

# Business Briefs

## Credit

### U.S. small businesses face exorbitant rates

Nearly half of small businesses in the United States now rely on credit cards for financing, the Nov. 19 *Wall Street Journal* reported. A record 47% of small businessmen use credit cards to finance their operations, double the percentage of only two years ago. These are the results of an annual survey conducted by the consulting firm Arthur Andersen and the National Small Business United lobbying group.

The *Journal* attempts to portray this as a convenience for small businessmen, but it would appear that many have been forced into this as the only means to obtain credit. "A few years ago, credit cards were considered bad or dangerous businesses, but now it's clearly acceptable," said Nancy Pechloff, managing director of Arthur Andersen's enterprise group. Bill Lindsay, owner of the Denver consulting firm Benefit Management Design and a small businessman who has borrowed on his credit card for business purposes, reported, "Needless to say, it's not a cheap way to finance a business, but I didn't have a lot of choices." Lindsay pays an 18% interest rate.

Farmers are similarly borrowing on their credit cards just to stay alive. Prof. David Kohl of Virginia Tech told an agricultural bankers conference in Minneapolis, "Some farmers have 14 credit cards with balances of up to \$6,000."

## Finance

### British royalty take greater hands-on role

Queen Elizabeth II and Royal Consort Prince Philip toured the City of London financial district on Nov. 18. The Queen visited Britain's Financial Services Authority, followed by stops at Bankers Trust and Merrill Lynch, and then to the *Financial Times* for lunch, while Prince Philip visited Lloyds. Then, the two visited the Bank of England.

According to the *Wall Street Journal-Europe*, this is the first time the Queen has dedicated a whole day to the financial district.

The Queen was reviewing a crucial part of her Empire. At Bankers Trust, she discussed "the rationale behind British Petroleum's planned \$58 billion purchase of Amoco," the *Journal* reported. Lord Levene, the European chairman of Bankers Trust and Lord Mayor of London, said that, at a time when the City of London's preeminence is being challenged by Frankfurt, "the City needs to take no-nonsense steps to defend its self-proclaimed mantle as financial center of the world." At Merrill Lynch, the Queen "asked why the currency markets have been so volatile, and how Russia and Brazil are faring," the latter evidently a prod to keep up the looting of these countries.

The *Journal* wrote: "A royal aide said the Queen was keen to publicize the City's stature as a major employer and cash cow for government coffers. Finance, insurance, and real estate make up 41% of London's gross domestic product—more than in New York or Tokyo." Bruce Kasman, chief European economist at J.P. Morgan, is quoted: "She's one of the highest net-worth individuals in the U.K., so obviously she's got a vested interest in how the City performs and evolves."

## Britain

### Farmers, industry hit by free trade economics

British farmers are being rocked by a breakdown crisis which one can only compare to the 1930s, and the government, the biggest advocate of free trade lunacy in the European Union, is slaughtering its farm industry. Policymakers assumed that the crisis would first hit other European Union members, while Britain could profit from it (which it did for the past few years).

The farm crisis has been making headlines for several weeks. Farm prices are so low that many farmers cannot afford to sell their stock. For example, older ewes that last year were bringing £20 for mutton, are now selling for £3. Farmers are shooting their ewes, because they cannot afford to send

them to market at such prices. Lambs are selling for £13; last year they brought £26. Prime dairy heifers have sold for as little as 18 pence!

After an emergency meeting of the farm organizations with Prime Minister Tony Blair in mid-November, the government, going against its own lunatic free-market ideology, voted up an aid package for farmers worth £120 million. Livestock producers in England are expected to get around £2,000 each, while producers in Scotland, reflecting the higher proportion of lamb and beef producers in the north, are to get £3,600. But this is far too little: "£3,600 is about what I have lost this year every time I have gone to market," the *Independent* quoted one Scottish farmer as saying. To survive, farmers need parity prices.

Meanwhile, on Nov. 16, British Steel announced that 1,600 middle-management and blue-collar workers will be laid off, and it is expected that layoffs will total 6,000, out of a workforce of 47,000, by the end of 1999. British Steel chairman Sir Brian Moffat said that the layoffs were necessitated by sharp cuts in steel prices, due to imports of cheaper steel from Asia. According to the *Daily Telegraph*, Moffat said that he expects that the recession in manufacturing will now spread to the rest of the British economy.

## Space

### Zarya launch begins new era in space exploration

At 9:40 a.m. Moscow time on Nov. 20, a Proton rocket successfully launched the Zarya spacecraft, beginning the four-year process of building the International Space Station in Earth orbit. The ISS will require at least 44 launches to deliver all of the pieces to orbit. Once assembled by astronauts on space walks, it will provide a shirt-sleeve laboratory environment for up to seven crew members, who will occupy it for three months at a time.

