

# Business Briefs

## Afghanistan

### Opium at Record High, But Food Supply Short

An international aid group, Christian Aid, says that some 2.5 million Afghans in the provinces of Badghis, Farah, Faryab, Herat, and Ghor, face acute food shortages.

The provinces have been devastated by drought and crop failures. People have lost 70-80% of their rain-fed crops because of the drought. With the potentially severe Winter approaching, many people are leaving their villages and migrating to cities such as Qalat and Kandahar, Reuters reports.

With the fifth anniversary of the initial defeat of the Taliban in Afghanistan approaching, some Afghans have begun to take stock of what has been achieved since.

According to Qadam Ali Nikpai, public information officer at the Afghan upper house of parliament, "Unfortunately, there is a direct link between worsening security, rising opium production, and corruption. And they work in parallel with one another in endangering the future of our war-torn people."

In United States- and NATO-controlled Afghanistan, this year's opium crop broke records.

## Piratization

### Interstate Highway PPPs Mean Ever-Higher Tolls

Rep. Ted Strickland (D), now running for governor in Ohio, has sent out a fact sheet on Interstate highway public-private partnerships (PPPs), which shows that while those companies that gain title to nominally public infrastructure make out like bandits, the public is afflicted with ever-higher tolls on what used to be owned by the public's government.

In Indiana, not only will the tolls nearly double over the next four years, but the state is *paying* the private consortium to keep tolls even that low! Toll could increase each year for the remaining 71 years of the lease.

In Illinois, after the 99-year lease of the

Chicago Skyway was signed, the foreign operators immediately raised tolls 25% and will double them over the next ten years.

In Ontario, a Toronto highway leased to "a foreign company" in 1999 led to seven court challenges to the "toll cap" the company had agreed to.

The courts did not uphold the cap; and the operator is now allowed to raise tolls without even a government rubberstamp.

In Ohio, where Strickland's GOP opponent in the governor's race, Secretary of State Ken Blackwell, wants to sell the state-owned toll roads to raise cash, Strickland is running far ahead in the polls. Blackwell was head of the Bush-Cheney campaign organization in Ohio during 2004.

*EIR* documented the role of the PPPs in a July 21, 2006 feature, titled "Rohatyn Steals Public Property Coast to Coast."

## Housing

### Helium Escaping From So. California Bubble

Sales of existing homes in Orange County, Calif. were down 29% compared to a year ago, according to a report issued by UCLA's Anderson Center on Oct. 13.

The report, "Orange County: Economic Outlook for 2000," said the rate of home sales in one of the most populous counties in the country has been "brutally low," according to CBS television's Los Angeles affiliate, KCAL-9.

All of California, which by itself accounts for one-eighth of all homes and home sales in America, is undergoing a collapsing housing market.

The Anderson Center report states that "the long-awaited real estate correction is under way, but there's little agreement about how brutal the landing will be."

The report says that it is possible that there will be a long slow decline in home prices, "the economic equivalent of Chinese water torture."

However, it acknowledges that "there is a growing notion" that this year's decline may be "the roughest, most sudden correction ever observed."

The problem is not restricted to southern California. In northern California, in Humboldt County, home prices dropped to an average \$289,500 in August from \$316,000 in July, greater than an 8% drop in one month.

In a speech on Oct. 9 to the Hong Kong Association of Northern California, Janet L. Yellen, the president of the Federal Reserve Bank of San Francisco, said that for the first half of 2006, "quarterly average home sales in California are down nearly four times as much as they are nationwide."

She was told by a major home builder that "the share of unsold homes has topped 80% in some of the new subdivisions around Phoenix, Ariz. and Las Vegas, Nev., which he labelled the new 'ghost towns' of the West."

Meanwhile, home-building permits fell in September for the eighth month in a row, to a five-year low. The U.S. Commerce Department announced that nationally, home-building permits are down 28% in the past year.

## Infrastructure

### Financiers Even Grabbing What Is Nailed Down

The AIG Insurance Group, long associated with pirate Maurice "Hank" Greenberg, took over London's City Airport Oct. 11, for \$1.4 billion.

Through the first part of October 2006, the value of infrastructure acquisition/take-over deals has reached a record \$145 billion, nearly three times the level of \$54 billion for all of 2000, the *Financial Times* reported.

Five such infrastructure privatizations this year have gone for more than \$10 billion: Ferrol of Spain signed a \$30.2 billion take-over of BAA (which operates Britain's airports) on Feb. 6; Spain's Abertis Infraestructuras picked up Italy's Autostrade (which operates highways, and inspects and fixes motor vehicles) on April 23, for \$28.4 billion; and a U.S. private equity consortium took over Kinder Morgan, which controls natural gas transmission, on May 29, for \$27.5 billion.