

Business Briefs

Investment

Britain, India sign new technology pact

Britain's Secretary for Trade and Industry Ian Lang signed a science and technology pact with India, which expands the scope of the Indo-British Partnership alliance of 1993, wire services reported from New Delhi on Jan. 8.

"Special emphasis is now being placed on bringing together small and medium-sized companies on events in India's non-metropolitan cities, and on strengthening links in the field of science and technology for the mutual benefit of both countries," Lang told a group of scientists and businessmen, after signing the agreement. Lang headed a 30-member delegation of businessmen, academics, and scientists on a five-day visit to India.

Accompanying Lang are senior executives of British Aerospace, Rolls Royce, Thorn EMI Plc., and British Gas Plc. "The potential is so huge that India remains a magnet. These are the kind of opportunities British business cannot ignore," he said.

Biological Holocaust

Brain-eating amoeba diagnosed in Australia

An amoeba known as *Balamuthia*, which killed two five-year-old boys in Australia in 1995 by invading and literally eating holes in their brains, is the subject of an international conference on amoebic diseases organized by Prof. Tony Ferrente, the *Australian* reported on Jan. 8.

The discovery that amoebae are responsible for a range of horrific brain and nerve diseases was made in Adelaide, South Australia in the 1960s, when Dr. Rod Carter found that a series of cases in children of fulminating encephalitis, an acute inflammation of the brain, were caused by an amoeba, *Naegleria fowleri*, in the water supply. The amoebae got into the children's systems via the nasal passage and found their way to the brain, with the children dying within three days. The threat

was overcome by the addition of chlorine to the water supply, but doctors have been recognizing the danger all around the world ever since.

Ferrente said, "My work shows that normally you are highly resistant to these things, which usually live in the soil or water. They can cause a sore on the skin but normally they don't get any further; but, if the immune system is weakened and the cysts penetrate, the amoebae can invade the central nervous system via the bloodstream. They are so virulent they just destroy the nervous tissue with lytic, or dissolving enzymes, and the brain becomes spongy. They are often extremely hard to diagnose till after death."

According to Ferrente, antibiotics effective against bacteria are of little use in treating amoebae. "The major challenge is developing new drugs that would attack the amoeba without causing damage to the patient," he said.

Another parasite, which can dissolve the eyes of people who wear contact lenses contaminated by not being washed in sterilized water, and which can also penetrate the brain, known as *Acanthamoeba*, is also being studied.

Russia

Miners urge change in northern policy

The Vorkuta Independent Miners Union has sent a letter to President Boris Yeltsin and the government urging that financial policy toward the far north be rethought, or that Vorkuta residents be resettled in more hospitable climes, Russian TV reported on Jan. 11.

The union, which is planning to picket government buildings in Moscow on Jan. 24-26 to protest the government's economic policy, said that some employees of the Vorkutugol coal association have not been paid since October. Wage arrears and the issue of social benefits for miners laid off from unprofitable pits in the Pechora coal basin have provoked a number of work stoppages and hunger strikes in recent months. The Pechora region produced 22 million tons of the country's total coal output of about 250 million tons in 1995.

Meanwhile, the cost of the basic monthly

consumer basket of 19 essential goods rose 130% during 1995, reaching 235,000 rubles (\$52) by the end of December, according to the State Statistics Committee. Among the steepest price rises last year were utilities (400%) and urban mass transit (220%). Industrial prices rose nearly 200%.

Infrastructure

Trafalgar, Autostrade in new toll road venture

Lord Cecil Parkinson is heading up Midland Expressway Ltd., a joint venture of Trafalgar House, the U.K.'s largest engineering and construction company, and Autostrade International, an Italian toll road management firm, to build a toll road bypass for the congested highway ring around Birmingham, England. The participants are as unsavory as their approach to privatized infrastructure is unworkable.

Parkinson was former Prime Minister Margaret Thatcher's key adviser on privatization, and, as secretary of trade and industry, cleared the way for the London stock exchange "Big Bang" of October 1986, the liberalization designed to guarantee London's supremacy as center of globalized financial flows.

Autostrade is a partner in the Dulles Greenway private toll road in Virginia. An Autostrade representative in Rome told *EIR's Strategic Alert* that their co-investment in the Greenway with Magalen Ohrstrom Bryant was the beginning of a move to eventually privatize the U.S. interstate highway system. He stated that when the federal government is no longer able to maintain the highways, private firms could then be given management contracts and toll collecting rights.

The Keswicks of Dope, Inc.'s Jardine Matheson dominate Trafalgar House. Simon Keswick, now chairman of Trafalgar's board, led Jardine Matheson in 1992 into Trafalgar, which shifted financial assets out of Hongkong prior to the return of the Crown Colony to China in 1997. Through their subsidiary, Hong Kong Land Holdings, the dominant controller of the colony's commercial real estate, the Keswicks bought up 30% of Trafalgar. The Kleinwort

Benson investment bank is financial adviser to the project.

