

Business Briefs

Resources

Multinationals dictate looting terms to Brazil

Leading multinational companies operating in Brazil, headed by Shell, Xerox, and the Bronfman family's Brascan, held a press conference the first week of July to announce a \$2 million lobbying effort inside Brazil to overturn two articles of the newly drafted Constitution, just approved by the country's Constituent Assembly.

The first article merely defines a Brazilian company as any company majority-owned by Brazilians, but it poses a potentially devastating problem to those foreign enterprises which have added a Brazilian stockholder to their portfolios, in order to masquerade as Brazilian companies. The second article calls for nationalization of all exploration and exploitation of Brazil's vast mineral resources.

The Debt Bomb

Non-Aligned ask revival of North-South talks

A ministerial committee for economic cooperation of the Non-Aligned Movement meeting in Harare, Zimbabwe the first week in July, issued a communiqué calling for an urgent revival of the North-South dialogue. "The current economic and social crisis is one which no single nation or group of nations can solve in isolation," states the draft communiqué, prepared by Indian diplomat and foreign ministry official Munchkund Dube.

The communiqué states that the slow growth in world trade and output will cause increasing problems for the developed nations and is already devastating for much of the developing sector. Continued stagnation would make it impossible even to begin dealing with the long-term dimensions of the debt problem. "A world economic structure based on self-perpetuating inequalities could last forever and must be dismantled through cooperative action," the communiqué states.

The document will be forwarded to the

Sept. 5 ministerial meeting of the Non-Aligned Movement in Cyprus, which will decide on the agenda for the next Non-Aligned summit.

High Finance

Insider trading scandal hits Tokyo politicians

The current insider trading scandal rocking Japan has implicated top political figures of the ruling Liberal Democratic Party, including aides to Prime Minister Noburu Takeshita, Finance Minister Miyazawa, LDP General Secretary Shintaro Abe, and former prime minister Yasuhiro Nakasone. Financial sources in the City of London estimate that this is the most serious political scandal in Japan since the Lockheed Affair in the 1970s.

"It is a clear attempt by someone to target the LDP," said one informed source. "Everyone knows such insider deals are everyday affairs, so why is this leaked now?" If the affair is not successfully hushed up, he added, it could have a potentially serious impact on an increasingly nervous Japanese stock market.

The head of a real estate development company, Recruit Cosmos, is alleged to have given the implicated officials stock in his company at rock-bottom prices, allowing them to make large personal fortunes in the real estate boom of the past three years. Ko Morita, the head of Japan's leading business daily, *Nihon Keizai Shimbun*, has resigned over the affair.

Euthanasia

Conference in China promotes 'right to die'

The international malthusian lobby is at it again. At a conference on euthanasia held early in July in Shanghai, People's Republic of China, participants proclaimed the "right to die," and called for a public campaign on "death education," the *People's Daily* re-

ported on July 11. One hundred doctors, lawyers, and scientists took part.

The Chinese media is publicizing opinion polls which allegedly show popular support for mercy killing, or what the Chinese call "peaceful and happy death." A sample of radio listeners' letters earlier this year showed that 90% agreed with voluntary euthanasia for the incurably ill, and a survey of Shanghai doctors showed that many already practice euthanasia.

A Reuter's dispatch from Beijing on July 12 remarked that "the Chinese media earlier this year expressed surprise at the apparent public support for euthanasia, saying it went against traditional moral concepts."

Meanwhile, the over 1 million children born in violation of China's one-child-per-family rules, suffer discrimination which deprives them of food rations, schools, and jobs, the *People's Daily* reported on June 30. It noted that parents of an illegal second or third baby often hide the birth from the authorities, thus condemning their child to grow up without official documents.

Technology

Brazil asks Chinese help for advanced projects

Brazilian President José Sarney, speaking at the Great Hall of the People in Beijing on July 4, urged China to help break the wealthy countries' monopoly on advanced technology, by joining with other developing nations in research projects.

One of the highlights of his five-day visit was the signing of a bilateral satellite agreement. China and Brazil will launch two research satellites in 1992 and 1994 at a cost of \$150 million, using a Chinese rocket. Chinese and Brazilian officials also discussed cooperation in hydroelectricity and petrochemicals.

Brazilian Foreign Ministry spokesman Ruy Nogueira said that an agreement would be signed to share data on combating tropical diseases such as malaria and yellow fever.

Other agreements involved aeronautics and the peaceful use of nuclear energy. "After we launch the two satellites into space, it

will be easier to talk about nuclear cooperation," said Brazilian Foreign Minister Abreu Sodre.

