

# Business Briefs

## Transportation

### Nostrac corridor unites Russia and Iran

The government of Kalmykia, a republic within the Russian Federation on the north shore of the Caspian Sea, and the Moscow-based Marina Line Co. have developed a ferry design for the Nostrac transport corridor, a project which will link Europe with the countries of the Middle East and Asia, the Russian *Kommersant Daily* reported on March 15. The project will begin to be implemented next year; Russian railroads are expected to increase revenues by more than \$300 million.

The Nostrac project will provide a ferry connection among the Astrakhan Region, Russia, Turkmenistan, and Iran. The consortium will unite companies from eight interested states. Russia will be represented by Russian Transcontinental Lines, a firm specially created for the project representing Russian private investors and state interests.

A feasibility study is expected to be completed by the end of this year, and preparatory work will take two years. Specialists from Russia's Vypel Design Bureau, Academician Krylov Institute, and the Central Navy Institute have developed a model of a three-deck, 298 meter ferry designed to accommodate 120 rail cars, 104 tractor-trailers, and more than 500 passengers.

The project will cut transport time for cargo from Russia to Iran down from a month, to several days.

## Western Asia

### Iran, Pakistan discuss pipeline, other projects

A Pakistani Oil Ministry delegation left for Tehran on March 11 for talks with Iranian officials on oil projects, a source at Pakistan's Oil Ministry said, Iran News reported. The source said the delegation's trip is aimed at speeding up implementation of two oil and gas projects in which the two nations are involved.

According to Pakistan's Oil Ministry officials, the implementation of the \$2 billion gas pipeline from Iran to Pakistan, and the joint oil refinery in Pakistan's province of Baluchistan, are to be taken up in the discussions. Iran's gas pipeline project to India, which passes through Pakistan, was stopped in 1990 because of security concerns, the source noted.

Because of its conflict with India, Pakistan has so far refused to allow the Iran-India pipeline to go through, despite the fact that it provides important resources to Pakistan itself. Instead, Pakistani leaders have been betting on Anglo-American promises of bringing gas to Pakistan from Turkmenistan through war-ravaged Afghanistan.

## Energy

### U.S. power outages likely to continue

"High consequence events," a euphemism for power outages, will likely hit the United States again this summer, given the recommendations offered by the U.S. Department of Energy's Power Outage Study Team based on its study of electricity outages and system disturbances during the summer of 1999. The team's final report was delivered to Energy Secretary Bill Richardson on March 13. The findings for Federal action to "enhance" electric system reliability are idiotic, and would be unnecessary had the U.S. electrical system not been deregulated.

The first suggestion is that "market-based" approaches should be promoted to ensure reliable electric services. If, in fact, the government re-regulated electricity, it could require that there be enough capacity and redundancy to ensure reliability. Another recommendation is for mandatory reliability standards, which used to be unnecessary before cutthroat competition, because reliability is in everyone's interest. Another states that "energy efficiency" (i.e., austerity) should be promoted to "enhance reliability," that is, cut demand so as to lessen stress on a system which is suffering from serious underinvestment, and is being forced to slash jobs, capital spending, and maintenance in

order to "compete." More realistically, the team suggests that "emergency preparedness activities" be enhanced.

## Eurasia

### Russia should have its own 'Great Silk Road'

Russia should launch its own version of the "Great Silk Road," says a guest article in the March 7 *Nezavisimaya Gazeta* by Boris Khabitsov, who heads a commercial bank in Russia. It is significant that such ideas, echoing Lyndon LaRouche's "Eurasian Land-Bridge" policy, would surface in the Russian policy discussion at this time.

The article is entitled " 'Transkam': Our Nation's Version of the Great Silk Road—The Realization of This Project Can Lead to a Renaissance of Russia as an Eastern Power." Khabitsov writes: "The basic idea is to create a global transport and service infrastructure, connecting the countries of the Caucasus and the Near East with Russia, Japan, and China, and also connecting the ports of the Black Sea basin, the Mediterranean, and Persian Gulf with the ports of Russia. . . . The first stage of the project envisages the construction, on the basis of the existing auto route 'Transkam,' of an approximately 100 kilometer section of four-lane highway and double-tracked rail, crossing over the Caucasus Mountain Range. This first step of the project makes it possible to bring together, by the shortest and most secure route, the network of rail and highway lines of Russia, China, Georgia, Azerbaijan, and Armenia, and provide access to the rail and road infrastructure of Turkey and Iran, as well as the ports of the Mediterranean, Black, and Caspian Seas, and the Far East. The second stage of the project is to create, on this transport line (between the South Ossetian [in Georgia] city of Tshinvali on the Southern slope of the Caucasus to the North Ossetian [in Russia] city of Alagir), a modern organizational, service, industrial, and energy infrastructure."

