

Business Briefs

Communications

Newspaper industry facing hard times

The American newspaper publishing industry appears on the brink of collapse, the London *Independent* reported Nov. 6.

The *New York Times*'s profits are down by 75%, hit by the worst advertising "recession" in living memory. Newspapers depend on advertising for 80% of their profits.

Other New York papers, including the late Robert Maxwell's *Daily News*, are in bad trouble. The *Daily News* is losing about \$1 million a week, and is fighting with the *New York Post* and *New York Newsday* for the tightest advertising market in 30 years. Profits at the *Wall Street Journal* have fallen by 66% this year.

Meanwhile, hundreds of journalists are being laid off across the country, and newspapers have sharply reduced their budgets for news-gathering.

Help-wanted advertising has remained stagnant, indicating little expansion of U.S. job markets ahead.

Mexico

Labor pact slams wages, again

The administration of Carlos Salinas de Gortari in Mexico has succeeded in forcing another renewal of the "Solidarity Pact," a tripartite agreement signed by government, labor, and business leaders by which inflation has been brought down over the last four years by keeping wage increases well below inflation.

The latest extension of the pact will increase worker's wages a meagre 12%, to be held constant for the next 14 months, against inflation of 13% already in the first 10 months of this year. This would imply another 20% rise in prices before the next wage increase in January 1993, if inflation doesn't accelerate.

The previous renewal of the pact raised wages only 18%, against 30% inflation. It is estimated that the average worker now earns

less than 40% in real terms of what he earned in 1982. This 60% reduction in buying power is what has permitted a reduction in inflation and the government budget deficit.

Interestingly, no top labor leaders, not even octogenarian head of the largest federation, the CTM, Fidel Velázquez, attended the ballyhooed ceremony at the President's residence to sign the pact. According to press reports, it is not clear who authorized anyone to sign on behalf of labor.

The government also announced a 55% hike in leaded gasoline prices and a 25% increase in unleaded gas prices—a move intended to reduce consumption of gasoline and force off the road older cars that require leaded gasoline, while at the same time leading to more inflation. As their part of the pact, businesses were supposed to "absorb" the gasoline price increases, but business leaders say they can't force most businesses to do that, and most can't afford to if they wanted to.

Labor

AFL-CIO department calls for industrial policy

The president of the AFL-CIO's Metals Trade Department, Paul J. Burnsky, told a recent MTD convention that the U.S. Congress must adopt an industrial policy for the United States in order to reverse the economic damage sustained during the Reagan and Bush administrations, the *AFL-CIO News* reported.

AFL-CIO Secretary Treasurer Thomas R. Donahue noted, "Although a lot of blame belongs squarely on the administrations of Ronald Reagan and George Bush," U.S. economic woes actually began more than 20 years ago, when the "government simply refused to do its job." Donahue cited the failure to plan for public education and job training, civilian research and development, and management of foreign trade and investment.

The convention adopted resolutions calling for Congress to impose penalties for the purchase of foreign-built ships; to uphold the Jones Act, which mandates the use of U.S.-built and U.S.-manned ships in all trade be-

tween U.S. ports (and which the Bush regime now wants to jettison in the General Agreement on Tariffs and Trade talks); to impose duties on repairs on U.S.-flag ships performed in foreign shipyards; to assist the more than 800,000 defense workers who are losing their jobs; and to strengthen "Buy American" provisions.

Trade

Russia seeks long-term partnership with Germany

A long-term agreement for Soviet natural gas deliveries to Germany over the next 20 years was signed in Moscow on Nov. 6 between the German Wintershall corporation and the Soyuzgasexport, which marks the output of Gazprom, the world's largest producer of natural gas.

The agreement includes a commitment to joint investments to increase Soviet supplies from the 5.9 billion cubic meters to Germany this year, to 13.5 billion cubic meters every year from the mid-1990s on. More than one-third of Germany's natural gas supply is already imported from the former U.S.S.R.

Meanwhile, at a Russian-German panel in Moscow the first week of November, Russian Republic Vice President Aleksander Rutskoi stated that in spite of the chaos in the former U.S.S.R., which is admittedly discouraging to German investors, investments made now would yield multiple profits after initial problems. The Russians, Rutskoi said, will never forget those who come to their aid now, at a time of deep crisis—as they have not forgotten those who came to their help during the difficulties last winter.

His statement was only one of many recent overtures from the Russians to the Germans, seeking not just aid, but long-term economic partnership.

Sergei Karaganov of the Moscow Academy of Sciences, said at the same panel, "In former times, when we had gotten through the winter, we thanked the party. Today, we thank the Germans." He likened the present situation in Russia to the situation 290 years ago when

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"Peter the Great had foreign experts, many of them Germans, come to help build up modern Russia."

