

# Business Briefs

## Epidemics

### AIDS responsible for new TB epidemic

The world is facing a tuberculosis epidemic of proportions still undreamed of, especially in the Third World, Klaus Fleischer, medical superintendent of the Tropic Medical Division at the Missionary Hospital in Würzburg, Germany has warned.

According to Fleischer's estimates, there will be 28 million victims of tuberculosis in the year 2000. The epidemic Fleischer is talking about is a new wave of tuberculosis which was triggered by the HIV infection, the virus which causes AIDS.

According to the World Health Organization, 3 million people have been infected with the HIV virus as well as the tuberculosis bacillus—2.4 million alone in the countries south of the Sahara.

The dramatic increase of people infected with AIDS and tuberculosis in Africa is also threatening the leprosy programs, according to Fleischer. The existing health services can no longer afford to concentrate on their anti-leprosy work because of manpower problems and the lack of money. A study has shown that the treatment of an AIDS patient in Uganda costs \$15 until his death. This is much more than the \$2-3 Uganda can spend on health care per patient per year.

## Space

### NASA team to study Soviet spacecraft

A NASA technical team left for Moscow March 18 to study the Soyuz spacecraft. NASA has been required by the Congress to examine whether the Russian craft could be used as an emergency crew return vehicle to be parked at Space Station Freedom.

According to the mid-March *Space News*, the NASA team will spend 10 days in Moscow gathering all the technical details it can, to evaluate that possibility. Because the Soyuz can

only carry a crew of three, and Freedom will house a crew of four, two of the Soyuz vehicles would have to be purchased.

At the same time, the European Space Agency has been pressuring NASA to consider the small Hermes spaceplane it now has under development for that purpose. The Europeans are hoping NASA will add financial support to the Hermes program, which is under funding constraints from the European participants.

U.S. congressional penny-pinchers have stated that NASA estimates it would cost \$2 billion to design a new vehicle for this specific task, and NASA must look for "cheaper" alternatives.

Meanwhile, according to the March 9 *Aviation Week*, the Russian Defense Ministry has proposed tests this summer with the U.S. Space Command as a foundation for future joint missile defense initiatives. Under the proposed plan, the Russians would launch a spacecraft that would eject two small sub-satellites. Both the Russian and U.S. Space Command surveillance radars would be used to track the two spheres as their orbits decayed. Then the two military intelligence organizations would exchange data which would be used to update computer models on how the upper atmosphere affects spacecraft orbital decay and reentry characteristics.

## Food

### Irradiation finds favor with processors

Food processors, "increasingly worried about food-borne illnesses, are quietly embracing an atomic-age technology that rids meat and seafood of harmful bacteria and makes produce stay fresh longer," the March 9 *Wall Street Journal* reported in a marketing feature on food irradiation. As reporter Richard Gibson noted, "This marks a turnaround. Although scientists and researchers have long believed irradiated food holds great promise, food companies have been circumspect."

Gibson reported that turkey growers are urging the White House to approve the poultry

irradiation regulations that have been sitting in limbo at the Office of Management and Budget since September 1991. The big poultry companies, ConAgra and Hormel, however, are still reluctant to move into irradiation.

Gibson quoted Sam Whitney, president of the Vindicator food irradiation plant, saying that some poultry company executives are worried that marketing irradiated chicken would raise questions about the safety of non-irradiated chicken. "They've called and said, 'Sam, we're selling every bird we kill, so don't rock the boat,'" Whitney said.

Although the U.S. Department of Agriculture and the Food and Drug Administration have approved poultry irradiation, the regulations required before the process can be used have been in a bureaucratic tie-up for several months. Administration insiders have attributed the stalling on the regulations to the political muscle (and money) of the poultry lobby, and have said that the White House put out the word that nothing would happen on irradiation until after the November elections.

## Capital Formation

### 'Stop paying for all that speculation'

In response to a key question, "How do you pay for such a massive infrastructure-building program?" provoked by the "Democrats for Economic Recovery, LaRouche in '92" national television broadcast on March 8, the *EIR* economics staff compiled the following information.

In 1989, the total dollar volume of trading on the New York Stock Exchange was \$1.556 trillion, or 33.8% of Gross National Product (GNP). Then, there are the many other stock exchanges.

In 1970, there were 2.2 million grain futures contracts traded; 3.7 million oilseed and products futures contracts traded; 3.4 million livestock and products futures contracts traded; 2 million futures contracts based on other agricultural commodities traded; and 1.1 million metals (mostly gold and silver) futures contracts traded.

