

Business Briefs

Asia

China, India Converge Vs. 'Warming' Pressure

India and China have agreed to cooperate against any attempts by developed nations to pressure them on climate-change issues, visiting Indian Minister of State for Environment Jairam Ramesh said Aug. 24 in Beijing, after meeting with his Chinese counterpart, Xie Zhenhua, the *Times of India* reported. The world's two most populous nations agreed that they would jointly fight any attempt to pressure them into compliance with the brutal anti-climate-change standards, by threats of trade penalties or other such pressure. The U.S. climate bill would impose a carbon tax on imports from developing nations, such as China or India.

This agreement is a big nail in the coffin of the Copenhagen climate-change conference scheduled for December. Even more important, the two nations have agreed to coordinate their views on climate change before every big international meeting. This cooperation, the *Times* reported, could be spelled out in a joint agreement soon.

United States

Farm Income Expected To Drop 38% from 2008

U.S. net farm income in 2009 will be down 38% from last year, according to a report released Aug. 27 by the U.S. Department of Agriculture (USDA). The report understates the rate of collapse of the economy. The latest USDA estimate for farm income this year is \$52 billion, lowered at least twice from an earlier high forecast of \$81 billion. Sector by sector, from grains to milk to specialty crops, the prices that farmers receive are way below their input costs, an impossible situation.

In the face of the obvious threat to the food supply, and immediate farm state crisis, the White House is rebuffing appeals for emergency action, and instead,

continuing with a "Rural Tour" campaign for "dialogue"! President Obama announced this on June 30; Agriculture Secretary Tom Vilsack is making appearances, talking about "sharing pain," and otherwise extolling the cap-and-trade bill. This was forcefully rejected at a public meeting Aug. 19 at the Iowa State Fair, where state officials asked for emergency interventions for hog and dairy farmers.

These are the hardest hit sectors.

Milking operations of 1,000 cows are losing \$30-40,000 a month. Herds are being auctioned off, or sent to slaughter. By year-end, 20% to 25% of all U.S. dairy operations will be gone.

Hog farmers have been losing \$20-35 a head for each animal marketed since Fall 2007. Well over 25% of hog producers will be closed out by year end.

Vilsack's next stop is Aug. 31 in Ohio (www.ruraltour.gov).

Japan

LDP Sank Under High Losses in Jobs, Exports

Economic conditions in Japan continued to deteriorate on the eve of Aug. 30's lower house elections, in which the Liberal Democratic Party (LDP) lost power to the Democratic Party of Japan (DPJ). The LDP was in power almost constantly since the end of World War II.

Exports in July were down 36.5% from 2008, marking the tenth straight month of consecutive drops.

Also in July, it was announced that unemployment hit 5.7%, significantly above the previous high reached in April 2003, and that the year-to-year deflation was 2.2%, also a record.

The poor and deteriorating state of the Japanese economy is the driving force behind the rise of the DPJ. In elections two years ago, the DPJ with its allies, gained control of Japan's upper house, the Senate, but had little influence on the overall course of Japanese politics because of the LDP's two-thirds control

over the lower house, which, under the Japanese constitution, gave the LDP the power to override any decisions made in the Senate.

Domestically, DPJ leader Yukio Hatoyama has strongly and consistently attacked the policies associated with ex-LDP Premier Junichiro Koizumi, whose "reforms," with the enthusiastic backing of Western finance, nearly destroyed the American System-style directed credit policies which had turned Japan into the second-largest economy in the world.

Hatoyama published an essay in August which said the global economy had "damaged traditional economic activities," and vowed to shield his country from the effects of "U.S.-led market fundamentalism" and untrammelled globalization.

Europe

Youth Suffer Most In Economic Collapse

According to reports of Eurostat and the International Labor Organization for the European Union, 5 million citizens under the age of 25 were unemployed during the first quarter of 2009—an increase of 1 million over the first quarter of 2008. The increase is twice that of citizens above the age of 25.

The worst reported situation is in Spain, where a third of the young are without jobs. In the three Baltic states, the figure is 25%, and in Italy and Sweden, it is 20%. In Germany, it is "only" 10%, but there, the rise in youth unemployment is many times that of the other age groups.

Many young people have been lured into the disintegrating work world with no real professional training, just to try to make money with the "flexibility" ideology as part-time or contract workers. These are the ones that companies fire first, because usually they have no job protection, as some skilled workers still do, since they were hired on a just-in-time contract basis.