

Business Briefs

Biological Holocaust

AIDS spreading widely in Africa

"There is really exclusively only bad news concerning AIDS in Africa," Dr. Peter Piot from the Antwerp Institute for Tropical Medicine is quoted in the German daily *Frankfurter Rundschau* Dec. 7. "With every conference I get more pessimistic. Constantly new groups of the population are getting infected, new countries add to this, and the rate of infections is steadily growing."

The daily reports that experts say that the epidemic has reached a point at which it can no longer be stopped by normal measures. In the African "epicenter" of the epidemic, they say, whole regions will be depopulated.

U.S. Surgeon General Dr. Antonia Novello is quoted in her estimate that in black Africa, there will be 10 million orphans in a few years. In Uganda, the fight against AIDS is a matter of national survival. The government estimates that 1 million of the 16 million inhabitants are infected.

Development

South Korea should be model for Poland

Poland should have introduced the South Korean economic model rather than the austerity "shock therapy" of Harvard's Prof. Jeffrey Sachs, argues Melvin Fagen, the former director of the U.N. Economic Commission for Europe.

Writing a commentary for the Dec. 4 *International Herald Tribune*, Fagen reports that the austerity was "recommended, indeed imposed, by the IMF [International Monetary Fund] as a condition for foreign aid. It was developed with help of a Harvard economist Jeremy [sic] Sachs, hired to advise the government. These advocates of shock therapy insisted that prices be allowed to rise immediately by large amounts, state subsidies be suddenly and sharply reduced, unemployment increased and unprofitable companies shut."

Fagen points out the results a year later. "Inflation remained high: Unemployment is up from 9,700 in December 1989 to 926,000. Real incomes fell by 31%, industrial output by 27%."

Fagen contrasts this to the experience of the Asian economies of Korea, Taiwan, Singapore, and Hong Kong. "They achieved high growth using their cheap labor and state subsidies, as well as protective tariffs and low cost credit. . . . In South Korea, such credits were first directed toward light industry, and later in the 1970s to high-technology sectors; a large corps of engineers and scientists had been formed, and a program for technological research; price controls were maintained so as to prevent excessive inflation at a time when goods were scarce. . . ."

"The fundamental mistake of the Mazowiecki government was to encourage consumers' prices to rise and to dismantle state subsidies too abruptly. Price reform is undoubtedly necessary eventually, but not as a first step, especially in a country with such low per capita income."

Technology

High-definition TV introduced in Japan

High-definition television, a technology with military potential, became operational in Japan in the first week of December. The Japanese system uses more than twice as many lines per inch as current U.S. television.

The Japanese "are marketing HDTV now to show the dimensions of Japan's technological lead over the United States and Europe in this field and to whip up public demand for television sets that have the clarity and wide-screen look of a movie-theater screen," according to the *New York Times*.

The price of an HDTV set is \$34,000 today, but is expected to fall to about \$7,500 in five years. Daily broadcasting in this medium by Japan's state-run NHK is one hour, but will expand to eight hours in 1991.

The three firms that are marketing the sets are Sony, Matsushita, and Hitachi. Matsushita, new owner of MCA and its Universal Studi-

os, and Sony, owner of Columbia Pictures, are expected to make these movie studios a testing ground for HDTV.

Finance

German banking called superior to British

The German banking approach to helping industry for the last century has been far superior to the City of London approach, wrote London *Guardian* economics editor Will Hutton in a Dec. 10 policy commentary. Hutton recently wrote a commentary advising Britain to look to the 19th century's Friedrich List, architect of the German Customs Union, rather than Thatcherism, as an economic model. Hutton now defines Thatcherism as Britain's "enemy within."

"They said it in 1908 and they say it today: The reason why German industry is so strong is the way it is financed," he begins. He notes that Britain's fixation on "the market-place" has led Britain always to reject this German approach. "Yet here we are with Edzard Reuter, chairman of Daimler-Benz . . . averring that he sees no particular advantages in the Anglo-Saxon system of finance. Daimler-Benz under German rules is under no compulsion to improve its profits every three months; indeed, with its bank shareholders and long-term bank finance it can deploy all its energies on its formidable investment program."

By contrast, British Aerospace, Daimler-Benz's main competitor, is "locked into the British financial nexus—and is expected to compete with an R&D and investment spending a fraction of its German rival's," and is always subject to the rapacious aims of takeover "predators."

