

Business Briefs

Usury

U.N. admits that Third World has been looted

The latest report produced by the U.N. Development Program admits that the international financial establishment has been looting the Third World with loan-shark practices for over a decade.

The "Human Development Report for 1992" issued in April by the agency, admits that debt repayment efforts have destroyed the economies of the Third World in the same way the depression of the 1930s wrecked the industrial nations.

"For the developing countries, the relevant real interest rate on their foreign debt is the nominal interest rate adjusted by the rate of change in their dollar export prices. As a result primarily of the fall in their export prices, developing countries effectively paid an average real interest rate of 17% during the 1980s compared with 4% paid by the industrial nations.

"The attempted liquidation of their debts could not keep up with the fall in the prices of their exports that it caused. This phenomenon—first identified during the depression of the 1930s—has a paradoxical and disturbing outcome: *The more debtors pay, the more they owe*" (emphasis in the original).

The International Monetary Fund and World Bank "amplified" this process, according to the report, which noted that between "1983 and 1987, when developing countries faced a sudden exodus of commercial bank lending, net IMF transfers turned from plus \$7.6 billion to minus \$7.9 billion. Net World Bank transfers also turned negative—to minus \$500 million in 1991."

Health

No money to vaccinate against hepatitis B in Va.

Although three national health organizations—the Centers for Disease Control in Atlanta, Georgia, the American Medical Associ-

ation, and the American Academy of Pediatricians—have all made an about-face in the last 18 months and recommended that every infant be vaccinated against the highly contagious hepatitis B virus, Virginia's Health Department has no money allocated to buy the three doses per infant required, *Roanoke Times and World-News* medical writer Charles Hite reported on April 20.

A letter urging Gov. Douglas Wilder and state health officials to "take immediate steps" to make the hepatitis B vaccine available to all children regardless of ability to pay was sent by the chiefs of pediatrics in the three Roanoke area hospitals, after a meeting of 35 pediatricians who practice in the area. Roanoke is one of the poorest areas in the state, where 65% of the families of those in first grade in the public schools get food stamps. About \$1.4 million is needed for the vaccine.

All three medical associations admitted that the strategy of vaccinating only those in high-risk groups has failed to stop the spread of hepatitis B.

Some 300,000 people, mostly young adults, become infected each year, of whom 6-10% will become chronic carriers and spread the disease to others. The earlier in life the infection occurs, the more likely it is that a person will become a chronically infected carrier.

According to the paper, state health officials say it is unlikely that state funds can be used for the vaccinations until July 1, 1993.

World Trade

Iran, Saudi Arabia deal with Turkmenistan

Trade deals between the newly independent republic of Turkmenistan and Iran and Saudi Arabia are increasing.

Iran has said it will build a motor oil refinery in Turkmenistan, Reuters reported April 16. Iranian Oil Minister Gholamreza Aqazadeh, back from a visit to Ashkhabad, also said Teheran would explore for oil in Turkmenistan and import up to 150,000 tons of diesel fuel a year, Teheran Radio reported. The construction of the motor oil plant, he said, would begin

within six months.

"Iran has agreed in principle to Turkmenistan's request to export its natural gas to Europe via Iran. In that case, the section of the pipeline going through Iran would be built by Iranian experts," Aqazadeh said. He said bankers accompanying his delegation worked out details of a \$50 million credit to be used by Turkmenistan to import Iranian goods.

A Turkmen government delegation headed by Turkmen President S. Niyazov arrived at Jeddah, Saudi Arabia on April 6, during the holy month of Ramadan. The visit was unusual because, as a rule, Muslim countries do not invite any guests during this period.

In his comments on the results of the visit by President Niyazov to Saudi Arabia, Ata Charyev, a member of the Presidential Council and deputy Turkmen head of government, told Interfax news service that a group of Saudi businessmen would visit shortly to discuss concrete proposals, including cooperation in the development of oil, natural gas, and petrochemical complexes, processing of cotton, and the construction of a gas line through Turkmenistan, Iran, and Turkey.

East Asia

Malaysia, S. Korea to build joint arms industry

South Korea and Malaysia plan to become major Asian arms suppliers by jointly producing a wide range of defense equipment, Malaysia's new Armed Forces chief Gen. Yaacob Mohammad Zain has said, Reuters reported April 27.

"We are looking at producing naval vessels, infantry fighting vehicles, ammunition, and night vision equipment . . . it could be the start of Malaysia's defense industry," said Yaacob, who was Army chief until he replaced outgoing Armed Forces chief Gen. Hashim Ali in April, "The two Asian nations could become major manufacturers and global exporters of military hardware."

The two countries have set up a joint committee to identify types of arms to be produced, Yaacob said. "We first want to build equipment needed by the armed forces of both coun-

tries . . . the infantry fighting vehicles, for instance, are needed by our mechanized battalion.”