## Briefly

● **AIDS PATIENTS** are now shunning hospitals for fear of contracting tuberculosis, reports the *New York Times*. Two hundred cases of drug-resistant TB have been found in New York and Florida hospitals in the last two years, 90% of them among HIV-infected patients.

● **HAITIANS** were forced to flee to the United States because of the U.S. trade embargo, not repression by the military-backed government, the *New York Times* admitted March 15. After being forcibly returned by the Bush administration, "for most of the returnees, the most immediate concern remains what most now admit forced them to flee in the first place: poverty and hunger in a country whose modern economy . . . has almost ceased to exist."

● **A CORNELL** University study claiming to prove the benefits of vegetarianism is being directed at preventing China from developing a large-scale livestock and dairy industry, says the April *Vegetarian Times*. Prof. T. Colin Campbell, who headed the study, spent \$2.3 million studying 6,500 people in 65 Chinese counties. Colin wrote a document, "More Meat Does Not Mean Better Health."

● **TIGER MOSQUITO** nests were discovered and destroyed by municipal workers in Padua, Italy last summer. The mosquito, typical of tropical areas but thought absent from Europe, carries the deadly dengue fever virus.

● **REP. JOHN DINGELL** (D-Mich.) has started questioning the accuracy of data purporting to show an "ozone hole," and is demanding answers of the U.S. government.

● **THE CHINESE** government has concluded a deal with Atlantic Richfield and the Kuwaiti Oil Co. to exploit oil and natural gas fields off China's southern coast, Radio Beijing reported March 12. Prime Minister Li Peng attributed the deal to China's "Open Door" policy.

Soon after President Nixon floated the dollar in 1971, a number of new futures contracts were introduced, based on energy products (oil futures contracts), currencies (not to be confused with currency trading), and financial instruments. A total dollar volume is not available for futures trading.

Financial futures contracts have come to dominate trading. This is nothing but pure usury and speculation.

Trading in options first began in the early 1970s. Trading of currencies has exploded in the same time period, so that currency transactions worldwide are now almost 40 times the volume of actual world trade in physical goods.

Finally, in 1991, there was an estimated \$31.8 trillion of trading in U.S. government securities, more than five times the U.S. GNP.

The answer to the question, "How do you pay for it?" is simple: You redirect credit from where it has been going for the past 20 years, to where it should have been going.

### Monetarism

## Financial Times prints attack on 'shock therapy'

A blunt attack has appeared in the London *Financial Times* against the "economic shock therapy" of Harvard Prof. Jeffrey Sachs and his cohort Anders Åslund of Sweden.

Washington editor Michael Prowse, in a column entitled "The Drawbacks of Shock Therapy," says, "In the dark ages of psychiatry, doctors believed that electric shocks could cure depression. The bigger the convulsion the better: The patient would recover that much quicker. The professionals keenest on electrodes today are economists. In Russia and eastern Europe, western advisers are experimenting with an economic form of shock therapy. . . . The fashionable view is that capitalism can best be reached in a single 'Big Bang.'"

Prowse then cites a recent Washington speech by Åslund, "a Swedish member of Professor Sachs's stable of advisers to Russia. Economic shock therapy has certainly pro-

duced impressive convulsions. In eastern Europe it has led to falls in production of one-third or more, huge increases in unemployment and severe distress. . . . Shock therapists like Åslund are unfazed. . . . In true Panglossian style, every negative indicator is construed as a sign of progress. . . . But some experienced economists are beginning to wonder whether different tactics would be more effective."

Prowse then cites the example of western Europe after the war, where economic liberalization was done only in measured and gradual steps. Prowse cites the cases of South Korea, which has grown from a desperately poor economy with no infrastructure. "Did they opt for shock therapy? Of course not. Policy was dedicated to gradually building up real world business skills and strength of particular manufacturing sectors."

### Canada

## Mulroney lashes out at U.S. trade action

If this behavior "came from a tin pot dictator," he would understand, said Canadian Prime Minister Brian Mulroney, but it is not understandable coming from the United States. Mulroney was referring to the U.S. Commerce Department's imposition of a 14.5% duty on Canadian softwood lumber the first week of March, in violation of the principles laid forth in the "free trade" pact between the United States and Canada.

In an interview which appeared March 9 in the London *Financial Times*, Mulroney warned that Canada would "not sit idly by."

Mulroney has also complained to the *New York Times* and *Washington Post* about the U.S. duty on Canadian softwood and said he would not rule out retaliation.

Ironically, both Canadian opposition parties are demanding that Mulroney's government take action against the United States on this matter, although such action would be premised on the United States violating free trade principles which both opposition parties oppose.