

# Business Briefs

## Space

### Germany, Japan step up collaboration

On May 14, representatives of the German Space Agency and the National Space Development Agency of Japan reached agreement on German participation in a 1997 Japanese mission which will demonstrate the docking and rendezvous of an unmanned satellite.

Japan's Engineering Test Satellite-7 consists of two satellites launched together. In orbit, they will separate, and a chaser spacecraft and a smaller target spacecraft will drift apart and then rendezvous and dock. A robotic arm aboard the chaser satellite will be used to capture the smaller target satellite.

Germany has agreed to contribute a ground station to the ETS-7 mission, which will be built in Japan's Tsukuba Space Center. The robotic arm will be manipulated from the ground station.

Germany and Japan also discussed the possibility of German experiments being placed on the Japanese space station platform. Klaus Berge, the German Space Agency's managing director, told *Space News* that Germany would also like to install a medical instrument inside the main Japanese space station module.

## Health

### Oral transmission of AIDS virus confirmed

Dr. Ruth Ruprecht and colleagues at Dana Farber and the Tulane Regional Primate Research Center published a study in the June 7 issue of the journal *Science*, that shows that AIDS is more easily transmitted orally than through anal sex, the *Washington Post* reported.

In the process of studying how infants are infected with AIDS, they examined potential infection through the mouth. They placed a solution containing the simian counterpart to the human immunodeficiency virus (HIV, which causes AIDS), on the tongues of rhesus monkeys. Six of seven de-

veloped AIDS, even if they had no sores, bleeding, or abrasions on their mouth or gums. In fact, the experiments showed the dosage necessary to infect the monkeys orally was 6,000 times lower than that required for rectally induced infection. The team found that it only takes 830 times more virus to get an oral infection than a direct injection of the virus into the bloodstream, the most efficient method of transmitting AIDS.

This discovery confirms the danger warned of by Lyndon LaRouche and his associates back in 1985. Despite the new evidence, Ruprecht, an immunologist, continues promoting the politically correct line that this does not mean that AIDS can be transmitted by "casual contact." "Our results in no way imply there is a danger from casual contact. And by that we mean hugging, kissing, sharing spoons, drinking water from fountains, sharing cups and glasses and so on," she said. She claims that danger of transmission stems from "unprotected" oral sex.

## Russia

### State finances set to collapse after election

The Russian state bond market is headed for total collapse, Viktor Usoltsev wrote in *Pravda Rossii* of May 30. Domestic banks, the main investors, are pulling funds out of the market. On April 17, three- and six-month notes worth \$1.2 billion were sold, while over \$1.4 billion was paid to cash out old ones. The government has been using the short-term borrowings, to cover the budget deficit—as President Boris Yeltsin dishes out money on the campaign trail, although wage arrears have still not been paid in many regions.

At the April 17 auction, interest rates on the state's three-month notes were raised from 92%, up to 121%. On the six-month notes, the average rate went from 165% annually, to 180%! Despite such rates, at the April 24 auction the Ministry of Finance placed one-third less in bonds than it had planned.

The state's own financial pyramid is about to crash, Usoltsev wrote. The new issues are not covering the payments. In the

first quarter, budget revenues were 35 trillion rubles, as against 71 trillion planned. Hard currency reserves will have to be used to pay internal debt.

In the May 31-June 7 issue of *Pravda-5*, Democratic Party of Russia leader Sergei Glazyev explained that the government is financing Yeltsin's spending spree with short-term commercial borrowings, at even higher interest rates: "In the interests of major financial institutions, the Ministry of Finance has sharply raised interest rates on state bonds, which means a corresponding increase in budget expenditures to cover these obligations, with interest, during the second half of this year. The widespread practice of direct funding of state spending, by superhigh-interest commercial bank loans, goes in the same direction. . . . With such manipulations of state spending, accomplished by the sleight-of-hand artists at the Ministry of Finance, to the enormous benefit of the commercial organizations standing behind them, and all this under cover of the campaign to pay the back wages, it may be that the June wages for budget-sector employees are the last they get this year; all budget revenues in the second half will go to pay obligations to the creditors."

## Philippines

### Overseas workers prop up economic picture

The so-called "tiger economy" of the Philippines is riding on backs of workers exported overseas, first-quarter figures from the President Fidel Ramos administration and a May 11 survey by the London *Economist* showed. *EIR* reported this situation in its Jan. 19 issue.

According to the survey, which lauds the free trade-privatization program of Ramos, the Philippines is today the leading exporter of labor, with 4.5 million people working abroad. In 1995, Overseas Contract Worker (OCW) remittances rose to \$4.7 billion by official account, but, when "informal channels" were included, the total was more than \$6 billion, which approaches 30% of total export earnings for the year.

