

Business Briefs

Italy

Secret services to act on economic security

Italy's Interior Minister Giorgio Napolitano has activated the secret services to help defend national economic interests, particularly against London-centered international financial speculation, the Italian press of Dec. 24 reported. The intelligence work has already produced about 20 reports, which are routinely sent to prosecutors. The decision comes in the context of a series of actions reflecting the impact of the LaRouche movement on the Italian political scene.

According to the daily *Il Giornale*, the mandate for SISDE, the civilian secret service, concerns "situations or phenomena that could represent a threat to the equilibrium and vital sectors of the national economy, with particular reference to the defense of the productive system, to foreign penetration in strategic sectors of production, and to the dynamics of financial markets." The military service, SISMI, "will monitor our currency, to defend it from foreign speculation."

The new policy was announced a few days earlier by Rep. Franco Frattini, head of the Parliamentary Committee on Secret Services, who said it is necessary to give SISDE "the mandate of protecting the national economy from international speculation. . . . We did not forget that under the Berlusconi government, a London agency systematically spread destabilizing news against our economy and, under the Dini government, regularly announced subpoenas for the prime minister. These are typical actions where secret service intervention is required."

Agriculture

China's academy finds fewer farm laborers

Many of China's farmers no longer make their living from the land, and should be classified differently, according to the Chinese Academy of Social Sciences, Xinhua news agency reported Dec. 23, 1996. An academy study found that China's rural labor force is

460 million strong, of whom 250 million are engaged in agricultural production.

More than 100 million rural residents are working in local township firms. The study pointed out the necessity of distinguishing among farmers, the agricultural population, and the rural population—all of which had been lumped together for decades. While it is generally accepted that China has 900 million farmers, the term "farmer" should in fact refer only to those who actually farm, not just anyone living in the countryside, said researcher Yao Mei.

The Ministry of Civil Affairs reported on the same day that China's floating population of migrant workers may have grown to 100 million, far more than the official estimate. Migration causes social problems and weakens China's strict population controls, China News Service said. "In areas that have not formed effective management of the floating population, such hideous phenomena as illegal unmarried cohabitation, bigamy, and prostitution are breeding and spreading."

Middle East

Occupied Territories in a 'depression,' says UN

The United Nations Special Coordinator Office to the PLO Territory termed the economic situation in the Occupied Territories a "depression," in its first Quarterly Report on Economic and Social Conditions in the West Bank and Gaza Strip, released Oct. 29, 1996.

"Between 1992 and 1996, real GNP in the WBGS [West Bank and Gaza Strip] has declined 22.7%, mainly as a result of the loss of employment in Israel, and the decline in trade flows caused by the Israeli closure policy. Real per capita GNP has declined an estimated 38.8% between 1992 and 1996. In 1992, the WBGS's real GNP . . . in 1995 U.S. dollars was \$5 billion . . . per capita GNP was \$2,425. Five years later, in 1996, real GNP will be about \$3.9 billion . . . per capita GNP will have dropped to \$1,480.

"The real monthly wage income for an average worker in the WBGS declined 19.3% during the first half of 1996. Average

household consumption declined 6.7%, with basic expenditures falling 9.0% during the same period. Due to falling wage rates and higher consumer prices, a single average worker's monthly income could only cover 67.5% of basic needs, and only 48.7% of all expenditures in late 1995, and only 59.8% of the reduced basic and 42.1% of the reduced overall expenditures by mid-year."

Meanwhile, the Dec. 24 London *Times* said that the costs of the "breakdown in the peace process since the election of the Netanyahu government" are rising. "The main casualties have been projects that were still in their infancy. During the Rabin and Peres governments, grandiose ideas were proposed at two regional economic conferences in Casablanca and Amman. They included a Red Sea-Dead Sea canal, the comprehensive development of the Jordan Valley, and the sale of huge quantities of gas from Egypt and the Gulf to Israel. Though not officially cancelled, there has been no movement on any of these projects for six months," it said.

South Asia

India deepens trade ties with Myanmar

At the point that British intelligence and its International Republican Institute cohorts in the United States are waging political and economic warfare against Myanmar (Burma), India is deepening ties with that nation. Indian relations with Myanmar have improved dramatically since the early 1990s, further solidifying Asian support for Myanmar against the efforts of the Bush league and Dope, Inc., to take over their favorite opium plantation, before it turns into a real country.

On Dec. 14, 1996, the *Asian Age* reported that India was set to open a new transit point for trade within the month. The first transit point, at Moreh-Tamu, was opened in 1995; the new one, at Chanpa in Mizoram state, will connect with Rih, Myanmar. Trade has flourished at the first transit post, with plastic goods, handicrafts, and handlooms being sent across by India, and pulses and timber coming from Burma. "In the next two years, we expect 1 billion rupees [worth of goods]

Briefly

to cross from this point alone. The second point at Champa-Rih is also expected to do equally well," said an official.

