

cern about the fact that certain Northern countries are making preparations for a U.N. resolution that enforces limitations and conditions on logging. This fight is expected to come to a head when the United Nations Conference on the Environment and Development meets in Brazil next year. On this subject, Brazil and Malaysia are battling the same enemy, as the international environmentalist movement makes plans to descend on Malaysia in August and Brazil next year under the slogan of "Save the Rain Forests!"

The Malaysian delegation agreed to seek the inclusion of Chile in the Non-Aligned Movement, when NAM foreign ministers meet in Ghana later this year. Chile was pulled out of the movement by Gen. Augusto Pinochet in 1973. Some observers were surprised that it was Chile with which Malaysia worked out an agreement for each country to be the avenue for the other's access to the rest of the region, in that Chile is right now the "darling" of the International Monetary Fund. The Malaysian press notes how "well-managed" the Chilean economy is, which is certainly true in terms of paying the debt to the international banks. The only country in Ibero-America that has paid more debt per capita than Chile is Venezuela.

Dr. Mahathir has fought an impressive battle since last December to keep the U.S. free-traders out of his envisioned East Asian Economic Group (EAEG), a group that would include the six ASEAN countries—Malaysia, Thailand, the Philippines, Singapore, Brunei, and Indonesia—as well as Japan, China, South Korea, Taiwan, Hong Kong, Vietnam, Cambodia, and Laos. He explained in a speech in March why the United States had to be kept out by noting that the U.S. economy was collapsing, and made clear that Washington was not beyond using military force to back up its economic intentions. His proposed grouping would play a certain role as a bulwark against this tendency, as well as to move the overall world economy upward, he said.

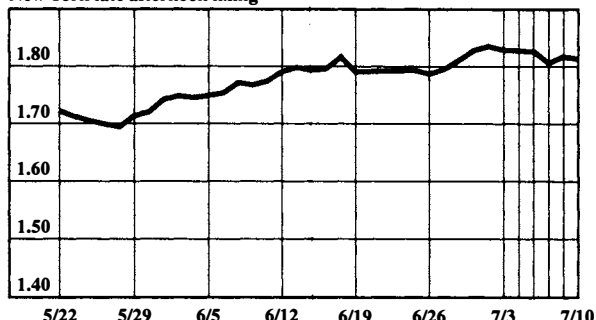
In Ibero-America, however, the Malaysians seem to have wrongly perceived that the recently formed trading group Mercusor, which links Brazil, Argentina, Uruguay, and Paraguay, was somehow independent of U.S. control, and could act as a link to both the EAEG and to ASEAN. However, when Brazilian President Fernando Collor de Mello met with President George Bush in Washington last month, he and representatives from Argentina, Uruguay, and Paraguay signed an agreement for the incorporation of Mercusor into Bush's hemispheric trade initiative. The model for what was signed in this free trade agreement is the North American Free Trade Agreement (NAFTA) with Mexico, which means absolute U.S. control and further looting of the Ibero-American countries. This means total integration between the policy of the Mercusor group and that of the Anglo-Americans.

Clearly, these U.S.-dominated regional associations are not the structure through which Dr. Mahathir's positive idea of a South-South economic link for industrial development and progress can be realized.

Currency Rates

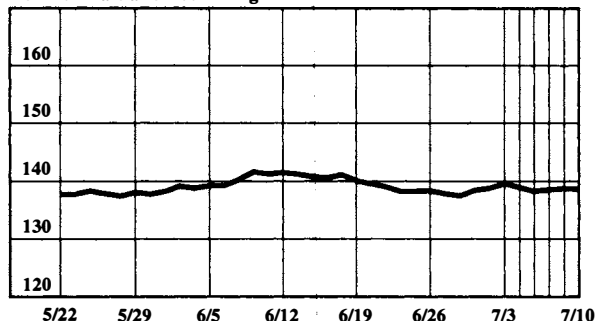
The dollar in deutschmarks

New York late afternoon fixing



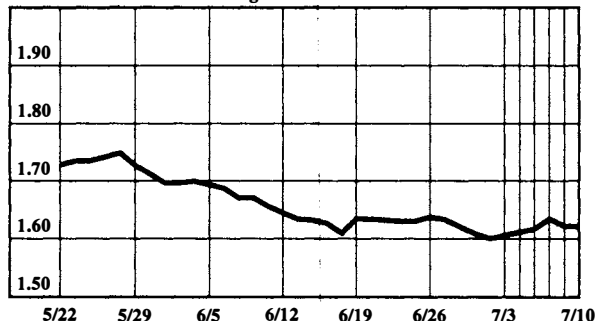
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

