

Business Briefs

Industry

Japan's machine-tool orders fell in 1999

A revealing insight into the fake Japanese "recovery" of 1999, is the poor situation of Japan's machine-tool industry, the sector most critical to future economic growth. The Japan Machine-Tool Building Association yearly figures, released in February, showed that machine-tool orders fell to 756.6 billion yen in 1999, down 23.5% compared to 1998 and almost 40% less than in 1997. Domestic orders fell 21% last year, and thereby shrank to one-third of the record result in 1990.

Three-quarters of Japan's domestic machine-tool consumption is now made up of three core sectors of Japan's industry. All three considerably reduced their machine-tool orders in 1999: machine building -21%, automobile production -31%, and electrical engineering -10%. Foreign orders for Japanese machine tools also fell by 26% last year. Other orders were sharply down, particularly from the United States (-34.6%) and Europe (-26.3%). As a consequence, the Japanese machine-tool industry eliminated one-fourth of its employment throughout the 1990s.

Economic Policy

Why Dr. Mahathir pulled out of Davos meeting

Malaysian Prime Minister Dr. Mahathir bin Mohamad told reporters upon his return from Europe on Feb. 1, that he pulled out of the Davos, Switzerland World Economic Forum after its organizers decided that, with a plenitude of luminaries attending, they preferred Dr. Mahathir to participate in a panel discussion along with George Soros, rather than deliver a keynote address as planned. Dr. Mahathir said, "I was of the opinion that as a member of a panel I would not be able to speak much, only to answer questions for two to three minutes. So, I felt there was no gain, and it seems that they do not want to hear our opinion, but only the opinions of developed countries."

In 1997, Soros led the attack on currencies which destroyed many Asian economies, following which Dr. Mahathir enforced exchange controls.

Mahathir said that he had hoped to have an opportunity to express his fears about globalization. For example, "to expect corporations in developing countries to compete with corporations from developed countries which have already merged is ridiculous. And that means that we will be swallowed up. I'm not against globalization, but I'm against the interpretation of globalization," he said.

Speaking to Malaysians in London on Jan. 27, Dr. Mahathir called Soros "a non-entity whom no one listens to anymore and whose book is drivelt."

Eco-Frauds

Global warming link to malaria spread debunked

The myth that malaria will spread north as a result of what is alleged to be man-made global warming, was picked apart by epidemiologist Paul Reiter, chief of the Entomology Section Dengue Branch of the U.S. Centers for Disease Control, in the January-February 2000 issue of the journal *Emerging Infectious Diseases*. Reiter documents through epidemiological and other historical records, as well as the literature of William Shakespeare and Daniel Defoe, that malaria was a widespread killer andcrippler in England and other European nations during the coldest years of the Little Ice Age, in the late 1500s.

The English word for malaria was "ague," which remained in common usage through the 19th century. The worst-hit areas in England were the coastal marshlands and estuaries, where five species of the malaria-transmitting *Anopheles* mosquito are indigenous. The 16th- and 17th-century descriptions of the condition of the population in these areas, Reiter says, resemble those of the malaria-endemic tropical regions today in all the medical particulars.

"The strongest evidence that ague was indeed malaria," Reiter says, "is the identity of its cure": an extract of cinchona powder,

made from the bark of several native South American trees, which has as its principal ingredient quinine. Reiter says that this "effective use for malaria therapy was first developed with ague patients living in the salt marshes of Essex, less than 50 kilometers from the center of London . . . [and] conducted during the coldest years of the Little Ice Age."

The mosquito vectors for malaria lived and transmitted disease in cold and temperate climates, but in these areas, over time, swamps were drained, window screens were used, and pesticides, especially DDT, were able to drive down or eliminate the mosquito populations.

Reiter said that the increase in the incidence of malaria today stems from the deterioration of public health services and of mosquito control, increased international travel, and natural disasters and civil strife—not the weather. "Public concern should focus on ways to deal with the realities of malaria transmission, rather than on the weather," he said.

Eastern Europe

Romanian teachers in nationwide strike

Since early February, Romanian teachers have been striking for increased state education funding, as well as increased salaries. Once general income levels and inflation are accounted for, teachers are receiving barely more than one-third of what they earned 10 years ago.

All parties, including those in the conservative-liberal government, are supporting the teachers' demands. The pro-International Monetary Fund government of Prime Minister Isarescu (who was until a few weeks ago governor of the national bank), claims the strike is meaningless, because there is no money in the state budget for the increases. Education Minister Andrei Marga has announced that he will resign if Isarescu continues to reject budget increases, which would imply funding education with 4% of Gross Domestic Product.

