

INTERNATIONAL

Never seen anything like this, aide on Ukraine call to Trump

● US ambassador to EU phoned Trump from an open-air restaurant in Kiev to discuss investigation of Joe Biden

Billy House
and Josh Wingrove
Washington

An aide at the US embassy in Ukraine told congressional investigators that he "had never seen anything like" the mobile phone conversation between President Donald Trump and a top diplomat.

Gordon Sondland, the US ambassador to the EU had called Trump from an open-air restaurant in Kiev in July. The embassy aide, David Holmes, said he overheard the conversation and that the two men seemed to refer to Trump's wish that Ukraine open an investigation of former vice-president Joe Biden, a Democratic rival.

"I've never seen anything like this, someone calling the president from a mobile phone at a restaurant, and then having a conversation of this level of candour, colourful language," Holmes said in a transcript of his closed-door testimony to the House impeachment inquiry.

"There's just so much about the call that was so remarkable that I remember it vividly."

Transcripts of the testimony by Holmes and undersecretary of state for political affairs David Hale were released on Monday night, as the intelligence committee's public hearings were about to resume.

Holmes's testimony more closely ties Trump to events being examined in the impeachment investigation and indicate that Sondland believed Trump did not care about Ukrainian corruption – as the president has claimed was the source of his delay of security aid to the country – but instead cared about an investigation against Biden.

He said that Trump spoke so loudly that Sondland held the phone away from his ear at first.

According to Holmes, Sondland said he was calling from Kiev, and Trump asked him to confirm he was calling from Ukraine. Holmes said that Sondland told Trump that Ukraine's new president, Volodymyr Zelensky "loves your ass".

"I then heard president Trump ask, 'so he's going to do



Witness: David Holmes, an aide at the US embassy in Ukraine, told congressional investigators that he 'had never seen anything like' the mobile phone conversation between President Donald Trump and Gordon Sondland, the US ambassador to the EU. /Reuters

the investigation?" Holmes testified. "Ambassador Sondland replied that, 'he's going to do it, adding that president Zelensky will "do anything you ask him to".

Under questioning from Adam Schiff, the chair of the intelligence committee, Holmes was asked if he believed there was a danger of Russians listening in on the phone call.

"I believe at least two of the three, if not all three of the mobile networks are owned by Russian companies, or have significant stakes in those," Holmes replied. "We generally assume that mobile communications in Ukraine are being monitored."

After returning to the embassy, Holmes said he told

his direct supervisor, Kristina Kvien, of the Trump-Sondland conversation. "I believe I told her the whole thing, I said, 'You're not going to believe what I just heard and I just went through – every element of this was extraordinary,'" Holmes said of the call.

"You know, on the one hand, she was shocked, as I was, that that just happened. It was pretty exceptional. She thought parts of it were funny," he said.

Also, "parts of it confirmed some of the things we thought were the case, as I said, because for months, we'd been hearing about things like the Biden investigation and having trouble trying to get traction on the meetings we were seeking."

"So it had a ring of truth to it."

Previously, the only parts of Holmes's closed-door Friday testimony released to the public had been his opening statement.

His account undercuts two main thrusts of the Republican defence in the impeachment inquiry: That witnesses thus far did not have first-hand knowledge of events, and that Trump was not directly implicated.

HOLMES'S TESTIMONY MORE CLOSELY TIES TRUMP TO EVENTS BEING EXAMINED IN THE IMPEACHMENT INVESTIGATION

The Trump-Sondland call was first made public last Wednesday by William Taylor, now the top US diplomat in Ukraine, during the first public impeachment hearing of the intelligence committee.

Taylor said one of his staff members overheard the call, though Taylor was not aware of that when he gave his private deposition last month.

Hale told impeachment investigators at a separate closed-door session that Marie Yovanovitch, the US ambassador to Ukraine who was ousted by Trump, did not have the support of the state department when she came under attack by the president's allies. He said that he pushed for a

department statement in support of Yovanovitch, but "the impression we had was that it would only fuel negative reaction. So, I think the judgment was that it would be better for everyone, including the ambassador, to try to just move past this," Hale said, adding that, "I mean, one point of view was that it might even provoke a public reaction from the president himself about the ambassador."

Trump has since posted disparaging remarks about Yovanovitch on Twitter, including during her public testimony last week. Hale and Sondland are due to appear at a public hearing before the House intelligence committee on Wednesday and Thursday. /Bloomberg

LEGAL INDEPENDENCE

Court's mask ban reversal irks Beijing

Greg Torode
Hong Kong

Lawyers and scholars in Hong Kong keen to safeguard its vaunted legal independence were alarmed on Tuesday by a statement from a Chinese parliamentary body questioning a Hong Kong court's decision to overturn a ban on face masks imposed to quell months of violent protests.

