the Academy of Sciences, the Russian Duma (parliament), Moscow University, and elsewhere.

## Agriculture

### Income of British Farmers Is in Free Fall

Within the past five years, British farmers' incomes have fallen by 90%. A typical 500-acre family farm that earned £80,000 in 1995 now makes £8,000 a year, the *Daily Telegraph* reported on Oct. 13. The average farm made 28% less in 1999-2000 than in the previous year.

A drop in subsidies has been accompanied by low commodity prices, at around £60 a ton for wheat, compared with £120 three years ago. Milk has dropped from 25 pence a liter three years ago to 16 pence, but farmers need 20 pence to stay in business. The crisis has been hitting the typical middle-sized highly productive farms (100 to 130 cows) the hardest, and will have tremendous consequences for the British economy. The National Farmers Union predicts further job losses in an industry that had already lost 22,000 workers in a year.

The farm organizations blame the weak euro, soaring fuel costs, and low farm prices.

The dairy sector had the worst year, but there has also been a collapse in root crop prices, and the crisis is expected to continue into next year. The situation would be even worse, were it not for a bumper harvest last year and the payment of "agrimonetary" compensation to bridge the gap between the pound and the low value of the euro, in which subsidies are measured.

The farm crisis is showing effects on the general landscape as well. Vast tracts of the uplands are in the process of returning to wilderness, which will accelerate if the worsening rural recession continues to drive farmers off the land and back into the towns.

## Eastern Europe

### Trust Report Details Biological Holocaust

The European Children's Trust has issued a report, entitled "The Silent Crisis," that zeros in on the condition of children in the countries of the former Soviet Union, and identifies poverty as the major cause of disease and the drastic drop in life expectancy.

The report says that 50 million children in eastern Europe are exposed to tuberculosis levels that are "usually associated" with the Third World. The study measures infant mortality, the proportion of the population not expected to live to 60 years of age, and the number of TB cases. It says that TB rates rose to an average of 67.6 cases per 1,000 people in 1997; but that number varies widely, from 20 in the Czech Republic; to 80 in Russia, Latvia, Lithuania, and Turkmenistan; to 150 in Georgia.

The Trust urges that debt relief be given to the former Soviet countries, where poverty has risen tenfold since the fall of communism.

## Asia

### ASEAN Rejects Free Trade Zone

The Association of Southeast Asian Nations (ASEAN) on Oct. 6 rejected the proposal to create a \$1 trillion free-trade zone with Aus-

tralia and New Zealand, despite a report recommending the zone. ASEAN's ten economic ministers, at their annual meeting, in Chiang Mai, Thailand, instead agreed on a "closer economic partnership."

"We can't be overambitious. It's not an easy thing to merge the two regions together," Thai Deputy Prime Minister Supachai Panitchpakdi stated. The ministers' press statement said that the economic partnership between the two regions, would be defined further by senior officials who would make recommendations in 2001.

Malaysia refused to cut tariffs protecting its domestic auto industry, to meet the "free trade" agreement. "At this point in time, the environment is just not right as far as Malaysia is concerned. Even within AFTA [Asian Free Trade Association] we are still evolving," stated Malaysian International Trade and Industry Minister Rafidah Aziz. "We are so preoccupied. We want to make sure the AFTA works. We are not about being political heroes. We are talking about something that benefits the people." She said that expanding the existing ties between ASEAN and the Closer Economic Relations Pact (CER), formed by Australia and New Zealand, would require political decisions.

Indonesian Minister of Industry and Trade Luhut Pandjaitan stated, "We are not ready yet on the Indonesian side to set up a free-trade area between AFTA and CER." A joint task force of ASEAN and CER has just issued a report calling for setting up a tariff-free zone "at the earliest possible time." This would be "not only feasible but advisable if both ASEAN and CER are at least to keep pace with the rapidly changing world of today."

## Nuclear Energy

### Czech Republic Defies European Union Critics

Czech authorities gave the green light on Oct. 9 for the activation of the first of two reactors at the Temelin nuclear power station. When the two reactors are operational, Temelin will provide some 20% of the Czech Republic's power needs. Work began on the Temelin plant in 1983.

The decision flies in the face of opposi-

tion to the nuclear program from within the European Union. The day before, Austrian Chancellor Wolfgang Schuessel repeated his warning that if the Czechs proceeded with the plant, Austria could sabotage the Czech Republic's EU membership talks. And, Austrian environmentalists blockaded a border post between the two countries. Austria built a nuclear power plant, but decided, in a 1978 referendum, not to put it, or any other nuclear plant, on line.

Although the environmental ministers of Austria and Germany have stated that the plants will not pass rigorous safety inspections, a spokesman for the UN International Atomic Energy Agency stated the week before the Czech decision that the plant meets IAEA safety standards, and that Austrian and other EU protests are a political, not a technical, issue.

## Energy

### Russia To Propose 25 Projects to Europeans

Russian Deputy Prime Minister Viktor Khristenko has been commissioned by President Vladimir Putin to present the European Union (EU) with a list of 25 projects for potential cooperation, *Financial Times Deutschland* reported on Oct. 12. He will do so at the EU-Russia Summit in Paris, on Oct. 30.

The list will include projects for exploration of new oil and gas fields in Russia; construction of new pipelines from Russia to western Europe; construction of cross-border power transmission lines from Russia to Europe; and related projects in the energy-industrial sector of Russia. The entire package is said to require billions of dollars of new investment. The construction of a new pipeline alone will require \$3-4 billion, and annual input of \$2-3 billion into the exploration of new fields is required.

The EU investments are envisaged by Russia to not only ensure future increased deliveries of oil and gas to Europe, but also to fund the restoration of the domestic gas pipeline grid owned by GazProm, which operates 150,000 kilometers of pipes inside Russia, most of which are in urgent need of repair or replacement, over the next few years.

**CHINA** will both reduce and cancel debt owed by African nations worth \$1.21 billion over the next two years, Chinese Minister of Foreign Trade and Economic Cooperation Shi Guangsheng said on Oct. 11. China will expand its economic assistance to Africa as its own economy expands, Shi said, including credits to Chinese firms to help them invest in Africa, and to train more professionals.

**MALAYSIA** and India signed major trade agreements on Oct. 12, to correct their trade imbalance. Annual trade of \$2.7 billion heavily favors Malaysia, which accounts for \$2.2 billion, mostly exports of crude and palm oil to India. Under the new agreement, India's exports to Malaysia would include pharmaceuticals, electronic goods, oil meal, locomotives, rubber, and latex.

**A CHOLERA** outbreak in northern Kwazulu-Natal province in South Africa is a result of poverty, Water Affairs and Forestry Minister Ronnie Kasrils said on Oct. 6. "Poverty is at the root of this cholera outbreak. This tragedy can be directly linked to the problems people still have in accessing clean water," he said. So far, 1,603 cases have been reported.

**GERMANY** has launched an initiative to woo Indian information technology firms to set up shop in Germany, urging them to tap the vast opportunities offered by the \$50 billion German IT market. "An India Division has been set up in the Berlin-based Industrial Investment Council, and negotiations are at an advanced stage to help the first Indian IT company to be set up," ICC Chairman Hans Christoph Von Rohr said.

**MCDONALD'S** was struck for the first time in Italy on Oct. 7, to protest "insufferable working conditions," according to Quotidiano.net. "Extreme measures were used to punish workers, who are mostly university students," said the news service, which cited "vulgar language, and even physical measures" as not uncommon.