

Business Briefs

Papua New Guinea

Military forces to build national infrastructure

Any new infrastructure project contracts will now be taken up by the Engineering Battalion of the Papua New Guinea Defense Force, rather than by private, foreign companies, P.N.G. Prime Minister Bill Skate announced, upon assuming the additional post of Defense Minister on Jan. 15. The decision came partly because of concern that, with each contract to build a road or bridge offered to a foreign construction company, a lot of money has been leaving the country. Defense Force personnel will also be engaged in the provinces to assist the police with law and order problems, and will assist in dealing with the drought affecting the country, if required.

"It is my intention as Defense Minister to see the Defense Force play a more active role in nation-building and civil action programs. With this in mind, I have requested the Minister for Provincial and Local-Level Government to prepare a submission to the Engineering Battalion in the drought restoration program to begin the process of installing water supply throughout the villages in P.N.G. The involvement of the Defense Force in civil action programs is vital, because you men must be examples to the youths out in the streets, that hard work, discipline, and respect is what is required to bring about many changes in P.N.G. All of you, from the lowest rank to the top, must therefore be a shining example of those virtues to the nation," Skate told the soldiers.

Resource Cartels

Europe targets Australia's uranium

On Jan. 15, the European Parliament in Strasbourg passed a resolution against the Australian government for allowing uranium mining in Jabiluka, in the Northern Territory, in the Kakadu National Park, ABC Australia reported. The park is one of British

Royal Consort Prince Philip's "protected areas."

The resolution calls on Australia to show respect for the World Heritage status of the Kakadu National Park, to respect the rights of the aborigines, and urges the ban of imports of uranium from mines where the land rights of indigenous people are being "compromised." British Member of the European Parliament Hugh Kerr, who spoke on behalf of the resolution, with the help of colleagues among the Greens and with the support of the Socialists, was able to get it passed. Kerr has had a long involvement with Prince Philip's plot to foster "indigenism" to divide Australia, to benefit the British oligarchy-run resource cartels.

Australian Deputy Prime Minister Tim Fischer said that the vote smacked of hypocrisy, especially when indigenous people in Europe were not accorded the same status they are in Australia. "We will have further contact with the European Parliament, but until the . . . Laplanders of Europe have about 10 times more rights than what they have now, I'm not all that interested about the views of the European Parliament on these matters," he said.

China

Central bank to fund physical investment

The governor of China's central bank, Dai Xianglong, said that the nation would continue to fund infrastructure, agriculture, and housing development in the coming year, to ensure economic growth, while carrying out reforms of the financial system, the German economic daily *Handelsblatt* reported on Jan. 19, based on a two-hour discussion on China's financial situation Dai held with 200 Chinese and foreign journalists on Jan. 17.

Credit will be focussed on infrastructure development, especially of rail lines and roads; there will be a 10% increase in credit available for the development of agriculture; and billions of yuan will be available to build housing, Dai said. He added that he expects China could achieve 8% growth this year, despite the Asian financial crisis.

Dai said that 20-25% of Chinese financial institutions have problem loans, and 5-6% of all loans outstanding are bad loans. He said that this year, 50 billion yuan worth of bad loans (about \$6 billion) would be written off, and in the next two years, 60-70 billion yuan worth would be written off.

Dai also said that China would develop a mortgage financing system for low- and medium-cost housing, but that loans for "luxury" housing would be restricted, to prevent a "bubble element" from developing in the economy.

On Hong Kong, Dai said that he was not concerned about the volatility of the Hong Kong stock market, or the fall in real estate prices there. "The real estate market has been characterized by excessive speculation," he said. "The stability of the currency is more important than anything else in Hong Kong at this time."

Communications

Asian financial crisis hits satellite industry

Kanaka Hidayat, the general manager of Satelindo, the Indonesian company that operates satellites, said that the firm has shelved plans to build three more telecommunications satellites, in an interview with the Jan. 19-25 issue of *Space News*. "This is the worst experience of my life," he said.

Satelindo operates the Palapa C1 and C2 satellites, launched in 1996, which cover most of continental Asia, Southeast Asia, and Australia. For nations such as Indonesia, whose population is scattered among thousands of islands, satellite transmissions are the only efficient way to provide telephone, television, and other long-distance communications services. Domestic customers leasing capacity on the two existing satellites have already requested postponements of their payments, Hidayat said. The company does not want to terminate service, and is trying to find ways to accommodate its customers.

In Thailand, the satellite operator there in October put on hold plans to build a fourth communications satellite, and Malaysia has postponed by at least six months plans to

JAPAN'S industrial production in November fell 5.0% from the previous month, as Asia's financial crisis deepened, the Ministry of International Trade and Industry said on Jan. 21. From November 1996, industrial production fell a revised 2.1%, against an estimate of a 1.1% decrease.

