

# Business Briefs

## European Union

### Delors backs investment in infrastructure

European Commission President Jacques Delors attacked several finance ministers for their resistance to public financing of large-scale rail and other infrastructure projects on June 21. The quality of life in European states depends on transport, health services, and education, Delors said, but a "hard and pure neo-liberal ideology" that ignores "the idea of public goods in the economy" is blocking such investments.

"Is it extremely dangerous, in the matter of public finances, to borrow to finance technologies that will serve future generations?" Delors asked, according to the June 24 French daily *Libération*. He said that trans-European transport networks are "investments for the next three or five generations ahead. . . . Would they have built railroads in the 19th century, if they had had to have the certainty, from the first year of their being used, that they would be fully profitable?"

Delors singled out the British, German, and French finance ministers. "They preach a doctrine that has failed everywhere, and yet they have the cheek to attack those who try to advance an alternative. . . . I must express my anguish at the spectacle of European society breaking up and leaving so many victims by the wayside," he said.

## Africa

### 34 million threatened with starvation

Over 34 million people in Africa are threatened with starvation, Abdou Diouf, the director of the U.N. Food and Agriculture Organization, warned in a press conference in Rome on June 20. Eastern Africa is the worst, with 22 million threatened. The situation has "dramatically worsened" and a "very serious food crisis" exists, he warned.

"More and more people are dying of hunger and malnutrition," he said. "In the developing sector alone, 800 million people are chronically malnourished." The main task of the coming decades will be to upgrade food

production for an expected 9 billion people in the year 2030, he said. Diouf urged the industrial countries to donate more food aid; until now, countries belonging to the Organization for Economic Cooperation and Development have pledged only one-third of what is needed just for emergency food aid.

## International Credit

### Cancel Third World debt burden, says cardinal

Nigerian Cardinal Francis Arinze called on "rich nations" to "cancel, or at least drastically reduce . . . the foreign debt of Third World countries," at a press conference in Rome on June 17, the Rome daily *L'Informazione* reported. The press conference came at the end of a meeting of cardinals in Rome called by Pope John Paul II to discuss the "agenda for the third millennium."

On June 20, journalist Maurizio Blondet, in the daily *Avvenire*, a newspaper linked to the Italian Bishops Conference, wrote from Rwanda that the International Monetary Fund is the cause of Africa's misery and "underpopulation." "Africa is not overpopulated; just the opposite. Africa is dying for political reasons. It was the International Monetary Fund that forced African countries to replace subsistence cultures with export ones. In Sudan, the IMF has prevented the construction of dams and canals in the sub-Saharan southern region. Sudan had first to pay the foreign debt. And for three years its sub-Saharan, southern region has been plagued by drought."

## Shipping

### Seaborne U.S. trade with Africa is minuscule

Total U.S. seaborne container trade with Africa in 1993 was less than 50 shiploads, according to data from the Port Import and Export Reporting Service (PIERS) of Knight Ridder. PIERS, which tabulates imports and exports at U.S. ports as reported in ships' manifests, calculated that U.S. exports to all of Africa in 1993 totaled 76,385 TEUs (20-foot

trailer equivalent units), the June 15 *Journal of Commerce* reported. (The average deep sea container ship in 1990 had a capacity of 1,568 TEUs.) By contrast, U.S. container exports to Europe in 1993 were just over 2.5 million TEUs.

The largest U.S. export commodity shipped in containers to Africa was apparel (6,872 TEUs), followed by cotton and fabric (5,798 TEUs). An *EIR* analysis of data from the U.S. Maritime Commission in 1989 found that the fifth largest U.S. export to Africa in tonnage terms, after grain, waste paper, and different types of chemicals, was used clothing. This is likely what is being reported as the first and second largest U.S. exports to Africa in containers.

## Medicine

### American firm buys AIDS vaccine license

The U.S. firm Sheffield Medical Technologies has bought the license for a vaccine against AIDS from the National Institute of Health and Medical Research (Inserm) in Marseille, France. Jean-Claude Chermann, the head of Inserm, told Associated Press on June 22, "If everything goes well, we will conduct our first experiment on humans in mid-1995 under the supervision of the [U.S.] Food and Drug Administration."

Chermann told the Paris daily *Le Figaro* on June 22 that the complexity of the virus forced his team to work with seven different levels of the virus to find "a common element for all the strains. . . . When the virus moves out of the cell which it has infected, it carries a piece of substance called beta 2 microglobulin. We have created antibodies against this little piece which is always the same. These anti-bodies are protectors against the virus, because they prevent it from entering the cell. The tests on the Rhesus monkey have allowed us to obtain anti-bodies without toxic reaction, that show the model is feasible." His idea is to halt the mutability of the virus. "When you block the mutability factor, we should be able to stop the evolution into the illness," he said.

The vaccine may be administered with the oral polio vaccine, in order to facilitate its distribution in Africa, Chermann said.