In early November, *Nesavisimaya Gazeta* called on the Russian government and Parliament to "drop old ideologies and invite the Germans to settle again in Kaliningrad." Having German farmers there and improving the food supply, it said, was more important for the population today than wasting bureaucratic thoughts about "the dangers of returning Prussia to the former wartime enemy."

'Environmentalism'

ASEAN forms mission defend tropical forestry

The anti-tropical forestry campaign launched by the nations of the West dominated the agenda of the 13th meeting of the Ministers of Agriculture and Forestry of the Association of Southeast Asian Nations (ASEAN), held in Chiang Mai, Thailand in early November.

At the gathering, Indonesian Forestry Minister Hasrul Harahap was named the leader of an ASEAN mission to counter the West's campaign against harvesting tropical timber. Speaking Nov. 1, Harahap urged industrialized countries to stop calling on ASEAN, particularly Indonesia, Malaysia, and the Philippines, to shoulder the burden of maintaining an ecological balance by keeping their forest intact, the Bangkok daily *The Nation* reported. These developing countries, he said, need to develop their economies and feed their huge populations.

The European Community, which has recently insisted on tying development assistance to human rights, was one of Harahap's prime targets of criticism.

Meanwhile, the huge "Earth Summit" scheduled for Brazil in 1992, is in danger of collapsing before it begins—largely because of Third World repudiation of the anti-development nature of the agenda. The London *Financial Times* has warned that the failure of the negotiations on bio-diversity and forest protection in the preparatory meetings held so far signal that "less than eight months to go to the

Rioconference, the chances of an agreement to save the planet are not looking good. . . . All hopes now rest on the last preparatory meeting in New York next March."

According to the *Times*, many environmentalists fear that the summit will degenerate into a circus, with rich and poor nations hurling insults over who has destroyed more forest, killed off more Indians, or emitted more noxious gases. They fear that if no meaningful agreements are reached, the summit could actually set back the environmentalist movement. Some are now suggesting that it should be canceled to avert this risk.

AIDS

House panel hears of disease in Uganda

Janet Museveni, the wife of Ugandan President Yoweri Museveni, told a hearing of the House Subcommittee on Africa Nov. 6 that up to 1.5 million Ugandans, almost 10% of the population, have contracted the AIDS virus. "The impact of AIDS on many aspects of life in Uganda is devastating. On the children, it is particularly harsh," she said.

Museveni said the spread of AIDS in Uganda was caused in part by violence and political unrest which had weakened the country's health care system, and the spread of western culture which encouraged sexual permissiveness.

Richard Cobb of the Agency for International Development was quoted by Reuters saying that over 6 million Africans are now infected with the AIDS virus, about one in every 40 adults, and that 500,000 African infants have been born infected with AIDS. "By the end of the 1990s, an additional 10 million or more infants may be stricken," he said.

Cobb said the United States would provide funds to African nations as part of a coordinated AIDS prevention plan that included technical assistance, increased condom use, diagnosis and treatment of sexually transmitted diseases, and programs to encourage a decrease in the number of sexual partners.

● **TEXTILE** and apparel quotas' elimination, as proposed at the GATT talks in Geneva, would result in a drop of as much as 60% in U.S. production, and losses of nearly 1 million jobs, according to TRA, a Maryland-based trade consulting firm.

● **FAST TRAINS** make Cologne, Germany an ideal place for foreign investors to locate, says an ad taken out by the city in the Nov. 8 *Washington Post*. "Before the decade is out, traveling times between Cologne, Brussels, and Paris will be slashed by new, advanced high-speed trains," the ad read.

● **BARTER TRADE** will be the key to economic relations with the East, said Jacques Cresson, chairman of the French Association of Barter Trades, in Paris Nov. 7. He said that about 20% of all western trade with the former East bloc was on a barter basis, and the 18% margin barter had in Soviet trade with the West in the past two years would increase.

● **'TECHNOLOGICAL apartheid'** is a "form of colonialism more serious than that of the last century," malaria vaccine inventor Manuel Elkin Patarroyo told *EIR* in an interview Nov. 5. He said that the Centers for Disease Control in Atlanta, Georgia, pharmaceutical companies, and others that believe science shouldn't exist in Third World countries, have tried to sidetrack his work.

● **POLAND** faces 3.5 million jobless if the policy of "shock therapy" remains, Jerzy Eysymontt, the chief of the Polish Planning Agency, warned in an interview in the German press Nov. 10. He called for a funneling of low-interest credit to companies to maintain industry.

● **THE BABY BOOM** in the former East Germany has collapsed in the economic crisis after reunification, the Nov. 3 London *Sunday Times* reported. Hospitals in cities are reporting a 50% drop in births since 1989.