

The hope generated by the upswing in production and living standards García generated after taking office in 1985, when he limited payments on the foreign debt permitted Peru to contain and roll back the Shining Path terrorists. As García lost courage in his fight to smash his nation's enemies, Shining Path has gained much ground. His Sept. 6 declaration of war against the Peruvian people is a surrender of the minds and hearts of his people to the narco-terrorists.

'Bolivian shock' for Peru

Senate President Romualdo Biaggi revealed that the shock policy had been inspired by Harvard economics professor Jeffrey Sachs. Sachs is touted for prescribing the 1985 Bolivian economic shock, which succeeded in reducing its hyperinflation to only 66% a year. That's nice. But Sachs threw Bolivia into the worst depression since the 17th century. He left it with an economy in which cocaine trafficking is at least four times the size of the legal economy.

In Bolivia, "free market rationalization" resulted in the firing of two-thirds of the miners at state-run tin mines. That may sound attractive to advocates of private enterprise. But the country's private manufacturing industry was also wiped out, by the decimation of working class buying power, usurious interest rates, the end of subsidies, and much heavier tax burdens.

Bolivia's gross national product has declined every year since the "Bolivian miracle" began. Yet, the area planted in coca bushes has doubled, going from 198,000 hectares in 1985 to 372,000 in 1987. In the theoretical piece Sachs wrote in the *American Economic Review* last year, he says not a word about cocaine. His only mention of the "parallel economy" is to boast that he helped the government tax criminal profits and use the resulting revenues to pay debts.

Peru has gone broke. The central bank reported that foreign exchange reserves were negative \$260 million. Peru had to ship \$160 million in gold bars to Gerald Metals in Lausanne, Switzerland in early September, to keep open its last trade credit lines with the Latin American Integration Association.

García's chief political adviser, Hugo Otero, gave this explanation for the economic crisis: "The lesson of the past three years is that the international community is not prepared to brook our independent nationalist stance."

Salinas declared, "We must increase our foreign reserves to increase stability and regain credibility in the world of international finance." He implied that Peru would be rewarded by "friendly governments" like the United States, Canada, and Belgium with \$300 million in bridge loans to pay arrears to the World Bank and thus re-enter the lost paradise of well-behaved debtors.

If García believes that, he is not only a coward, but a fool. No amount of groveling and genocidal austerity will bring him a pardon from the bankers for the challenge he once posed to international usury.

AIDS in Africa: the want 'cost-effective'

by Jutta Dinkermann

The "Global Program on AIDS Progress Report Number 3" from the World Health Organization, dated May 1988, is a prescription for doing nothing about the spread of AIDS because it generally costs too much for a world with "fixed resources." It may, says the WHO, be more "cost-effective" in many countries for the "the Finance Ministry" to make the decision to let people die, especially if they're poor.

The report reads on page 23:

"Global Program on AIDS [of the World Health Organization] and the World Bank are collaborating in studies of the economic impact of AIDS and in measures to improve planning for the expected caseload. The initial phase of the development of a model for estimating the direct treatment-related costs and the indirect costs from the years of social and economic productivity lost owing to HIV infections and AIDS has been completed in three Central African countries during the first quarter of 1988. Issues addressed include: the projected effect of AIDS on the supplies of essential drugs, *the possibility, that AIDS patients will displace other patients, whose problems could be cured using available therapies*, and the threat posed to a country's development prospects by the years of productivity lost owing to AIDS and other clinical conditions due to HIV." (Emphasis added.)

One of the joint WHO-World Bank studies that is being referred to is entitled, "The Direct and Indirect Costs of HIV Infection in Developing Countries: The Case of Zaire and Tanzania," published on April 8, 1988. This is a cynical piece of paper. Its goal, in its own words, is to be "useful to decision-makers who must choose how much of a limited supply of financial resources to allocate to AIDS prevention and control relative to the prevention and control of other diseases or investment programs in other sectors."

