

# Business Briefs

## **Economic Policy**

### **LaRouche's advice to Russia nets coverage**

Lyndon LaRouche's Feb. 17 memorandum "Prospects for Russian Economic Revival" has been excerpted in the issue of the newspaper *Oppozitsiya* (*Opposition*) which came out in Moscow on April 3 in a run of 10,000 copies. The paper circulates in Moscow and several cities in central Russia, and is read by many members of the State Duma, Russia's lower house of Parliament.

On Feb. 20, Dr. Jonathan Tennenbaum of the Schiller Institute summarized the memorandum at committee hearings in the Duma. A Russian-language translation is circulating in Moscow in pre-print form. The full English-language text appears in the March 17 *EIR*.

The sections selected for publication in *Oppozitsiya* highlight strategic principles: that any projected economic recovery in Russia is incompatible with the British geopolitics of the Thatcher-Bush era, and that, in the words of one subhead of LaRouche's memo preserved in the *Oppozitsiya* excerpts, "plans may vary; correct principles are constant."

## **Health**

### **Neonatal tetanus still a major cause of mortality**

Neonatal tetanus is still a leading cause of neonatal mortality in many parts of the world. During the 1980s, neonatal tetanus accounted for half of all neonatal deaths and one-quarter of all infant mortality in some countries. In 1993, an estimated 515,000 neonatal deaths were caused by neonatal tetanus.

To eliminate neonatal tetanus and ensure that it does not reappear, 80% or more of infants need to be protected at birth through vaccination of their mothers with at least two doses of tetanus toxoid or through clean delivery practices. Of the estimated 515,000 deaths worldwide from neonatal tetanus, approximately 80% occurred in 12 countries: India, China, Pakistan, Nigeria, Bangladesh, Indo-

nesia, Ethiopia, Zaire, Nepal, Somalia, Sudan, and Ghana. Over 34% of the deaths occurred in Southeast Asia.

Although some progress has been made, insufficient funds to purchase tetanus toxoid in high-risk countries, lack of adequate health-care infrastructure, and poor access to clean birth practices are still the main obstacles in the fight against neonatal tetanus. Because the agent cannot be eradicated from the environment, long-term elimination of neonatal tetanus will require funds for vaccinations and the development of adequate health-care delivery systems to reach those at greatest risk, e.g., infants of poor women residing in rural areas in developing countries.

## **Finance**

### **Monetary system must be rethought, says minister**

Japanese Finance Minister Masayoshi Takemura on April 10 told the Diet (parliament) that the post-1971 floating exchange rate currency system should be rethought, a Japanese financial official who was translating from official wires confirmed to *EIR*. But the uproarious debate in Tokyo over Takemura's remarks prompted the Ministry of Finance on April 12 to characterize the comments as "unofficial."

"In order to counter the current rapid appreciation of the yen, Japan would like to emphasize policy coordination and joint intervention taken together with other nations, especially the U.S.," Takemura said. "But we also need to think whether we can leave the current exchange rate system as it is now," he added, noting that "economists in several nations" are studying ways to reform the world monetary system.

Another source said that many Tokyo financial experts agree that raising the issue of a redesign of the world currency system automatically raises the issue that "a good part of the world banking system" is bankrupt. "That becomes a very controversial discussion," he concluded. Although many agree with U.S. economist Lyndon LaRouche's proposal for bankruptcy reorganization, there is "certainly no consensus on that."

## **Romania**

### **Workers protest austerity program**

Over 18,000 Romanian workers protested in Bucharest on April 12 against the austerity policy of the government of Prime Minister Nicolae Vacariou, especially the cabinet's plans to impose wage freezes. The rally, which was organized by the Federation of Free Unions, called for an increase in the minimum income level as an emergency action to change the overall trend of impoverishment which has already driven one-third of the population below the poverty level, according to official data.

Food prices have increased by 50% since early 1994, which means that with an average income currently of 173,000 lei a month, a worker's family of four will not be able to afford minimum monthly food needs, which are currently estimated at 70,000 lei.

Taking all recent increases in private consumption expenses into account, including the planned hike of energy prices, the average minimum income should currently be 370,000 lei for a family of four, the Federation of Free Unions argues.

## **Technology**

### **Russians sell MHD system to United States**

The Russians have sold the United States a 15 megawatt portable magnetohydrodynamic (MHD) pulsed-power generator for military applications, *Aviation Week* reported in its April 10 issue. The system is capable of powering a steady-state laser weapon for 6-10 seconds, according to an Air Force researcher who was quoted in the magazine, and the U.S. military is also interested in its application to power microwave weapons. The generator uses rocket motors to produce the plasma.

*Aviation Week* also reported that the Russians are selling the technology to Japan, where there has been an increased interest in applying MHD pulsed power in earthquake

prediction after the Kobe earthquake.

