

# Business Briefs

## Policy

### IMF's new 'openness' doesn't extend to EIR

The International Monetary Fund's (IMF) concern for "democracy" and "openness," which it uses as weapons against developing nations to force compliance with its disastrous conditionalities policies, apparently doesn't extend to *EIR*.

In a speech at the National Press Club in Washington on April 2, IMF Managing Director Michel Camdessus said that the IMF is going to become less secretive and more "transparent," at a time when it is demanding greater "transparency" from the nations subject to its "monitoring." However, when asked by *EIR*'s William Jones if the new "openness" would mean that the IMF would no longer ban *EIR* from covering its meetings, he said, "Such matters belong in the domain of the IMF Information Director."

IMF Information Director Graham Newman had told Jones three years ago, when he threw Jones out of an IMF meeting after Jones had been duly registered, that the IMF and the World Bank had taken a decision that no publications associated with Lyndon LaRouche would be allowed to cover their annual meetings.

## Nuclear Energy

### Overwhelming majority of Germans reject shutdown

The majority of Germans believe that shutting down nuclear power plants would lead to higher energy prices, increased electricity imports, and bottlenecks in energy supply, and 81% agree that existing nuclear plants should continue in operation or be expanded with new reactors. In 1991, the comparable number was 64%.

The results were from an annual poll by the Allensbach agency commissioned by the Information Nuclear Energy Circle, and reported in the German engineering weekly *VDI-Nachrichten*. According to the poll, only 5% of the population expect that Ger-

many would entirely abandon its nuclear capacities and shut down all nuclear power plants. The percentage of the population who strictly oppose the use of nuclear technology has dropped toward 22%, the lowest figure since 1990.

Asked whether the existing nuclear reactors should be replaced by modern nuclear power plants, 36% agreed. On nuclear waste disposal, 68% favor reprocessing and disposal of nuclear waste from German reactors inside Germany, instead of exporting nuclear waste. Only 17% want other nations to deal with German nuclear waste.

## Economic Policy

### Blair's Britain is no model for Germany

The German daily *Süddeutsche Zeitung* warned Social Democratic Chancellor candidate Gerhard Schroeder that Britain, whose people are being plunged into poverty, should not be a model for Germany. In a commentary on March 28, titled "Learning from New Labour?" the daily says that Prime Minister Tony Blair's policies, including "implementation of flexible labor markets, consequent privatization, from water supply to pensions, [and] making the unions completely powerless," are, "in the end, producing a new army of working poor, albeit with low levels of unemployment."

The daily gives an overview of the "success" of British privatization. As "the newly created quasi-monopolies" are showing their "greed for profit," basic infrastructure is collapsing. For example, "The privatization of railway lines has caused rail chaos. . . . Rail lines, as well as signals, are in a condition that is worrisome."

Similarly, tens of thousands of people have written complaints about the natural gas supply. Many households are still cut off from the electrical power grid, following damage during the winter, while power companies have fired thousands of workers in order "to become more efficient." Private water supply companies have lowered the water pressure such that firemen can no longer fight fires in taller buildings, but the pressure can't be increased, because the water mains

are so corroded that daily water losses would surpass the legal limit — 30% of the water of the private British companies is lost to leaks in the water mains. The government had allowed the firms to double water prices, which they have done, in order to modernize infrastructure, which they have not.

Also, the daily pointed out, Britain has the lowest public pensions in all Europe, but Blair wants to cut them even more. He wants to force more than 12 million people into private pension schemes. And, the destruction of trade union power has led to "looting and arbitrary acts," and has cut wages such that, today, 14 million British people live in poverty.

## Ibero-America

### Brittan tours Mercosur for political goals

Leon Brittan, first vice president of the European Union (EU), was scheduled (as we went to press) to tour Argentina, Uruguay, and Brazil, three of the four member countries of Mercosur, the Southern Cone Common Market, on April 13-16. The British political and trade offensive complements major takeovers throughout the region, in which they have replaced the United States as the largest investor in Ibero-America.

The British have made big moves to establish a "special relationship" with the Mercosur countries, especially Brazil, and boast that Britain can serve as their "bridge to the EU." But, fostering economic development is not the British intent. The Brits' Brittan, for example, was the EU representative who led the charge to sabotage the Eurasian Land-Bridge, at a conference in Beijing (see *EIR*, June 14, 1996).

The tour coincided with the Summit of the Americas in Santiago, where the major agenda item was to be the timetable for creation of the Free Trade Area of the Americas (FTAA). (Some countries, notably Brazil, disagree with the United States about the timetable for putting the FTAA into effect, arguing that they would prefer to consolidate Mercosur first.) Joel Fessaguet, the EU official who announced the tour, praised the FTAA initiative, saying that it would lead to

greater trade liberalization. The EU interest in the region, he said, "goes beyond the merely commercial, extending also to political objectives," in areas of technological exchange, the environment, culture, and science.