Zarya, meaning "Sunrise," will provide electrical power, navigational control, and communications for the initial assembly of the station. It will be joined in orbit on Dec. 3

**MYANMAR** has signed multimillion-dollar contracts with China for two hydropower plants, the Mong Chaung plant, with planned capacity of 330 million kilowatt-hours per year, and the Thaphan Seik, with planned capacity of 117 million kwh per year, the government announced on Nov. 20.

**AUSTRALIA'S** Parliament has issued a report concluding that something drastic must be done to stop the explosion of hepatitis C, which has infected more than 200,000 people. The report estimates that one new person contracts the disease every three hours in New South Wales. Stuart Loveday, executive officer of the Hepatitis C Council of N.S.W., warns that for each 1,000 new infections, health care costs rise by more than \$14 million.

**MEXICO'S** *maquiladoras* continue to grow. Employment in the nearly 4,000 slave labor towns along the U.S.-Mexico border grew 13% in the first eight months of 1998, to 1.022 million, according to Mexico's National Statistics Institute, the AFL-CIO's *Work in Progress* reports.

**'IT'S A SPECULATIVE** bubble. I cannot justify buying stocks at these price levels," Howard Ward, a money manager at Gabelli investment house, told the Nov. 22 London *Independent* about the recent six-week run-up in fictitious valuation of the Dow Jones Industrial Average and stock markets around the world.

**BRITAIN** and Israel have signed a defense research memorandum, "significantly strengthening cooperation in weapons research and equipment," the London *Times* reported on Nov. 21. It reportedly excludes Britain from cooperating on Israel's nuclear weapons program.

**FIDEL CASTRO** has announced that Cuba would make the euro its reserve currency, starting in January 1999, according to a BBC broadcast. *EIR* has long identified Castro as a tool of the European oligarchy.

by the Unity node, built in the United States, which will provide docking ports for the next few modules of the complex. The Zarya module, which had been known as the Functional Cargo Block, was built by the Khrunichev State Research and Production Center in Moscow, under contract by the Boeing company, and was paid for by NASA.

Russian Defense Minister Igor Sergeev noted that this is an "historic day, for it sets the foundation for the new station. It is important not only scientifically, but also politically, because it was established on the basis of international cooperation. All projects in the 21st century should take place on such a basis."

Astronaut Michael Foale told Reuters that the station "is really a vehicle to do something in space, continuing the exploration, moving out from the planet. . . . Without the space station we will not get to Mars. . . . But getting to Mars is not the be all and end all, either. It's a progressive exodus of human beings from the planet Earth. Mars will be just a step. A colony on Mars will be just one phase in it. Then, there will be industrial activity in the asteroid belt. . . . The whole question is, 'Is the station critical to that?' Right now, politically it is."

## Colombia

### Government declares economic emergency

President Andrés Pastrana declared an economic emergency, in a nationally televised speech on Nov. 16. He warned, "If we don't act immediately . . . the financial crisis could become a catastrophe, and the country could be paralyzed as if a hurricane had hit." The action was widely viewed as intended to bail out the collapsing banking sector.

At the center of the \$2.5 billion bailout program is the imposition of a tax on all withdrawals from both checking and savings accounts, similar to a tax imposed by the Cardoso government in Brazil. The tax will remain in effect until December 1999. The funds derived from the tax will be used to strengthen the Financial Institutions Deposit Guarantee Fund, provide mortgage-holders

with 10-year, low-interest loans to help them pay homeowner debts, and temporarily cover mortgage payments for people who lose their jobs. The constitutional court must approve the measures.

Pastrana inherited an economic disaster from his predecessor Ernesto Samper, but the austerity measures he has announced since taking office in August are poison. In the first 10 months of this year, the national banking system has lost \$63.2 million as a result of growing loan defaults, caused by increasing unemployment and continual hikes in interest rates.

## Health

### River blindness epidemic in Liberia

River blindness, or onchocerciasis, a parasitic disease which causes egg-sized lumps to erupt all over the body and can result in permanent blindness, is affecting 600,000 people in Liberia (one-third of the population) and 600,000 more are at risk of contracting the disease, the Nov. 22 London *Daily Telegraph* reported. Liberia has been torn asunder by one of London's bloody seven-year-long civil wars.

In a desperate attempt to halt the spread of the disease, the government has invited in Sight Savers International, the British charity. Pamela Drameh, Sight Saver's West Africa director, says it is increasingly common to see children leading their parents around the village with a cane. "The economic and social consequences of river blindness are devastating. When an adult is affected by river blindness, you are really talking about the child being affected too, because they have to stay home and are not able to go to school. It is a huge problem," she said.

River blindness is spread by the bite of the black simullum fly, and is caused by worms which burrow into the skin and work their way up through the body to the eyes, where they damage the optic nerves. The worms cause permanent blindness and painful itching all over the body. Treatment, which can prevent its spread but cannot reverse blindness, can be carried out with Mecitzan, a tablet which kills off the worms.