

Business Briefs

Trade

Malaysia hits WTO for attack on sovereignty

Malaysia's Trade and Industry Minister Rafidah Aziz attacked the World Trade Organization's "challenge to sovereignty," at a conference on the WTO sponsored by Malaysia's Institute of Strategic and International Studies, described as the "first meeting on the WTO organized by the South," the July 10 *Asia Times* reported. She said that "like-minded countries plan to band together to present a common front at the WTO ministers' meeting" in Singapore in December.

The proposed Multilateral Investment Amendment, obliging WTO member countries to allow foreign companies to hold 100% equity in all activities except security, would "encroach upon countries' sovereignty and would deem discriminatory, national policies that favored domestic enterprises. These moves are of grave concern to developing countries," the minister said. "We shall stand united. These are highly contentious issues and they constitute the single greatest challenge to the sovereignty and economic prosperity of the developing countries in the future." She also warned that environmental issues, which have "seeped into" the agenda, are meant to limit developing sector nations' capacities to develop their resources.

Health

Venezuela health care collapses under IMF

The public health system in the oil-rich nation of Venezuela is collapsing, the July 23 *Washington Times* reported. Venezuela's hospitals, once the pride of the continent, are now death traps because of the austerity conditions that prevail in the country, based on the dictat of the International Monetary Fund.

The national budget for 198 federally run hospitals and 27,000 beds has been \$1.2 billion since 1994, while prices during that

same period have tripled. A doctor who in 1981 received a salary of \$1,200 a month straight out of medical school, is today earning \$100 a month as a specialist.

Those individuals who can afford it, go to private clinics, while the desperate go to the few remaining public hospitals which have not yet closed their doors. But unless they bring their own medicine, food, sheets, rubber gloves, and bandages, they will not be checked in. Many emergency cases are dying on hospital doorsteps because there is neither the equipment nor medicine to treat them adequately.

The *Washington Times* blames the crisis on "union featherbedding, political patronage, and corruption."

Middle East

Palestinian conference takes on the IMF

West Bank Palestinians convened a conference at the University of Bir Zeit on the West Bank on June 9-12, as part of an effort to form a new movement to counter the World Bank and the International Monetary Fund's (IMF) policies in Middle East, and to expose their destructive policies in the Third World.

Rouiya Ochra (the *Alternative Opinion*), a Palestinian publication edited by Dr. Adel Samareh, helped organize the conference. In an article entitled "Anti-World Bank Alternative Activity in Bir Zeit University: The World Bank Pushes Its Fangs Deep in Our Peoples' Flesh," Dr. Samareh reported that the Students Progressive Labor Committees had invited Mahir Dusuqi and himself to speak. Dr. Samareh said, "It is never possible to talk neutrally about the World Bank and the IMF. The twin institutions are the embodiment of a programmatic activity to make poverty and economic dependency in the Third World a perpetual state in the name of 'development.'"

Dr. Samareh reviewed the establishment and purpose of the IMF and World Bank, describing them as "an international dictatorship whose programs have given catastrophic results in each and every country they entered." He described the horrible situ-

ation in Mexico and Ibero-America as being a direct result of the IMF and World Bank conditionalities. He added that "Ghana, the country which the IMF and World Bank consider as a success story, ended up in destroying the education system and [experienced] a critical deterioration in the number of students. . . . The health and living conditions were much better prior to the 'reforms.'" He correctly described the IMF and the World Bank as "debt collecting police," and detailed how the conditionalities they impose on the debtor nations bind them eternally in a debt trap. He called on the students to spread the resistance movement against the IMF and World Bank throughout the nations of the Middle East.

Science Policy

Chinese leader appeals for foreign cooperation

Chinese Prime Minister Li Peng explained "why China needs science . . . and partners," to an audience of scientists from the Asia-Pacific region on April 23, *Science* magazine reported in its July 5 editorial. "We have many problems," he said. But, he added that he believes that science and technology can help his government provide food, adequate living conditions, education, and employment for a growing population.

Li Peng admitted that the pledge to require a nine-year compulsory education, made prior to 1985, remains unfulfilled. China can only put 85% of its students through that program by 2000. To tackle the problem in the poverty-stricken western region, he suggested the increased use of "science, technology, and education, as well as government subsidies."

"The biggest problem in China, however, is agriculture," he said. To solve that, China needs both practical techniques and advanced technology. "For instance," he said, "the use of hybrid rice can increase yields by another 20% [after the recent 15% increase]; and with biological engineering, we have bred a new variety of cotton that is genetically resistant to boll weevils, which have plagued our cotton production in re-

cent years.”

