

Business Briefs

Trade

Swiss vote down joining European Economic Area

The citizens of Switzerland dealt the latest blow to Euro-federalist "free trade" schemes, when a majority of the country's 23 cantons voted on Dec. 6 not to join the European Economic Area (EEA), which has often been described as "the world's largest free-trade zone."

The Swiss rejection of the EEA, following the Danes' rejection of Maastricht, was the second decisive shock in Europe to free trade schemes, BBC reported. The Swiss "no" also undermines British Prime Minister John Major's scheme for the "enlargement" of the European Community, which Major, in his capacity as prime minister of the country that currently occupies the EC presidency, was hoping to make a central part of the mid-December Edinburgh EC heads of state summit.

The Euro-federalist mob is in a frenzy about the Swiss result, with EC External Relations Commissioner Frans Andriessen of Holland expressing his dismay that "the Swiss people have opted for isolation."

Debt

Repayment an obstacle to peace, says cardinal

One of the main obstacles against an improvement of living conditions in the Third World is its massive foreign debt, and creditors' insistence that the debt be paid is undermining the peace and may provoke new conflicts, declared Roger Cardinal Etchegaray on Dec. 11 on behalf of Pope John Paul II, as part of the papal message for World Peace Day on Jan. 1.

"Perhaps the time has come to reexamine the problem of debt and to give it the priority it deserves. The conditions for total or partial repayment need to be reviewed," the cardinal said. "Is it not the poorest groups which often have to bear the major burden of repayment?"

Poverty and underdevelopment are undermining peace and can lead to the outbreak of tensions and war. Therefore, "the exploita-

tion of the poor, the worrisome zones of misery, and the discriminate social relations in the world" have to stop. "I would like to call attention to the threat to peace posed by poverty, especially when it becomes destitution. . . . These situations constitute a grave affront to human dignity, and contribute to social instability."

Russia

New state banking system needed, says Kulikov

Instead of International Monetary Fund (IMF) guidelines, Russia needs a sovereign monetary policy and a new centralized state banking system, Valerian Kulikov, deputy director of the Russian Central Bank, told an industrialists' council, *Izvestia* reported on Dec. 21.

Advocating a split exchange rate mechanism for the ruble and the implementation of a new independent Russian currency in the near future, Kulikov said that Russia should recreate a system of large state banks like those that existed in the former U.S.S.R.—the Industrial Construction Bank, the Agricultural Bank, and others of that type. Commercial banks that have sprung up like mushrooms under the Gaidar liberalization policy, and upon the advice of western experts, are not capable of funding the needs of Russian production, Kulikov stated.

Kulikov harshly criticized the relationship between Russian banks and the IMF, and the previous government for being a transmission belt for monetarist policies. "Unfortunately, everything was decided by the IMF instead of the Central Bank, and we had to act like robots, obediently following the goals set for us," he said.

AIDS

Researchers ignore disease spread in Africa

American and European AIDS researchers did not bother to attend the Seventh International

Conference on AIDS in Africa, leaving Africans almost alone "in the face of an epidemic which will affect more than 15 million persons on this continent by the end of the century," the Dec. 12 French daily *Libération* reported from Yaounde, Cameroon, where the conference took place.

Dr. Kapita, from Zaire, reported that, of all the conferences so far held on AIDS in Africa, this one is the least attended by western experts such as Robert Gallo, Luc Montagnier, and Myron Essex (all of whom stayed away). Another unnamed African doctor said bitterly, "The West is in Somalia, but not with us, to combat the virus."

The conference was co-sponsored by the World Health Organization, and top AIDS-experts from the WHO were there, including Drs. Michael Merson and Jonathon Mann. Mann decries the lack of funding for AIDS programs in Africa, and warned that a growing "complacency" has set in about the AIDS problem since the beginning of the 1990s. This is intolerable, since "the right to health is a fundamental right," he said.

Health

Drug-resistant TB strains worry doctors

"We have ended up with a disease that we don't know how to prevent, and we are not sure we can cure," Dr. Thomas Frieden, of the New York City Bureau of Tuberculosis Control, told the Dec. 10 Scotch daily *The Scotsman* on the new tuberculosis outbreak. The amount of drug-resistant TB is astounding and the treatment is incredibly complicated, Frieden said. Those who work with sufferers say, with great seriousness, "This makes treating HIV look easy," he reported.

In New York City, studies now suggest that seven out of ten people are newly infected with TB have strains which can fight off most of the drugs available to treat them. Five years ago, these strains were regarded as freaks, of no great medical significance, and limited to those who had already misbehaved while being treated for TB. Now we know they are contagious and dangerous. "Most people with multi-resistant TB got it from bad luck," Frie-

den said, "not because they were bad in taking their medicines."

