

Business Briefs

Trade

Malaysia's Dr. Mahathir Boosts Ties to S. America

Malaysia Prime Minister Mahathir bin Mohamad said that Malaysia views Ibero-America as an important market, in keeping with Malaysia's "prosper thy neighbor" trade and economic policy toward fellow South countries, at a press briefing on July 6 with 15 journalists and editors from Argentina, Bolivia, Brazil, Chile, Colombia, Guyana, Cuba, and Peru. His remarks followed on the heels of Malaysian Finance Minister Tun Daim Zainuddin's five-day trip to Brazil.

However, Prime Minister Mahathir said, progress in this area requires tackling infrastructure deficits in the area of transportation. He specifically pointed to Argentina's shallow ports, and ports and internal distribution networks throughout Ibero-America.

Malaysia's Bernama wire service reports that he fielded a wide range of questions about his approaches to Malaysia's economic success, politics and leadership, criticism of the ringgit (Malaysia's currency) peg, cronyism, public and private sector relations, Asian values, and his vision for the 21st century.

Transportation

China Is Building Links to Southeast Asia

Yunnan province in southwest China is building a land-water-air transport network linking China to Southeast Asia, Xinhua reported on June 24. Yunnan is one of the provinces slated for development as part of China's "develop the west" policy. It shares a 4,000 kilometer border with Vietnam, Laos, and Myanmar, but is very mountainous, limiting accessibility and economic development.

Yunnan will allocate 180 billion yuan (\$23 billion) over the next ten years for the construction of eight highways, including to Thailand, Vietnam, Myanmar, and Laos. Every year, an estimated 2,500 km of roads will be built. China, Laos, and Thailand have

agreed to build a 1,800 km highway linking Kunming, the capital of Yunnan, with Bangkok, Thailand, scheduled to be completed in 2004. Work is ongoing, on an expressway between Dali and Baoshan in western Yunnan, which will serve as part of the trunk line linking China with South Asian countries.

Yunnan has completed a feasibility study for a rail line to link Kunming to Singapore, and two proposals are under consideration. The project has the support of Southeast Asian countries and the Asian Development Bank, and will be important for the economic development of the Mekong River valley.

Yunnan's rail link to Vietnam resumed operation in 1996, and handled 80,000 tons of cargo in the first quarter of 2000, double that of the same period in 1996.

River transport is also important. Yunnan has four rivers which flow into other Asian countries, with the Lancang-Mekong Rivers having the greatest potential for transport development. More than 150,000 tons of goods were transported from Yunnan to Southeast Asia last year. Under an agreement recently signed by the governments of China, Laos, Myanmar, and Thailand, the Lancang-Mekong will become a commercial route next year, and vessels of these countries will sail between Simao, China and Luangprabang, Laos.

Economic Policy

ILO Says, Globalization Has Flunked the Test

International Labor Organization Director General Juan Somavia said that globalization has been a failure, in remarks on June 23, as the UN Social Summit prepared to meet in Geneva.

Five years ago, at the UN Social Summit in Copenhagen, governments drew up ten commitments, including to eradicate poverty, and achieve full employment. At that time, governments gave globalization the "benefit of the doubt," Somavia said. "My conclusion is that five years after Copenhagen, what has gone on is a strong indictment of globalization and the global economy. . . . We can no longer give the present model of

globalization the benefit of the doubt. The results are in and it flunked."

Eurasia

Key Projects To Enhance Sino-Russian Cooperation

Over the next 10-15 years, China's cooperation with Russia is being aided by several projects, including construction of the Tianwan Nuclear Plant, the biggest Sino-Russian cooperative energy project, completed in October last year, and the operation of the Russian-made generators in the Shuizhong Power Plant, China's largest, Xinhua reported on June 24. Russia now ranks ninth among China's trade partners. Bilateral trade reached \$5.73 billion in 1999, up 4.4% over 1998. In the first quarter of this year, trade increased 26.7%, to \$1.42 billion. One Chinese expert is forecasting that bilateral trade could reach a record \$6 billion in 2000.

Xinhua noted that China and Russia had established close economic ties in the 1950s, when Russia contributed greatly to the industrialization of China. Now, however, Russian-Chinese economic cooperation remains far behind their political ties. In recent years, Sino-Russian premier-level subcommittees have been discussing cooperation in economy, trade, science and technology, energy, transportation, and the nuclear and space programs. The focus will be on big projects such as energy and power exploration, as well as the peaceful use of outer space.

In March, the two countries' energy departments discussed transporting oil and natural gas from Siberia to China, which could provide China with 35 billion cubic meters of natural gas annually through 2010, and oil exports could rise from the current 1 million tons to 20-30 million tons. In May, China and Russia agreed that they will set the development of energy and high-technology industries as their priority. In June, the Russians announced that they will participate in developing China's west, by building an enterprise in Xinjiang to produce electricity equipment, digging mines and oil in Qinghai and Xinjiang, providing machinery for the west, and helping China transport natural gas from western to eastern regions.