GERMAN LABOR might lose its patience and occupy stock exchanges and banks, "until at least 1 million jobless have found a new job," Dieter Schulte, chairman of the DGB labor federation, warned on Jan. 17. Such action would be illegal, but "it would certainly be in the interest of the common good," he said.

'THE PRICE of North Sea Brent crude is down 40% from a year ago," a London oil analyst recently pointed out to *EIR*. "And there is no reason it won't fall further. Demand in Asia is already down by 500,000 barrels a day. Add to that the stupid OPEC decision as of Jan. 1 to increase their official quotas for output, flooding the market at a time of falling real demand."

IRAN may get more government-insured Hermes credit guarantees from Germany, German Foreign Minister Klaus Kinkel said in an interview with the *Frankfurter Rundschau* on Jan. 20. Bonn desires better relations, and wants to hold talks on the "difficult issues," Kinkel said.

RAYTHEON plans to cut "as many as 10,000 jobs," the *Los Angeles Times* reported on Jan. 24. The firm seeks to reduce costs in the wake of its December purchase of Hughes Aircraft. Twenty plants are expected to close in the United States.

VULTURE FUNDS is the name given to those capital funds poised to buy up dirt cheap companies which will be up for privatization after the huge devaluations of Asian currencies, as well as firms which have gone bankrupt. In Tokyo, for instance, such funds are zeroing in on the 150 companies of the secondary stock market which are undervalued.

launch two of its satellites. Should companies fail to provide telephone and other services in Asia, it could leave more geographically isolated regions cut off from the rest of their nation.

In a report ("Asia-Pacific Satellite Review: No More Smooth Sailing") released from its Hong Kong office in December, Deutsche Morgan Grenfell predicted that with the collapse of the economies of Asia, there would be a surplus of satellite capacity that could lead to a price war. Asian nations had planned to launch 14 communications satellites in 1998, the same number as in 1997. If that were to happen, there would be overcapacity, the report stated.

Africa

Battle breaks out for Congo's cobalt

A fight for control of Congo's cobalt deposits has broken out, apparently between elements of the Club of the Isles resources cartel. Anglo American Corp. has put together a consortium, Global Development of Mining Kolwezi, and has gotten a preliminary agreement from Congo dictator Laurent Kabila and the state mining company Gecamines. The apparent loser is American Mineral Fields (AMF), which is centered in Dallas, Texas, but is controlled by the Monte Carlo-based British national Jean Boule.

AMF is taking Anglo American and DeBeers to court in Dallas, hoping to establish a case that would activate the U.S. Sovereign Immunity Act, preventing any investment bank operating in the United States from putting money into Anglo American's Kolwezi consortium.

Meanwhile, AMF has bought into an Angolan diamond-mining concession of IDAS, a Netherlands Antilles company, for a large territory in the Lunda Norte, Cuango Valley diamond area in Angola that is at the center of an agreement between the government and the opposition group UNITA. Numerous sources state that IDAS has acted as a front for a military operation against UNITA, which operation was defused by the Clinton administration.

Although AMF appears to be a typical mining "junior," running dirty operations to get concessions, making trouble, and then waiting to be "bought up" or "bought off" by the Club of the Isles majors, there is potentially more going on around the current contract dispute. AMF representatives told *EIR* that this is just a commercial dispute, but tried to leave the impression that the U.S. State Department has been fully briefed on the fight, and that President Bill Clinton has not put Kabila's Congo on his itinerary for his upcoming trip to Africa.

Labor

Millions of migrants in Asia face job loss

"Millions of migrants are at risk of losing their jobs" because of the Asian economic crisis, "which could lead to a wave of displaced workers forced to look for work far beyond Asia," wrote James Purcell, Jr., director general of the International Organization for Migration, in the *International Herald Tribune* on Jan. 24. Millions of workers, especially from Bangladesh, Burma, and the Philippines, came to the "booming nations of Southeast Asia" to work in the past decade, many of them illegally, Purcell wrote. In Malaysia, of 1.8 million foreign workers, 800,000 are reported to be illegal. South Korea has more than 140,000 illegal workers, and in Thailand, an estimated 700,000 of its 1 million foreign workers are illegal.

"As might be expected, there have already been calls to expel these foreign workers. . . . Large-scale deportations are difficult. . . . It is nevertheless likely that a large number of foreign workers will have to leave, either because they can no longer sustain themselves in their new homes, or because host countries cannot pay the political price of their continued presence," Purcell wrote.

"A growing number of desperate people will consider the long, risky, and often illegal journey to find better opportunities in Australia, Japan, Europe, or North America.

"The next wave of 'boat people'—driven this time by economics, not politics—might then not be far away."