

Business Briefs

International Credit

Africa calls for debt conference

African heads of state, ending a three-day annual summit of the 49-member Organization of African Unity, called on July 27 for an international conference to sort out the crushing problem of the continent's \$230 billion foreign debt.

The group said in a resolution, that African economies were saddled with "excruciating" debt which had stunted growth and development and caused political instability. The leaders welcomed initiatives that France had taken to write off credits to some of Africa's poorest countries. "Much more debt relief has to be granted to the debt-distressed countries in Africa," the resolution said.

The organization's outgoing chairman, Malian President Moussa Traore, suggested that the conference be held in December. He presented a report which pointed out that French President François Mitterrand was the first European leader to accept the proposal, which he said had also won European Community backing.

Traore's report said: "Although some donors still prefer the case-by-case approach, there is a definite tendency to accept the approach proposed by Africa, which consists in seeking a solution to the problem by convening an international conference on Africa's external debt."

Agriculture

EPA wants chemicals banned on suspicion

The U.S. Environmental Protection Agency wants added powers to ban any farm chemicals quickly, if there is the least suspicion that they could pose a hazard to one person in a million.

The draft legislative proposals from EPA would change the Federal Insecticide, Fungicide, and Rodenticide Act, streamlining efforts to ban the use of any chemical suspected of causing cancer or other diseases

by removing the judicial appeal process that chemical companies could use to delay action until there is scientific evidence of a threat.

The EPA now wants the power to pull any chemical out of the market while it is still investigating its potential risks. The current provision for an emergency suspension requires that there be relatively conclusive evidence of a serious threat to public health. The proposal also narrows the definition of economic benefits that can be used to justify allowing potentially dangerous chemicals to remain on the market.

A congressional aide who follows pesticide legislation told the *New York Times*, "The agriculture community will go absolutely ballistic over this because it would allow EPA to come along and yank chemicals away from growers. This really took guts on Reilly's part." EPA head William Reilly, however, has the full support of President Bush.

The Budget

Darman: U.S. must invest in the future

On July 20, the same day that President Bush issued his call for a renewed commitment to the U.S. space program, another high administration official was warning that failure to invest in the future needs of the nation means that the U.S. risks losing its "historic place and mission."

Office of Management and Budget Director Richard Darman warned in a speech before the National Press Club that the country has become too "self-indulgent."

Darman said that both the government and population have contracted an affliction he dubbed "not-now'ism . . . our collective short-sightedness, our obsession with the here and now, our reluctance to adequately address the future. . . . We attend too little to the issues of investment necessary to make tomorrow brighter."

Although Darman plugged such disastrous Bush administration policies as curbing Social Security and Medicare, he did emphasize the need to change corporate tax policy to favor investment rather than bor-

rowing, as well as investment in the space program, with its big payoff in the future.

Both the public and policymakers today dwell excessively on the present, he said, while creative talents are more often "motivated to invent paper transactions that merely reward financial manipulators rather than expand private productive capacity.

"The culture generally seems to go for the short-term 'play.' Some people . . . trust in the motto: 'You can have it all.' Others, apparently less sure, seem to live by the dictum: 'Take the money and run.' But worse: Our culture seems to tolerate all this rather blithely."

Austerity

Think tanks: Put U.S. under IMF surveillance

Surveillance of the U.S. economy by the International Monetary Fund will start to "get back on track under the Bush team." That's the word from a Washington consultant who works with an Aspen Institute project on the world economy headed by Richard Gardner, former ambassador to Italy during the Carter administration.

The supranational bureaucracy of the IMF exercises nearly dictatorial control over the economies of many Third World countries, even to the point of forcing them to grow narcotic drugs in order to pay their foreign debts. So far, it has not been able to exercise the same prerogative in the United States—at least not openly.

The Aspen consultant said that the process of getting the IMF to police the U.S. economy had "made a lot of progress in the Reagan administration.

"Obviously, don't expect to read about it on the front page of the *New York Times*. Anything like this has to go on behind closed doors, for obvious political reasons. But just because it takes place in the bowels of the IMF, doesn't make it any less useful."

The next meeting of the Aspen project, scheduled for late August, will focus on how to strengthen the IMF's role in the U.S. economy. Several Bush administration representatives are expected to attend, including Special Trade Representative Carla Hills

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and high-level Treasury officials.