The greatest risk for TB is among the poorest: people already infected with the HIV virus which causes AIDS, junkies, the homeless, and new immigrants. Medicine for these people hardly exists given the present crowding in hospital emergency rooms. "All we need is another epidemic," warned Dr. Lee Reichman, of the American Lung Association, and it will become impossible to staff city hospitals. Those hospitals, which are most likely to see TB patients, are the ones least likely to be able to afford the precautions to stop TB spread for lack of money. In New York hospitals, some TB patients were found wandering the halls, sitting in communal lounges with no mask, even though they have active TB.

Since TB is contagious and can be passed in an ordinary social encounter, *The Scotsman* questioned what to do with the even more dangerous patients, those who have previously failed to finish their course of treatment again and again and are now going around, spreading drug-resistant TB.

Infrastructure

EC gives high-speed rail project a priority

High-speed rail infrastructure between eastern and western Europe was officially declared a priority of the 12 member states of the European Community in the Dec. 12-13 Edinburgh summit. The plan marks the first time in the recent global economic crisis that a multi-government commitment to significant modern rail and energy infrastructure has been approved. Observers noted that the size of the plan is less important than the opening of the debate, in which the "Productive Triangle" proposal for massive investments in the Paris, Berlin, Vienna area put forward by U.S. economist Lyndon LaRouche to lead a world economic recovery, can become a central focus.

Much to the discomfort of British Chancellor Norman Lamont, the heads of state approved a proposal presented by Danish EC Commissioner for Economic Affairs Henning Christophersen. The plan, ultimately cut down in size, gives a temporary low-interest loan

fund to the EC's European Investment Bank of roughly \$6.4 billion, plus another loan guarantee fund of \$2.5 billion. The two funds are earmarked for identified infrastructure projects, dubbed "missing links," and are intended to be a catalyst, together with local government and private industry investment, in large European infrastructure projects.

Christophersen said the funds are earmarked for high-speed rail and energy infrastructure, and highway links across Europe. He added, "Until now most European infrastructure has focused on North-South connections. Now we must have the emphasis on building West-East European infrastructure links."

Aerospace

U.S. flying mach 8 aircraft since 1985

The U.S. Air Force has been flying since 1985 a hypersonic jet aircraft capable of achieving eight times the speed of sound, according to evidence presented in an upcoming article in *Jane's Military Review*, the *Wall Street Journal* reported in December.

Among the evidence cited is a 1989 sighting by a trained aircraft observer working on an oil platform in the North Sea of a 70° delta-shaped aircraft being escorted by an F-16; repeated reports by people living in the area of Beale Air Force Base, California (where the Mach 3 SR-71 Blackbird was based) of earth tremors that geophysicists can find no explanation for other than an aircraft operating at hypersonic speeds; the highly unusual passivity displayed by the Air Force when the SR-71 was taken out of service in 1989; and the improbability that the United States has fielded the technical breakthroughs needed to allow reconnaissance satellites to take pictures as good as those that can be obtained by an aircraft.

Jane's surmises that only a handful of such aircraft have been built, at a cost of about \$1 billion each; and that the cost of such a program closely matches unaccounted-for funds believed to have been spent by Lockheed's advanced aircraft development facility, the secretive "Skunk Works," where the U-2 and the SR-71 were developed and built.

Briefly

● **THE NORTH AMERICAN** Free Trade Agreement was signed on Dec. 17 in ceremonies in the United States, Canada, and Mexico. A coalition of labor, environmental, and political organizations charge that it will cause "devastating" job losses, depress wages, and displace millions of farmers in all three countries.

● **KAZAKHSTAN** and Russia reached an energy cartel agreement in mid-December which will pool both republics' resources, investments, pricing policies, and related measures into a coordinated strategy in talks with other states, especially western cartels and clients.

● **URUGUAYANS**, by 69.3% to 30.7%, voted against a law permitting privatization, stopping the process of privatizing the national telephone company and national railways. President Alberto Lacalle admitted to the Buenos Aires daily *Clarín* that the vote was "punishment" for his policies.

● **CHINA** will have 70 million bachelors by the end of this century if families do not start having more girl babies, the Chinese *Farmer's Daily* warned. Already, 51.45% of China's 1.1 billion people are men, and the percentage of males is increasing in younger age groups.

● **MONGOLIA'S** attempt to build a now nearly completed 100,000 ton-capacity steel mill paid for by a four-year, \$65 million loan from Japan, is being opposed by the International Monetary Fund. "Without it, [Mongolia] has no possibilities, and has to be dependent on others," said Sanjaagiyn Ganjuurjav, director of the Darkhan Mini Steel Mill.

● **POLAND** is heading into a general strike wave, after government-labor talks broke off on Dec. 21. It is expected that brown-coal miners will join the ongoing strike of 320,000 coal miners, and that the Silesian Railway workers union, which controls 70% of the national rail grid, will follow suit.