"Reuter's remarks are identical to what Herr Shuster of Dresdner Bank said in 1908: 'Our banks are largely responsible for the development of the Empire, having fostered and built up its industries. . . . To them, more than any other agency, may be credited the splendid results thus far realized.' Shuster and his co-thinkers since in German banking clearly did not have the benefit of the outpourings of the British economics profession."

Science

World's largest telescope operational

The world's largest telescope has seen its first "light." The W.M. Keck Observatory on Mauna Kea in Hawaii, with 9 of its 36 mirror segments in place, obtained its first image Nov. 24. The 36 segments will form a single composite 10-meter mirror, making it the world's biggest telescope. It is the only telescope planned or under construction that employs the principle of precise and constantly corrected alignment of segments to form a single, composite mirror.

"First light" was especially significant for the Keck because it is being built without the prior construction of a small-scale prototype to prove the composite principle. With only 9 segments, the Keck is as powerful as the 5-meter Palomar telescope. The Keck is a joint project of Cal Tech and the University of California.

Meanwhile, plans to build a specially designed 100-inch "digital sky survey" telescope on Apache Peak in New Mexico, dedicated to 3-D mapping of the large-scale structure of the universe, were announced Nov. 25 by the University of Chicago, Princeton University, and the Institute for Advanced Study at Princeton.

The mapping project depends on a combination of recent technologies making it possible to obtain redshifts (and hence assumed distances) of up to 600 galaxies and quasars at the same time. A survey of 1 million galaxies may be complete in only 10 years. At present, only 10,000 galaxies are mappable in three dimensions.

Economic Theory

Industrialist attacks 'post-industrialism'

Edzard Reuter, chairman of Germany's Daimler-Benz firm, spoke out against the ideology of "post-industrial society," in an address before the Atlantic Bridge meeting in

Frankfurt Dec. 6.

Reuter warned against "illusions" that consisted of a "new world view leading away from the old American values of growth and augmentation of wealth to a willful self-restraint . . . toward a post-industrialist world in which ecology, peace, social justice, and non-nationality" are the supposed emphasis. He called for strengthening the old ties between Germany, Europe, and the United States in keeping with traditional American values, especially in light of the fact that a "seriously taken effort of aid to the countries of Central and Eastern Europe is premised on an intensified Euro-American cooperation."

He also warned that world economic decline was occurring just at the moment of "dangerous entanglements," the collapse of the communist regimes of the former East bloc, and "the end of that era of fundamental political agreement between the United States and Western Europe."

Genocide

South faces demands for 'technological apartheid'

Advanced Western countries should impose a policy of "technological apartheid" against the developing sector, a high-level French government official wrote under the pseudonym "Jean Villars." Villars's commentary, "For technological apartheid," was published in the Sept. 7 issue of the French daily *L'Express*.

"Villars" argues that a ban be placed not only on military-related technology exports to the South, but on all high-tech exports. The Third World should receive "appropriate technology" only, he says. "Technological apartheid is a brutal formula," he admits, but it is essential, as the case of Iraq shows.

The article was cited approvingly in a report recently issued by the Simon Wiesenthal Institute, which blames Western exports, especially those of West Germany, for Libya and Iraq's development of "unconventional weapons" capabilities.

● **DAVID BARRET**, former British Columbia prime minister, attacked the Free Trade Accord in an interview in Vancouver Dec. 8. "We lost our innocence and also our national sovereignty. . . . We are obligated to give a guaranteed percentage of our [petroleum] production to the United States, without taking our needs into account. The same happens with water. . . . Foreign investment enters without the slightest restriction."

● **OUTDATED** infrastructure was the underlying cause of the recent collision of two Northwest Airlines jets on the ground at Detroit's Metro Airport which killed eight, experts say. U.S. airports lack the advanced ground control systems in use at London's Heathrow Airport and other fields. The systems use advanced ground radars to detect and control aircraft on the ground, preventing "runway intrusions."

● **INDIA**, helped by a good monsoon, will have some agricultural items in excess this year, including cotton and sugar. Most of the cotton and about a half-million tons of sugar will be exported to earn foreign exchange.

● **WESTERN EUROPE** will have high-speed rail links in three years, and the U.S.S.R. "must address the problem of the creation of high-speed links to European countries," reporters A. Kozhukhova and K. Lysko told Moscow television viewers on Nov. 23. The two reporters said that lack of an adequate passenger rail system "is costing the national economy annually some 10 to 12 billion rubles," or \$40-50 billion.

● **DR. ABDUL QADEER**, a renowned Pakistani scientist, called for more nuclear power plants for Pakistan to overcome the energy shortage and to promote rapid industrial and agricultural growth, Radio Pakistan reported Nov. 27.