

Business Briefs

Demographics

Italy faces crisis of underpopulation

The population of Italy is reproducing itself at a rate of just 1.3 children per woman of childbearing age, the lowest rate in the world, according to data from the United Nations Population Fund, the Aug. 28 *New York Times* reported. That rate compares to a world average of 3.3, and an average of 1.9 for industrialized countries.

In mid-August, the government announced that the school system will drop 56,000 classes this year because of the decrease in pupils. According to a private sector survey, 21 million pensions are being paid out to 15 million retirees, compared to a work force of 20 million.

Health

Radiation adaptation said to occur at gene level

Raymond Latarjet, from the Curie Institute in Paris, reported in a paper at a June conference of the French Nuclear Society that recent studies at the gene level show that with low doses of radiation, a cell repair mechanism takes effect which seems to provide some protection against subsequent radiation exposure at high doses, the August issue of *Nuclear News* reported.

Experiments involved exposing specimens to low and then high radiation doses compared to a control group that received only high doses. The specimens exposed to low-dose and then high-dose radiation produced less than half the number of genetic mutations that were produced in the control group. Latarjet said that the beneficial effects of low-level radiation (hormesis) from his experiments and many others around the world indicate that it is not right for the international radiation standards to be based on linear extrapolations from high-dose effects to low-dose predictions.

Meanwhile, two new studies published in the May and June issues of the *British Medical Journal* refute the much-publicized hypothe-

sis put forward in 1990 by epidemiologist Martin Gardner that radiation exposure of workers at two nuclear facilities, Sellafield in England and Dounreay in Scotland, caused their children to develop high rates of leukemia or non-Hodgkin's lymphoma. The studies, conducted by Leo Kinlen of the Cancer Research Campaign Epidemiology Unit at Oxford University, suggest that the more probable cause of the cancers was "an infective epidemic promoted by unusual population mixing in an isolated area." Both Sellafield and Dounreay are rural areas, and both had an influx of thousands of workers brought in to work on offshore oil rigs. Kinlen said that outbreaks of many diseases are produced by mixing large numbers of people who are susceptible to or infected with microorganisms.

Algeria

New prime minister hand-picked by IMF

Redha Malek, former Algerian foreign minister and member of the ruling High State Council, became the new prime minister of Algeria on Aug. 21 at the bidding of the International Monetary Fund (IMF) and western creditors. He replaced Belaid Abdessalam, who refused to negotiate a new debt agreement with the IMF.

Abdessalam became prime minister in 1992 following the assassination of President Mohammed Boudiaf, and for the last 13 months had reversed some of the IMF-inspired economic reforms, including reintroducing import controls, extending credits to state companies, and reversing some of the legislation regulating foreign investment. According to the Aug. 24 London *Financial Times*, Abdessalam's "dismissal is the direct consequence of his unwillingness to usher in essential economic reforms and broker an agreement with the International Monetary Fund." According to this report, pressure was brought on Algeria by "the IMF, World Bank, and the European Commission."

The appointment of Redha Malek was "welcomed by senior European and U.S. officials." He is described as an "implacable opponent" of the banned Islamic National Front,

as well as any form of democracy. According to the *Financial Times*, he is opposed to any democratic reforms "until the economy was reformed." The paper commented that "western countries appear prepared to turn a blind eye to the abuses of human rights so long as economic reforms are pursued."

Petroleum

China confirms one of world's largest basins

China has confirmed the existence of one of the world's largest oil basins, according to well-informed European petroleum industry sources. The current geological estimate is that it contains some 15-20 billion barrels of petroleum, making it far larger than Prudhoe Bay, Alaska.

The government of China has confirmed a huge oil reservoir in the southeast Tarim Basin, in the Xinjiang Autonomous Region in the far west of the country. "The crucial question is how and who will finance the 3,000-kilometer pipeline to bring the oil to the industrial cities along the coast," said one European oil industry source. "The field is China's great hope to avoid a crippling energy import dependence over the next years."

Biological Holocaust

Economic crisis brings back killer epidemics

Economist Lyndon LaRouche's warnings in 1974 that the world was headed toward a "biological holocaust" of new plagues and epidemics if economic policy were not reversed, received belated confirmation in a London *Observer* feature story on Aug. 29 entitled "Global Plagues in a World of War and Poverty."

"Across the world, diseases that doctors confidently predicted in the '60s would soon be wiped out, are suddenly back with a vengeance," the paper said. The main thrust of the piece is that there is a causal link between "the

Briefly

● **JAPAN** will ask Turkmenistan, Uzbekistan, and Kazakhstan to participate in building a 3,700-mile oil and gas pipeline to bring Central Asian petroleum products to the Pacific rim countries, Reuters reported on Aug 22. Japan is already helping to build a refinery in Uzbekistan.