Brazil and China currently have a nuclear cooperation agreement, signed in 1984, but it has meant little in practice. A meeting has been scheduled to take place in Beijing in September, to revive the agreement.

On the aeronautics side, Brazilian Aeronautics Minister Octavio Moreira Lima met with Chinese Air Force Commander Wang Hai, and spoke of "the possibility of associating ourselves with Chinese industry to produce first-line airplanes."

Sarney was accompanied by several top military officers.

Development

U.S. killed Japan's Third World aid plan

The Reagan-Bush administration killed Japan's request to increase Japanese contributions to the Third World through the World Bank, IADB, and Asian Development Bank, according to a senior source close to the World Bank.

The U.S. administration deliberately blocked recent Japanese offers to pour billions into the key multinational lending agencies. "Right now, the Japanese want very, very badly to get into the Latin American markets," the source said. "They know they need to develop new export markets. Latin America for them is an obvious such market, but they still lack the adequate infrastructure for lending, so they for the present have proposed to funnel billions from their trade surpluses into the region, as well as into Asian economies via the multinational agencies such as World Bank, Asian Development Bank or Inter-American Development Bank.

"The U.S. administration vetoed the increased funds in all cases. Why? They would then have to match the money or lose U.S. voting control of the banks. The Japanese understand the enormous real economic costs of destroying export markets, as the U.S. has done since the early 1980s. But Japan is developing alternate structures to funnel the funds."

Drought

Egypt's crisis worsens as Nile waters fall

Egypt is facing one of the most difficult periods in its history, President Hosni Mubarak said, concerning the effects of the current drought. After eight years of drought in the Ethiopian highlands, the source of springs which feed the Nile River, the level of the Nile is very low. Since the river is the only source of water and energy in the country, the situation is moving toward a catastrophe.

If there are no heavy rains soon, hydroelectric turbines will have to be switched off at the end of August. They have been working at only half capacity for several months.

Eighty percent of the water that flows through the Nile is needed for agriculture. Agricultural production has already been cut by 20%, to save water, and will break down if the crisis continues to worsen.

International Trade

China, Japan look to markets in Europe

Both the People's Republic of China and Japan are trying to consolidate and expand their trading and manufacturing and investment programs in Europe, in anticipation of the European Community markets becoming a single trading area by 1992, reported the *Hindustan Times* correspondent from London on June 27.

A Chinese state-owned company is buying into off-shore oil service businesses and another company has launched a joint venture with a British property development group in the fast-developing London dockland area. The total Chinese investment through these companies is estimated to be around \$75 million.

A decade ago, China's two-way trade with the EC hovered around \$2.5 billion, which, grew to over \$8 billion after 1985. By the turn of the century, it is expected to be \$10 billion plus. After Japan, the European Community will be Beijing's second-largest trading partner.

Briefly

● **DROUGHT LOSSES** will cut Canada's wheat exports by at least half. Brian Stacy of the Canadian Wheat Board, the government export agency, predicts that exports this year will drop from last year's 30 million tons to 14 million tons, because of the drought. This will be the lowest level of grain exports in 20 years. In Thunder Bay, the main grain export port, 20 ships are waiting with no grain to load, and 450 dockworkers have been laid off.

● **THE COORDINATING** Committee for Multilateral Export Controls for NATO nations announced on July 8 in Paris that it will be easing controls on high-technology exports—including computers—to China. The committee monitors exports to communist nations.

● **IN BOLIVIA**, a study conducted by the Social and Economics Studies Institute (IESE) of Cochabamba University reports that more than 703,000 Bolivians are directly or indirectly linked to the production of cocaine, out of a total population of 7 million. Of those, 415,500 are linked to production, purchase, and transport of coca to the refining centers.

● **SECRET CENTRAL BANK** selling is behind the recent weakness in gold, London gold trading sources report. The sales are being made through dealers in Hong Kong or Singapore, so that they are impossible to trace. Gold is now trading at about \$440/oz., down from a high of \$500 earlier this year.

● **THE DOLLAR** rose sharply July 15, on the expectation that the U.S. Federal Reserve will be forced to increase interest rates in the United States. One day earlier, the prime rate rose to 9½% from 9%, the highest rate in over two years. *EIR* had predicted the rise in interest rates in its June 3, 1988 edition, pointing to the demands of America's OECD creditors that U.S. internal consumption be sharply cut or they will refuse to continue financing U.S. deficits.