Italy

Government rejects steel cuts ordered by the EC

Negotiations broke down on Nov. 18 at the European Community Industry Commission after the Italian delegation, led by Industry Minister Savona, refused to accept cuts in steel production capacity of 2 million tons as demanded by EC Commissioner Martin Bangemann. The cuts, if enforced, would end any possibility for the state-owned steel company ILVA to stay in business.

The cuts would be concentrated in the city of Taranto, and would involve closing three steel mills. A last-minute compromise offered by the EC, of “allowing” Italy to purchase 500,000 tons on the international market, was also rejected by the Italian government. One EC bureaucrat said it was “the darkest day in the history of the European Community.” Italy is the second largest steel producer in Europe after Germany.

Meanwhile, industrial production in Italy fell 3.8% in the first 10 months of 1993, compared to 1992.

Infrastructure

La Malfa repents, calls for new investment

Giorgio La Malfa, the son of Ugo La Malfa, both supporters of International Monetary Fund austerity policies in Italy, repudiated his previous insistence on cutting the federal budget deficit and called instead for investment in big infrastructure development projects, in a commentary in the Nov. 18 issue of the Milan daily Corriere della Sera.

Headlined “I Repent, Employment Is Worth Some Debts,” La Malfa wrote: “Without a radical turn in the country’s economic policy, industrial crises and unemployment are fatally destined to rapidly worsen and can become the trigger for a serious social crisis. . . . The main difficulty in defining this policy is due to the disastrous conditions of the state budget. . . . If one stops at that, there is no way out. Instead, one must have the extreme courage of identifying and applying immediate therapies. The main way is to support employment through supporting companies that generate employment in market conditions. . . .

“One could regulate interest rates, not only through their general reduction, but also through studying ways to benefit banks that offer medium- to long-term loans for financing new investments at moderate interest rates. . . . We should use the leverage of investments in big infrastructure projects, especially those at the highest technological level. One can avoid using only direct state investments, for example, by . . . giving firms or groups of firms the task of building certain classes of public works able to produce, through tariffs or tolls, an income flow in sectors like electricity production, telecommunications, transportation.

“I realize that all this cannot be done without increasing the state budget, and that in doing so, one will sacrifice, for a certain period, the moderate targets of deficit containment which have been pursued in the recent period. But . . . my opinion is that all this should be at the center of an extraordinary national effort . . . to get out of the crisis.”

La Malfa, who resigned last year as secretary general of the Republican Party because of investigations by the Milan “anti-corruption” prosecutors, is close to Armando Corona, the head of the anti-British masonic faction in the Italian Grand Orient, and to Industry Minister Savona.

Health

WHO calls for funding increase to combat TB

A vast funding increase is needed to combat tuberculosis, the World Health Organization said, Reuters reported on Nov. 15. Curing TB is highly cost effective, WHO noted.

“Tuberculosis is the world’s most neglected health crisis. How can we ignore a germ that already infects one in every three people on the planet?” asked Dr. Arata Kochi, head of the WHO TB program. An estimated 3 million people die each year from TB.

“In some parts of the world, the cost of curing TB is as little as 90¢ for every year added to the patient’s life,” according to a WHO report on the TB pandemic. But, despite this, TB control received only one-tenth of 1% of all aid given to developing countries last year. WHO warned that TB may become incurable, if efforts to control it are not stepped up to meet the challenge of new drug-resistant strains.

Labor

European strike wave continues to grow

A wave of national labor strikes in Belgium, which began on Nov. 15 and is expected to continue until the European summit on Dec. 10-11, is the more spectacular side of a European-wide pattern of labor protests.

In Germany, mine workers in both eastern and western parts of the country are continuing road blockades on a daily basis, and steel workers are expected to react to announcements of another 50,000 layoffs by the end of 1994. In northern Germany, farmers are protesting a European Community ruling that up to 1 million pigs must be slaughtered because of an epidemic among the animals. Farmers feel the EC decision is based on a bureaucratic approach.

In Spain, national unions have joined in protests against the planned closing of the SEAT plant with 10,500 auto workers, and a “day of action” was staged in Barcelona on Nov. 17. A week earlier, 30,000 took part in a protest rally there.

In France, public sector workers held a “day of action” on Nov. 18.

Barge-owners from several European countries are continuing blockades of the Rhine and Main rivers in Germany, protesting plans for further deregulation of continental waterway transport.

