

Business Briefs

Natural Gas

Russia, Turkey sign deal for Black Sea pipeline

On Dec. 15, Russian Prime Minister Viktor Chernomyrdin and his Turkish counterpart, Mesut Yilmaz, signed a deal for the construction of the "blue stream" pipeline that will bring an initial 3 billion cubic meters of gas from Russia to Turkey under the Black Sea. The 750-mile pipeline will start at the Russian compression station at Izobilnoye, and connect to the Turkish city of Samsun on the Black Sea. The pipeline, which will cost \$3.3 billion, will handle 16 billion m³ per year when the project reaches full capacity in 2010. The agreement covers a 25-year gas and pipeline contract signed last April between Russia's firm Gazprom and Turkey's firm Botas.

Chernomyrdin told the Turkish daily *Hurriyet* that the two countries, which have been longtime rivals, must become "strategic partners." "I am going to Turkey with good intentions and I hope talks with my friend Yilmaz will be successful. Russia and Turkey . . . are neighbors and two of the most dynamically developing countries of the region," he said. The two are expected to also discuss modernization of factories built in Turkey by the former Soviet Union.

Eurasia

New Land-Bridge rail link opens in China

The Nanning-Kunming Railway, a critical leg of the southern tier of the Eurasian Land-Bridge, opened for traffic on Nov. 30, Xinhua reported. This 898.5 kilometer electrified railroad, one of the Chinese government's key projects, connects the Guangxi regional capital of Nanning to the Yunnan provincial capital of Kunming, and is the longest electrified single-track trunk line in China. It crosses some very difficult mountainous terrain, making necessary the construction of many bridges and tunnels. The railway opens up some of the most backward, isolated areas of China.

On Nov. 30, Ye Qing, vice-minister of the State Planning Commission, announced that China will build more key rail lines in the southwest. Rail lines scheduled for construction or renovation in the near future include the Daxian-Wanxian line, the Neijiang-Kunming line, the Huaihua-Chongqing line, and the Zhijin-Huangtong line. Southwest China has many mineral and energy resources, but the poor transportation has hindered development of the region.

When the construction work is completed, the region will have an opportunity to increase cooperation with Southeast Asian countries, including Thailand, Vietnam, Laos, and Myanmar, and to open wider to the rest of the world, Ye said. China can make use of these countries' abundant resources and huge markets, he said, in addition to which, the new rail lines will connect with the Pan-Asia Railway, and become a part of the Eurasian Continental Bridge.

On Dec. 1, Guizhou province, in southwest China, began work on the 120-km Liupanshui-Baiguo Railway, its first local rail line, which will link the Nanning-Kunming and Guiyang-Kunming trunk lines; its annual transport capacity will be 18 million tons.

Infrastructure

Irrigation project to green Lop Nur desert

Chinese scientists are proposing a project using water from the Qinghai and Tibet Plateau, to turn the world's worst desert, Lop Nur in Xinjiang, into an oasis. Xinhua reported from the Xinjiang capital of Urumqi on Nov. 29. The irrigation project, if it can be carried out as planned, early in the next century will restore the Xinjiang Uygur Autonomous Region into an oasis with abundant vegetation, its condition at the time of the ancient "Silk Road."

The critical part of the project is an ambitious water-diversion program initiated in 1972 by He Zuoxiu, a professor with the Chinese Academy of Sciences. According to He's plan, tunnels would be dug through the Kunlun and Altun mountains on the Xinjiang-Qinghai border, to divert water from the

Yarlung Zangbo and Yangtze rivers to the Tarim Basin in southern Xinjiang. A long ditch would cross Lop Nur, which is in the eastern part of Tarim, and bring in fresh water. Historical records show that the region, an area equal to the Republic of Korea, used to have China's second-largest inland lake. The region was desertified after the Tarim River changed course more than 2,000 years ago, and it has since been regarded as a "forbidden zone."

Other scholars have put forth ideas about how to restore Lop Nur's ancient glory and prosperity as a key city on the Silk Road, the legendary ancient trade route linking Asia and Europe. One suggestion is to build a 1,000-km road linking Dunhuang in western Gansu province and Turpan and Korla in eastern and southern Xinjiang to the hinterland of Lop Nur, a route similar to the Silk Road. Another plan is the construction of a rail line connecting Xinjiang and its neighboring province of Qinghai with several stations built in the western part of Lop Nur.

Although the Chinese government has been quiet on the project, its supporters say that it will become a reality in the near future, because of the importance of extracting oil and other mineral resources from Xinjiang. Speaking of the huge construction difficulties his program would meet, He Zuoxiu said that nuclear technologies could be used for the tunnels. "If this idea comes true, Lop Nur, a former nuclear testing ground, will become the biggest beneficiary of China's nuclear achievements," he said.

