

Business Briefs

Economic Policy

Call for 'New Bretton Woods' covered in Mexico

Columnist José Neme Salum reported on growing worldwide support for the call to convene a "New Bretton Woods" conference, and to put the International Monetary Fund (IMF) on trial, in Mexico's daily *Excelsior* on March 17. As defined by Lyndon LaRouche, a New Bretton Woods conference is crucial to restart world trade and production.

Ukrainian member of parliament Natalya Vitrenko, in a speech to the Supreme Rada (parliament) on Feb. 26, called for "all the progressive forces of humanity [to unite] and conduct a Nuremberg trial of the IMF and World Bank. Enough, already, with letting them toy with us, enough of letting them kill our country," Neme Salum quoted her as. As a result, he wrote, scores of Vitrenko's fellow parliamentarians signed a letter to President Clinton calling on him to convene "a new Bretton Woods to put an end to usury: a worldwide convocation, because it's not only the Ukrainians. The call has been joined by state representatives and senators, together with labor and church leaders in the United States.

"Also, by the former vice premier of Czechoslovakia, Jozef Miklosko; members of the parliaments of Italy, Poland, Burundi, and South Africa, to mention but a few of the representatives from Europe and Africa.

"In Latin America, congressmen from Argentina, members of the Legislative Assembly of Panama, former Brazilian ambassador, Peruvian bishops, and even military men.

"They are thousands of people, who have been joined from Mexico by federal Cong. Walter León of the PRI [ruling party]; mayors from Jalisco and Queretaro; the president of the National Confederation of Micro and Small Enterprises, Manuel Villagomez; and the leader of the PAN [National Action Party] . . . Adalberto Rosas López, among others."

Neme Salum said that those who believe that such a call will go nowhere in the United States because that country is living off the exploitation of Mexico and other countries through the North American Free Trade Agreement, "should glance at the speech delivered by AFL-CIO President John H.

Sweeney last Jan. 31 at the World Economic Forum held in Davos, Switzerland." He quoted Sweeney saying that the disparities between the "haves" and the "have-nots" in the United States have reached levels not seen since the Great Depression.

Neme Salum quoted extensively from the Bretton Woods call, which was sponsored by the Schiller Institute, including the section reminding Clinton that the very survival of the United States, as well as that of the rest of the world, depends on the establishment of a new Bretton Woods monetary system.

Poland

Social unrest grows over planned shutdowns

The Polish government's plans to close the Gdansk shipyard and 400 other state-owned enterprises slated for "restructuring," are provoking growing social unrest. Strike leaders of the Solidarnosc trade union from various parts of the country, gathered in Warsaw on March 12 for a meeting of union's National Committee, discussed larger protests, including a general strike after Easter, in a bid to persuade the government to save the shipyard and the firms.

The Solidarnosc meeting came in the context of labor protests against the shutdown of the Gdansk shipyard. Some 2,000 shipyard workers raised a brick wall as a symbolic siege in front of the Gdansk headquarters of the governing SLD party, and blocked roads in the city and the port area. Solidarnosc National Committee head Marian Krzaklewski said the shipyard's closure is an "act of political vengeance."

Similarly, leaders of the miners' unions in Poland's Upper Silesia declared that they would join in a general strike, to protest government plans, arranged with the International Monetary Fund and foreign creditor banks, for the shutdown of at least 50% of the mining sector.

Earlier, on March 7, armament industry workers from around the country rallied in Warsaw, to demand an increase in defense expenditures. The protest was organized by Solidarnosc to defend Polish military industry, which is close to extinction because of the lack of orders and new investments

which would allow the industry to convert to civilian production. Pawel Soroka, the coordinator of the Polish Industrial Lobby, noted that, in the past, some of the best technological research was conducted in this sector of industry.

Italy

FIAT head calls for industrial development

FIAT general manager Cesare Romiti called for developing Italy's backward region in the South, the Mezzogiorno, in a meeting in Rome on March 19, *Il Sole 24 Ore* reported. "We accepted the idea that the South represents a problem. Instead, we should consider it as a very wealthy resource, a great opportunity," he said.

"The big effort we must make is to bring jobs to the South," where most of Italy's youth is concentrated, Romiti said. "Where the youth are, there is the future of the country." Only with a strong target of development can one evolve the confidence to overcome today's fears, he said.

Romiti issued his call in the context of breaking with the national consensus that Italy should adhere to the Maastricht Treaty for European Monetary Union, a theme he had first mentioned last summer. Romiti urged a return to the original idea of the European Union, which "had been supported by a dynamic view of the economy, centered around the growth of new industrial firms, generating wealth, welfare, and jobs." With Maastricht, however, Romiti said, what is left is a major project of monetary and financial reorganization, without the necessary complement of "a project based on industrial production and employment."

Industry

Automobile sector crisis set to explode in France

The crisis hitting Renault is only the beginning of a very broad crisis hitting all the automobile manufacturers in France. The immediate causes of the crisis include the dramatic drop in living standards, leaving people un-

able to afford cars; the increasing reliance of industry on outsourcing; and generally increased competition internationally in the automobile industry.

