

Business Briefs

Health

AMA backs mandatory testing for AIDS virus

The American Medical Association's policymaking House of Delegates endorsed, by an 185-181 margin, mandatory testing of all pregnant women and newborns for the human immunodeficiency virus (HIV, which causes AIDS), the June 28 *Washington Post* reported. The switch from their long-standing position in favor of voluntary testing only, is said to be because of the discovery that AZT can dramatically reduce a woman's risk of passing the virus on to her fetus.

Some doctors fear that making the test mandatory would discourage those women most at risk for AIDS from seeking prenatal care, but this view was outweighed by what other doctors saw as an opportunity to save more newborns from the disease. Currently, about 1,600 newborns in the United States are infected with HIV by their mothers each year.

"We have learned enough about the disease to know that the differences in those who are treated versus those who are not treated cuts by two-thirds the risk to the unborn child," said AMA former president Robert E. McAfee.

Finance

Thailand welcomes 'financial AIDS'

Thailand's three top financial officials, the finance minister, the central bank governor, and the head of the Securities and Exchange Commission, have given the green light for Thailand to open its own futures and options market by 1999, wire services reported June 22. Changes in the law are already in the works to get such trading, specifically, derivatives trading, up and running. Such speculative activity was called "financial AIDS" in 1991, by Ryutaro Hashimoto, now prime minister of Japan.

At an equity market seminar in the resort town of Pattaya, the finance minister reported that the government has already moved to amend laws to legalize stock short

sales and to introduce covered warrants, with the aim of launching a derivatives market. The central bank governor spoke out of both sides of his mouth, warning that derivatives are difficult to quantify and monitor and "can cripple age-old institutions in no time," but he remains convinced that Thailand's strong economy, stable currency, and ability to attract foreign capital will lead to rapid growth of a derivatives market. The SEC head said his agency has already backed a move by 20 Thai securities companies to create a \$20 million fund for investing in foreign derivatives, which investment will be made through two unnamed U.S. securities firms, to give them "practical experience" in derivatives trading.

Eighty Thais are being sent to the United States for training to set up a derivatives market in Bangkok by 1999, the June 24 *Asia Times* reported.

Energy

Enron, Texaco sign deals with Uzbekistan

Uzbekistan President Islam Karimov, armed with once-secret Soviet geological surveys, on June 27 invited U.S. energy companies to bid on five oil and natural gas projects, wire services reported. "We have opened all our secrets to the U.S.," Karimov said in a speech in Houston. "We are willing to open every door to you."

Since declaring independence in September 1991, Uzbekistan is the only former Soviet state to increase oil output, becoming self-sufficient in crude oil production this year, after boosting oil and condensate production to 8 million tons, or 160,000 barrels, per day.

Karimov was in Houston as part of a tour of Europe and the United States to bolster trade ties and seek investment, with the goal, said one news agency, of helping the country to "complete its transition to a free-market economy."

Texaco on June 27 signed agreements to invest \$6 million in a joint venture to manufacture lubricants, and Enron Oil and Gas, a company long associated with the George Bush crowd, entered into a gas venture valued at \$1.3 billion.

Russia

IMF chaos is deliberate, says Austrian diplomat

The International Monetary Fund (IMF) and related interests are consciously fomenting chaos in Russia, Ernst Florian Winter, a former Austrian diplomat and staff member at the United Nations, charged in a commentary in the Catholic Austrian weekly *Die Furche* on June 21.

Winter said that he had the very revealing experience several years ago, when he tried to get across to President George Bush's staff, a strategy for economic support of, and cooperation with, the Russians during the time the Soviet Union was collapsing. His ideas were rejected with cynicism, Winter said, as the strategy ostensibly was to "let them die in the mud."

There is strong evidence, Winter wrote, that the IMF, World Bank, and related financial circles in the West are even promoting Marxism as the ideology of destruction. These are the circles to blame for the disaster Russia finds itself in these days, he charged.

South Africa

Mandela's economic policy under fire

The Nelson Mandela government's economic policy, released June 14, overlooks even the obvious lessons from the last 30 years in the advanced countries, Zunaid Moola, general manager of the National Institute for Economic Policy in South Africa, wrote in the June 20 *Mail and Guardian*. "Alternative strategies appear to have been ditched . . . we can and must do better than this. What the new macroeconomic strategy lacks most is a sense of urgency about what needs to be done to break the cycle of poverty in an otherwise wealthy country."

He points out there are drastic oversights in this strategy that seems already to have been "chiseled in stone":

1. The emphasis in the new plan is on manufacturing exports. Moola details studies proving that in country after country it

Briefly

INDONESIA has met standards for Western certification of its national mid-size aircraft, the 130-seat N-2130, making it only the eighth country to produce such aircraft. The national aircraft industry was set up by J.B. Habibie, now minister of research and technology. He engendered attacks from the International Monetary Fund, by launching a national, protected car industry in May.