The German Press Agency (DPA) is the latest to report that the Greenway may go bankrupt, which will deter private investors in future such projects.

South Africa

Protests grow against privatization plans

The announcement by South African Deputy President Thabo Mbeki on Dec. 7, 1995, that the government would privatize some State assets and allow private partners in others, is drawing increasing opposition, including labor strikes.

The current government is more "right wing" in economic matters than the previous white minority regime, according to a Dec. 29 statement by Mosibudi Mangena, the president of the Azanian People's Organization, a black organization in South Africa. "Successive National Party regimes had maintained these parastatals [State enterprises] and used them to serve the economic and social needs of especially the white population," he said. "In particular, State enterprises played a crucial role in eradicating the poor white phenomena. Instead of doing the same, this coalition government, though dominated by black faces, wants to sell off parastatals to white capitalists, both here and abroad."

Deputy President Mbeki told a news conference that the cabinet had recommended that equity partners be sought for telecommunications giant Telkom, South African Airways, and the Airports Company, in which State involvement is considered strategic. Non-strategic investments have been recommended for outright sale, he said.

Relations between the African National Congress-led government and the allied Congress of South African Trade Unions (Cosatu) have reached their lowest point since the 1994 elections, over the privatization plans, according to the London *Sunday Independent*. In one meeting with government representatives, Cosatu head Sam Shilowa insisted that the government is being misled. "We don't believe [that] in any country privatization has ever benefited

society," he said. "If the government wants to sell off the family silver, we say, no, you cannot." Instead of the government cutting back its role in the productive capacity of the country, it should be expanded, he argued.

Notwithstanding, South Africa's Democratic Party, an entity controlled by Anglo-American Corp. and its minions, said on Dec. 8 that the government should "proceed purposefully and boldly to implement its privatization plans."

Health

'Reforms' led to crisis in British hospitals

Government "health reform" policies aimed at effectively dismantling the National Health Service and replacing this with "efficiency"- and "competition"-driven standards, are responsible for creating an unprecedented emergency in British hospitals, British Medical Association (BMA) Chairman Dr. Sandy Macara charged on Jan. 11, the London *Daily Telegraph* reported. "We no longer have a National Health Service; we have got nearly 500 hospital trusts, all exhorted to do their own thing," he warned. "The wretched internal market does not allow money to be channeled to where it is most needed. There is no longer the ability to plan centrally to meet the needs of patients. The internal market has failed. It has produced a cocktail of potentially lethal problems."

The BMA is claiming that hospitals are cracking under the strain of a surge in emergency admissions that has caused trauma units to close and patients to be turned away. Last year, emergency admissions rose by more than 6%, but funding for emergency work was cut by 1-2%. According to the BMA, emergency admissions have risen by 13% over the last four years. The BMA is charging that closures of emergency units has gone much too far. Since 1991, over 9,000 acute-care beds have been lost, 7% of the total.

Dr. Macara warned, "There is a . . . lack of slack in the system due to the run-down in beds, staff shortages because many youngsters are fed up, and a disastrous shortfall in community care. . . . We want action to avert a national crisis."

Briefly

LONRHO, a conglomerate of 600 companies in the British royal orbit, expects to hive off its mining interests, including a 41% stake in Ghana's Ashanti Goldfields, coal-mining operations in South Africa, and a 32% share in Impala Platinum.

SUDAN plans to begin construction of a dam on the Nile River at the Kajbar Waterfall, *Sudanews* reported on Dec. 15. The dam will decrease irrigation costs in the region by 75%, and will provide electricity. The Russian Haidro Project Company has signed a deal to execute the designs for the dam, the power plant, and distribution lines.

CHINA'S 1995 grain harvest of 466.4 million tons broke the record of 456.5 million tons set in 1993. According to Xinhua news agency, the increase was attributable to higher capital inputs, the use of higher-yielding crops, and new technology.

BELARUS Radio on Jan. 5 reported that criminal proceedings are being prepared against executives at the Belarus Savings Bank, following the discovery of irregularities. A \$25 million loan from the Finance Ministry, intended to index people's savings to inflation, was deposited abroad and used to offer credit to commercial firms.

BULGARIA'S latest mass privatization program got under way on Jan. 8, involving the sale of shares in 1,063 firms with an official value of \$1.12 billion. Bulgaria's 6.7 million citizens can each buy vouchers totaling 25,000 leva (\$348) for a registration fee of 500 leva (\$7). Some foreigners will also be allowed to purchase shares.

SINGAPORE is backing International Monetary Fund policies for India, the Jan. 10 English-language daily *Straits Times* indicated in an editorial. It said that former Prime Minister Lee Kuan Yew urged India to persist in its economic liberalization and resist pressures for greater protectionism or welfarism.