

Business Briefs

Nigeria

Much Foreign Debt Is Illegal, Says Obasanjo

Much of the foreign debt now ascribed to Nigeria is illegal, President Olusegun Obasanjo said on Aug. 14, the Nigerian daily *Vanguard* reported. The country's legitimate foreign debt was no more than \$5 billion in 1986, he said, yet Nigeria has since paid \$16 billion servicing the \$5 billion debt, and wondering why the debt has kept rising. President Obasanjo made the remarks at a joint press conference with President Hugo Chávez of Venezuela, who was on a visit to the country.

"That \$28 billion came about because of the injustice in the foreign creditors' interest rates," Obasanjo said. "If you ask me what is the worst thing in the world, I will say it is compound interest."

Obasanjo said that the Group of 77 nations would be working out a strategy on how to persuade the Group of Eight countries of the immorality of the huge foreign debts for the developing nations. He stressed the need for all the developing nations of Ibero-America, Africa, and Asia to work together on the issue of debt relief. He said, "Where there is anything like lukewarmness in some countries, we should work against it, because we should swim together, otherwise we sink separately." He asked developing nations to put their house in order by making judicious use of resources accruing from debt relief.

The leaders said that the two nations had agreed to cooperate in oil, agriculture, solid minerals development, and promotion of science and technology.

Industry

Many Corporate Managers Are Junkies, Experts Say

Many top corporate managers have become heroin addicts, according to a letter to the editor in the Aug. 16 London *Financial Times* by New York-based certified social workers and psychotherapy specialists Jean

E. Sherman and Leah Leatherbee.

The authors of the letter, headlined "Hidden Epidemic of Corporate Junkies High on Cheap Heroin," emphasize that "addiction to hard drugs can no longer be considered the exclusive plight of the poor. Our experience in treating numerous professionals, including many corporate officers of Fortune 100 and 500 companies, bears this out. In recent years, we have seen a dramatic rise in the number of corporate officers and business executives — your readership — seeking our private outpatient opiate detox and relapse prevention services. This hidden epidemic among high-end drug abusers is largely attributable to the vastly increased availability, lower cost, and higher purity of heroin."

The authors describe that because of its greater purity, heroin today can be sniffed or smoked, and this is becoming very fashionable "in certain industries and affluent communities, [and] often offered recreationally at parties." The authors further note that "unlike the typical junkie featured in articles about drug addiction, the corporate drug abuser continues to work, making decisions worth millions of dollars with impaired judgment."

Health Policy

Swaziland Takes Steps To Control AIDS Spread

Tfholongwane Dlamini, chairman of the Swaziland National Council Standing Committee that advises King Mswati III, called for creation of camps to quarantine HIV/AIDS sufferers from the wider public. "These people should be kept in their own special place if we want to curb the spread of this disease," Dlamini said at a national HIV/AIDS consultative meeting, the South Africa daily *News 24* reported on Aug. 17. King Mswati, who had organized the conference, was among those in attendance.

A Health Ministry official is quoted saying that Dlamini was misinformed, that "HIV cannot be spread through casual contact." But, the official confirmed that "at least one-quarter of the population of 1 million is infected with HIV, and life expectancy is

predicted to drop to 30 years from the present 38."

At the conference, Swazi chiefs resolved that single people would have to undergo an HIV test before they get married. On behalf of the chiefs, Magujwa Magagula said that they decided to take this stand to assist in the fight against the spread of the disease. "As chiefs, we are not going to allow people to get married in our chiefdoms before they test of the disease," he said. "We are not going to tolerate the people who get angry when they are told to go for an HIV test, because this is a serious issue."

King Mswai issued a call for AIDS testing, and said that he would personally go for an HIV/AIDS test every year. He added that the entire royal household would have to do so as well. "If we can do this every year, everyone of us in the country can do it and this would make us know our health status," he said. He explained that a number of countries and international organizations were willing to assist the country, but this would only happen if the strategies were put into place to control the disease and that these strategies were clearly defined. He said that another consultative meeting would be organized to adopt a strategic plan for implementation.

Finance

Telecoms Risk Greater Than Sovereign Debt

The risk that the international telecommunications sector could trigger a global financial blowout "is at least as great, if not greater, than that of sovereign debt," a senior City of London economist told *EIR* on Aug. 17.

The economist said, "The banks and bond traders advancing these huge sums of capital, over \$50 billion in the ongoing German third generation mobile license auction alone, haven't thought seriously about the risks if things start to go wrong. The [mid-August] Chapter 11 bankruptcy of the U.S. telecom company GST, which defaulted on \$1.2 billion in bonds, to my mind marks the signal turning point. The problem is, in the rapid expansion of giant telecoms in the last several years, with huge cross-border merg-

THE U.S. TRADE deficit hit a record \$30.6 billion for June, up from the revised figure for May of \$30.3 billion. Leading the trade deficit record were a jump in shipments of crude oil and industrial supplies.

