

Business Briefs

Demography

Chinese to repopulate Africa?

The leaders of the Communist People's Republic of China are eagerly eyeing the prospects for sending Chinese to a sub-Saharan African continent depopulated by famine and disease. According to Chinese press reports, the governor of the province of Sichuan, which has a population of 100 million, is looking to China's joint projects in Africa as an outlet for the province's "surplus labor."

The Sichuan Corporation for International Techno-Economic Cooperation, which coordinates Sichuan's joint projects both in China and abroad, is responding to the Gulf war by looking south of the Gulf to Kenya, Uganda, Somalia, and Egypt (as well as Nepal on the Indian subcontinent) to establish light industry and construction projects. Said the governor in late December, "We pin great hopes on the corporation, since we need to export surplus laborers to other provinces and other countries."

AIDS

Transmission by aerosols under study

"After denying for years that HIV, the AIDS virus, can be spread through the air, the [U.S.] federal Centers for Disease Control (CDC) is funding a study" to find out, the *Washington Times* reported Feb. 15.

The Atlanta-based CDC was forced to act after Dr. Donald Jewett, professor of orthopedic surgery at the University of California at San Francisco, conducted a study showing "that aerosols containing HIV-infected blood were produced during orthopedic surgery when bone-cutting tools were used.

"He found that these particles were small enough to penetrate a surgical mask."

The finding would also implicate high-

speed dental drills, apparently.

Meanwhile, Gregory Johnson and William Robinson at Stanford University in California have done a study upsetting the long-standing myth that HIV loses most of its potency on contact with air. They have shown that it can survive and remain infective in an aerosol for at least several minutes.

Meanwhile, Peter Duesberg, a University of California virologist, has drawn attention to the fact that "viruses such as HIV infect few cells and do not kill them," according to the *Montreal Gazette* on Feb. 7. "This has AIDS researchers scrambling to explain how HIV can indirectly kill key immune system cells," the *Montreal Gazette* continues. "Even Luc Montagnier, the discoverer of HIV, says it is not known how the virus damages the body."

Duesberg is notorious in medical circles for his insistence that HIV is not the cause of AIDS. The Proceedings of the National Academy of Sciences is planning to publish an article by him propounding this thesis in February.

Banking

HongShang moves to London

The British taipans of the Hongkong and Shanghai Bank, who arranged the deal to turn the Crown Colony of Hong Kong over to Beijing, have covered their own tails by shifting the bank's "legal domicile" to London, by creating a holding company for this purpose. Beijing made certain official indications of displeasure, but People's Republic of China Premier Li Peng, in a meeting with HongShang chairman William Purves, said the move was "expected" and that Beijing understands it was a commercial decision.

The HongShang intends to keep its role as the unofficial central bank of Hong Kong, including its role as central clearinghouse bank-note issuer, and its membership on the Exchange Reserve Advisory Committee.

One issue to be determined is how the HongShang will deal with the "secret reserve"

rights that it enjoyed as a Hong Kong-based bank, which facilitated Hong Kong's notorious role in the Golden Triangle drug trade and dirty-money exchange.

Secretary for Monetary Affairs David Nendick has confirmed that local banks would retain the right to secret reserves under Beijing's rule. But some Hong Kong interests are trying to strip the HongShang of its special rights and have Beijing's Bank of China take over its official duties. One spokesman for this pressure group called the HongShang a "monster created by the colonial government. After years of gains, they now want to do away with the political risks."

The Depression

Barclays chairman warns of repeat of the 1930s

Sir John Quinton, chairman of Barclays, Britain's largest clearing bank, told a London banking conference Feb. 12, "There is a real threat that the recession in the United States, the United Kingdom, and elsewhere will deepen and awaken comparisons with the Great Depression of the 1930s."

Quinton added that while a complete credit collapse is unlikely in the United Kingdom, in the United States, "it is a very real possibility," adding that present pressures facing international banks, especially in the United States and United Kingdom, will cause a "shakeout in the industry on an unprecedented scale" over the next five years.

In another statement, Peter Brighton, director general of the Engineering Employers' Federation, said that Britain is heading "hell-bent towards a peasant economy." His federation represents 5,000 manufacturing firms in the United Kingdom, including giants like Rolls-Royce and British Aerospace.

The lead article in the Feb. 13 London *Guardian* reports Brighton warning, "There had better be an improvement before long, or this country will crash into the buffers." He said that output in the U.K. would go down

by 7% this year, and that there would be zero growth in 1992.

