Business Briefs

China

British agents attack food self-sufficiency

China's policy of ensuring food self-sufficiency is essential for China's continued economic growth and political stability, Agriculture Minister Liu Jiang told a conference on world food production in Beijing on Sept. 11.

However, some conference attendees urged China to abandon its fight for food self-sufficiency, which would leave it more vulnerable to British-orchestrated plans to break China apart.

For example, Dennis Avery, head of the Center for Global Food Issues of the U.S.-based Hudson Institute, on Sept. 12 called on China to abandon the objective of food self-sufficiency, and to instead rely on the world market for grain. Avery said that the effort to produce its own grain needs was not "possible, rational, [or] desirable," and that expanded food production conflicted with China's efforts to produce cotton for its textile industry.

Typically, Avery is given publicity as the apparent pro-production counterpole to Lester Brown, head of the Worldwatch Institute, who demands depopulation as the "solution" to food shortages, in particular in China.

France

Tax policy may shift against speculation

"We want to tax dormant money," declared French Prime Minister Alain Juppé, in announcing a series of proposals in mid-September aimed at reducing France's budget deficit. The proposals, although so far mostly symbolic, indicate a willingness on the part of the government to reduce the privileges finance capital has accumulated over recent years.

One measure would eliminate tax incentives on life insurance contracts, in which the population invests several tens of billions of francs annually, and which are almost entirely now tax exempt. Juppé expects to collect an estimated revenue of FF 5 billion (almost $1 billion) from a tax on those contracts.

Taxes would be increased on direct financial investments, such as the sale of shares in French corporations, in which, until now, sales over FF 50,000 were tax exempt. A tax would be imposed on all sales of such instruments.

Taxes would also be increased on investments into stock and bonds, but less than those imposed on strictly monetary investments as such. Other measures include: eliminating all tax exemptions on revenue from interest income on bonds, taxing up to 30% on the special stock options open to managers in top companies, and eliminating special tax exemptions for investments into "pleasure industries" in the French islands in the Caribbean.

While the proposals would bring into State coffers only around FF 10 billion, the proposals are being described as the first measure of a global plan aimed at reforming the entire fiscal situation of the country.

Agriculture

Dutch Rabobank expands control in Australia

Since the shady Dutch-based Rabobank, which owns huge tracts of farmland in the United States, moved into Australia, it has taken over the Primary Industries Bank of Australia (PIBA), and has increased its assets in Australia and New Zealand by more than 33%, from $1.6 billion to $2.1 billion. Piba-Rabo announced profits of $11 million this year, the Aug. 21 *Queensland Country Life* reported.

Rabobank also bankrolled the Victorian Farmers Federation-led consortium Vicgrain, with $40 million, to buy out the government's Victorian Grain Elevators Board. Now, all grain silos in Victoria are privatized.

Rabo Australia and PIBA Chairman Rik van Slingelandt said, "We could see that there was ample room for us to maneuver into the Australian market. . . . In entering any country we go for the quality names, that as a principle—the quality companies, the quality farmers, high up in the market, well-capitalized, so they weather out droughts."

Real Estate

Berlin warned that bubble could collapse

The real estate bubble in Berlin could collapse, observers in Berlin are warning, the *Süddeutsche Zeitung* reported on Sept. 13. Under the headline "Sunk in a Deep Hole?" the daily reported that up to 800,000 square meters of office space is unrented, to which another 1.5 million square meters will be added before the end of 1996, because completion is predetermined by special tax exemption clauses of 50% granted to investors in Berlin.

The weekly *Focus* magazine warned the week of Sept. 11 that real estate prices could drop at least 20%, with the situation in Berlin evaluated as the most volatile among Germany's biggest cities.

Berlin real estate auctioneer Hans Peter Plettner is credited with having coined the term "deep black hole," for what the city's real estate sector is facing. Horst C. Schlueter, of Warburg Real Estate, forecasts that investors will face a "big valley of grief" next year. The average price per rented square meter of office space, which originally was fixed at DM 100 ($62), has dropped to DM 30, and even to DM 20.

The overhang in office space contrasts with the Berlin housing market, which is estimated to have a shortfall of 250,000 apartments, and is expected to rise to 300,000 by the end of the decade.

Haiti

Privatization policy is inevitable, says Michel

Smarck Michel, prime minister of Haiti, said in the United States on Sept. 12, that a radical privatization program which he is pushing will be implemented, either by him or by whoever succeeds him as prime minister, if and when President Jean-Bertrand Aristide leaves office, according to wire reports.

Michel said that most investors are interested in buying into the telephone company, but there are nine State-owned industries to be privatized, including a cement factory and the electricity company. Those opposed to these sales are either ultra-leftists, or supporters of the military-backed governent that was ousted by the U.S. invasion that restored Aristide to power, Michel said, after meeting with officials of the Clinton administration and the International Monetary Fund in Washington.