● **GERMANY'S** big industrial companies reported major losses in the first half of 1993. The profits of the chemical giants BASF and Bayer fell by 50% and 20%, respectively, and that of the tire maker Continental dropped by 75%, compared to the same period last year. Despite drastic "cost reduction" programs, Volkswagen reported that operating losses hit DM 1.2 billion (\$750 million).

● **CHINA** has decreed a 10% increase in state-set cotton prices in a bid to halt a fall in cultivation, the Aug. 24 *China Daily* reported. China produced 4.6 million tons of cotton in 1992, a 20.2% drop in output that reflected drought, floods, and boll weevil infestation.

● **TEXAS INSTRUMENTS** projects 4,800 layoffs in its Defense Systems and Electronics Group by the end of 1996 if the company does not win major new military contracts, a company spokesman said. The group currently employs 13,300 workers, close to 95% of whom work in the Dallas area and north Texas.

● **46% OF SOUTH AFRICA'S** labor force is unemployed or working in the "informal sector," up from 39% in 1988, according to the annual report of the South African Reserve Bank, the Aug. 24 London *Financial Times* reported. Annual income, equal to \$950 in 1985 prices, is the same level as in 1971.

● **A STOCK MARKET CRASH** may be near, John Crudele warned in the Aug. 29 *Washington Post*. "Wall Street fears Autumn means it's headed for a fall," he wrote. The warning was echoed by the German business daily *Handelsblatt* and the Swiss financial daily *Neue Zürcher Zeitung*.

poverty and poor standards of public health" seen worldwide, and the upsurge of more powerful bacteria and viruses in the 1990s.

"In the slums of Brixton and the Bronx, thousands are succumbing to tuberculosis, a disease believed to have been eradicated from the developed world decades ago. . . . New York and south and east London now have proportionately as many TB victims as several Latin American cities. . . . The World Health Organization recently declared tuberculosis a global emergency, warning that it was making a 'powerful comeback' and would claim 30 million lives in the next decade. Tuberculosis now affects 8 million people a year and kills 3 million."

Meanwhile, "in Dakar, Delhi, and Kabul a deadly new strain of cholera, resistant to vaccines, is claiming tens of thousands of victims . . . [and] is sweeping the Indian subcontinent." Malaria is described by the WHO as a "worsening problem" with "a multiplicity of new strains now infecting 100 million people a year in 90 countries, killing a million of them. . . . Thirty years ago, it was hoped the huge DDT-spraying programs in Africa and Asia would wipe out malarial mosquitoes. But the spraying was halted because of environmental damage and the malarial organism has since mutated many times to become drug-resistant." And, "in Russia, diphtheria and typhoid have returned to Moscow and St. Petersburg."

Black Economy

Economist okays Mafia takeover of Italy

Senior editors of the London *Economist* said that the Mafia takeover of the Italian economy would not necessarily be a bad thing, in an interview with the Italian daily *Corriere della Sera* in London on Aug. 19, published Aug. 24. The interview, conducted on the 150th anniversary of the *Economist*, was done "collectively," that is, none of the respondents to the questions was identified.

One interlocutor insisted that "privatization" of state-owned industries is the "top priority" for Italy at this moment. Asked about the danger that the Mafia could exploit privatization to take over chunks of the Italian econ-

omy, he said, "Concerning the Mafia, there is a paradox. Even if the Mafia buys companies now being privatized, at least the money accumulated through organized crime would end up in legal investments. Sure, this is a simplification, but the fact is, the preoccupation over the Mafia [in Italy] is done precisely to slow down the privatization."

Implicitly, the *Economist* is also defending the increasing Mafia takeover of chunks of eastern Europe and Russia, since there, too, it is the Mafia which takes over significant parts of the economy through British-mandated "privatization." The interview is headlined "Italy Needs a Thatcher."

In recent years, the *Economist* has been a persistent proponent of the legalization of drugs. Its former chief editor, Rupert Pennant-Rae, who has since moved to the Bank of England, attended a conference in Rome a couple of years ago of the International League against Prohibition, where he defended drug legalization.

Asia

Tyumen River Delta project set to go

The Tyumen River Delta project is set to be launched in September, the *China Daily* reported on Aug. 23. The \$30 billion project on the border of China, Russia, North Korea, and the Sea of Japan will combine rail and port development.

Representatives of China, Russia, North Korea, South Korea, and Mongolia met recently under the auspices of the U.N. Development Program to discuss the project, which would construct an international free port zone on the Tyumen River. The development of railroads in the region would shorten the rail route from the Sea of Japan to Europe by thousands of kilometers. Japan has provided \$50 million in loans to fund construction of a China-Russia railway linking the project with Russian ports on the Sea of Japan.

The World Bank, Asian Development Bank, and "international conglomerates" are indicating interest in the project, *China Daily* reported.