In other words: *It is not the World Bank's or WHO's aim to investigate how to expand the "limited resources," so that everybody who needs help, actually will get it.*

The authors of "The Direct and Indirect Costs" define the direct costs of a disease as the cost of treating those who suffer from it. The indirect cost is the value of the healthy years of life it steals from society. They calculate the direct costs of health care per symptomatic HIV-infected persons in Zaire from a low of \$132 to \$1,585, the higher figure 12

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times larger than the lower—depending on whether the patient can choose to seek modern medical care or must stay in the village and be cared for only by relatives. In Tanzania, the estimated direct cost ranges from a low of \$104 up to \$631. Concerning the indirect costs, they estimate that preventing one case of HIV-infection will save an estimated 8.8 healthy life years.

Worth noting is that, according to this measure, HIV-infection ranks fifth after sickle cell anemia, neonatal tetanus, birth injury, and severe malnutrition, but ahead of childhood pneumonia, cerebrovascular disease, tuberculosis, measles, malaria, and gastroenteritis.

At this point, the unnamed “decision-maker” shows up again. “However, suppose the decision-maker is located in the Ministry of Finance rather than in the Ministry of Health. This individual would want to know whether to reallocate money away from other, demonstrably productive sectors like transport and communication, to the prevention of diseases or perhaps to the prevention of a specific disease like AIDS. The computations we have done to this date are no help to this decision. It is necessary to take a third step, attaching a monetary value to each of the productive healthy life years to be saved.”

The study states that three general groups of the population must be distinguished—the rural, the urban with a secondary education, and the urban with higher than secondary education. By weighting the productive years of healthy life lost to disease by the average income per year of these three groups, they hope “to provide some professional guidance to the decision-maker faced with the problem of inter-sectoral resource allocation.”

In other words, by insisting that the given resources can not be expanded, they provide professional guidance to the decision maker on how to undertake *triage*.

Expressed in hard dollars, the value of future healthy life years they give is as follows:

Zaire	
Rural adults	\$ 890
Urban primary school	\$1,780
Urban secondary school	\$2,669

Tanzania	
Rural adults	\$2,425
Urban primary school	\$3,880
Urban secondary school	\$5,093

The study ends by cynically supposing “that now the Ministry of Finance decision-maker knows that a certain quantity of financial resources could alternatively be allocated either to producing a known monetary benefit in the transport sector or to a health care program which would prevent a certain number of cases of a disease such as HIV-infection. The figures will then permit that decision-maker to place a *minimum* monetary value on those prevented cases. In cases where this minimum produces a monetary return from the health sector investment which equals or exceeds that of the equal cost transport sector alternative, the decision-maker would be guided toward the health sector investment.” (Emphasis in original.)

What if not? And what kind of “choice” is that, given that the building of an infrastructure in the long term and the fighting of diseases are equally vital?

World Bank AIDS ‘prevention’ proposals

Of course, World Bank officials also deliver their proposals on how to prevent AIDS cases. Given the nature of the power the World Bank has, given the fact that the World Bank is financing WHO’s AIDS policy, and given the fact that the WHO dismisses any collaboration with a nation which does not follow their proposals, compliance is a *must* for every nation to get at least some money.

The abstract of a study by the World Bank with the title, “Implications of Control Measures For the Spread of HIV Infection,” reads as follows:

“The effects of changes in sexual behavior and of medical interventions on the spread of HIV infection are illustrated using an epidemiological-demographic model for transmission and progression of the disease. Parameters were chosen for the model to represent an African country with relatively high HIV seroprevalence, high fertility, and high mortality. *Condom use is the most effective of the interventions assessed. Reducing genital ulcers, providing clean needles, and cleaning the blood supply have minor effects.*” (Emphasis added.)

Then, the actual study begins: “No control measures will be adequate to prevent many infections and deaths from HIV in the next two decades, but changes in sexual behavior could moderate the spread of the epidemic.”

The message is clear: *Nothing but condom use will be proposed to fight AIDS in Africa.* The “scientific” ground is prepared, to prevent Africans from getting AIDS test kits, clean needles, or blood-screening equipment—the absolute minimum needs of any health care structure.

Whoever wants to fight AIDS in Africa has to fight WHO and World Bank killers.