Amid intensifying street violence in recent weeks, the strength and importance of Hong Kong's rule-of-law traditions have been cited by both antigovernment protesters and the city's rulers as vital to its future freedoms and stability.

A statement attributed to a committee of China's top law-making body questioned the power of Hong Kong's high court, which, on Monday, overturned a recent local government ban on face masks made under a little-used emergency rules provision.

The court said the ban was excessive and unconstitutional under the Basic Law – the document that outlines the extent of Hong Kong's freedoms and autonomy, and has guided relations with Beijing since the 1997 handover from British rule.

Issued by the legislative affairs commission of the standing committee of the National People's Congress (NPC), the statement said Hong Kong courts have no power to rule on the constitutionality of the city's laws, the official Xinhua news agency reported. Beijing's Hong Kong and Macau affairs office also expressed concern at the ruling, as did Xie Chuntao, a deputy director of the Communist Party's central party school.

"Who has the right to interpret the Basic Law of Hong Kong? It is ... very clear that only the NPC standing committee does, and any other organisation does not," Xie said in Beijing.

Some experts in Hong Kong and beyond do not think so. They say it is clear, through precedents set by Hong Kong's highest court, the court of final appeal, that the city's courts

have the power to declare local legislation unconstitutional. They accept, however, that the Basic Law gives the NPC standing committee the ultimate power of reinterpretation.

That power has so far been used sparingly, which is widely seen as a reflection of the delicate balance between Hong Kong's British-based legal traditions and Beijing's ruling Communist Party leadership.

Simon Young, a professor at the University of Hong Kong's law school, said while it could be "mere opinion", the statement could also point ultimately to a decision that curbs local courts. It would be troubling, he said, if it indicated "a looming reinterpretation that would fundamentally transform what may be regarded as the recognised power of the Hong Kong courts to declare legislation unconstitutional".

THE HONG KONG GOVERNMENT IS IN A TIGHT SPOT. IT IS WIDELY EXPECTED TO FORMALLY APPEAL AGAINST THE MASK BAN RULING

The Hong Kong government is in a tight spot. It is widely expected to formally appeal against the mask ban ruling beyond the high court, which could end up bringing the case to the court of final appeal.

Any such appeal could build pressure in Beijing for an ultimate reinterpretation of Hong Kong court rulings in the case, which could effectively limit the power of those courts. While not unprecedented, such action would further add to local anger over perceptions that Hong Kong's freedoms and autonomy are being eroded by Beijing's meddling.

Hong Kong CEO Carrie Lam said on Tuesday that as the court has yet to finalise its order she could not comment, but said her government would monitor developments and consider its next move. /Reuters

INCLUSIVE GROWTH

Corruption is not the main cause of problems in the Arab world

Amr Adly

There is little doubt that corruption is a principal motive behind the wave of protests sweeping through the Middle East and North Africa.

In diverse national contexts, ranging from Lebanon and Iraq to Algeria and beyond, angry demonstrators have blamed rampant and systemic corruption for the many ills of the political-economic orders governing their societies.

Western commentators and experts at international financial and development organisations have contributed to the anticorruption discourse, claiming that corruption, cronyism and other practices of state capture have been the most powerful factors behind the region's dismal and exclusionary development record. By the same token, corruption, and more generally bad governance, has often been emphasised as the main reason for countries' inability to engage competitively and efficiently in the global economic order.

I am sceptical of this discourse. Even though the anticorruption language has proved to be a powerful instrument in mobilisations against politically bankrupt and venal elites, it has also veiled many structural aspects of the crises. Certainly, corruption is a big problem, but it is not the root

of all problems as portrayed by activists and echoed by foreign commentators and experts. This reductionist view obscures more than it clarifies, and gets in the way of tackling the causes of the lack of inclusive growth.

Corruption is about national wealth distributed in a way that serves the immediate lucrative interests of those in power – and their cronies and relatives – at the expense of the general public. But these Middle East and North African countries have problems in producing economic value for distribution to start with. Most have rentier economic structures, with little ability to develop productive sectors that can compete globally while creating high-quality jobs and hence achieving inclusive growth.

This rentierism is by no means confined to those rich in natural resources such as Iraq, Libya, Algeria and the Gulf monarchies. It extends well into secondary-rentier economies that have historically received recycled rents through workers' remittances, intragovernment aid and credit from oil-rich countries or beyond, as with Lebanon's diaspora in the West.

The bottom line is that almost all of these countries are integrated into the global division of labour as recipients of rent, either emanating from outside their borders or from very narrow sectors such as



extractives, in which few take part in the creation of value.