An estimated 2 million of the total 4.5 million OCWs are illegal aliens, subjected to harrowing conditions. In the last decade,

an increasing number have been women, working as domestics, nurses, or "entertainers." Of those working as maids in Hong-kong, one-third have some level of university education.

Socio-Economic Planning Secretary Cielito Habito admits that what a recent International Monetary Fund review team called the first-quarter "fruits of reform," reflected in a 6.2% upturn in GNP, is due entirely to OCW remittances and the service sector, while manufacturing and the still dominant agricultural sector have stagnated.

## Finance

### Another institution fails in Japan

Shin Kyoto Shinpan, a credit institution based in Kyoto, has declared bankruptcy with some \$3 billion in bad debts, sending shock waves through Japan's financial markets. The Bank of Japan is playing down the collapse, the eighth financial institution to fail in 18 months, by saying that its creditors are large, stronger banks, so there is no risk. But, according to sources, this latest bankruptcy puts the spotlight once more on an unresolved political situation of Japan's huge bad bank debts from the 1980s real estate "bubble economy."

"The Kyoto Shinpan collapse is being used by politicians to renew pressure on the private banks to pay their share of the bad debts their lending created, rather than the taxpayers paying via state bailout," the source said. "But there is another huge debt problem, the \$274 billion debt of the Japanese National Railway. This debt is far larger than the Jusen debt of the housing companies. The problem is that sale of Japan Rail land was to have paid down the debt, but such huge sales in central Tokyo and such areas is impossible without triggering a new real estate collapse crisis for the banks, meaning the government might have to assume that debt on its books. Add to this the stalemate in resolving the \$6 billion to finance the Jusen bailout, and it's clear the Bank of Japan will be paralyzed for months from tightening its extraordinarily easy 0.5% money policies."

## Germany

### Construction enters 'deep recession'

"We have entered a deep economic recession," Christian Roth, national president of the association of German construction firms, said about the construction sector, German media reported on June 7.

With a record 6,000 bankruptcies in 1995, construction is heading for another bleak year. Especially in eastern Germany, where the special, five-year tax rebates for construction projects expire at the end of June, more than 10,000, largely undercapitalized small and medium-sized construction firms are on the verge of collapse.

Last year, more than 100,000 jobs were eliminated, and another 120,000, if not more, will most likely be lost this year.

## Great Britain

### Reduced global role forecast by Treasury

An internal report of the British Treasury Ministry forecasts that Britain's role in the world will be significantly reduced, according to the June 6 London *Financial Times*. The report, and its leaking to the press, is part of a propaganda effort designed to downplay the vast global power of the British Empire, which is being reorganized around the British Commonwealth.

The warning, part of a survey on competitiveness, is based on the fact that there is a "skills gap" between the United Kingdom and competitor economies. Within the next 20 years, the British will fail to qualify not only for membership in the Group of Seven (G-7), but also lose their world role in the leading international institutions, such as the United Nations, International Monetary Fund, and World Bank.

Britain's fate will be shared by France and Italy, as they are replaced by China, India, Brazil, and Indonesia as the strongest economic nations early in the next century. Of today's G-7 members, only the United States, Germany, and Japan will remain.

## Briefly

**EDUCATION** of the children of China's migrant workers is a big challenge. About 2 million children fail to go to school after their parents migrate to big cities. "More and more people come to the cities but ignore their children's education," an official of the State Education Commission said.

**JORDAN** received a loan of \$100 million from the Kuwaiti Arab Fund for Social and Economic Development on June 3, the first to be given to Jordan by Kuwait since the Gulf war against Iraq. The loan will be allocated to complete the third stage of upgrading the Aqaba power generation plant in south Jordan.

**BELGIAN** TV covered the international speculative bubble on June 9, in a report on a strike at a Belgian company, protesting layoffs planned by the company to adapt itself to the globalization of the markets. Only a tiny percentage of the hundreds of billions in worldwide money flows has to do with exchange of goods. The program shows a clown blowing up a balloon, which finally explodes.

**AIDS WILL KILL** 100 million Africans in the next 30 years, under present birth rates, according to a forecast of the U.S.-based Population Research Council, reports in the May issue of the monthly journal of the German Foundation for World Population Research.

**INDONESIA'S** National Atomic Energy Agency Deputy Director Iyos Subki said the scenario of potential danger to Australia in the event of an accident at its proposed nuclear reactor in Java, was "totally impossible," the June 1 *Sydney Morning Herald* reported.

**COPPER** prices crashed 15% in two hours on the London Metal Exchange on June 6, in what was described as record hectic trading activity. George Soros's Quantum Fund and the Tiger Fund were cited by the London *Financial Times* as the instigators of the maneuver.