

Business Briefs

'Free' Enterprise

Bronfman to train East European entrepreneurs

Edgar Bronfman, the liquor magnate who heads the World Jewish Congress, is spearheading a new organization, the North American Consortium for Free Market Study, to train East European entrepreneurs in Western business practices, the *Journal of Commerce* reported March 6. Selected students will spend nine months studying at U.S. and Canadian universities, then serve three-month internships at participating U.S. and Canadian corporations.

Bronfman hopes to start the program with at least 20 students this year, and have at least 2,000 students over the next five years.

Bronfman began the program after Czechoslovak President Vaclav Havel asked him to help send his people to Western schools, said retired diplomat James Montgomery, director of international affairs for Seagram's, the Bronfman family's flagship liquor concern. Montgomery is working almost full-time on the program.

International Credit

Western banks reduce lending to E. Europe

Western banks reduced their outstanding loans to Eastern European countries during the first nine months of 1990, despite the democratic transformation in the region, according to the Bank for International Settlements quarterly study, "International Banking and Financial Market Developments," which compiled data through the end of September 1990.

"In 1990 an abrupt change occurred in relations between the countries of Central and Eastern Europe and Western commercial banks. In the first nine months of the year, BIS reporting banks reduced their outstanding claims on the region by \$6.8 billion or 7%, slightly more than they had increased them in 1989." With the exception of Poland, every Eastern European country has had reduction in

bank credits.

The BIS says the deterioration in the credit status of the Soviet Union was the principal factor for the decline.

Technology

Japan may pull out of Montreal Protocol

A top officer of the Refrigeration Engineers Society has told *EIR* that the refrigeration industry is rife with rumors that Japan may pull out of the Montreal Protocol banning the manufacture and use of chlorofluorocarbons (CFCs) by the year 2000. According to the industry expert, the Japanese have made it clear they are having second thoughts about the Protocol, and that China and India, which plan to introduce 300-400 million refrigerators by the end of the decade, remain adamant against the CFC ban.

The official speculated that news that all the touted replacements for CFCs are failures, may be forcing the Japanese to reconsider their position.

Many nations are starting to realize the immense cost of banning CFCs. It is estimated that by the year 2005 it will have cost \$3-5 trillion to replace CFCs and equipment that uses CFCs. The amount of equipment that has to be scrapped under the Protocol is immense: 610 million refrigerators and freezers, 120 million cold storage units, and 100 million refrigerated trucks.

So far this plan to replace CFCs has been a miserable failure.

Trade War

Administration announces export control plan

The Bush administration announced details of its new export controls March 7. Formally dubbed the "Enhanced Proliferation Control Initiative," the new controls include restrictions on the export of 50 chemicals, many of

them commonly used in making fertilizer, insecticide, and other basic civilian applications, on the grounds that they might also be used to produce chemical weapons.

The regulations also will control exports of equipment that can be used to make chemical or biological weapons, as well as whole plants that can manufacture any of the 50 sensitive chemicals.

State Department officials said that the controls on such "dual use" equipment initially will apply to all 14 West Asia countries, including Israel and Saudi Arabia, and to Pakistan, India, Iran, and Afghanistan, and 10 other countries, including the Soviet Union, China, Taiwan, North Korea, and South Africa.

The regulations would also enable the government to prohibit participation by U.S. citizens in overseas construction projects that might be related to weapons production.

A number of U.S. trade and industry groups have complained about the new regulations. Randolph Stayin, a lawyer for three U.S. associations, warned that the product list is "so broad that it could affect all of the machinery and equipment that is used in the petroleum, chemical, water, waste-water, and food-processing industries."

Clearly, the plan is "technological apartheid"—denying the Third World technology, on the pretext of its relationship to weapons. Almost everything on the list is required for use in civilian scientific and economic enterprises.

Biological Holocaust

AIDS strain spreads on Indian subcontinent

Significant clusters of HIV-2 virus have appeared in India, and the virus has now infected "possibly more than 25%" of people in Bombay's red light district, says Indian specialist J.K. Maniar. He is a teacher of dermatology and venereology.

The HIV-2 virus, which is believed to have originated in West Africa, has not previously been thought of as a serious health threat. The vast majority of international AIDS cases are

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considered to be HIV-1.

But Dr. Maniar points out that blood samples are tested almost entirely for HIV-1, not HIV-2, when testing is done at all. In India, only large hospitals in major cities do any testing, and often the testing kits are substandard rejects from international drug companies.

