

Business Briefs

Southeast Asia

Malaysia proposes high-speed rail grid

Singapore Prime Minister Goh Chok Tong has invited regional leaders to join in a project proposed by Malaysia Prime Minister Dr. Mahathir Mohamad, to build a high-speed rail grid that would connect the capitals of Southeast Asia, Indochina, and Yunnan, China, wire services reported on Feb. 10.

Goh reiterated his support for the proposal on the occasion of the unveiling of Singapore's plans to spend \$213 million on a light-rail transit system that eventually will tie into Malaysia's rail system, and a \$852 million project to add a mass rail transit system to suburban Singapore.

Goh told reporters that he has discussed the regional rail program with Thailand, China, and Vietnam, which support the idea. "They already have a national train network which can be integrated to form a pan-Asian system," he said. Goh added that with government backing, the high-speed rail network could be realized in 30-40 years.

Ukraine

Government warns of 'energy catastrophe'

The government of Ukraine warned on Feb. 13 of an "energy catastrophe," after Russia abruptly cut off all electricity supplies. The government said that the combined effect of the Russian cutoff and the continuing coal strike has created an energy emergency in the country, in which "thousands" of enterprises have already been forced to close down. Moscow claimed that Ukrainian electricity demand had been too high, suggesting that the cutoff was done for political reasons.

The coal strike, centered in the eastern Ukraine Donbass region, under way since Feb. 1, is far more serious than the figures indicate. While 63 of the country's 227 mines are on strike, at another 110 mines, the coal is being mined, but not loaded onto rail

cars. In other words, about 75% of the country's coal production is not reaching power plants and coking facilities.

Meanwhile, International Monetary Fund-inspired policies caused a decline in Ukraine's population by 400,000 in 1995, the biggest single drop in recent years. In total, the country's population, now at 50 million, has dropped by 760,000 since 1991, the Ministry of Statistics in Kiev reported, according to the Feb. 13 Swiss daily *Neue Zürcher Zeitung*.

The main reason for this alarming population decrease, Victoria Koval, of the national Ukrainian labor federation, said, is because of the lower birth rates that are caused by the unabated economic crisis. Most young couples, she said, cannot afford children any longer, and should the miserable situation not improve, the population loss is certain to continue.

Agriculture

Russian food production, consumption falling

Food consumption in Russia collapsed by 10% in 1995 compared to 1994, Vice Prime Minister Aleksandr Zaveruykha announced at a press conference in Moscow on Feb. 7, the weekly *Agra-Europe* reported. But the government has no intention of freezing prices on bread and other basic foodstuffs, he said. Rather, to stabilize consumption, the government must create conditions in which the purchasing power of the population is increased, or else it must subsidize bread for the poor. He admitted that the low harvest results of last year were not only due to drought, but also to "mistakes that were made in the agriculture reform."

The result of the crisis is that Russia has become highly dependent on food imports. According to the Moscow Institute for Economic Forecasts, as reported by the Russian Agriculture Ministry, 40% of all food consumed in Russia is imported. Dependency on imports has reached a "dangerous degree," the institute said. A country that imports more than 30% of its food, is putting itself into a "very uncertain situation and is

becoming very dependent upon the situation in the world market," it warned. The "inevitable" danger, is a "dictate of foreign producers and traders. Russia is already in this situation," the institute pointed out. Major industrial centers are relying on imports for 70-80% of consumption of milk and meat.

The Russian Agriculture Ministry attributes this development mainly to a "drastic decline of national agriculture production within the past years." Especially concerning meat, the agriculture sector is not able to deliver enough to supply the domestic market. The government urgently has to support the national agriculture sector, officials said.

Eurasia

Kazakhstan initiates 'land bridge' talks

Amangeldy D. Omarov, head of Almaty railways in Kazakhstan, chaired negotiations in January aimed at expanding the rail lines of Kazakhstan southward into China and also into Europe, the Jan. 25 *Kazakhstanskaya Pravda* reported, according to the U.S. Foreign Broadcast Information Service. "We initiated this meeting of representatives of Kazakhstan, China, South Korea, Japan, Italy, Poland, and Estonia in order to get to know each other better, to arouse the world's interest in the negotiations taking place, and [to generate] a public response in our country," he said. "It is no secret that many people in the world still do not know the potential of the new transcontinental bridge."

Agreements were signed at the meeting relating to transit, freight, and container shipments by rail through the Druzhba-Alataw-Shankou (Kazakh-Chinese border) crossing. "Here we have it—the plan for the main Trans-Asian and Eurasian railway lines, ending at one end at Lianyungang seaport on the Yellow Sea, and at the other at Istanbul on the Black Sea, London (Amsterdam) on the North Sea, and Helsinki (Tallinn, St. Petersburg) on the Baltic Sea," the paper commented.