This rentierism is one of the causes rather than effects of corruption and patronage in natural resource-rich countries such as Iraq and Algeria and secondary rentier economies such as Lebanon. Given the heavy dependence of these economies and states on rents, incumbents enjoy considerable autonomy from their citizens. They also have the resources to establish narrow coalitions of cronies and clients in order to keep them in office, either through some facade of ethnosectarian democracy, or on much more explicitly authoritarian terms.

Another dimension almost completely forgotten with the corruption-explains-all approach is the problematic trajectories of state formation in the region. Iraq and Lebanon face big problems in nation-building that have historically

Popular uprising: A girl has the national flag draped over her shoulders as riot police stand guard during a protest in Beirut, Lebanon, on Tuesday. /Reuters

led to weak states devoured by ethnosectarian groups – often with armed militias attached – that colonised the state and captured public funds.

Once again, corruption and clientelism are the effects rather than the cause of weak nation-states that lack a monopoly of force even on their territories.

Overemphasising corruption also ignores how rounds of austerity under the auspices of the IMF and the World Bank have cut public investment without replacing it with private investment. In fact, much of the corruption was due to World Bank-sponsored privatisations.

Blaming corruption has served to show the Washington consensus as a good scheme that was implemented poorly. This allowed for blaming of the victims as too corrupt to develop, despite the close ties that have bound many of the elites with Western powers.

These systemic factors might tell us why Asian economies could generate inclusive growth despite rampant corruption and poor governance while the Middle East and North Africa could not.

In general, fighting corruption is a great slogan that has mobilised people. But fighting graft should not be confused with a development strategy in its own right, or taken as the diagnosis for much deeper troubles. /Bloomberg

AFRICAN ADVANCED MANUFACTURING AND COMPOSITES SHOW

SA'S LARGEST GATHERING OF 4IR ROLE-PLAYERS

COMPOSITE MATERIAL TECHNOLOGY | DRONES | AUTOMATION | ROBOTICS
LASERS | VIRTUAL REALITY/AUGMENTED REALITY | 3D PRINTING...

27th - 28th NOV 2019 | Tramways Building (Lower Valley Rd) | Port Elizabeth | South Africa

REGISTER TO PARTICIPATE NOW

Cost: R2 450 excl. VAT includes all workshops and tradeshow access

WORKSHOP 1

THE METAMORPHOSIS OF AUTO MANUFACTURING - WHAT EVERY SUPPLY CHAIN MEMBER NEEDS TO KNOW!

Technology disruptors and the 4 automotive megatrends plus manufacturing automation will see future models, incl components designed with a mix of materials - challenging the dominance of steel with widespread ramifications for auto component manufacturers, retail motor industry and wider supply chain.

WORKSHOP 2

4IR AND ITS IMPACT ON THE FACTORY

What does a factory that expects to compete look like when technology is transforming production?

Contemporary factories have distinctive features. The good news is that traditional factories can acquire these by following a couple of foundational steps to becoming 'smart.'

WORKSHOP 3

TECHNOLOGY & SKILLS CHANGES ENABLING 4IR ADVANCEMENT

What technology adoption and skills development will be required to enable 4IR in advanced manufacturing. With changing technology Who and How to recruit and retain skills is as big an issue as who will develop the skills required in an increasing technological era where manufacturing and production materials are no longer traditional.

WORKSHOP 4

COMPOSITES AND MATERIAL TECHNOLOGY - FUTURE BOOM

Composites is a key element in 4IR manufacturing and its application is expected to explode as innovative R&D developments imbue composites with even greater applicability across industry sectors - From new vehicle production to bridge construction. These advances in materials and production technology demand an understanding from both existing composites role-players and traditional manufacturing organisations as well business in mining, maritime and construction, among others.

ADDITIONAL FEATURES OF THE SHOW

Technology Demos | Factory Tours | Jendarmk Drone Night Racing
National Advanced Manufacturing Innovation Awards Dinner

OTHER SPEAKERS:

Fraunhofer ICT - Dr Frank Henning
RMI COO - Jan G Schoeman
Jendarmk Automation CEO - Quinton Uren
CSIR Director - Dr Martin Sanne
Progressor - Dr Harry Teifel
SAM|XL at TU Delft - Dr Kjeit van Rijswijk
Fraunhofer Advisor - Prof Oliver Damm
DTI, Chief Director - Ms Ilse Karg
Intsimbi CEO - Tapiwa Samanga
AIDC EC Board Chair - Weza Moss
Stellenbosch Uni- Prof Anton du Plessis
Plastics/SA Training Mgr, - Kirtida Bhana
JEC World, International - Yohann Cailliau
Centre for Polymer Technology - Director (retired) - Bernard Reeksting
AAT Composites - Dr Louis Tredoux

www.africanadvancedmanufacturingshow.co.za | 086 110 1475 | support@inkanyezi.co.za