

Business Briefs

Labor

Japanese urge U.S. firms to educate workers

Ray K. Tsuchiyama, head of Japan's Ministry of International Trade and Industry, looking at the General Motors decision to build a major auto industry in Thailand, wrote on June 25 that "if GM and other U.S. car makers want to emulate the success story of Japanese car companies in Thailand, they should establish or sponsor agencies with educators who can assist in a long-term research and development building program in Thailand."

Japan, since the 1960s, has been the primary backer of the two leading technical institutes in Thailand, has trained over 100,000 engineers through the Thai-Japan Technology Promotion Association, and trained 500 interns in Japan.

Tsuchiyama acknowledges one major source of his concern: "GM's other option will be to raid staff from the country's already established Japanese car plants."

Africa

OAU forms group for industrialization

For the first time, leaders of African nations gathered to discuss the industrialization of the continent, at the Organization of African Unity summit in Yaounde, Cameroon, on July 8-10, China's Xinhua news agency reported. The summit passed a motion to create the first-ever Alliance for Africa's Industrialization (AAI).

There has been little progress in industrializing Africa since the Lagos Plan of Action in 1980. The contribution of the industrial sector to Africa's Gross Domestic Product has been falling, and is now below 5% in many countries; in addition, Africa has been more and more marginalized in the world economy.

"We still have to spend billions of dollars every year to import expensive industrial products with our limited pool of hard cur-

rency, earned by exporting our cheap raw materials," said Vijay Makhan, OAU deputy secretary-general for the economy. "That is why there is an emergency for industrialization for Africa." Makhan is a vehement advocate of continent-wide economic integration, and is known as Mr. AEC, or "African Economic Community." "African industrialization is an ambitious dream, but a realistic dream," he said.

Also at the summit was Mauricio Campos, of the UN Industrial Development Organization, who is claiming that Africa has finally entered a period of political stability and economic recovery, and that his organization has a long-term plan to build African industry, and will dedicate \$70 million for industrializing the continent. He referred to the Ivory Coast, Ghana, and Cameroon, which have all been cooperating with UNIDO.

An all-Africa private-sector forum will be held in Accra, Ghana, later this year to work out detailed guidance for the AAI.

Trade

Italy's Lombardy region opens center in China

Roberto Formigoni, president of the Lombardy region, went to China in July for a one-week official visit, together with 140 Italian industrialists, the regional minister for Productive Activities, and the head of the Institute of Foreign Trade, *Lombardia Notizie* reported on July 17. The delegation visited Shanghai, where it inaugurated a permanent trade center, as well as an industrial fair representing 2,500 Italian industries (chemical, machine tool, steel, textiles, and food processing). It visited Tianjin, the main harbor city, and Beijing, meeting Chinese authorities involved in the Tianjin Economic Technological Development Area project.

Alberto Guglielmo, Lombardy minister for Productive Activities, emphasized the importance of the visit, because "Italy cannot stay out of the great opportunities opened by developments in China."

On the way back to Milan, Formigoni

referred to the crisis in the current international monetary system: "We return from our mission in China with more precise ideas and more precise projects. We also have something to tell the Italian government, as well as the institutions which regulate foreign trade, in the context of the present credit and financial system. There are problems and needs to face, answers to be given in the shortest time possible." Formigoni is one of the Italian parliamentarians who endorsed the call to President William Clinton to exonerate Lyndon LaRouche.

Asia

Railway to link Malaysia to Kazakhstan proposed

Prime Minister of Malaysia Dr. Mahathir Mohamad, who made a five-day state visit to Kazakhstan and Kyrgyzstan in July, said that the Trans-Asia railway line connecting Southeast Asia with China could be linked to Kazakhstan, providing an important rail and road link among East Asia, Russia, and Europe, the Malaysian *Straits Times* reported on July 19.

Mahathir said that it would be the logical step eventually to link this system, which runs from Singapore to Kunming, China, with the railway system in Central Asia passing through Kazakhstan.

"Kazakhstan is indeed located in a strategic position in Euro-Asia between China, an important neighbor which is in the process of becoming an important economic power, and the Russian Federation in the north, and to the west, the whole of the European continent," he said at a dinner hosted by Kazakhstan President Nursultan Nazarbayev in Almaty, Kazakhstan.

Mahathir said that Kazakhstan would give many land-bound Central Asian nations access to the sea; he referred to the fact that Kazakhstan has gained access to the Persian Gulf through the recently completed Iran-Turkmenistan railway.

By the end of this year, Malaysia is to host a meeting attended by representatives from the members of the Association of

Southeast Asian Nations (ASEAN) and Laos, Burma, and Cambodia to discuss the Trans-Asian Railway Project. The agenda reportedly will cover the financial and technical aspects of the projects.

