

# Business Briefs

## Health

### Germany wants beef ban to deal with BSE

The German government wants to ban beef imported from Great Britain to avoid risks associated with bovine spongiform encephalitis (BSE), which is spreading among cattle in Britain. It reportedly is prepared to implement such a policy unilaterally if no solution is agreed upon by the European Union in Brussels.

Preventive measures are necessary because transmission to man can no longer be excluded, German Health Minister Seehofer said in mid-March. The minister was especially alarmed about two cases of Creutzfeldt-Jakob disease which occurred among young people in Great Britain—a disease so far found only in older patients. There are possible connections between Creutzfeldt-Jakob disease, which always results in the death of the patient, and BSE, experts say.

Seehofer compared the state of knowledge of BSE with that of the AIDS agent in the early 1980s. In view of the incubation period of the BSE agent, which can be up to 35 years, he called for maximum security measures now. Over 116,000 head of cattle have been infected with BSE since 1986 in Great Britain. The agent of BSE was first identified in the United States in 1969.

## Space

### Russia plans to build its own cosmodrome

Russia plans to build a new cosmodrome space facility in the Far East by the year 2000 to assure the independence of their space program, the country's space commander told the Itar-Tass Russian news agency March 10. The announcement is a sign that the Russian Armed Forces have given up hope of a permanent deal with Kazakhstan over the use of the facility at Baikonur, the former Soviet Union's main space facility.

According to March 14 issue of *Aerospace Daily*, Col. Gen. Vladimir Ivanov, command-

er of the space forces, told Itar-Tass that "the interests of the country's defense capability and security cannot be made dependent on the policy of another country." Ivanov said that the military intends to build a new launch facility at Svobodny near the Chinese border before the turn of the century.

Since the breakup of the Soviet Union, the Cosmodrome, from which all Soviet manned space flights had been launched, has been a bone of contention between Russia and the Kazakh government. Each time a dignitary from either country visits the other, efforts are made to make it seem that an agreement is imminent. But so far there has been no long-term agreement on which country will control which functions of the complex. The physical plant and equipment and the living conditions of the workers are deteriorating. The U.S. Congress and others are worried that the joint Russian-U.S. space station might require hefty investment by the United States in Baikonur for it to be usable.

## Italy

### Comit sale completes phase one of takeover

With the privatization in early March of Banca Commerciale Italiana (Comit), the number one bank in financing Italian exports, the Anglo-American "Venetian party" has completed the first round toward its takeover of the Italian economy, according to sources.

The "public company" formula chosen by IRI head Romano Prodi formally allows no shareholder to possess more than 3% of shares, but a look at the purchasers shows that a cartel of domestic and foreign allies of Assicurazioni Generali has probably established itself as the real owner of Comit. The fact that IRI assigned stocks only to a few privileged (mostly Venetian) Italian groups and foreign banks has created an uproar among Italian mutual funds.

In an interview in the Lugano newspaper *Giornale del Popolo* on the eve of the privatization on March 3, Prodi welcomed Venetian financier Luciano Benetton as representative of "new financiers," to take over the former state industry. His model, Prodi said, is the British East India Company: "In modern soci-

ety there is a place for everybody, but it is a historic fact that capitalism was born through 'public companies.' Indian companies were nothing else than 'public companies.' "

Meanwhile, Global Gas (a subsidiary of British Gas) has announced plans to buy up Italian energy facilities. General director Julian Lehmann told the Milan daily *Il Giornale*, "We arrived with a suitcase full of pounds-sterling to shop in Italy." The company has opened an office in Milan, and intends to buy up gas-drilling and distributing companies now belonging either to the state-controlled ENI or to municipal companies owned by city authorities. "We aim at purchasing quotas going from 25 to 50%," said Fabio Fontana, general director of British Gas Italy. However, British Gas is primarily interested in purchasing ENI's gas division, SNAM, which has a virtual monopoly on gas exploration on Italian territory.

British Gas is also set to buy Milan's electricity company AEM, which is soon to be privatized, *La Repubblica* has reported. This would imply a change in policy by the Northern League municipal government, which so far has planned to sell it on the "public company" formula.

## China

### LaRouche program covered in Beijing

The program of Lyndon LaRouche, a proponent of American System economics, and the Schiller Institute for the development of China and Eurasia, was translated and published as a "Special Exposition" by the Beijing academic publication *Strategy and Management* in its first issue of 1994. LaRouche's name appears in the table of contents, along with those of members of the Chinese Academy of Social Sciences, professors from Beijing and Shanghai universities, and other institutes in China.

The magazine covers topics on China's economy, government, politics, society, civilization, and other issues. The translation and publication was sponsored by a member of the Chinese Academy of Social Sciences, one of two leading official academies of China.