The participation of Chinese railway officials "once again speaks of China's foreign economic interests in Kazakhstan and Cen-

Briefly

FRANCE is heading for State bankruptcy, government member Alain Lamassoure warned in Paris on Feb. 12, the German daily *Handelsblatt* reported. He admitted that economic output has been stagnating since August 1995. "If we don't get the debt under control, this country will have to declare bankruptcy two years from now," he said.

TWO RAIL LINES connecting Vietnam and China have reopened for the first time since 1979, the Feb. 15 London *Times* reported. The lines are an important link between Yunnan province in China and the Vietnamese seaport of Haiphong, which is much nearer than Chinese ports.

THE UNITED STATES lost 202,000 manufacturing jobs in the last 10 months of 1995, a loss of 1.1% of the total, the Feb. 16 *Wall Street Journal* reported. Wall Street bankers are unconcerned. Allen Sinai, of Lehman Brothers investment bank, stated, "The service sector has never been more important. . . . It means the manufacturing sector can go into recession, but the economy keeps growing."

THE BRITISH firm Trafalgar House was scheduled in late February to sign a \$650-750 million contract with Thai Special Steel to build a steelworks in Rayong province, wires reported on Feb. 12. It is the largest-ever contract between British and Thai companies.

AFRICAN nations paid \$300 million more to foreign creditors than they received in new loans in 1993, the London-based Development Assistance Committee reported, based on OECD figures. This is before International Monetary Fund conditionalities became more severe.

BANKERS TRUST New York Corp. debt was downgraded by Standard and Poor's credit rating agency, citing "negative publicity" resulting from Bankers Trust's practices in selling derivatives, the Feb. 16 *Wall Street Journal* reported.

tral Asia and in broadening this springboard for development of China's trade and economic relations with Iran, Turkey, and a number of other countries of western Asia and western Europe," the paper noted. It added, "At the same time, the railways of Kazakhstan, situated in the center of Eurasia, are becoming the link both for Trans-Asian and Eurasian main lines. But this link has to be stable."

Poland

Strikers seek protection against cheap labor

Krzysztof Mlodzik, chairman of the Polish Silesia Solidarity Trade Union, told *EIR* in February that striking coal miners have discussed four demands with the government. Three of them concern regulation of salaries and special benefits for miners; the fourth requests that only workers of those companies which sign a general agreement with mines be hired to work, to prevent employment of cheap labor.

On Feb. 12, the strike of Polish miners in the southern part of the country expanded, with 11 mines joining eight others that struck a week earlier.

Mlodzik said that the World Bank plan to restructure Polish mines, including closing "unprofitable" mines and laying off thousands of miners, was useless, because it contains no provision for investment in new technologies and machinery. He said that he had visited the United States recently, and saw that American mines use more advanced technologies and methods of coal extraction. Such technologies should be introduced also in Europe, he said, because otherwise Polish mines will always be unprofitable.

Mlodzik added that the Polish finance minister always says that there is no money for such projects, and Mlodzik has doubts whether decision-makers in Warsaw are protecting Polish national interests—or even know where electricity comes from. He also stressed that Polish transportation is very expensive: 25-30% of the price of coal comes from transportation costs. He said that it is more expensive to bring coal from mines in

the south of Poland to seaports, than for it to be transported across the entire United States by train. This is an absurd situation, he said, because the coal mines and railroads are both State controlled, but the government does not want to do anything to improve them. Mlodzik said that the "free market" does not really exist; there are only those who use this idea to manipulate others for their own benefit.

Biological Holocaust

Rats proliferating in American cities

Budget-cuts are leading to a proliferation of rats in U.S. cities, the London *Independent* reported, based on a talk by Dr. Gregory Glass of the Johns Hopkins School of Public Health, to a Feb. 12 meeting of the American Association for the Advancement of Science in Baltimore.

Glass claimed that there are hidden epidemics of Third World diseases raging in U.S. cities. His surveys indicate that up to 16% of the population of Baltimore could have been exposed to leptospirosis, a disease spread in the urine of rats. If left untreated, the disease can lead to kidney and liver failure. Further, he said, hantaviruses, which can cause hypertension and chronic renal disease, are also being spread to U.S. inner-city populations through the urine of rats. According to Glass, the rates of human infection of these diseases in U.S. inner-cities "at least approach those of Third World countries, and the rates are going to go up." Glass said that only 50 cases of leptospirosis were reported in the United States last year, only two cases in Baltimore; yet a survey of patients coming to the Johns Hopkins hospital, showed that 160 out of every 1,000 people were carrying evidence of infection in their blood.

"Budgetary cutbacks have meant that many U.S. cities have stopped or reduced their rat control programs, and there has been a corresponding increase in numbers over the past five to six years," the paper said, paraphrasing his presentation. Glass asserted that he is sure that similar rat-borne problems are occurring in London and other European cities.