

Business Briefs

Western Europe

1.5 million German households are bankrupt

The increase of the debt burden on private households, DM 4,000 (\$2,400) per capita, and the inability of more and more families to pay their debt, has led the Association of Consumer Interest Groups (AGV) in Germany to estimate that 1.5 million households are virtually bankrupt.

Many mid-sized entrepreneurs are in the same situation, because the economic depression has ruined their chances of making a profit and servicing loans taken out when economic prospects were better than today. An increasing number of entrepreneurs have been driven into risky refinancing maneuvers to escape bankruptcy proceedings and costly expropriations by creditor banks.

In a statement on April 27, the AGV accused banks and savings banks of "usurious" methods, of trying to benefit off the worsening situation of many debtors by charging them horrendous interest rates on refinancing loans, and forcing them into ruinous schemes for debt consolidation.

Economic Theory

World Bank admits Asia grew without free market

A forthcoming World Bank study of the "Asian miracle" admits that Japan, South Korea, Taiwan, Hong Kong, Singapore, Thailand, Malaysia, and Indonesia have achieved significant economic gains outside the framework of a strict free market, and that government intervention was key in the economic success of these countries, according to the April 26 London *Financial Times*.

"Most of the Asian high-fliers have also interfered with market mechanisms. They

have limited the personal sector's ability to consume, and heavily regulated the financial sector so as to ensure a predictable supply of low-cost capital for industry," the paper's U.S. correspondent Michael Prowse reported. "At one time or another state-owned industries have played an important role in many of the economies. . . . All high-fliers intervened selectively to promote particular industries. . . . The bank has documented selective interventions throughout the region, even in supposedly free market Hong Kong."

Even Vinod Thomas, a rabid free market ideologue who is the chief World Bank economist for East Asia, conceded that, in many instances, "government played a big role, trade was not open and financial markets were repressed."

Health

WHO declares global tuberculosis emergency

The World Health Organization on April 23 declared a "global emergency" because of the resurgence of tuberculosis, UPI reported. WHO said it was taking "the extraordinary step of declaring tuberculosis a global emergency" because the disease will claim more than 30 million lives in the coming 10 years unless immediate action is taken to curb its spread.

"Tuberculosis is the leading cause of death from a single infectious agent, a bacterium that already infects one-third of the world's population," the agency said. "Every year, 8 million people are developing the disease. Tuberculosis is humanity's greatest killer and it is out of control in many parts of the world. The disease, preventable and treatable, has been grossly neglected and no country is immune to it."

The WHO said that while 95% of all TB deaths are in the developing world, it is rapidly spreading in the industrialized sec-

tor, with a 12% increase in the United States between 1986 and 1990, a 28% rise in Italy between 1988 and 1990, and a 33% jump in Switzerland from 1986 to 1990.

Nuclear Energy

Zimbabwe insists on right to peaceful technology

Africa should maintain its right to use nuclear technology for peaceful purposes, Zimbabwean Foreign Affairs Minister Natham Shamuyarira said on April 5 in Harare, South Africa, the Ziana news agency reported.

In an address read at the opening of a meeting of experts on the "denuclearization" of Africa, the minister insisted that nuclear technology had important uses in other sectors such as health. "Giving up the military option for Africa does not mean relinquishing the right to develop nuclear technology for peaceful purposes. Nuclear technology has important uses in health, hydrology, mining, and power generation. Africa must maintain its right to use this technology," said Shamuyarira.

The minister spoke as representatives from the U.N. and the Organization of African Unity met to draft a treaty making Africa a nuclear-free continent, and a few weeks after South Africa's disclosure that it had produced a nuclear bomb.

Superconductivity

New record set for magnetic field strength

Researchers at the University of Houston Institute for Beam Particle Dynamics and the Texas Center for Superconductivity have announced that they have broken the

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world record for magnetic field strength. Their research has created a superconducting magnet with a measured field strength of nearly 40,000 gauss. The old world record, which had stood for 19 years, was 23,000 gauss. Electromagnets used in magnetic resonance imaging operate in the 20,000 gauss range.