After announcing the closing of the Renault factory in Vilvoorde, Belgium, laying off 3,100 personnel, Renault is expected to announce additional layoffs of some 2,100 workers in France. The car maker's workforce has shrunk massively since 1984, dropping from 98,000, to 58,000 in 1996.

The crisis would have come to a head some years back, but was stalled thanks to government aid toward the purchase of automobiles, a policy adopted by the Edouard Balladur government and continued by Prime Minister Alain Juppé. These measures were discontinued at the beginning of 1997, and new vehicle registrations dropped in January by 33%, in February by 24%, and are expected to continue to drop, by 30%, in March, over last year's figures.

And not only will French companies be affected. FIAT France, whose compact models had been the main benefactors of the government aid for car purchases, has seen its sales drop by 50% since that aid was eliminated.

China

Xinjiang development strategy outlined

China's province of Xinjiang is expanding its economic development through a "coalition" with eastern provinces and the Eurasian Continental Bridge, China's daily *Renmin Ribao* reported on Feb. 18. Currently, "25 provinces, regions, and cities are implementing 9,000 cooperative projects with focus on such capital industries as agriculture, the petrochemical industry, and energy resources, involving a capital of some 5 billion yuan," the paper said.

Xinjiang is the target of a British-backed destabilization campaign designed to cripple the Eurasian Land-Bridge project and break up China (see *EIR*, March 28, pp. 54-65).

In addition, "Xinjiang has lost no time in implementing the strategy of 'opening up on two lines, with priority given to areas along the border,' by utilizing 15 border ports and the Eurasian continental bridge, attracting a tremendous sum of funds from the state and

various provinces and regions to spend in the continental bridge economic region, formulating the industrial setup along the bridge in a comprehensive way," the paper reported. "Last year, the import and export volume of Alashankou Port was some 1.8 million tons, and it became the first runner-up of all continental ports across China within only a few years."

Iran

Rafsanjani: 'Contribute to reconstruction'

Iran's President Ali Akbar Hashemi Rafsanjani outlined the achievements of the country since the 1979 revolution and, especially, the past eight years dedicated to economic reconstruction after the Iran-Iraq War, the daily *Ettela'at* reported on March 18. In a speech delivered on the Iranian New Year, and broadcast internationally, Rafsanjani called on Iranians abroad to return home and contribute to the country's reconstruction. He said that those Iranians who left would "find Iran quite different from what it was in the past."

Rafsanjani stressed Iran's total independence from foreign control. "There are no longer any foreign advisers in the oil, gas, petrochemical, energy, defense, and other strategic sectors in Iran," he said. "All these jobs are carried out by Iranian experts themselves in a less expensive and more reliable manner." In the industrial sector, he said that Iranians were participating in international bids for implementation of massive projects, in gas, oil, petrochemicals and other fields. In agriculture, he said, Iran had built 135 big dams. In telecommunications, "our position is such that a major part of the strategic Pacific-Atlantic fiber optic cable network involving 20 countries is carried out by Iran," he said.

Rafsanjani also praised his country's advances in education, saying that there were now "over 1.3 million college students, 20 million students, over 1 million teachers, and thousands of university lecturers in the country, showing a tenfold increase compared to the pre-Revolution era." In a related development, Minister of Culture and Higher Education Seyed Mohammed Reza Hashemi Golpaygani highlighted the positive results on the universities, of the massive investments made in research work.

THE BANK for International Settlements recently held a secret meeting to discuss the dangers of the 141 unregulated offshore banking centers to the international banking system, according to Britain's *Sunday Business* of March 16. "A really big default in the offshore system could easily have a domino effect hitting the international banking system before anyone could do anything about it," one banker said.

FRENCH medical interns are striking against managed health care, including a provision of the social security plan of Prime Minister Alain Juppé which caps spending for medical care, and penalizes all doctors if spending is too high.

MYANMAR and Thailand opened the Mae Sot bridge linking the two nations in January, which is a potential trade route into Bangladesh and India from Thailand. The project advanced with the defeat of the Karen rebellion, the last British-run ethnic operation in Myanmar, which was also sponsored by George Soros.

THE POLISH government, fearing Albanian-style arrest, declared all "snowball funds" illegal on March 8, the *Frankfurter Rundschau* reported. It arrested five pyramid-scheme managers of a firm in Warsaw who have lured 600,000 Poles into dubious investments, promising them gigantic gains.

HUNGARIANS several tens of thousands strong protested the deregulation policy of the socialist government of Prime Minister Gyula Horn, in Budapest on March 15. Horn's deals with the IMF are blamed for cuts in state subsidies and the rise of consumer prices.

AUSTRALIAN Democrat Party leader in the Federal Parliament, Sen. Cheryl Kernot, sponsored a petition on Dec. 5, 1996 from the Citizens Electoral Council, the co-thinkers of Lyndon LaRouche in Australia, that calls for an end to privatization, and a 0.1% tax on all speculative capital.