Brighton charged that successive British governments refused to realize the importance of industry to the economy, but instead relied on a "short-term fix" through oil revenues and financial sector manipulations.

The *Guardian* notes that in the House of Commons a day earlier, the issue of the economic crisis dominated, and no questions were raised about the war in the Persian Gulf, the first time this has happened since the war began. Labour Party spokesmen pointed to the sharp rise in unemployment, bankruptcies, and mortgage deficits.

Asia

Adam Smith at the helm in Hainan

The "invisible hand" is ruling the Chinese island-province of Hainan in the South China Sea, according to a report from the official People's Republic of China news agency Xinhua. The island has been given virtual autonomy on foreign investment projects, and "an invisible hand is regulating social and economic life."

Over the last two years, 932 foreign-financed enterprises and over 30,000 local enterprises have been established. The foreign enterprises "enjoy complete freedom over employment and personal affairs," according to new rules issued Dec. 20. The rules guarantee the "freedom to hire, fire, and reward."

International Credit

World Bank denies loans to Ibero-America

World Bank vice president for Latin America Shahid Hussain has said that the World Bank is planning to drastically reduce the funds used to finance credits, a Reuters wire published in the Feb. 13 edition of the Colombian daily *La República* reports. Latin America and Third

World countries would be the most affected, Hussain said, adding that the U.S. financial crisis and the war in the Persian Gulf have aggravated the lack of financial resources.

Hussain reported that the worst-off country is Peru, because it has "an almost destroyed economy" and is facing an "especially difficult situation due to the conjuncture of internal violence, the lack of infrastructure, and the difficulty of convincing the population of the seriousness" of its financial situation.

He did not mention the cholera epidemic that is devastating Peru right now. At last count, 26,000 cases had been reported.

Infrastructure

Support grows for plan to rebuild Cambodia

Support is growing for Thai Prime Minister Chatchai Choonhavan's plan to start rebuilding infrastructure in Cambodia to facilitate the U.N. peace plan for that country. Resistance leader Prince Norodom Ranariddh has given his full support to the plan, according to the Bangkok daily *The Nation*. Ranariddh met with the Thai prime minister on Feb. 14.

The premier's proposal calls for airfields, highways, and railroads in both government- and resistance-controlled areas to be renovated without waiting for a peace settlement. According to a spokesman for Chatchai, the plan is that Thailand would serve the "working group" set up by the newly formed Cambodian Supreme National Council, to function as a "coordinator" with the United Nations and with donor countries, particularly Japan.

Japan has offered to finance the rehabilitation scheme, and a Japanese diplomat arrived in Phnom Penh Feb. 13 to assess reconstruction needs and discuss peace moves with Cambodian leaders.

But the strongest of the Cambodia resistance factions, the Khmer Rouge, have given a cool reception to the reconstruction plan. Khieu Samphan, nominal leader of Pol Pot's group, met with Prime Minister Chatchai earlier this week and emerged saying little of the plan.

● **ASEAN** nations have unanimously given their support to Malaysian Prime Minister Mahathir Mohamed's initiative for a new Asian trade bloc, although the Bush administration has vehemently opposed the plan. It will now be evaluated by the other nations which Dr. Mahathir proposes join the group—Japan, China, Taiwan, Hong Kong, and South Korea.

● **THE WORLD** Health Organization has recommended that the Peruvian government not vaccinate people to control its cholera epidemic, the daily *La República* reported Feb. 15. The WHO said that vaccinating could introduce greater health risks, such as serum hepatitis and AIDS—presupposing vaccinations would be given without using disposable needles.

● **PUBLIC LIBRARIES** in the United States, caught between rising costs for books, computers, and periodicals, and cuts in local budgets, are barely able to keep their doors open. The New York City system has cut its hours by 10%; the Los Angeles system remains understaffed by about 10%. Some libraries are canceling new book orders and delaying capital improvements; others simply close down.

● **THE FARMERS'** Home Administration is reportedly delaying credit to farmers for spring planting. Louisiana farmers report delays in processing their loan requests, while North Dakota farmer borrowers are facing delays so bad that they do not expect credit to come until June or July. Their planting season ends in April.

● **RAIL TRAFFIC** in all categories declined during the week ending Feb. 9 from the corresponding week in 1990, the Association of American Railroads has reported. Carloadings were down 6%, grain loadings decreased by 16.9%, coal by 1.8% motor vehicles and equipment by 22.3%, and metal ores by 8.9%.