Support for the teachers has come from a recent international conference, "Education

ITALIAN Senators who have co-signed the parliamentary motion for the government of Italy to help convene a New Bretton Woods conference, now total 23. The initiative is being discussed among members of the Italian Chambers of Deputies and among Italian Members of the European Parliament (MEPs); the latter intend to begin private consultations with MEPs from other nations.

25,000 BRITONS die of cancer each year unnecessarily, the World Health Organization estimates. Many are denied payment for chemotherapy by the National Health Service, and can only get it if they can afford it themselves. Others can't get proper care in a timely manner.

EUROPEANS invested \$13 billion in the stock exchanges in December, more than Americans did for the first time ever, the Feb. 10 French daily *Le Figaro* reported. "This is a remarkable change," said Mark Howdle of J.P. Morgan. Europeans are just discovering the joys of the "new economy," the article said.

THE NUMBER of least developed countries (the world's poorest nations) has doubled since 1971, from 25 to 48, with 33 in Africa, the UN Conference on Trade and Development said in a report issued Feb. 13. Only one, Botswana, has improved conditions.

JAPANESE households have cut back on spending for an unprecedented seven consecutive years, the Japanese Management and Coordination Agency reported on Feb. 8. Household spending fell 1.2% year-on-year in 1999.

SAMSUNG Electronics of South Korea and Thomson CSF of France announced a 50-50 joint defense venture on Feb. 8. It will be capitalized at \$240 million, and will be located in Kumi, South Korea. Agence France Presse plays up the French-Korean alliance as a blow to the United States, which has dominated the defense market in South Korea.

for All," in Warsaw, Poland. There, a UNESCO report detailed that among 27 countries of North America and Europe, Romania provides the least funding for education, and that Romanian teachers today earn 40% of what they earned in 1990.

On Feb. 11, President Emil Constantinescu said that some Romanians are living in such bad conditions that they are nostalgic for even the poor living conditions they had under the Communist Nicolae Ceausescu regime before 1990. "There are pensioners and old people who miss the little good they had under him. There are many who are shocked by the arrogance of the *nouveaux riches*, and many who are frustrated, rightfully frustrated, by the fact that they are bombarded on television by the images of things they cannot afford," Constantinescu said.

Labor

Bulgaria can reject free-market 'reforms'

Bulgarian labor leader Konstantin Trenchev said that Bulgaria has an alternative to free-market "reforms," and called for a broad movement to express citizens' discontent with the government and the policies it stands for, in his keynote address to the fifth convention of Podkrepa, one of the two biggest labor federations of Bulgaria.

"It is not true that this country has no alternative; a nation always has an alternative in itself," he said. Early elections would be the best way for the population and its genuine interests to get represented in the Parliament, so that the disastrous economic course of the last decade could be reversed.

Trenchev stressed that the transition to a free-market economy spawned poverty and crime, and led the country into a dead-end. The "social stratification" that Bulgaria has seen over recent years, has led to extreme social polarization that is "un-European in character," he said. The driving force in the nation's economy today, is dramatically reduced personal consumption, he charged. Once people begin to lose their illusions, and see that this situation will become permanent if not changed, social discontent will spread, he said.

Trenchev said that the country has been left worse off now than even after the first and second Balkan wars at the beginning of the 20th century, and World War II.

According to a report by the Institute for Social and Labor Research in Sofia, 25% of Bulgarian households live on less than the minimum monthly income of 78.7 new Bulgarian lei.

Economic Warfare

Oligarchy targets India, China on water costs

The Feb. 3 issue of the *Far Eastern Economic Review* signals a campaign by the British-led oligarchy to sabotage the development of China's interior regions and India, by driving up the price of water. It writes: "Apart from the unlikely scheme to divert water from the distant Yangtze River, the only way to address the shortages in northern China is by making water use more efficient—and that means raising water rates. With limited water supplies to be shared around, the government will also be forced to choose between agriculture and industry and between the backward interior and the developed eastern seaboard."

The Dow Jones-owned magazine suggests that a proper "market price" on water would be about 400% more than the current price. To make clear that this would mean dumping both agriculture and the "backward interior," it quotes environmentalist Lester Brown that 1,000 tons of water can produce a ton of wheat with a market value of \$200, while the same water in industry produces 70 times more revenue.

The article on India says that there is no real water shortage, only mismanagement. Again, the blame is on "the unwillingness of policymakers to charge market prices for water," thus "stalling the participation of private companies that can bring in much needed capital and expertise." The *Far Eastern Economic Review* sees hope, in that a 1992 constitutional amendment made local governments responsible for water policy, and some localities may be willing to raise the cost of water the required ten-fold to make it profitable.