THE ORGANIZATION of Islamic Conference will meet in Tehran, Iran on Sept. 27-28, to study setting up an Islamic common market. It will deal with trade and technology transfer, financing mechanisms, and joint investment. The new structure is expected to double trade among member-states, which currently accounts for 10% of their foreign trade.

HALF OF SOUTH AFRICAN high school students are HIV-positive, AIDS Training and Information Centre manager Rose Hegner said at the first inter-tertiary AIDS conference in East London, South Africa on Aug. 11.

A COMMERCIAL seaport in Gaza City, which will cost \$70 million, is now under construction. Palestinian Minister of Finance Mohamed Nashashibi said it could employ 15,000, and would help the Palestinians open trade with Arab and other nations. "The Palestinian Authority had prepared itself to improve and develop the . . . infrastructure and to build the industrial zones as soon as the Palestinian state is declared," he said.

GREYHOUND Bus Lines, Inc., the last vestige of U.S. continental public ground transport, and the only inter-city connection for many small communities, is seeking "alternative financing," because its parent company, Laidlaw, Inc., has recently cut off funding. In a filing with the Securities and Exchange Commission, Greyhound said that it "may not be able to continue to operate as a going concern" if funding is not secured.

CHINA loses 100 billion yuan (about \$13 billion) a year due to lack of water, the Aug. 14 *People's Daily* reported. Over 600 cities lack a stable water supply.

ers such as the \$50 billion takeover by Deutsche Telekom of the U.S. VoiceStream, if one large telecom goes under, it could trigger rapidly hundreds of billions [of dollars] of global defaults in bonds and bank loans. But unlike with the Asia crisis or Russia in 1997-98, here there would be no IMF [International Monetary Fund], nor central banks, ready to bail it out. A crisis of this dimension has no precedent."

The German daily *Süddeutsche Zeitung* commented that the mobile license auction marks the "last stage of capitalism," that is, "virtual capitalism," which will be followed by "final vaporization." The stage of virtual capitalism has been reached, once "invisible hands" move around giant sums of non-existent money, money that has to be raised somewhere, to buy something "which doesn't exist, and where nobody really knows if it will ever exist."

India

Vajpayee Declares 'Development Decade'

Prime Minister Atal Behari Vajpayee, speaking on the twin themes of *suraksha* (security) and *vikas* (progress), from the ramparts of the Red Fort in Delhi on India's 53rd anniversary of independence, set a target of "doubling India's per-capita income" in the next ten years, *The Hindu* reported on Aug. 15. He dubbed it the "decade of development."

The Prime Minister said that he wants the younger generation to be brought face-to-face with changing technology. "I want to see every school and every village have access to computers and the Internet in as less a time as possible," he said. He ended by calling for a "*Parishrami Bharat*" (industrious India), "*Parakrami Bharat*" (achieving India), and a "*Vijayi Bharat*" (victorious India).

Meanwhile, on the eve of an Aug. 19-25 visit to India, Japanese Prime Minister Yoshiro Mori called for an Information Technology (IT) initiative for India. It includes sending a 100-member IT mission led by a top industrial official to India in October; assess-

ment of IT investment and partnership opportunities; and holding an Indo-Japan summit in the Fall, to include ministers and leaders in IT from both countries. Prime Minister Mori was also expected to announce that Indian IT engineers going to Japan would automatically be admitted for three years, instead of a three-month visa.

The Japanese have applied IT to a full-set economy, i.e., machine-tool and related heavy industry.

Economic Crisis

Survey Portrays Ukraine as Nation of Unemployed

In Ukraine, "most of those who are nominally employed there, have no job in reality, and those who have one, don't get paid for it," said Guy Standing, research project director for a 1999 survey of Ukraine reported on in the Aug. 15 issue of the Geneva-based weekly newsletter of the International Labor Organization. A follow-up survey is being prepared for 2000.

Industrial companies in Ukraine are running at only 44% of capacity, compared to 66% in 1995, which puts the country far below other industrial nations. More than 18% of the labor force is on unpaid vacation — which keeps them out of the official unemployment statistics. Some 12% of the female workforce is on "maternity leave," despite the fact that the birth rate is extremely low. With these and other tricks, the workforce has been cut by 30%, and the official unemployment statistics show only 5% jobless.

Some 80% of firms had difficulties paying wages, 80% paid less than agreed, and the average period of unpaid wages is more than 20 weeks. Moreover, the wage-paying systems that were introduced, upon the recommendation of "international financial institutions" during the 1990s, have created a situation where a minority of workers are paid wages below the minimum needed for survival. This has reduced living standards on a broad scale: Life expectancy is down to 62 years for males and 73 years for females, and the population dropped from 52 million in 1990 to 50 million now.