MOROCCO'S King Mohammad VI said that "it is particularly indispensable now to review the architecture of Bretton Woods and to come up with a creative formula for solving the acute problem of how to finance development," in a speech at the White House on June 21.

TUBERCULOSIS cases have increased by 80% over the last ten years in Great Britain, according to a report by TB Alert. In 1999, there were 7,000 cases. According to Prof. John Grange of the Center for Infectious Diseases, University College, London, TB cases have reach "crisis levels," and are at the same levels in London today as in New York City in 1989, shortly before an epidemic hit that city.

THE PACIFIC region now has a greater share of nuclear electricity generation (32.2%) than European members of the Organization for Economic Cooperation and Development (30.1%), according to the OECD's Nuclear Energy Agency. The figure reflects the nuclear expansion in Japan and Korea. Korea is 43% nuclear, and Japan is 38% nuclear. Ten reactors are under construction in South Korea, Japan, and the Czech Republic.

IRANIAN Minister of Roads and Transport Mahmoud Hojjati and Georgian Minister of Transport Merad Adeishvili met in Tbilisi on June 21. They discussed air, rail, and sea transport cooperation, and the possibility of shipping Georgian goods to third countries through Iranian ports, and the transport of Iranian goods to Europe through Georgia.

GEORGIA'S role as a pivot of relations and flow of goods between Europe and Asia is the focus of how that Caucasus nation is presenting itself at the EXPO 2000 world exhibit in Hanover, Germany. The concept of the "New Silk Road," with prospects for development of transport and trade links, cultural exchange, and the promotion of peace in the Caucasus itself, are presented.

Li Jingwen of the Chinese Academy of Sciences and a foreign scholar at the Russian Academy of Sciences, said, "Russian experiences and technologies can be directly used by our Chinese. . . . If Russia's political situation is stabilized, its economy will grow, and the cooperative potential will become a real force."

Kanstandin Remchukov, vice chairman of the natural resources committee of the Russian Duma (parliament), said that the Russian government has decided to prioritize development of economic and trade relations with China. Vladimir Portyakov, counsellor at the Russian Embassy in China, said that upgrading Sino-Russian economic cooperation will strengthen political ties and greatly affect their strategic interests in the Far East.

Israel

Water Is an Official National Security Issue

Officially recognizing that Israel is sliding into a water emergency, Prime Minister Ehud Barak called for convening a meeting of experts as soon as possible to deal with what is now referred to as a water crisis, the *Jerusalem Post* reported on June 23. The Israeli National Security Council took up the issue in a special session the day before. These moves follow forecasts that rationing drinking water in some parts of the country may become necessary toward the end of the year, because of the unprecedented depletion of the Sea of Galilee, Israel's largest water source.

National Infrastructure Minister Elyahu Suissa ordered Water Commissioner Ya'akov Efrati to immediately convene the Water Commission, in order to prepare an emergency program to prohibit the use of drinking water to irrigate private and public gardens, public parks, and soccer fields. They called for other measures aimed at saving 25 million cubic meters of drinking water per month, including decreasing potable water to agriculture and encouraging farmers to shift to crops that do not need potable water.

A delegation has also been sent to Turkey for talks on importing 50 million cubic meters of water to Israel over 5-10 years. Be-

cause of the infrastructure needed to transport the water from Turkey, the cost is estimated will top \$1 per cubic meter. By comparison, Yoseph Rosen, the head of Israel Corp., said that his company had offered a year and a half ago to build a desalination plant, but the government refused to incur the investment costs or financing, preferring to purchase only the final product. His firm prepared estimates indicating a price of 62-67¢ per cubic meter.

As *EIR* has emphasized, nuclear desalination is the only solution to the pressing water shortage in the Mideast.

Eco-Fascism

Mining Giants Fund Inquiry into Industry

A collection of 27 mining firms in the Global Mining Initiative (GMI), has commissioned a \$5 million study to assess whether the global mining industry will be in compliance with "sustainable development," in time for the tenth anniversary of the Rio Earth Summit in 2002. The study will be headed by the co-founder of Friends of the Earth, Richard Sandbrook, and the International Institute for Environment and Development, a London-based think-tank, who were engaged by the World Council for Sustainable Development at the request of the GMI.

Behind the GMI stands Queen Elizabeth II's minerals cartel. The GMI had its origins in a London meeting 18 months ago, between the Australian mining giant WMC's Hugh Morgan, Phelps Dodge's then-CEO Douglas Yearley, and Rio Tinto executive chairman Bob Wilson. Morgan, a Mont Pelerinite free-trade fanatic, describes how his company looks at the shift to sustainable development as a way to drive out competitors. The power of the "green" lobby is a reality, Morgan said, so companies bound by environmental constraints that make them uncompetitive are motivated to ensure that their competitors are also bound by the same constraints. Morgan quotes an American corporate executive telling him in 1995, "Hugh, you don't understand. Greenpeace runs my business today, and my strategy is to make sure Greenpeace runs your business tomorrow."