Sheffield will give \$600,000 for research

and \$750,000 to install a new laboratory in Marseille. The city will add \$600,000 for the project.

### **Economic Cooperation**

## **German industry must act in Russia, says Kartte**

German industry should undertake new initiatives in Russia, German economic adviser Wolfgang Kartte told the German economic daily *Handelsblatt* on June 21. Kartte announced that he will organize a conference of all German "project designers" who are engaged in central Russia, both public and private, in Potsdam, Germany.

The core of German economic activity in Russia should be within the "golden ring" around Moscow, including the cities Vladimir, Yaroslavl, and Ivanovo, he said. Kartte explained that the ring around Moscow within a 400-kilometer radius is dominated by small and medium-sized businesses, as is much of Germany, and offers good prospects for German-Russian economic cooperation.

Kartte said that the ideological proponents of a "super-liberal market economy" are on the defensive in Russia and that the new Russian Parliament is characterized by more pragmatic views in respect to market economy, and therefore now is the time to act. The Russian population doesn't want political unrest, and even the communist parliamentarians are avoiding major confrontations with the government, he said.

### **China**

## **New bank reveals plans for infrastructure**

The State Development Bank, set up in May as part of the financial reforms to finance infrastructure projects, expects to lend 80 billion yuan (\$9.3 billion) this year for power generation, transportation and telecommunications projects, bank president Yao Zhenyan told the June 24 London *Financial Times*.

Zhenyan said that building power plants "all the way to Tibet" is at the top of China's

infrastructure list. Two other priority projects include the Three Gorges Dam on the Yangtze River, which will receive 3 billion yuan in loans from the bank this year for civil works, and the Beijing-Kowloon railway.

Meanwhile, the southeastern province of Jiangxi announced plans to build a nuclear plant costing \$5.17 billion, in what would be a major expansion of the Chinese nuclear program, the June 24 pro-Beijing Hongkong daily *Ta Kung Pao* reported. Wang Minxiang, director of the provincial planning commission, said that the province had set up a nuclear energy office to prepare the groundwork for a plant at Maozishan, in Pengze county. He said that the plant is designed for four to six 900-megawatt reactor units.

### **Demographics**

## **French birth rate continues to decline**

A study conducted by the French National Institute of Statistics (INSEE) shows both a continuing decline in the birthrate in France and a rise in the age at which women begin having children, the *News from France*, an English-language newsletter issued by the French Embassy in Washington, reported in June. The drop in the birth rate is the fifth straight year in a row.

France has a lower birth rate, at 1.73 children per woman as of 1992, than Sweden (2.09), Norway (1.89), Finland (1.79), Denmark (1.76), Ireland (2.03), and Britain (1.79). The average age at which women have their first child has crept up from 24.4 years in 1980 to 26 years in 1992, and over one-third of all French children are born out of wedlock. Between 1991 and 1993, there was a staggering drop of 48,100 in the number of births in France.

*News from France* reported in the same issue that 157 million condoms were sold in France in 1993, based on figures from the National Consumer's Institute. "The sales of condoms have more than tripled in France since 1986. However, various organizations and the medical community are busy combatting a current rumor that the condom is ineffective against the AIDS virus," it said.

## **Briefly**

● **GOLDMAN SACHS** is being investigated by the Chicago Board of Trade for attempting to rig prices on municipal bond derivatives. The investment firm is being accused of artificially inflating prices on a futures contract just before the contract expires, the June 24 *Wall Street Journal* reported.

● **TAIWAN** Aerospace Corp. Chairman Sun Tao-tsun met with British Aerospace Plc. officials in London in mid-June. The meeting was apparently connected to Taiwan's plans to begin exporting its Indigenous Defense Fighter in 1999.

● **THE BREAKDOWN** of agriculture in eastern Europe and Russia is a threat to the European Union because "it could suddenly be transformed into tests for social stability in a dramatic way," a delegation of experts warned after a trip to these countries. They urged the EU to urgently upgrade technical and economic assistance to these nations.

● **PRIVATIZATION** efforts are triggering strikes in Europe. In June, rail strikes hit Holland, France, and Great Britain, where government privatization schemes are creating intolerable conditions for trade unions. In Germany, such schemes have provoked strike action by postal workers of a type that is unprecedented in the post-World War II period.

● **THE SWISS BANK** Corp. fired six foreign exchange traders in June after the bank lost 100 million Swiss francs in foreign exchange speculation. The decision is intended as a warning against the most outrageous speculative schemes.

● **WESTINGHOUSE** Electric Corp. was issued a license by the U.S. Nuclear Regulatory Commission on June 10, authorizing export of low-enriched uranium to fuel the two-unit Temelin nuclear plant in the Czech Republic. The NRC emphasized the intent of Congress to "enhance the United States' position as a reliable supplier of nuclear fuel."