To modernize Chinese industry, which has high energy consumption, low efficiency, high materials consumption, and low product quality, China also needs science and technology, Li said. However, because his government can only appropriate a limited amount of money for basic research in science, China needs wider international cooperation to help expand its capabilities.

It will take tens of years of arduous effort to solve problems in China's development, Li said. “We can't do it alone and would like to establish better cooperation with science and technology circles in the Asia Pacific region and elsewhere in the world.”

South Africa

Economic policy under increasing labor attack

“Something has gone terribly wrong in South Africa, if a document such as that detailing the government's macro-economic framework could be put on the table,” Council of South African Trade Unions (Cosatu) General Secretary Sam Shilowa said, at a July 20 seminar celebrating the South African Communist Party's (SACP) 75th anniversary. He said that the framework authored by Finance Minister Trevor Manuel would never have emerged from the African National Congress before the 1994 elections. The strategy is “unworkable” and “unwinnable,” he said.

This “neo-liberal” plan, presided over by the first ANC finance minister, poses serious difficulties not only for the working class, but for the country as a whole, he said. The commitment to loosening exchange controls is also problematic, and the document rejects a monetary expansionist policy and conflicts with the principles of this reconstruction and development program; thus, no wonder it is dead, he said. He slammed the government for proposing to vest everything in creating an investor-friendly climate, without any guarantee whatsoever that investors would come. “It's the equivalent,” he said, “of saying there are certain sufferings we've got to

accept on earth, because we are hoping we are going to have a better life after death.”

There is a many-pronged operation to use the economic policy debate to break up the governing alliance—and, eventually, to break up the country, known to be Britain's goal. The July 24 London *Financial Times* editorially made clear that London is thrilled that “the uneasy alliance between South Africa's ANC and the trade union movement appears to be crumbling.”

Economic Policy

France is ‘burying Colbert,’ says Journal

The refusal of the government of President Jacques Chirac and Prime Minister Alain Juppé to provide new state funding for the Thomson aerospace-defense company “reflects French efforts to end a costly industrial policy,” and means “the end of an era for France,” opines the lead article in the July 23 *Wall Street Journal-Europe*. It was entitled “Burying Colbert.”

“France can no longer afford to use state-owned firms to pursue a centuries-old dream of international industrial glory.” “Globalization” means that France must “swallow its Gallic pride,” the paper said. A “senior banker” is quoted: “The state fed firms, the way a farmer tends his herds. . . . But now, the state no longer has the means.”

Charles de Gaulle wanted to make “national industrial independence a strategic issue” for France. Going further back in time, “state support for national industry is deeply rooted” in the country. This is linked to the tradition of “great projects,” such as the “vast network of nuclear plants” and the “TGV fast train.” The view was that “big public procurement projects are designed, in part, to boost national industry.” This is “a tradition that dates back to Jean-Baptiste Colbert.” Recently, French technology firms have promoted a “high-tech Colbertism.”

But, the paper gloats, that is all over: Budget cutting means a “moratorium on nuclear power plants,” dropping plans for the TGV from Paris to Strasbourg, and cuts in the defense budget.

Briefly

RUSSIAN Foreign Minister Yevgeny Primakov on July 24 said that Russia wants to be part of the construction of Euro-Asian railroad lines, together with Asian countries. He spoke during the ASEAN Regional Forum in Jakarta, Indonesia, AFP reported.

AN EGYPT-ISRAEL oil consortium will build a \$1.2 billion oil refinery in Alexandria, Egypt, wire services reported July 21. Italy's Technipetrol, France's Technip, and the U.S. firms Conoco, Bechtel, Louisiana Carbon, and UOP will help in construction. The gasoline will go one-third each to Israel and Egypt, and one-third to Turkey, Greece, Cyprus, Italy, and Palestine.

THE JAPANESE government on July 26 established the Housing Loan Administration Corp., which will inherit most of the bad loans of the failed *jusen* mortgage firms at the center of Japan's \$1 trillion bad-loan banking crisis, wire services reported July 26.

CHINA is planning construction of maglev rail lines, *Wen Wei Po*, a Chinese-language daily in Hongkong, reported July 23. The State Science Commission has set up a group for maglev research, which is considering two possible routes: Shanghai-Hangzhou, and Beijing and its suburbs.

THE RUSSIAN Duma (parliament) voted down legislation that would have meant that Russia would “forgo a multitude of taxes,” as the July 25 *New York Times* put it, revenue which Russia hopes would help bail it out of its financial crisis.

NIGERIA spent \$800 million in 1995 and \$451 million up to June 1996 to import oil, yet the National Petroleum Corp. needed \$240 million to put four refineries to work, Sam Aluko, chairman of the National Economic Intelligence Committee, a watchdog in the Presidency, said July 22. (See *EIR*, Aug. 12, 1994, for an interview with Aluko.)