Yaacob said the project, to be based in Malaysia, would be undertaken by the private sector when both governments complete plans. He did not give a date.

Malaysia has forecast that its defense spending in the 1991-95 five-year plan will quadruple to \$2.37 billion from \$592 million in 1986-90. Defense Minister Najib has said the increase was necessary because Malaysia had not spent enough on defense in the past 20 years.

“We need more funds to better equip our forces . . . it [the allocation] might spill over to the next plan” (1996-2000), Yaacob said.

Agriculture

Farm parity policy advances in Louisiana

Hearings are scheduled in May in the Louisiana legislature on Senate Bill 206, introduced by Sen. James David Cain, calling for establishing a parity price for Louisiana's agriculture products.

In a press release issued April 22, Schiller Institute member Fred Huenefeld of Monroe, Louisiana, who is supporting the initiative, stated, “The purpose and intent of this legislation can only be realized in the context of national policy. Significantly, there has never been a depression when parity pricing was the law of the land. Therefore, this legislation is proposed as a model economic bill which will become effective only when approximately 30 states pass comparable legislation.”

The proposed law requires the state commissioner of agriculture and forestry to establish a minimum price for dozens of food crops, livestock, and other agriculture products, with prices based on standard grade type and quality.

The minimum price will be 90%, and the maximum price 115%, of parity. Huenefeld commented, “The minimum price is based on the cost of production and a reasonable return. This is arithmetic. No foreign country or state

could sell into any state below the cost of production and reasonable return of these products.”

The bill states that in the unlikely event that world carryover stocks exceed 40% of the desired world use of that commodity, which is defined in the bill, then orderly marketing procedures would be implemented by the state agriculture commissioner within 24 months.

Population

Malthus attacked in leading European press

Two attacks on Parson Malthus and his proponent Prince Charles of the House of Windsor have appeared in the leading European press.

In a commentary in the April 23 London *Times*, Nigel Hawkes wrote that, after two centuries, the catastrophes predicted by Malthus have not come to pass, and there is no indication they ever will. Fertility is falling everywhere, including in Bangladesh and Brazil, and the growth rate of population, rather than the growth itself, has already peaked.

Hawkes cited U.N. Assistant Secretary General Goeran Ohlin, who recently said that larger populations have generally found it easier to support themselves in the past, and cited the fallacies in neo-malthusian reasoning as to why large populations mean catastrophe. In the 19th century, U.S. population grew faster than the Third World's population is growing now, he said.

An editorial in the April 24 *Wall Street Journal-Europe* called the Earth Summit in Brazil a “phantasmagorical carnival,” and stated that what Prince Charles “and other malthusians think they know about population growth has been shown to be false.” Growth is the key to “lower fertility rates—if that is what one wants,” the *Journal* wrote, and growth is also key to environmental improvement. Western Europe is cleaner than eastern Europe because it is richer, not more environmentally sensitive. Scaremongers like Paul Ehrlich have always underestimated human ingenuity, the editorial concluded. “The prince is not in good company, but he has plenty of it.”

● **THE SWISS** government wants to extend arable lands by 438,560 hectares to secure its national food supply, a policy that goes directly against the “set-aside” policy of GATT. Jean-Claude Piot, director of the federal office of agriculture, said that the set-aside policy is leading to a “new Chernobyl” by forcing so much land out of production.

● **THE GEORGE** Marshall Institute will shortly issue an “eye-popping” study debunking the apocalyptic warnings about global warming, columnist Paul Gigot wrote in the April 24 *Wall Street Journal*. The study, based on satellite temperature measurements, will suggest that warming of no more than 0.5° Celsius will occur in the next century.

● **MORE THAN 10%** of Zimbabwe's population is HIV-infected, IPS news service reported April 21. Zimbabwe, owned mainly by Lonrho's Tiny Rowland, has more than 1 million carriers of the virus out of a population of 10.8 million. Children under five account for 15.7% of known cases. Only 25-30% of the total cases are believed to be reported.

● **McGEORGE BUNDY** was instrumental in promoting the buyout binge of the 1960s, which set the stage for the even worse buyout binge of the 1980s. Roy C. Smith, in his book *The Money Wars: The Rise and Fall of the Great Buyout Boom of the 1980s*, says that Bundy warned universities that they would lose Ford Foundation support if they did not invest in the financial manipulations of such funny money pioneers as James Ling.

● **IRAN** is accelerating privatization, following parliamentary elections on April 11 in which followers of President Rafsanajani made major advances. The state will sell its 10 largest car manufacturers, and four other metal and shipbuilding firms. The government's National Industries Organization intends to sell half of its 300 firms by March 1993, and the rest by March 1994.