

Business Briefs

Transportation

Russia, Iran To Create a North-South Corridor

Russia and Iran intend to jointly create a north-south transport corridor, which will extend the Helsinki-St. Petersburg-Moscow pan-European corridor No. 9 to Astrakhan, and then to India and the countries of the Persian Gulf through Iran, Interfax news agency reported on July 18.

Representatives of the Transport and Railways Ministries and the shipping and forwarding companies taking part in the project, met in Moscow in July, a Russian Transport Ministry spokesman said.

The corridor will be used for transporting cargo to central and north European countries and to Russia from the Persian Gulf, India, and Pakistan, the spokesman said. The cargo will be shipped by sea and then transported to the Iranian Caspian Sea ports through Iranian territory. It will then either be transported by ferry and Russian railways or by "river-sea" ships to eastern and central Europe and Scandinavia.

The feasibility of the project has been confirmed by the experimental transport of containers from India to Russia via Iran. It took 20 days to deliver the cargo, whereas shipping cargo through the Suez Canal takes 45 days.

Inflation

'Official' U.S. Consumer Prices Show Steep Rise

On July 18, the U.S. Labor Department released a monthly composite figure of an 0.6% price rise for June. This follows five monthly rises for the first half of the year (March was higher, at 0.7%; April was the only month considered flat), pre-figuring a potential annualized rate of 7.2%. The second half of the year, in which the high gas, electric, and other energy prices will have an impact, could see consumer prices escalate even faster, easily up to double-digit levels.

The 7.2% annualized rate is being kept out of press headlines, in a way similar to the blackout accorded the June 5 Bank for

International Settlements report that the U.S. economy is headed for a "hard landing." The ruse used, is to exclude the prices of energy and food from the "core" rate of inflation, because such prices are "too volatile."

The Bureau of Labor Statistics (BLS) insists that "core" inflation is "moderate." It maintains that for the 12 months ending in June 2000, "core" inflation rose only 2.4%, up from 1.9% for the 12 months ending in June 1999. In fact, prices for energy, food, housing, and so on are all rising.

Natural gas prices rose 7.8% in June, the biggest one-month jump since the BLS began tracking the figures in 1952. Airline fares rose 1.5% in June, with higher fuel costs a big factor. Housing costs rose 0.5% in June. (In New York City, the average rental increased 42% from 1999 to 2000.) Hospital charges went up 4.1% for the 12 months ending in June. A services sector index of prices, published by the BLS and also excluding energy prices, rose at an annual rate of 3.7% the first six months of this year, up from 2.7% in 1999.

Dominican Republic

LaRouche's 1974 Warning on Pandemics Is Featured

The publication of an article by journalist Orlando Martinez, reporting on U.S. Democratic Presidential pre-candidate Lyndon LaRouche's 1974 forecast of a biological holocaust, has caused pandemonium in the Dominican Republic. The article, in the July 19 daily *La Nación*, reported that after Africa, the Caribbean has the highest prevalence rate of AIDS cases in the world, and that 85% of those cases are in the Dominican Republic and Haiti. "In 1974," Martinez wrote, "economist Lyndon LaRouche had forecast that if living conditions in the poorest countries began to decline still further, thanks to IMF and World Bank 'aid' programs, which increase malnutrition and conditions of poverty, it would create the ideal conditions for the emergence of pandemics, and we could even face a repetition of the Black Death that hit Europe from 1347 to 1351, and which produced the deaths of 20% of Europe's population—25 million peo-

ple!" LaRouche's forecast was ridiculed at the time, Martinez said, but "today, things have changed."

Martinez was referring to data presented at the July 9-14 International Conference on AIDS, in Durban, South Africa: "Today, it appears that the illness is spreading at a rate unimaginable five years ago. The figures are scandalous: 18 million people have already died, and 34 million are suffering from the illness. In Botswana, Lesotho, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe, 20% or more of the adult population is infected with the virus." In some places, 60% of pregnant women have AIDS. The article suggests that the disease may have been allowed to propagate, to carry out the genocidal mission of U.S. National Security Study Memorandum 200, written under the direction of U.S. Secretary of State Henry Kissinger.

The next day, Health Minister Dr. José Rodríguez Soldevilla, in an interview with *La Nación*, confirmed that what Martinez had written was true, that the island of Hispaniola (Dominican Republic and Haiti) "is second in the world in number of AIDS cases," and that tuberculosis and dengue fever are also on the rise. He said that of every ten AIDS cases in the Caribbean, six are in Haiti and three in the Dominican Republic.

In an editorial, *La Nación* called on the government of Hipolito Mejia to "undertake a crusade" to end what it called "the plague of the century," which will otherwise "end up doing away with the population."

Environmentalism

Mining Opponents Said To Be British Agents

Tiomin Resources, Inc., of Ontario, Canada, has charged that environmentalist opponents of its operations are British agents, Agence France Presse reported on July 17.