NIGERIA'S feud with the International Monetary Fund on an economic program, converges around its preference for a debt freeze of 15 to 20 years, instead of rescheduling, and its reluctance to reduce subsidies on petroleum products and fertilizer, the July 1 London *Guardian* said.

RUPERT MURDOCH, the media mogul head of News Corp., and Indian Prime Minister H.D. Deve Gowda discussed the possibility of STAR TV uplinking from India, at a meeting in New Delhi, the Indian *Business Standard* reported June 20. STAR is toying with the idea of shifting its base from Hongkong to India.

CAMBODIA'S rate of HIV-infection is 1 of 83, or 120,000 out of a population of 10 million, according to Hor Bun Leng, head of the Cambodian National AIDS Program. He says that he has only 2-3¢ per person for an anti-AIDS campaign.

KAZAKHSTAN'S chief energy inspector, Yeset Zhumabekov, has urged citizens to collect their own winter fuel, including dung, BBC reported, based on the June 20 *Karavan-Blitz*. The power sector is bankrupt and has no prospect of collecting the \$1 billion owed by its consumers. Its debt to CIS countries for electricity exceeds \$400 million.

UKRAINE, the breadbasket of the former Soviet Union, is headed for a disastrous harvest, as low as 28 million tons. (In 1990, Ukraine harvested over 50 million tons.) Regional officials in June asked President Leonid Kuchma to provide stable financing for the farming sector.

has been determined that non-export production generates more jobs than export-producing sectors. (In the United States, a 1% increase in non-export production creates almost twice as many jobs as a 1% increase in export production. In the U.K. and Italy, the magnitude of difference is larger.)

2. Real wage growth in the private sector is projected to be no more than 1% per year for the next four years, meaning that there will be little prospect for the state to increase the proportion of taxes paid by the working class.

3. The government's proposal to introduce a "flexible labor market implies a two- or three-tier system, with the second and third tiers earning considerably less than those in formal, skilled employment. The inequality in incomes for which South Africa has been notorious is thus set to grow—encouraged now by government policy."

4. There is no mention of a capital gains or wealth tax for those companies and individuals who are not prepared to reinvest, and there is the optimistic assumption that all export earnings will be reinvested in the country. The authors appear not to have considered that with the removal of exchange controls, capital flight is a distinct possibility, or that a good portion of those export earnings will be spent on imported luxury items.

Eurasia

Develop Russia as link to Asia, says analyst

The West should help develop Russia as the bridge between Europe and Asia, Robi Ronza, a leader of the Catholic Communion and Liberation movement, wrote in his weekly column in the June 24 Italian daily *Il Giornale*, entitled "Toward New Relations between the West and Russia."

"Rather than cheer for one political leader or another, Europe should decide on a long-term political strategy," Ronza said. This strategy should be based on long-term agreements for the sale of industrial plant and equipment and infrastructure, which "favor the development of Russia in its historical role, that of the bridge between Eu-

rope and Central-East Asia."

The tensions that have wracked Russia throughout this century, including authoritarianism, stem from the fact that this has remained an "unfinished perspective, clearly pursued with the opening of the trans-Siberian railroad (1891-1904), but then negated by the lack of development of that infrastructure project," he said.

It is in the West's interest to relaunch the Russian economy, Ronza said. It would create massive economic markets for us, and avoid the spectre of a Russia "rendered aggressive by hunger and fear."

Ronza has written several articles concerning the development of Eurasia, and the prospects for a "New Silk Road." In 1992, Communion and Liberation hosted Amelia Boynton Robinson of the Schiller Institute as the guest of honor at the movement's mass summer meeting in Rimini, Italy. Ronza is the official spokesman for that event.

Trade

Pact signed to boost commerce on Silk Route

China, Pakistan, Kazakhstan, and Kyrgyzstan on July 6 signed what they called a historic customs agreement, to increase trade along the Silk Route, according to wire service reports. Officials of the four countries signed the protocol after three days of talks in Islamabad, Pakistan, agreeing on a set of rules and regulations and "making a major breakthrough for transit trade" among them, Pakistan's official APP news agency reported.

"It is now expected that the first caravan of vehicles with transit goods can move across the [Pakistan] border by October this year," it said.

Pakistani officials said the agreement would allow a common set of documents to be accepted by the customs officials at the entry and exit border posts of four countries. "Basically, the agreement deals with a standard procedure relating to the scrutiny of documents at the port of entry, examination of goods, assessment of goods, loading of cargo, and movement in transit," one official said.