The article, which is an elaboration by Jonathan Tennenbaum of LaRouche's program

for meeting the water, energy, transportation, and other infrastructure needs of China's economy, was published in the Feb. 11 *EIR*. LaRouche's name, in both Chinese and English, appears in *Strategy and Management* as the author of the program.

## Germany

### Action demanded to save high-technology assets

Emergency action is required to save the capacities and skills in the high-technology sectors of German industry, according to a resolution signed by all 16 state governors in Bonn on March 17. "The situation in the German aerospace industry does not permit any further delay of concrete steps," the statement read.

The resolution is one of the rare examples in which governors from the Christian Democracy and the Social Democracy are rallied behind a clear commitment for state action to help the aerospace and military industries.

The 16 state governors call for a joint working group with the federal government to deal with the situation in the high-technology industries. It was resolved that the states will be represented by the governors of Bavaria and of Lower Saxony—the latter being Social Democratic party leader Gerhard Schroeder. Schroeder has built an image as being open-minded to concerns of industry and as someone who is not afraid of clashing with the anti-industrial, ecologist wing of the SPD.

## Russia

### Latest figures show drop in production

A dramatic drop in industrial output in Russia is confirmed by the latest official government statistical report of the Russian Federation released in mid-March. Production levels are the lowest since December 1991 (when the round of shock therapy "market" reforms and liberalization began), and represent a 24.1% drop compared to February 1993.

In the branches of production, the collapse looks as follows: Light industry, down by 32% in January-February 1994, as compared to the same two-month period in 1993; food production, down by 21%; iron processing, down by 23%; chemical and cellulose production, down by 35%; machine-building, down by 48%; energy/raw materials production, down by 7-10%; oil production, down by 13%; steel production, down by 26%; manufacture of private cars, down by 40%; production of tractors, down by 80%.

Against this background, Vladimir Shumeiko, the chairman of the Federation Council, said in Moscow on March 15 that he would not rule out that special legislation would soon be required to deal with the economic emergency.

## Foreign Aid

### Britain milks Third World, paper charges

Britain uses a tiny bit of foreign aid as bait, to lure lucrative contracts and debt financing from Third World nations, charged the *Crescent*, an Iran-backed newspaper of the Islamic movement, in an article entitled "Britain Milks Third World Under Cover of Development Aid." The story seems to be part of a drumbeat of attempts by developing sector countries and political movements of various persuasions to point the finger at Britain.

"Britain gives more aid per capita to oil-rich Oman than to Ethiopia," the *Crescent* said. "London offers economic assistance mostly to countries that are able to borrow cash to spend on British arms, or squander it on projects performed by U.K. companies. . . . The aid, or bait, to call it by its proper name, is invariably paltry compared with the rich rewards to be reaped. In most cases, it is far less than the hefty interest demanded by British banks designated to advance the loans that fund the arms purchases or projects. Mostly, it is the British government which determines the banks that lend the cash and the firms that carry out the projects or sell the arms. . . . The victims—the British say beneficiaries—are mostly Muslims."

## Briefly

● **A NEW MALARIA** vaccine, developed by Colombian immunologist Manuel Elkins Patarroyo, was tested successfully on 45 persons in Tanzania, in the high-risk area of East Africa. A half-billion people are stricken every year; until recently, there was no effective vaccine.

● **FIFTEEN** of the world's largest pharmaceutical companies have begun a cooperative search for AIDS treatment, the March 14 German daily *Die Welt* reported. Merck Sharp & Dohme from the U.S., and Bayer, Hoechst, and Boehringer in Germany, are participating. Their research is focused on two human enzymes that are crucial for the AIDS virus.

● **JAPANESE** began panic buying rice in mid-March, because of the collapse in 1993 domestic production and because foreign rice imports might increase under the General Agreement on Tariffs and Trade. Protests by housewives in Tokyo are demanding, "Get Some Japanese Rice Produced!"

● **POLISH** unemployment grew to almost 3 million in February, 13,000 more than in January, putting official joblessness at 16%. Some 42,000 more were excluded from the unemployment rolls because they stopped showing up in employment offices. Enterprises have also announced another 50,600 layoffs.

● **IRAN**, whose economy has been devastated by low oil prices, announced in March that it has agreed with four western nations to defer repayments on \$5.6 billion in debt arrears. The April edition of Jane's *Intelligence Review* warns, "Iran appears on the brink of collapse as a viable sovereign entity."

● **CHINA** cut 12.7 billion yuan from its original 41.7 billion yuan budget, and will only invest 29 billion yuan (\$3.3 billion) in railway construction this year, the government-run *China Daily* cited the Ministry of Railways as saying.