

Business Briefs

Technology

Food irradiation backed by Public Health Service

The U.S. Public Health Service has endorsed food irradiation to curb foodborne illnesses. Assistant U.S. Secretary for Health Philip R. Lee, M.D. wrote in the July 27 *Journal of the American Medical Association*: "Foodborne illness is one of the largest preventable public health problems in the United States."

Lee emphasized that food irradiation is "critical to achieving cost containment in health system reform" because it will reduce the incidence of foodborne illness—now estimated at 9,000 deaths and 6.5-8.1 million cases of diarrheal illnesses that cost the economy \$5-6 billion per year.

"It is the U.S. Public Health Service's responsibility to use what we know to protect and improve the health of the public. Each modern food-processing advance—pasteurization, canning, freezing—produced criticism. Food irradiation is no different. It is up to leaders in the health professions to dispel the myths," Lee said.

Health

New cholera serogroup emerged during 1993

A new strain of cholera, *V. cholerae* 0139, emerged during 1993, the World Health Organization said in its "Cholera in 1993" report. Immunity to the familiar strain, *V. cholerae* 01, is no help in resisting the new strain. While there was an 18% reduction in the number of reported cases and a 16% reduction in the number of reported deaths compared with 1992, the number of countries reporting cholera was the highest ever recorded in any one year.

The first reports of epidemics caused by *V. cholerae* 0139 were from Madras, India in October 1992, and the epidemics subsequently spread to other parts of the country in early 1993. The new strain was later reported to be the predominant serogroup in five Indian states, and was reported by

seven countries in Asia in 1993 (Bangladesh, China, India, Malaysia, Nepal, Pakistan, and Sri Lanka). Imported cases were reported by Estonia, Germany, Singapore, the United States, and Hongkong.

Since WHO does not require separate reporting of cholera caused by *V. cholerae* 0139, it remains unclear what proportion of all cases reported from Asia are caused by this serogroup. The clinical disease and the mode of transmission appear to be similar to those of *V. cholerae* 01, and for that reason case management and prevention caused by the two organisms can be the same, according to the WHO.

Of particular concern, however, is the fact that individuals who have been exposed to *V. cholerae* 01 in the past, and who therefore have substantial immunity to infection by this serogroup, have no immunity to the 0139 serogroup. Additionally, the available injectable vaccines and oral vaccines under development that are directed against *V. cholerae* 01 provide no protection against *V. cholerae* 0139.

Banking

Costa Rica's largest bank goes under

The Anglo-Costa Rican Bank (BAC), the nation's largest, has failed for reasons related to the Venezuelan banking crisis. The failure occurred on June 13, but the news is just now leaking out, the Venezuela daily *El Nacional* reported on Aug. 3.

The bank's problems stem from its having purchased close to \$58 million in Venezuela's secondary debt instruments between October 1993 and May 1994; when their value collapsed over a period of time, the bank folded. It made its first purchase of Venezuelan paper at 78% of its value; the second purchase was at 75% of its value, and the third at 52% of its value. When the value continued to drop, the bank tried to sell off some of the debt to recover some of its investment, but ultimately lost close to \$54 million—an amount greater than its own capital.

Total losses amount to 1% of Costa Rica's GNP, and the economy is feeling the impact

of the collapse. A series of lawsuits has been brought against the bank's board of directors and against the Chilean-based Ariana Trading and Finance Co., which mediated the purchase of the debt paper. They are charged with illicit enrichment and fraud. Costa Rican banking law prohibits the type of risky operations carried out by the BAC.

Aerospace

British cabinet in row over proposed cuts

A policy war has erupted in the British cabinet after Employment Secretary Michael Portillo, a Thatcherite who until recently had been chief secretary to the Treasury, insisted, in a letter leaked to the London *Guardian*, on massive cutbacks in support subsidies for British industry provided by the Ministry of Trade and Industry. The latter is headed by Michael Heseltine, who has disagreements with the more radical aspects of Thatcherite "free market" nostrums.

In an unusual move, Portillo confirmed the authenticity of the letter.

At stake is some £400 million for industry, which is conduited through Heseltine's ministry. Officials in the British Space Agency and other agencies are protesting that the cuts proposed by Portillo will badly undermine what remains of British high-technology potentials.

Russia

Crackdown against MMM signals policy turn

Sergei Mavrodi, the head of the MMM "investment fund," the biggest in Russia, was arrested on Aug. 4 in a policeraid on his Moscow apartment. The arrest is seen by the Russian "business" community as the latest signal in a shift away from insane "Wild West" radical free market structures. Andrei Volgin, president of Adamant, one of Russia's leading financial firms, told the Aug. 5 London *Finan-*

cial Times that broader crackdowns are coming: "I am afraid that in the wake of the MMM crisis there will be a movement toward strict state regulation of the stock markets. . . . The MMM scandal will not be the last one in Russia."