Asia

Russia, China plan energy transmission line

Russia and China are likely to sign a \$3 billion contract to build an energy transmission line between Siberia and northern Chinese provinces, Yuri Sakharnov, vice president of the Russian Industrialists and Entrepreneurs Union, said in Moscow on Dec. 4, Interfax news agency reported. China is considering investing \$1.5 billion into completing the Boguchan hydroelectric power station, the main element of the 1,500 kilometer transmission line, Sakharnov said. At the same

BRITISH authorities have drawn up "an emergency action plan . . . to shield the City [of London] against the market meltdown in the Far East," the *Guardian* reported. Howard Davies, head of the Financial Services Authority, Britain's chief financial regulator, said on Dec. 10 that the FSA, the British Treasury, and the Bank of England have "combined to create the contingency scheme."

AFRICA'S growing AIDS problem was fuelled by the devaluation of the CFA franc (franc zone in Africa) in January 1994, which "increased the price of medicines" and drove people "away from Western medicine and . . . screening," the Paris daily *Libération* said on Dec. 9.

THE KYOTO Protocol on global climate change, if approved, would "send 2 million Americans to the unemployment line in the first 10 years . . . and drain at least \$150 billion a year from the U.S. economy," the National Mining Association warned on Dec. 10. Nations agreed to curb emissions of so-called greenhouse gasses, based on the fraud of global warming.

EGYPTIAN Minister of Electricity and Energy Maher Abaza said on Nov. 29 that Chinese expertise will be used to build a special economic zone on the Gulf of Suez. Egypt has allocated \$100 million for the project, and agreements have been set on infrastructure, cement production, and water treatment equipment.

THE THAI government decided on Dec. 8 that two of 58 financial firms which had been suspended from operation on June 27 and Aug. 5, will remain in operation. The government may have to absorb \$5 billion in public deposits and debts held by the firms, and the closures will lead to another 5,000 layoffs, on top of 10,000 laid off since the suspensions.

MALAYSIAN authorities on Dec. 11 charged the securities arm of Crédit Lyonnais, a French state-run bank, with short-selling the Malaysian stock market, a criminal offense.

time, China seeks to decrease the cost of the energy generated in Russia from 7¢ to 4-5¢ per kilowatt-hour. Of the \$2.7 billion required to construct the station, 60%, or \$1.9 billion, has already been invested.

Another major project in Russia's energy sector involves the construction of a South Yakutia-Sakhalin-Japan transmission line, he said. The project, worth \$2.5-3 billion, was discussed during Russian-Japanese negotiations in November. Up to 30 billion kwh of electrical energy can be transmitted via the 1,800-km line. The energy systems in Siberia possess a considerable surplus potential. The idle capacity at the heat and power generating stations amounts to 20 billion kwh per year. The energy potential of Siberia will reach 30-45 billion kwh per year after construction of the Boguchan and Bezev stations are completed.

Labor

Former SAS commandos training union-busters

Former British Special Air Services commandos are training mercenary forces as union-busters, the *Australian* and *Australian Financial Review* reported in early December. The Australian Council of Trade Unions (ACTU) has revealed that two former Australian Army SAS commandos recruited about 70 men to train as stevedores in the United Arab Emirates, to smash the workforce on Australian wharves. ACTU Assistant Secretary Greg Combet said that this was part of a plan to assemble a 250-man force to be trained in stevedoring, and returned to Australia for further training in "combat activities" before being put to work on the waterfront.

One firm, International Port Services Training Group Pty. Ltd., is run by two former Australian Army commandos, Mike Wells and Peter Kilfoyle. The Australian SAS is integrated with its British parent; in fact, Australian SAS officers are commonly used to train British SAS squadrons. Thus, the whole exercise is a "commissionaire" operation (see *EIR*, Aug. 22, 1997, "Britain's 'Invisible' Empire Unleashes the Dogs of War").

John Coombs, national secretary of the Maritime Union of Australia, said that the mercenary positions were advertised in the official *Australian Defence Force Journal*, under "Trade Specialists Required." When quizzed in parliament, Minister for Defense Ian McLachlan, a founding member of the Mont Pelerin Society front-group, H.R. Nicholls Society, said, "I'm all for it. . . . The competition and the reward it will bring to Australia will be supported by most Australians." Peter Reith, minister for Workplace Relations, denied prior knowledge of the plan, but told Parliament, "It's about time we had some reform."

The government recently commissioned a report on the waterfront, recommending the use of the armed forces on wharves when unions go on strike over the use of non-unionized labor. When details of the report were leaked to the media, the government claimed "client confidentiality," and, to date, has refused to make the AUS \$800,000 report public. The report was written by ACIL, another Mont Pelerin front-group.

Biological Holocaust

Hepatitis C epidemic a growing health threat

The World Health Organization estimates that 170 million people are infected worldwide with hepatitis C, the *Scientist* reported in its Dec. 8 issue. hepatitis C usually takes 10 to 20 years before it causes cirrhosis of the liver, or cancer, which is usually fatal.

In the United States, the Atlanta, Georgia Centers for Disease Control estimates that 4 million people are already infected, but that the peak of the epidemic is yet to come.

Hepatitis C is responsible for 8-10,000 deaths each year in the United States, and mortality is expected to triple within 10 years without effective treatment. At present, there is no cure for the disease, which is otherwise being treated only with interferon, which does not work in a majority of cases. Research aimed at producing a vaccine has so far been unsuccessful, and Federal government funding for hepatitis C research is a meager \$11.9 million per year.