The magnet, about the size of a quarter, is composed of a mixture of ytterbium, barium, and copper oxide, which is grown into flat crystals. The crystals are bombarded with radiation in a cyclotron at Indiana University, and then attached together, about eight crystals thick, with rubber cement. The magnet has no magnetic force at room temperature, but when chilled to 64.5° Kelvin, it becomes a superconducting magnet.

Physicist Roy Weinstein, who works on the research team, told the April 29 *Houston Chronicle* that the technology "could lead to dramatic improvements in large electric motors." He said that the magnet has been used to make a small electric motor which produces about one-tenth of a horsepower. He is hoping that further work will produce a motor with 50 horsepower or more.

Aerospace

TWA leases planes assembled in China

TWA has agreed to lease five McDonnell Douglas airliners that were assembled in China, the April 26 *Wall Street Journal* reported. It is the first time that aircraft assembled in China have been sold to a western airline.

At least one official of a U.S. firm was reported to be concerned about the quality of the Chinese-made jet, but the *Journal* reported that there are no such qualms at the U.S. Federal Aviation Administration, which certifies the safety of all airliners. China assembles the aircraft from kits supplied by McDonnell Douglas as part of an

offset arrangement for the 1985 sale of 30 airliners to China.

Ironically, the troubled airline industry has rendered the market for airliners so bad that practically new aircraft are now being priced below the Chinese-made aircraft. McDonnell Douglas had originally hoped that the Chinese-built aircraft would cost 10-20% less than U.S.-made aircraft. But General Electric Co.'s leasing unit has just leased five new MD-82 jets to China for \$23 million each. The price of a new MD-82 built in Shanghai is \$28 million.

Argentina

Heavy water plant begins operation

On April 20, the Argentine National Atomic Energy Commission (CNEA) began operation of its Heavy Water Industrial Plant (PIAP) in the city of Arroyito in the Patagonian province of Neuquen.

With a production capability of 250 tons annually, the plant has an installed capacity of 90 MW; the phase for synthesizing ammonium consists of two reactors (the largest in the world of their kind) capable of processing 2,150 tons daily.

The April 20 *Ambito Financiero* reported that with the plant's completion, the CNEA "has realized its project for the technological integration of Patagonia, made up of the mining development centers at Cerro Solo in Chubut, the technological-educational center at Bariloche, the Pilconiyeu Factory Complex in Rio Negro, and now the PIAP in Neuquen." The paper underscored that the heavy water plant means that "Argentina possesses a new national patrimony and interesting perspectives on an international level. It was a technological challenge which is now at the service of the country."

● **ILLEGAL DRUGS** have hit a street value of \$600-800 billion, an expert from the anti-narcotics commission of the Group of Six (richest nations), told Ibero-American and European specialists who met in Rio de Janeiro April 22-23. The meeting was on the worldwide problem of drugs, especially in the Third World.

● **ECONOMIC STATISTICS** in the United States are so untrustworthy, due to faulty assumptions, seasonal adjustments, and so on, that Wall Street notices only if they move out of a relatively broad range, the April 26 *New York Post* reported.

● **ZAMBIA** will soon see more than 100 companies shut down because of President Frederick Chiluba's economic "reform" policies, a spokesman for the Zambia Association of Manufacturers from Lusaka said, IPS news service reported on April 27. Import taxes are set at between 20% for the cheapest raw materials and 40% for the most expensive.

● **AFRICA** and eastern Europe will suffer serious food shortages because developed countries are not investing enough in agriculture, the director general of the U.N. Food and Agriculture Organization, Edouard Saouma, said in Rome, Reuters reported April 27.

● **AT&T** has stopped using prison labor to telemarket its products and services, the March/April *Solidarity*, paper of the United Auto Workers, reported. A Communications Workers of America's campaign attacked the company for its use of \$2 per day prison labor for what would otherwise be union jobs.

● **BOND TRADERS** have taken over the top management positions of Wall Street firms such as Morgan Stanley, Merrill Lynch, and Lehman Brothers, the April 26 London *Financial Times* reported.