Miners in Ukraine are demanding drastic wage increases or the deregulation of coal prices, and the resignation of President Leonid Kravchuk. They are also calling for greater self-rule for the Donbass coal region.

In Italy, steel workers demonstrated in Taranto on Nov. 16 to protest the EC ruling that Italy must cut steel production by 1.7 million tons on the international market, was also rejected by the Italian government. One EC bureaucrat said it was “the darkest day in the history of the European Community.” Italy is the second largest steel producer in Europe after Germany.

Meanwhile, industrial production in Italy fell 3.8% in the first 10 months of 1993, compared to 1992.
Agriculture

Hunger will increase until 2000, says FAO

Hunger and malnutrition will increase, especially in Africa, until the year 2000, according to a study by the U.N. Food and Agriculture Organization entitled "Agriculture Until the Year 2000."

"The problem of undernourishment will move from South Asia toward Africa south of the Sahara," the study says. Between now and the year 2010, the number of people not getting enough food in Africa will increase from 180 million currently to 300 million, which, it is estimated, will be 32% of the population.

Ironically, as the study points out, the biggest reserves of fertile land exist in Africa south of the Sahara and in Ibero-America.

Russia

Outcry grows against 'shock therapy'

St. Petersburg Mayor Anatoly Sobchak and Russian Deputy Prime Minister Aleksandr Shokhin attacked International Monetary Fund (IMF) "reforms" and shock therapy in recent remarks.

Shokhin, also leader of the Party of Russian Unity and Harmony, warned on Nov. 18 that the government's economic policies are leading to soaring unemployment and social unrest, and might pave the way for a communist move from South Asia toward Africa south of the Sahara, the study says. Between now and the year 2010, the number of people not getting enough food in Africa will increase from 180 million currently to 300 million, which, it is estimated, will be 32% of the population.

Ironically, as the study points out, the biggest reserves of fertile land exist in Africa south of the Sahara and in Ibero-America.

Raw Materials

Deep sea vents are rich in minerals

Huge hot rock chimneys in deep sea vents have been found to concentrate the minerals dissolved in sea water, and provide an excellent source of iron, copper, zinc, gold, and silver, according to the New York Times on Nov. 16.

Thus far, the vents have not been commercially mined because of the expense of working under very high pressure along the ocean floor, where very hot deep sea vents mix with very cold ocean water. Nonetheless, the discovery of this phenomenon has transformed geologists' understanding of how polymetallic sulfides form, enabling them to predict more readily where mineral deposits can be found.

Deep sea vent bacteria, called hyperthermophiles because of their ability to withstand temperatures of 220°F and, in some cases, even 700°F, have become a major source of profit for biotechnology companies. High-temperature enzymes, cloned and extracted from such bacteria, may replace many current industrial catalysts in the future.

Briefly

- **RUSSIA** postponed a flight to change the crew on the Mir space station until January, to save money, Aviation Week reported Nov. 15. It also reported that a European think-tank, Euroconsult, projects that the Russian aerospace industry will cut as many as 95,000 jobs by the end of the 1990s. Employment is already down 71% from the late 1980s, and is 295,000 jobs.

- **VENEREAL DISEASES** are undergoing a dramatic increase, doctors at Johns Hopkins University in Baltimore warn. More than 250 million people every year worldwide are afflicted with syphilis, gonorrhea, and another 20 diseases which are transmitted by sexual intercourse. Their risk of becoming HIV-infected, is said to be nine times higher.

- **THE ISRAELI** state-owned agricultural company Agridev Agricultural Development Co. has signed an agreement with an American-Arab group in Washington to be involved in planning, training, operating, and managing projects in Bahrain, Kuwait, Jordan, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, the U.A.E., and Yemen. Israel Business reported on Nov. 18.

- **BRAZIL** launched its first domestically built submarine on Nov. 18, only one of 16 nations to do so. The Tamio, built by the Navy for $75 million, will go into service in January.

- **CHINA** and Germany signed 20 business contracts and government agreements worth $2.8 billion Nov. 16. Xinhua News Agency reported. Among them are China's purchase of six Airbus planes and a contract for Siemens Co. to build a subway in Canton. On Nov. 17, the value of the deals was estimated to be $4.15 billion.

- **ULTRAVIOLET LIGHT** reaching the earth in Canada over 1989-93 increased, two scientists have found. But both cautioned against concluding that the increase was created predominantly by CFCs.