## Middle East

### Jordanians mobilize vs. IMF privatization

The Finance and Economics Committee in the Jordanian Parliament has presented a proposal to the government to develop a nationalization strategy, and is seeking to stop International Monetary Fund-dictated privatizations, at least in sectors which it considers strategic. These include industrial and mineral firms, specifically, the Jordan Phosphate Mines Co., and the Arab Potash Co., equity in which, the committee says, should not be sold to foreign groups. It is demanding that the government reconsider how much of the Jordan Telecommunications Co. it will sell, and wants education, health, and the energy sector to be excluded from privatization. One deputy, Mohammad Bani Hani, urged the government to declare the Jordan Cement Factories Co. and the Jordan Petroleum Refinery Co., "off limits" to foreign buyers.

The grounds given for the move to halt or limit privatizations are many: In addition to security considerations, there are concerns that Israeli businesses could move in under third-party covers; that service-sector privatizations would lead to price rises for services, further aggravating the economic crisis; that unemployment and poverty would increase; and that foreign interests would own land and estates.

In full vindication of the campaign by jailed Islamist opposition leader Laith Shubeilat against IMF policies, a recent report by the Minister of Social Development documents the devastation the IMF has wrought. The figures show that 1 million (of a population of 4.2 million) Jordanians are living in absolute poverty, i.e., they have to struggle for their daily bread. There has been a 50% increase in the number of people facing poverty since 1992, when the IMF's structural adjustment program was imposed.

Jordan has 25% unemployment.

Illiteracy and malnutrition are also on the rise. Only 20,000 handicapped (of 130,000) receive care, and only 42,320 orphans (of 80,000) receive money. The *Jordanian Times* has noted that if the government cannot provide subsidies and care, people in need go increasingly to religious charity organizations, such as those organized by Hamas.

## Russia

### Bankruptcy shows lack of 'national security'

The Scientific Research Institute of Radio Instrument Making, which for 40 years developed anti-ballistic missile technology defense systems, is no more, according to an article in the March 5-11 issue of the Moscow newspaper *Obshchaya Gazeta*. Entitled "A Blow to the Head: How a Principal Institute, the Creator of Russia's World-Famous Anti-Ballistic Missile System, Collapsed," the article by Anna Politkovskaya provides grim details on the effect that this has had on the scientists and engineers who had worked there.

Trouble started in November 1993, when Yegor Gaidar signed State Decree No. 1356, which turned the institute into a joint stock company. Although the workers balked, "calling the decision on privatization of ABM [technology] an historical mistake," the decree was implemented. The institute tried to find private orders, she relates, "but everything was in vain."

Although the Supreme Court of Arbitration of Russia agreed with the workers, the worsening lack of funding led to suits against the institute by workers whose wages were falling further and further behind. Through various schemes, fraud, and other machinations, the pro-privatizers left the institute essentially bankrupt. In the draft of the 1998 state budget, the institute is not even listed as a "line item." As Politkovskaya stated, "As soon as the budget is approved, the institute will lose everything. . . . Super-secret work is controlled in Russia by private capital. It is on a par with macaroni factories, cardboard manufacture, stores, and *kolkhoz* markets."

**INDIAN** Prime Minister Atal Bihari Vajpayee told the first assembly of the Global Environment Facility, that the lack of drinking water and poor sanitary conditions should be treated on a par with more highlighted ecological problems, such as global warming, the *Pioneer* reported on April 1. "Abject poverty and all that goes with it, is the worst blight on our planet's environment," he said.

**A HIGHWAY** that will link the Croatian cities of Dubrovnik and Zagreb, was contracted by Bechtel on April 3, the second anniversary of the death of U.S. Commerce Secretary Ron Brown and 34 business leaders who perished when their plane crashed into the St. John Mountain while trying to land at the Dubrovnik airport.

**RIOT TINTO**, the British oligarchy-run world's largest mining company, said in its latest annual report that it will focus on acquisitions, rather than new projects, the March 28-29 *Australian Financial Review* reported. Analysts estimate the firm has \$10 billion to spend.

**A NATIONAL SURVEY** of 500 general practitioners in Australia found that 53% knew of situations where patients have died or become disabled, because of dropping standards in the public health system.

**FRENCH** direct investment in Africa was more than 3.8 billion francs (about \$760 million) in 1996, compared to FF 1.3 billion in 1995, the Paris daily *Le Monde* reported on April 1. Most is in English-speaking countries, particularly South Africa.

**THE HEAVY EQUIPMENT** industry in the United States is being hit hard by the Asian crisis and cancellation of construction projects, the April 6 *Business Week* reported. The "gray market," in which barely used equipment is sold as low as 50% off list price, is expected, for example, to capture half of the excavator market in 1998.