Tiomin is planning to mine sands for titanium in Kenya, inland from the coast, and to construct a port. ActionAid, a British-based international "appropriate technology" outfit, together with operatives of the Kenya Wildlife Service, are seeking to block the \$120 million project. The mining company

THE MAY U.S. TRADE deficit of \$31 billion, after a \$30.5 billion April deficit, “was very bad news,” a senior City of London source commented. “Even worse, because May was when oil prices fell to near \$24 per barrel. June and July oil import costs will be significantly worse for the next two trade deficit figures.”

INDIA AND CHINA signed their first memorandum of understanding to strengthen bilateral cooperation in Information Technology and to boost their strategic business partnership. “Under the MOU, the two Ministries would exchange policies and strategies on IT industry, encourage mutual investment, establish joint ventures and transfer technologies,” visiting Indian Information Technology Minister Pramod Mahajan said.

THE GOVERNOR of Kandahar province in Afghanistan, Mullah Mohammad Hasan Rahmani, says that water shortages have reached alarming dimensions and an emergency-like situation prevails because of one of the worst droughts in three decades. A UN team reported that the province is threatened by an imminent disaster if measures are not taken to assist drought-stricken areas.

POLISH Education Minister Miroslaw Handke resigned on July 18, after failing to get \$200 million in funding for salary increases for teachers and to upgrade school infrastructure—a promise given by the previous Solidarity-led government to end a national teachers strike. Prime Minister Jerzy Buzek appointed a new minister, Edmund Wittbrodt, but his minority government may not last long.

AGRICULTURAL specialists of Kazakstan, Mongolia, and Russian Siberia met in Kazakstan’s former capital, Almaty, in July, to exchange views on how to improve the agriculture sectors of these countries, especially to solve problems involving livestock. All three countries have very similar weather, soil, and flora conditions for livestock breeding.

has now come out swinging. Tiomin’s Kenyan representative, Françoise Goutier, has charged that ActionAid is conducting a “smear campaign.” She said, “I do not believe that they are acting on corporate social responsibility as they claim,” and they “do not have any obvious concern about this project, maybe apart from the fact that ActionAid might be acting in vested British interests.”

The region of Kenya where the project is under way, holds 12% of the world’s titanium. Tiomin plans to use what it mines for pigments in the production of paint.

China

Foreign Trade, Economy Show Big Growth in 2000

In the first six months of 2000, the total value of Chinese imports and exports was \$216.6 billion, a 37.3% rise over the same period in 1999. Following the global financial crisis which broke out in Asia in summer 1997, China’s exports stopped declining in July 1999, and since January 2000, trade has grown rapidly: The total value of imports and exports during the first quarter increased 40% compared to the same period of 1999. On July 18, the National Bureau of Statistics reported 8.2% growth of Gross Domestic Product, year-on-year, in the first six months of 2000.

The value of the economy was put at 3,949.1 billion yuan (about \$500 billion). Industrial output was 1,900.5 billion yuan, up 9.9%; secondary industrial output was 2,136.5 billion yuan, up 9.7%; and service sector output was 1,362 billion yuan, up 8.1% from the same period last year. The first half 2000 saw an especially quick growth of mechanical and electrical products and high-tech products, which have been the focus of China’s “promoting trade through technology” strategy. Exports make up about 20% of China’s GDP.

The Private Economy Research Center, under the Chinese Academy of Social Sciences, has documented in a report that 44% of China’s exports are from overseas-funded enterprises, up from 31% in 1991, and comprise 15% of China’s gross industrial prod-

uct, *China Daily* reported on July 21. The degree of dependence is identified as a potential problem. The report states: “It is hard to imagine China keeping its annual economic growth rate of 10% without contributions from overseas-funded enterprises.” Foreign-funded enterprises contribute about 14% to China’s annual revenues, which is less than state- and collective-owned enterprises, but more than China’s private and self-employed sectors. According to the report, 230,000 overseas-funded enterprises employ 5.8 million people, accounting for 3% of the country’s total.

Health

Creutzfeldt-Jakob Disease Epidemic in Britain

Over the past two years, four people in one British town have died of the human variant of bovine spongiform encephalopathy (Mad Cow disease), known as Creutzfeldt-Jakob disease, according to French press reports on July 17. On July 14, British health authorities put out a full alert in Queensborough (population 1,800), where the density of CJD cases is particularly high. Three people between the ages of 18 and 35 died in 1998. A 19-year-old died last May, and an 84-year-old resident is currently listed in critical condition.

Since 1995, when this form of the disease was discovered, 75 such cases have been identified in Britain. (CJD was known much earlier, but those rare cases almost always struck the elderly, and were not geographically concentrated.) BBC interviewed a medical expert, Professor Anderson, on July 14, who said that, with that number of CJD cases in such a small area, one can talk about the beginnings of an epidemic. Three cases had been identified in Britain in 1995, followed by 10 each in 1996 and 1997, and 18 cases in 1998, he said. While in 1999, the number fell to 14, “this year . . . we have already 12 cases, and the total will be probably greater than all the preceding years. . . . This might be a small epidemic, as we all hope, but the incubation time is so long, that it is too early to say if it is a small, medium, or large epidemic.”