The sale of an MHD generator with advanced military applications for \$4 million, is an indication of the conditions which have befallen the military-industrial complex in Russia. It is one example, as was the Topaz nuclear reactor for use in space, of a number of technologies, the development of which the United States abandoned in the past 20 years, and is now buying cheaply from the Russians.

From the early 1970s on, the Soviet Union and the United States were both involved in developing practical applications for the direct conversion of thermal energy to electricity through MHD. In the United States, the civilian research and development program slowed to a near-halt by the early 1980s. But in the Soviet Union, it continued to the end of the 1980s, occasionally producing some electricity for the Moscow power grid using natural gas to create the MHD plasma.

In parallel with their civilian electric power program, the Soviets, led by Academician E.P. Velikhov, were developing pulsed-power sources for directed energy weapons (described in the pamphlet "Sputnik of the '70s," published in 1977 by the U.S. Labor Party), and stand-alone power supplies for remote-area radar and other systems, and geophysical research and earthquake prediction (see *EIR*, Feb. 13, 1987, p. 24). Velikhov's portable MHD generator was one of the technology jewels of the Soviet counterpart of the U.S. Strategic Defense Initiative program.

## **Biological Holocaust**

### **AIDS wreaks havoc in Zimbabwe**

The AIDS epidemic in Zimbabwe has reached such crisis proportions that funeral directors say they are running out of cemetery plots, and want permission to start burying corpses vertically or in tiers, according to the April 13 *Washington Post*.

More than half of Zimbabwe's 50,000 soldiers are infected with the human immunodeficiency virus (HIV), the virus that causes AIDS, according to unofficial estimates. AIDS is the leading killer of children under

five years of age in Zimbabwe, accounting for one-quarter of such deaths in a population of about 11 million. If current projections hold, one-third of all youngsters in Zimbabwe will be orphaned by 2010.

A spokesman for Anglo-American Corp., the mining conglomerate that employs 20,000 in Zimbabwe, estimated that 25% of its workforce is HIV-infected. So as not to bankrupt its pension system, the company has instituted a program of ill-health retirement in which AIDS sufferers are given a lump-sum payout of six months pension benefits, plus funeral costs. The company also has begun testing workers for AIDS before they are moved into long-term training programs. "So far, you couldn't really say there's been that great a cost to our company," said a spokesman for the company.

## **Germany**

### **Cities facing severe financial crisis**

German cities this year are facing the "most severe financial test ever," according to the 1995 Municipal Finance Report by the Association of German Cities. The report said that tax revenues from local businesses, one of the main revenue sources for German cities, will fall again in western Germany in 1995 for the third year in a row. Spending for social welfare programs is expected to increase by another 8%, because of rising unemployment.

The reaction of the cities will be twofold, says the report. First, infrastructure and other investments will fall to DM 38 billion (roughly \$25 billion), after DM 45 billion in 1993, and DM 41 billion in 1994. Second, there will be another drastic increase in municipal fees, especially for water consumption and waste disposal.

However, despite these measures, most of the big western German cities will still suffer large budget deficits, including DM 480 million in Essen, DM 280 million in Düsseldorf, and roughly DM 150 million for cities such as Mainz, Frankfurt, Hanover, and Bochum.

## **Briefly**

● **GERMANY** is optimistic about selling railway technology to Malaysia, after talks by Economics Minister Günter Rexrodt and Siemens in Kuala Lumpur in early April. The German ICE system is competing with the French TGV for the planned DM 10-12 billion high-speed rail connection between Kuala Lumpur and the new international airport, as well as for the planned 800-km nationwide rail grid.

● **IRAQ AND JORDAN** have announced that they will build a pipeline to carry Iraqi crude oil to the Jordanian refinery of al-Zarqa, when the sanctions on Iraq are lifted. Jordan relies on Iraq for all its oil needs, which are supplied by truck, Reuters reported on April 11.

● **NATIONSBANK** would be "very interested in talking to" Chase Manhattan about a possible merger, bank Vice Chairman James Hance, Jr. said, the April 14 *Wall Street Journal* reported. Chase CEO Thomas Labrecque responded that Chase has "no interest" in such a proposal.

● **CRÉDIT LYONNAIS** President Jean Peyrelevade revealed in mid-April that the French bank had lost 600 million francs at its Egyptian branch, *Le Monde* reported on April 15. The affair has been brushed aside because, in the context of bank losses of FF 50 billion, such a sum could appear negligible, the paper said.

● **AMERICAN EXPRESS** has banned outside board members acting as consultants to the company, because of concerns that such directors do not have the best interest of stockholders at heart. The one exception will be Henry Kissinger.

● **BANCOMER**, a leading Mexican bank, warned that the worst of the nation's crisis is yet to come, the daily *Excelsior* reported on April 7. It estimates that GNP will fall by 5.1% in the second quarter of 1995, industrial production will drop an average of 4%, and inflation will be 48% for the year.