"Experts from the World Health Organization and the U.S. Centers for Disease Control say they are surprised and skeptical after hearing reports that a large proportion of AIDS cases among prostitutes in Bombay are caused by . . . HIV-2," reported the March 3 *New York Times*. Other tests have not shown much HIV-2, but these tests require sophisticated equipment and experienced personnel, which are in short supply in India.

Dr. Maniar slammed the Indian government's AIDS policy, saying that when the presence of the disease is acknowledged, the official policy is to blame foreign sources of infection. The line is, "To prevent AIDS, don't have sex with foreigners," said Dr. Maniar. "Yet, transfusion transmission of AIDS in our hospitals is probably the most important cause."

Many deaths listed as meningitis, tuberculosis, or undiagnosed diarrheal diseases are not examined for a possible link to the AIDS virus, says Dr. Maniar. While only 4,000 Indians have been recorded HIV-positive, Maniar thinks that for every one recorded, "there are probably at least 10 others out there."

Austerity

Bulgarians die for lack of basic medicines

A critical shortage of life-saving drugs and medical equipment, largely due to "free market" reforms, is causing the deaths of many patients in Bulgaria, according to London's *Daily Telegraph*.

Western drugs, including insulin, antibiotics, heart drugs, sedatives, and anaesthetics are in such short supply that hospitals have been forced to cancel many operations, according to Bulgarian doctors and Western aid workers. Doctors at Sofia's Pirogov Hospital re-use disposable blood filters for kidney dialysis patients. They have so little basic medical equipment that some patients have died. "It's

a terrible choice. Sometimes I have to act as God. I have only one functioning respirator available and I must choose between two people. One of them is going to die," said Dr. Milan Milanov, the hospital's director.

Free market economic reforms have sent the price of medicines soaring; infant formula is only available for hard currency. Western drugs are scarce and a credit crunch has halted domestic production. "The reforms are very slow to come and you can't tell a baby he'll have to wait for another government before he can eat," said one expert.

The *Telegraph* article closes, "The transition to market economies is causing a severe shortage of life-saving drugs in several former Soviet satellite states. Their recent shift to hard currency trading has sent drug prices soaring as producers demand dollars that penniless countries cannot afford."

Transportation

Danish Parliament approves bridge-tunnel

The Danish Parliament approved by a solid majority on March 6, a proposal to construct a 17.6-kilometer bridge-tunnel across the Oeresund straits linking Malmo, Sweden with Copenhagen at Kastrup International Airport. Denmark now enters into final negotiations with Sweden, which has approved a parallel resolution. Construction bids are expected later this year in the estimated DM 3-4 billion infrastructure project, one of Europe's largest. It will incorporate a combined rail and road transport and should be completed by 1997-8.

This link with Sweden will combine with the 14-kilometer Greater Belt Bridge, already under construction, between the Danish island of Sjaelland and Fyn which is to be complete by 1996. The two links will make it possible for continuous surface transport by rail or road linking Sweden and Norway with continental Europe. The third link, a proposed 23-kilometer tunnel connecting Schleswig Holstein at Puttgarten with the southern Danish town of Roedby across the Fehmarn Sound, will be taken up by the Danish government as soon as the Oeresund project is fully underway.

● **THE SOVIET UNION** has banned exports of coking coal and scrap metal, and increased the price of scrap by 60%, in an emergency plan to tackle the crisis in its huge steel industry.

● **VOLVO**, Scandinavia's largest company, has reported its first annual loss in 60 years, \$58 million, saying it was the "hardest hit" of auto companies because its "main markets, the U.S., Britain, and Sweden, all have gone into recession."

● **PERSONAL** bankruptcies in the United States rose 16% in 1990, the sixth straight year of increase, to a record 718,107. It was the sharpest increase since 1986, when personal bankruptcies rose 31%; they rose 10% in 1987, 11% in 1988, and 12% in 1989.

● **WORLD BANK** president Barber Conable unexpectedly announced on March 6 that he would retire effective Sept. 1. He will be replaced by Lewis T. Preston, a pillar of the Anglo-American Establishment, former chairman of J.P. Morgan and Co., and a close friend of President Bush.

● **UNICEF** head James Grant told the U.N. Security Council that Iraq needs a crash immunization drive to ward off the threat of epidemics. He said that UNICEF also wanted to help restore some of Baghdad's water supply system and import supplementary food for the most vulnerable sections of the population.

● **THE CANADIAN** jobless rate in February hit 10.2%, almost twice as high as a year ago.

● **THE GERMAN** and Indian industrial associations agreed in New Delhi to meet annually to promote growth of bilateral trade, the *Hindustan Times* reported March 3. German Federation of Industry head Dr. Heinrich Weiss was in New Delhi with State President von Weizsäcker.