"I think we have resistance from some 400 people who will keep on resisting until we push our program through," he said. "Few big capitalists don't want it because they are used to having a monopoly. They make a loud noise but it is not a big problem. . . . They are making a hurricane in a glass of water."

Raw Materials

Oligarchs buying up mines worldwide

After forcing Third World countries to rewrite their mining laws, the Anglo-Dutch oligarchy is rushing in to snap up these nations' raw material resources at cheap prices, according to the July/August issue of *Mining Voice* magazine. This is part of the oligarchy's stampede out of financial investments and into hoarding of physical goods, in response to the imminent collapse of the financial system. Ownership of a mining property is a critical way to hoard future production and reserves.

In the Philippines, which is rich in gold and other valuable metals, the number of applications from foreign mining firms to mine there has jumped from 20 to 60 since it passed a law liberalizing its mining laws last March.

Since 1988, eight Ibero-American nations have overhauled their mining laws, making it easier for foreigners to invest. In 1994, in Chile, $3 billion poured into mining operations from abroad, mostly to buy them up. Cyprus Amax Minerals Co. Chairman Milton H. Ward called the giant El Abra copper mine in northern Chile, in which his company bought a 51% interest, "the centerpiece" of his company's mineral strategy into the 21st century. Peru anticipates that a staggering $7 billion will flow into mines there in just the next three years. A similar rush is on in Brazil, Russia, Kazakhstan, and other nations.

In Mexico, the world's leading producer of silver, strontium, and sodium sulfate, a new mining law is being promulgated, which will encourage privatization of mineral holdings.

One of the companies leading the rush of super-wealthy families into purchase of Third World and former Soviet bloc mines is Yorkton Securities, based in Vancouver, Canada, the Sept. 4 *Maclean's* magazine reported. The British often use mining firms in Canada, Australia, and South Africa, which the British control, as a forward base for their operations worldwide. Yorkton has raised $1 billion for purchasing mining companies worldwide in the past two and a half years.

Frank Giustra, chairman of Yorkton, told *Maclean's* that "past fortunes and empires have been built on the back of mining and that kind of opportunity exists today. All of a sudden, mining has become like some huge Toys R Us supermarket. There just aren't enough hours in the day to take advantage of all the opportunities."

Natural Gas

Nigeria signs agreement with three neighbors

Nigeria has signed an agreement with three of its West African neighbors, Ghana, Benin, and Togo, for the sale of Nigerian natural gas, Kaduna Radio reported on Sept. 5. Representatives of the three countries said that "the gas pipeline project would be of great benefit to their countries industrialization," the radio said.

Nigeria's Minister of Petroleum Resources Chief Dan Etate said that, under the agreement, a pipeline would be constructed from Lagos through Minna and across Cotonou for supply of the gas, and that the pipeline and other facilities are expected to be completed by 1998. Representatives from the four countries discussed the measures they would take to ensure the take-off of the West African Pipeline Company that would be owned by private and public enterprises and operate on a commercial basis.

There was also discussion of a multinational coastal shipping line being established in the Economic Community of West African States (Ecowas) region.

Briefly

● **BOSNIA** will need $8 billion for postwar reconstruction, including for rebuilding infrastructure, Bosnia Deputy Prime Minister Jadranko Prlic and Foreign Minister Muhamed Sacirbey said at a meeting of the Organization of Islamic Conference in Malaysia, Bosnia's TWRA news agency reported on Sept. 15.

● **THE SYDNEY** Futures Exchange in Australia will soon offer the world's first coal futures contract, an international grain-fed beef futures contract, and, subject to the government's plans to deregulate the electricity industry, electricity derivatives, the Australian *Financial Review* reported on Sept. 8.

● **THE PHILIPPINES** would welcome outside powers joining in cooperative ventures, so that capital and technology could be infused to develop the disputed Spratly Islands in the South China Sea, Foreign Secretary Domingo Siazon told Indonesian Foreign Minister Ali Alatas during talks in Manila on Sept. 10.

● **THE POTASH** Corp. of Saskatchewan, Canada is buying Occidental Petroleum's Florida phosphate division for $280 million, the Sept. 13 London *Financial Times* reported, increasing its share of the U.S. phosphate market to 20%. Phosphate is critical in fertilizer for food production.

● **AUSTRALIAN** household debt is soaring, the Sept. 11 *Age* reported. "In mid-1983, on the eve of financial deregulation, Australian households owed the banks 35% of their disposable income. By mid-1995, households owed the banks . . . 69% of their disposable income," it reported, based on the Reserve Bank's monthly bulletin.

● **ARGENTINA** will soon host the British monarchy's Lady Diana, and the visit is believed to be related to the possible signing of an Anglo-Argentine deal on oil exploration off the west coast of the Malvinas Islands, *Pagina 12* reported.