Mavrodi was charged with withholding taxes on profits from the state, estimated at about \$25 million. He had refused all cooperation with the authorities investigating MMM, which ran on the basis of a classic pyramiding scheme, i.e., money that pours in from many investor-suckers, is at first shelled out to give exorbitant "returns" to the first batch of "investors," thus creating the aura of fantastic easy money returns for all who invest.

Prof. Marshall Goldman, under the title "Russia's MMM Grew in a Culture of Rot," wrote in the Aug. 5 *International Herald Tribune* that the MMM fiasco is a lawful result of the past years' reforms. He said Russia is inundated with Russian versions of Michael Milken and other swindlers. "Moscow has become the shell-game capital of the world. But the roots of the problem go beyond avarice and naiveté. Russia's poorly conceived and rapidly applied economic reforms play a role. . . . These new 'owners,' along with a new class of financial manipulators, have come into great wealth while all around them industrial production is collapsing. Unemployment, formerly disguised, has come into plain view. Today, Moscow streets are jammed with the Mercedes-Benzes, BMWs, and Cadillacs of the new ruble billionaires." Goldman said that the Yeltsin regime is deeply implicated in the process, as "government corruption is equally blatant, especially in Moscow."

Middle East

Arafat warns that aid pledges must be met

Palestine Liberation Organization Chairman Yasser Arafat warned that an explosion is coming if steps are not taken by Israel and donor countries to deliver promised aid to the Palestinian-administered areas of Gaza and Jericho, Reuters reported on Aug. 3. The "moment of truth has arrived, and alarm bells are ringing," Arafat said, referring to the lack of economic

investment which could provide jobs and stabilize the situation.

Arafat told the Israeli daily *Haaretz* that he is finding it harder and harder to go on in this situation, and "the explosion is liable to come." Arafat said violence of the sort that erupted at a Gaza Strip border crossing in July would recur.

Arafat charged that officers of the Israeli Shin Bet secret police were engaged in an "organized plot" to hamper self-rule, delaying or stealing equipment and shipments intended for Palestinian institutions.

Environmentalism

Two German infrastructure projects are threatened

Two important infrastructure projects in Germany are being threatened by environmentalists in the Social Democratic Party (SPD), the Green Party, and the Party of Democratic Socialism (PDS, the former communists).

A new SPD-Green coalition in the state of Saxony-Anhalt has declared its intent to stop the construction of the planned superhighway to connect Halle and Göttingen, and Halle and Magdeburg. These routes have been serious bottlenecks in the nationwide transport system since unification. Before any big infrastructure or construction project can start, the coalition is first demanding an environmental compatibility study. The head of the Greens in the state parliament, Hans-Jochen Tschiche, emphasized to the economic daily *Handelsblatt* on Aug. 2 that this is a rejection of the "mystery of economic growth by superhighways."

Additional transport infrastructure is of vital importance for the region, including the new "Leuna 2000" chemical industry complex, and has already been approved by both houses of parliament.

Another project at risk is the planned Baltic Sea superhighway in northeastern Germany. The SPD, Green Party, and PDS in the state of Mecklenburg-Vorpommern have declared their opposition to it, and these parties could win control of the government in the upcoming elections. *Handelsblatt* reported that polls are showing that 90% of the population and the majority of the cities in the state support the project.

● **TURKISH** Prime Minister Tansu Ciller's "new economic policy" of accelerated privatization and budget cuts has eliminated 500,000 jobs in three months. Strikes are officially banned but spontaneous warning strikes have been reported.

● **ROMANIAN** mine workers are on strike, demanding employment guarantees against privatization plans, increased pay to compensate for inflation, improved social benefits and health care, and investments in equipment and improved safety measures. Union leader Cosmas threatened on Aug. 2 that workers may seek to replace the government.

● **APPROVAL** for two standardized advanced light water reactor designs was sent to the U.S. Department of Energy from the Nuclear Regulatory Commission on July 28. The designs will be used to build new nuclear plants without having each individual plant go through a design licensing process.

● **COLOMBIA'S** central bank policies are leading to the "concentration of rural property . . . in the hands of drug traffickers," Farmers Society President César De Hart said in a letter to Central Bank President Miguel Urrutia, Reuters reported on Aug. 1. He said that they had bought 7.5-10 million acres of the 67.5 million acres used for grazing.

● **BRAZIL'S** space agency and NASA will conduct experiments between Aug. 15 and Oct. 20 to study the space environment over the Earth's magnetic equator, NASA announced on Aug. 1. Thirty-three rockets launched from Brazil will measure electric fields, electric currents, electron densities, neutral winds, and ionospheric instabilities.

● **OIL AND GAS** drilling activity in the first half of 1994 in the United States was more than 20% below 1993, the American Petroleum Institute reported on July 26. The demand for oil and oil products rose 4.2% in the same period.