On Dec. 13, 1996, the *Asia Times* reported that India and Myanmar plan to jointly develop Myanmar's huge oil and gas deposits. At an international energy conference in Goa, an agreement was signed by India's state-owned Oil and Natural Gas Commission of India, as well as private Indian companies, to develop fields in Myanmar. Also discussed was the construction of an oil pipeline between the two nations. Together with the pipeline under construction between Myanmar and Thailand, the new line would create a pan-Asian pipeline. A senior member of the Myanmar delegation told the *Asia Times*: "The idea is to have a pan-Asian pipeline, if you like, stretching from Indonesia to Malaysia, and then via Myanmar into India."

Central Asia

Pakistan, Afghanistan to start road construction

Pakistan and Afghanistan have agreed to build a new highway link to Central Asia, wire services reported on Dec. 19, 1996. Construction of the highway will begin in January, and will go up to the border of Turkmenistan. Pakistan has already delivered heavy machinery to the Taliban government to build a 60-mile portion of the road. The director general for Afghanistan and South Asia for the Pakistan Foreign Ministry, Arif Ayub, reported that this portion of the road will link the Pakistani southwestern border town of Chaman, with the southern Afghan city of Kandahar. The next segment to be built will be a 240-mile highway from Kandahar to the Afghan border town of Torgundi, which is linked by rail with Turkmenistan.

The Pakistani newspaper *The News*, a mouthpiece for a faction of Pakistani intelligence, editorially endorsed the project, implicitly arguing for support of the Taliban. "The 880-km-long Afghan highway . . . is the missing link in a route that will allow movement of vehicles between Central Asian cities and the port of Karachi," it reports. "This is seen as the most viable road-

way at the moment, till the Gwadar port [Pakistan port on the Arabian sea] is developed to cater to ocean-going ships. This is the second effort being made to reach a settlement with Kabul on the route which will help all the contiguous regional states—the five Central Asian republics, Afghanistan, and Pakistan. The initial negotiations, which were preceded by sending a test trade caravan through the western Afghan provinces to Turkmenistan, was interrupted by the internal instability in Afghanistan.

"The functioning of this route . . . will reactivate a historic linkover which caravans carried on a lucrative exchange trade between the Indian Ocean littoral states and the then-Central Asian khanates. Imperial Britain and Czarist Russia put an end to that route. But after the recent political changes in Central Asia, a need was felt to find a safe passage to the nearest seaport to resume the movement of merchandise. Pakistan has offered its rail, road and port facilities to create an effective transportation system."

Science

Thunderstorm halos move faster than light

Thunderclouds sport high-altitude halos of flickering red light, a phenomenon confirmed by researchers at Stanford's Very Low Frequency Research Group who have measured the horizontal structure and dynamics of a new kind of stratospheric lighting that scientists have named "elves." The observations were reported by Umran Inan, professor of electrical engineering, on Dec. 15, at the American Geophysical Union meeting in San Francisco.

The new measurements, obtained with a specially constructed device called the Fly's Eye, confirm the prediction that these flashes take the highly unusual form of luminous rings that spread across the sky at speeds faster than light.

In February 1996, the Stanford scientists predicted that elves would have such a rapidly expanding ring-like structure. They based their prediction on the assumption that the newly discovered phenomenon is produced by powerful electromagnetic pulses generated by large lightning strikes.

TURKEY AND IRAN signed trade accords on Dec. 21, designed to double the trade between the two nations to \$2 billion. The accord was signed near the end of a four-day visit to Turkey by Iranian President Ali Akbar Hashemi Rafsanjani.

SOUTH KOREAN trade unionists called for a general strike on Jan. 5, unless the government repeals a new labor law which has sparked a wave of strikes. Under the law, companies can lay off workers, hire temporary staff, and replace strikers. Workers fear the law means that decades of job security are coming to an end.

VIETNAM has ordered the country's banks to set aside \$200 million in loans for government projects, the Dec. 23 London *Financial Times* reported. A confidential central bank directive specifies that any bank facing "temporary liquidity difficulties" that might result from this, will be bailed out by the central bank.

PAKISTAN and India will hold talks on the passage of the proposed Indo-Iranian gas pipeline through Pakistan. Indian Minister of State for Petroleum T.R. Baalu said that "Pakistan had shown interest in a dialogue to sort out the imbroglio," the Iranian paper *Ettelaat* reported Dec. 12.

DEUTSCHE BANK, Germany's largest, has been downgraded by Moody's from a "AAA" rating, to "Aa1." Moody's cited the bank's shift, from primarily a commercial lending bank to a Wall Street-style "investment bank," making its profits heavily dependent on the bank's financial trading, as a reason for the change.

LITHUANIA is at the threshold of a tuberculosis epidemic, in which 10% of all children are already infected. Istrauckapress service reported Dec. 10. Shock therapy is blamed for the worsening situation, which has cut the standard of living, including the quality of food and medical care.