Another pro-IMF schemer, Robert Orr of the Bretton Woods Committee (an unofficial lobby for the IMF), maintains that the U.S. is in effect already under IMF surveillance, although "you'd never find anyone admitting that publicly. Certainly not anyone from Treasury." IMF officials consult with U.S. government representatives twice a year. "These consultations are held in strict secrecy, out of intense fear that they will come out in the public. . . . I can't possibly tell you what goes on in them, although I'm sure it's along the lines of: cut back on defense, get the budget deficit under control."

Markets

European financiers see parallel to 1987 crash

"There is a startling parallel between now and the summer of 1987. I fear a crash before the end of this year," confided a West European insider close to the circles of Helmut Schmidt and the Committee for a European Monetary Union. "No one can do anything to prevent it, nothing. People here and around the [German central bank] Bundesbank will say nothing about this, only very privately, but all the conditions are there. A real slowdown in the U.S. economy will mean larger still U.S. deficits. Washington is pursuing a unilateral course, as the Bank for International Settlements warned earlier this year."

On July 25, a City of London source commented on the vulnerability of the U.S. financial market: "For the first time since August 1987 we have almost a complete parallel condition in the world financial market."

Euthanasia

British doctors told to stop saving lives

"Stop Saving Babies—or Be Sacked," was the front-page headline of the July 25 *Daily*

Mirror newspaper of London.

"Two heart surgeons have been threatened with the sack . . . for saving too many desperately ill babies and children. They were carpeted at Birmingham's Children's Hospital after carrying out 29 operations in May—one more than they should have done. Both surgeons were told that they risk disciplinary action and the sack if they overstep the limit again." "Life-saving" operations at the crisis-hit hospital are "rationed" at 320 a year!

Labour Member of Parliament John Hughes bitterly attacked this "stop saving sick kids decision." He stormed: "It is utterly disgraceful. . . . How dare a health authority threaten to sack surgeons if they exceed the restrictions placed on them? Will more children have to die before action is taken?"

A year ago, five children died after their operations were put off by the hospital because of lack of funds and a shortage of nurses. An extra surgeon has since been called in. But there are now 140 children waiting for vital heart surgery. John Dempsey, an official of the health union NUPE said: "The surgeons have been told not to talk publicly, but they are very angry."

East-West Trade

Soviet Union moots free enterprise zones

"Free enterprise zones" for joint East-West projects in the Soviet Union's northwestern regions are worth considering, the Soviet propaganda weekly *New Times* wrote in issue 29 of its English-language edition.

"It would certainly pay to establish a string of special economic zones stretching from the Barents Sea to the Baltic," the article said. "The minerals mined on the Kola Peninsula will go to Vyborg [near Leningrad] to be made into products there which will lay the groundwork for high-technology industries in Latvia, Estonia, and Lithuania. Tallinn's new port will gain a free status and become an outlet for our exports. Leningrad will do a large proportion of research and development work for clients in the Soviet Union and abroad."

● **U.S. HOUSE** Agriculture Committee spokesman Jim McDonnell told an activist for the Food for Peace organization that his committee's hearings in August on rural development would not be interested in any testimony on farm issues. "We are not interested in agriculture, we want to bring in unconventional ideas for industry which is not related to agriculture," he said.

● **EASTMAN KODAK** has called for a reversal in economic trends, in favor of revived industrial production. A new report released by the company declares that too much of the U.S. economy is devoted to the service sector.

● **THE AGRICULTURE** ministers council of the European Community does not have available the surplus food it is supposed to send to Poland, as agreed by the Group of Seven summit in Paris July 14. Only 10% of what was promised will be delivered: 500,000 tons of wheat, 300,000 tons of feed grains, 10,000 tons of beef, and 20,000 tons of citrus fruits.

● **A CHILD STARVES** to death in Brazil every two and a half minutes, according to the National Institute for Nutrition. In the northeastern part of the country, out of every 1,000 infants, 64 die before they reach the age of one, and 34 of these deaths are because of hunger.

● **A STUDY** on taxing nitrogen fertilizers was ordered by the European Community Commission in Brussels. The EC wants to know whether a tax would limit the use of such fertilizers, and to what extent.

● **SINO-SOVIET TRADE** will expand, especially in high technology areas, Red Chinese official Song Jian said in Moscow. He was quoted in the July 17 *South China Morning Post*. Total trade between the two countries hit \$3.23 billion last year, up 34% over 1987.