

Business Briefs

International Credit

Bankers believe that Soviets can pay debt

"Despite continuing deterioration in the domestic economy and changes in the political environment, the Soviet Union should be able to meet its debt service obligations this year," the Institute of International Finance stated in a confidential study, according to the Sept. 9 *Journal of Commerce*. To make the payments, the Soviet Union would have to sharply curtail imports and sell \$5 billion worth of gold.

The institute said it expects commercial banks to slash their exposure in the U.S.S.R. by nearly \$11 billion this year, on top of the \$10 billion cut last year.

The bankers' group called for the Soviets to carry out "meaningful" reforms of the economy in conjunction with the International Monetary Fund and World Bank. "Existing economic structures may disintegrate," the report said. "However, sudden disintegration of the system without a ready alternative would bring a major economic disaster."

Development

Chirac calls for aid to East, Third World

Former French Premier Jacques Chirac told the Paris conference of the European Democratic Union Sept. 12 that it is not only "politically necessary" to aid the poor nations of the Third World and the emergent democracies of the East, but "morally so." He called on the United States and Japan to begin to allocate 0.8% of their GNPs to aid the Third World (European countries have already committed that amount).

The EDU is composed of 24 European political parties—Christian Democratic, liberal, and conservative. Chirac, however, leader of France's Gaullist RPR party, the conference's host, was the only leader to address the deeper economic problems of the South and East.

The new order in Europe must create stability, said Chirac. In the South, which is presently undergoing high demographic growth,

if Europe is unable "to aid those countries to create jobs at home for those children to be born, then we will condemn our rich countries in Europe to an extraordinary migration process of which the consequences to all orders, social, political, strategic, are incalculable," he warned.

Concerning the East, he recommended "the necessary enlargement—and the most rapid possible—of the [European] Community to include the democracies in the East. It is unthinkable that, because of egoism or lack of vision of history, we replace the Berlin Wall with a new wall, that of money." Eastern Europe cannot "be reduced to the role of buffer zone between a rich and protected Europe of 12, and an ex-U.S.S.R., poor, overarmed, and in full revolution."

Eastern Europe

Poland hoodwinked by West, says Walesa

Poland was "hoodwinked" on economic policy by the West, declared Polish President Lech Walesa in an interview published in France's *Le Monde* Sept. 11. When asked whether the lack of concrete aid from Europe was hypocritical in light of Western demands for "free market" reforms, he answered, "That is in conformity with capitalist philosophy. Of course, we have been too naive. We believed in all those slogans and we were had."

He also stated, "The West sees everything from a capitalist standpoint. They tell us to close factories, to lay people off. Instead of closing down an inefficient shipyard, we would rather let it live and use the machines to make something else. In our reforms, Poland made a mistake, we chose to go fast to keep up with you. As a result, we have terrible problems today."

"I want to be an intelligent capitalist," he told the interviewer, "one who thinks in the long term." He stated that his priority is to establish trade pacts with the republics of the former U.S.S.R. "The political side will follow."

His views were echoed by Austria's *Die Presse* in a Sept. 9 editorial. Poland's industry is being sacrificed to the "bazaar capitalism" which accompanies the "free market" policy

of radical deregulation. One of the main results of this policy, the daily reported, has been the "increase in the gap between poor and rich."

Medicine

Conference hears of new cancer-fighting drugs

A new set of drugs called "differentiating agents" can be very effective in fighting cancer in a novel way, the Fourth Chemical Congress of North America was told in New York Aug. 29. The drugs do not kill either normal cells or cancer cells, but cause the cancer cells to acquire normal restraints on growth.

Dr. Ronald Breslow, head of a group of scientists working on the synthesis of differentiating agents at Columbia University, reported that clinical trials on one agent, HMBA (hexamethylene bis-acetamide), began at the Sloan Kettering Cancer Center in the mid-1980s. The results were good, but very large doses were required. Since then Breslow and associates have synthesized about 400 other agents, the newest of which is about 1,000 times more potent than HMBA.

Labor

First independent union founded in Thailand

The newly founded national Labor Congress of Thailand held its first general assembly Aug. 7. Confederation adviser Pakdee Tanapura, also a representative of the Schiller Institute, delivered the keynote address to the assembly of 10,000.

The confederation involves 40 unions, mostly with young women members from the textile mills outside Bangkok. The confederation was built over the last year despite intense harassment from the AFL-CIO's Asia Labor Institute and the Friedrich Ebert Foundation, which tried to buy off union leaders with promises of money, offices, and other rewards if they would dump Tanapura as adviser.