Khabitsov proposes that an "international free economic zone" be set up among the participating nations, providing "the most favorable conditions for international

**AFRICAN** leaders, including the Presidents of Botswana, Malawi, Mozambique, Namibia, South Africa, Tanzania, and Zambia, and the Prime Ministers of Lesotho and Swaziland, after a special summit meeting on Mozambique's flood disaster, "appealed to the international community to cancel all foreign debts owed by Mozambique to enable it to channel all available resources to the reconstruction of destroyed infrastructure and property."

**DENMARK** has scheduled a referendum on whether to join the European Monetary Union, on Sept. 28, Prime Minister Poul Nyrup Rasmussen said on March 9. Danes rejected the Maastricht agreement in 1992, but approved the Amsterdam agreement in 1993, based on opting out of participating in four areas, including the EMU currency, the euro.

**CHOCOLATE** made with vegetable fat may soon be marketed in Europe, without declaring it on the package. On March 15, the European Parliament voted up a bill sponsored by British multinationals, which will make real chocolate (produced with cocoa and cocoa butter) a rare and expensive commodity, and drive chocolate producers out of the market.

**GENERAL MOTORS** has bought 20% of Fiat, Italy's largest industrial company and the second-largest European auto producer after Volkswagen. Fiat also owns Alfa Romeo, Lancia, and Ferrari. Although the deal is presented as an "alliance" (Fiat will receive 5% of GM stocks in payment), in ten years GM will have the option of buying the remaining 80%.

**SONY** is now making more profits from video games than any other division, demonstrating the financial motive behind the brainwashing of children. "Play Station," introduced five years ago, has 50% of the hardware/software market (Nintendo and Sega share the rest). Although its electronics division has a sixfold greater revenue, the profits from games are holding the firm together.

investments, minimizing risks," and "creating a buffer to defuse the conflicts between the nations of the region, and achieve a catalytic effect for further development." Also, "the Zaramagsk hydroelectric project should be completed, providing an energetic center for industrial and service development" of this part of the project. The first two stages would run until 2005. "The project would make it possible to create on the territory of Russia, the largest network for goods transport in the world, constituting the shortest route for the majority of nations of Europe and Asia, and would permit Russia to become a major part of the world transportation infrastructure, with all the economic and political consequences which follow from this." The project would "not only generate a direct economic effect . . . but would positively influence the modernization of the whole transport infrastructure of Russia. The project would have a positive effect on the relations between Russia and the countries of the Caucasus region, the Near and Far East. It could provide a mutually advantageous means to resolve the political problems of South Ossetia, and create a belt of multifactorial stability in the Northern Caucasus."

## Health

### Researchers say disease is a security threat

A report, "Contagion and Conflict: Health as a Global Security Challenge," produced for the Center for Strategic and International Studies and the Chemical and Biological Arms Control Institute in the United States and released in mid-March, warns that national security can be compromised by the outbreak of disease, and says that health should be considered a national security issue.

While a chemical or biological attack from a hostile force could obviously compromise security, authors Michael Moodie and William Taylor are more concerned about the spread of infectious diseases around the world. They point out that governments have fallen due to their inability to

take care of a population that has been the victim of natural disasters and outbreaks of disease, and that diseases such as AIDS are now leading to the "death and debilitation of military personnel." They say this is true not only in Africa, but also in Asia and Ibero-America.

Lest the United States think that it is protected because it is "wealthy," the authors state that viruses travel on airplanes and can spread anywhere at any time. They warn that "a weakening of U.S. economic strength could leave the door open to massive outbreaks of disease, which could further weaken the U.S. military and the American economy, in a self-reinforcing downward spiral."

As if to underline the stupidity of current policy, United Press International reported on March 13 that Sen. Kay Bailey Hutchison (R-Tex.) has proposed that a commission be set up to see how diseases like tuberculosis and hepatitis can be kept on the Mexican side of its border with the United States.

## Laos

### Controls adopted in response to collapse

The tiny economy of Laos has not been overlooked by the speculators who looted Asia: The Laotian currency, the kip, took the greatest fall among all the Asian currencies, nearly a 90% devaluation at the peak. Inflation hit 167% in 1999, wiping out everyone's savings. Government employees lost 80% of their purchasing power. In response, the government has implemented some emergency measures, although probably far too late.

Government ownership has been reimposed on private firms, while imports and exports have been placed under government control. The International Monetary Fund claims that the stabilization was brought about by austerity conditions which it approved. Nonetheless, the *Far Eastern Economic Review* is upset by the "draconian economic controls," which "hasn't helped its case," and, in its Feb. 24 issue, threatened the government that, after all, "the country is still dependent on foreign aid."