Mahathir has taken a leading role in promoting construction of railways and other transport, connecting peninsular Malaysia-Singapore with the Mekong River nations, and moving west into Central Asia. In Kyrgyzstan, he penned an agreement for Malaysian investment in the Taldy-Vulak Levoberezhny gold mining project.

Australia

Budget cuts will cause recession, experts warn

The debate over the Australian federal government's International Monetary Fund (IMF)-approved plans to slash \$8 billion from the commonwealth budget over two years, gained intensity recently, when 114 economists signed a statement condemning the budget plans as "economically irresponsible" and in danger of pushing the economy into a recession, the *Melbourne Age* reported on July 6.

The statement said that the cuts would inevitably cause job losses, but would not reduce the deficit, because of the lower tax revenues flowing from reduced growth. Instead, it calls for increased spending to boost infrastructure, jobs, industry, and regional development. "Savage expenditure cuts are economically irresponsible and socially damaging," the statement said.

Kenneth Davidson, the economics writer for the *Age*, attacked the government's deficit reduction plans as unnecessary, and described the deficit reduction plan as "a propaganda device, based on improbable projections, pretending to be forecasts." The only intellectual justification of present policy were two recent reports, by the IMF and OECD, of a joint study of 62 industrialized countries. Davidson estimated that, "based on IMF criteria, Australia would have to cut public debt by about \$15 billion over two years to be successful. . . . This means that, if the underlying structural defi-

cit figure of \$8 billion is to be believed, some \$22 billion would have to be cut out of government spending over the next two years. Anything less in the way of cuts would be defined as unsuccessful. This potential \$22 billion in cuts represents about 19% of the federal budget!"

Space

Manned missions to Mars getting more attention

Once the preparatory and necessary research on radiation and non-gravity effects on humans has been done, the first manned mission to Mars can be launched by no later than the year 2018 or 2019, Jesco von Puttkamer, director of the NASA planning section, said in an interview with the Saarland radio station in Germany on July 15.

Puttkamer, whose latest book about the colonization of Mars is entitled *The Millennium Project*, said that the completion of the planned Alpha space station is instrumental for the mission, and the flight to Mars could start from there, at feasible costs.

The exploration of space should be viewed "as a cultural process that will transform the world, like the sea voyages of Columbus did at the end of the 15th century, and the opening of the New World which followed that," Puttkamer said.

Puttkamer also said that space projects are job-creators: For example, the (much-reduced) Alpha project for an international space station is generating 42,000 highly qualified jobs in the United States alone. By comparison, the giant Mars project is expected to create new jobs in the range of upwards of 1 million. Those that will explore the potentials of outer space now, will be the ones that will be among the most-advanced nations in the next century, he said.

Meanwhile, upcoming missions to Mars were discussed at the biennial meeting of the Committee on Space Research, which was held at Birmingham University, U.K. in July. Four missions are scheduled, with tasks including mapping the surface of Mars, studying weather, atmospheric, and soil conditions, and searching for water.

KAZAKHSTAN President Nursultan Nazarbayev announced July 18 that his nation and Malaysia have signed an \$800 million deal for construction of hydropower plants on the Almaty and Taldy-Kurgan rivers, and have agreed to establish an air connection. The national banks of the two countries also agreed to boost bilateral trade and investment.

THE LION'S SHARE of British investment will go to Kwazulu-Natal, according to KwaZulu-Natal Marketing Initiative Chairman Peet Marais, who accompanied South African President Nelson Mandela to Britain in July. One provincial official said that the strong historic ties between the British and the people of KwaZulu "should not be underestimated."

NIGERIA'S first deep-sea port, at Onne, near Port Harcourt, was expected to begin operation in July with the completion of the Federal Ocean Terminal, the July 15 London *Guardian* reported.

FOOD PRICES in the United States will rise 6-8% this coming year, because of skyrocketing crop prices, analysts at the Food and Agricultural Policy Research Institute, based at the University of Missouri, said in a study released July 12. U.S. food prices have risen an annual average of 2% in the 1990s.

A PROTOTYPE for floating nuclear power plants, with a capacity of 70 megawatts, is to be built in 1997 at a facility in Murmansk at a cost of about \$160 million, the German daily *Die Welt* reported on July 16. Such plants could be floated into place along coasts or rivers, ideal for many Third World nations.

THE GERMAN Finance Ministry plans to increase the stock capital of the Frankfurt-based Credit Institution for Reconstruction from DM 1 billion (\$625 million) to DM 10 billion, the German daily *Die Welt* reported on July 19. It could "emerge as even bigger than Deutsche Bank," one banking source said.