All other confederations in Thailand are

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heavily dependent upon funding from foreign labor groups. The leaders of the National Union Congress are financing the confederation through member dues.

Ecological Fascism

Environmentalists demand court to try 'polluters'

Environmentalists from 23 nations have called for the creation of a world environmental court "at which environmentally criminal activity can be brought to the attention of the entire world," in the words of a declaration issued at the conclusion of a conference in Morelia, Mexico in early September. The conference was attended by some of the all-stars of the environmental movement, including Lester Brown of World Watch Institute and Petra Kelly of the Green Party of Germany.

The five-point declaration also called for: preservation of native societies such as Amazon Indian tribes; the commitment of all nations to reduce carbon dioxide emissions by 20% by the year 2000; and an end to international traffic in toxic wastes.

Economic Theory

'Invisible hand' will pick your pocket

Chicago Tribune financial editor John McCarron attacked "Invisible Hand" ideologues as "pick-pockets," in a Sept. 8 column entitled "Time to clean up our own backyard." Ironically, the *Tribune* is considered a bastion of the theories McCarron attacks.

He began with a warning against the smug, self-satisfied editorials, articles, and cartoons in the American press on how rotten the Soviet Union is compared to America. We really haven't won anything until there is economic development in the former Soviet republics and until we "retool the U.S. prosperity machine so it will work for the 32 million Americans who live at or below the poverty level," he wrote.

"We're talking here about the 'invisible hand' crowd, the ideologues who brandish Adam Smith's *Wealth of Nations* the way Lenin once waved *The Communist Manifesto*. Both are simple solutions to complex problems, and neither work when applied literally to a modern state. Do the Smithians really want us to go back to the free-market London of Charles Dickens? Or to the wide-open Havana of Fulgencio Batista? Is that the best advice they can give to a society that cares enough about its people to want a minimum level of well-being for all?"

The reality, he continues, is that America, too, is collapsing. Witness the collapse of school test scores, the increase of unemployed workers who have exhausted benefits to nearly 2 million, and the record of 120 murders in Chicago in August, "making our city far more dangerous than Moscow during the coup."

"And while the disciples of Adam Smith lectured the U.S.S.R. about its need for unfettered capitalism, the powerful practitioners of the 'invisible hand' were discovered to be picking the pockets of the American taxpayers and consumers."

World Depression

Britons riot as unemployment grows

Riots hit five British cities in the second week of September—Birmingham, Cardiff, Oxford, Newcastle, and North Shields near Newcastle. Rioters set stores on fire, built barricades, and cut power lines and phone lines.

On Sept. 11 in the once-industrial city of Newcastle, several hundred youth rioted for 4-5 hours. Firemen were attacked with petrol bombs, and one was severely injured when a burning building collapsed on him.

Unemployment is estimated at 85% in the urban housing "estates" where the riots broke out. One elderly resident called the Newcastle riot area "the Third World on the Tyne," where families scrape for pennies to buy beans.

British unemployment has risen by 51% since March 1990, to a level of 2.4 million or 8.5% of the work force.

● **GLOBAL WARMING** was exposed as a hoax by former Washington State Gov. Dixy Lee Ray at the annual Erice conference in Sicily in late August. Many attendees expressed amazement, saying that they had never before heard the scientific facts, only media scare stories.

● **LITHUANIA** is seeking the formation of a Baltic Federation similar to that of the Benelux countries, Lithuanian President Vytautas Landsbergis said Sept. 11. Newly independent Latvia, Estonia, and Lithuania, he said, are planning an economic and customs union with symbolic internal borders.

● **CHINESE WOMEN** from Yunnan province are filling the brothels of Thailand, say Thai police, who have uncovered a growing trade in women and drugs along the forest trails through Burma linking northern Thailand with southern China.

● **FREE FOOD** distribution to hungry Australians has doubled in many parts of the country in the past few months, according to Australian news reports. The Anglican Church reports that in some places it has distributed 70% more food parcels this August than last. "It's the worst I've ever seen it," said one official. "There seems to be no end in sight to the pathetic queues of food seekers."

● **THE BROWN SHOE** Company of Fredericktown, Missouri will shut down factories and warehouses in four Missouri counties in the near future, laying off 1,400 workers and turning a number of affected localities into ghost towns. The company accounts for one-third of all women's shoes produced in the U.S.

● **TAIWAN** will buy sixteen 3,200-ton LaFayette class naval frigates for \$4.8 billion from the French industrial giant Thomson-CSF. The French government has distanced itself from the sale, after blocking it last year under pressure from communist China.