

Business Briefs

Eastern Republics

German bankers call for emergency loan

German banking representatives are calling for an emergency state-backed bridge loan to the former Soviet Union.

Eberhard Martini, national chairman of the German Banking Association, said in Bonn Nov. 19 that the former U.S.S.R. urgently needs a large liquidity input to overcome certain debt payment problems in the weeks immediately ahead. The best approach would be to have the Group of Seven governments guarantee a bridge loan, on which condition the private banks would join in, said Martini.

Karl-Hermann Fink, managing director of the Eastern Trades Division of the Congress of German Industry and Commerce, also called for a bridge loan in an interview with DLF radio the same day.

Other bank chairmen, like Werner Roeller of Dresdner Bank, Friedel Neuber of WestLB, and Albert Schmidt of the Bavarian State Bank, endorsed a joint bridge loan of the state and private banks to the republics of the former Soviet Union.

Free Trade

Mexico, U.S. workers attack trade treaty

Agricultural organizations from Mexico, Canada, and the United States have denounced the North American Free Trade Agreement between the U.S. and Mexico as a threat to Mexican agriculture. It has also come under attack by Mexican and U.S. auto workers.

Some 20 million Mexican peasants will be displaced if Mexican agriculture is subjected to free trade, speakers told the "Trinational Meeting on Agriculture, the Environment, and the Free Trade Treaty," held in Mexico City the week of Nov. 22. Speakers from dozens of organizations agreed that the treaty should be put aside, and in its place just trade should be instituted, to eliminate the intermediaries,

namely, the international grain companies. In the words of one speaker, "The free trade treaty doesn't speak to the necessities of agricultural producers in the U.S., in Mexico, or in Canada, but to the interests of the large transnationals that control the production of food at the global level."

All participants from the 38 attending organizations agreed on the necessity of protecting their farmers, "seeking more favorable trade terms for their development, and to promote policies that guarantee the production of basic grains."

U.S. and Mexican auto workers are also rejecting the free trade plan, saying that free trade will only benefit the governments and the large corporations. Representatives of the United Auto Workers and the union that represents Mexico's Ford workers, the SNT, denounced the free trade pact at a recent meeting in Mexico. Speakers pointed out that it will be used to batter down wages in both countries.

AIDS

Half of all German hemophiliacs infected

Between 1983 and 1987, 50% of all hemophiliacs in Germany were infected with the HIV virus, the cause of AIDS, because officials of the Federal Health Ministry failed to screen out infected blood, reports the weekly *Der Spiegel*.

According to *Der Spiegel*, the risk of being infected with HIV by coagulation products was known by January 1983. But on Oct. 25, 1983, a "group of experts" at the Health Ministry announced that there was no reason to fear AIDS transmission by transfusions. Another 120 "experts" had a meeting at the Health Office on Nov. 14, 1983, and announced that there was "no risk of transmission by these products," and even raised doubts that AIDS is an infectious disease!

In fact, no screening or cleaning of blood products occurred until October 1985. Infected blood was still in use until 1987.

Since 1983, there has been no reason for anybody to become "infected with HIV due to infected coagulation products," Mrs. Gnade

told the magazine. She is the widow of the now-deceased vice chairman of the German Hemophiliac Society, who died of AIDS. "For me this is murder," she said. Mrs. Koester, vice chairman of another hemophiliac organization, is quoted: "They infected patients consciously." She has just lost her son. Bavarian Health Minister Peter Gauweiler characterized Federal Health Ministry policy as a "crime."

Depression

Galbraith: U.S. needs a 'New Deal'

The United States is heading for another great depression, and needs to revive the "New Deal" approach, said John Kenneth Galbraith in a recent address to the National Press Club in Washington.

"The present recession is not an autonomous, self-correcting economic drama. It is the wholly predictable response to the speculative extravagances and insanities (and the government policies) of the '80s," said Galbraith, a Harvard economist who was the chief economic adviser to John Kennedy.

"As the Great (and enduring) Depression of the '30s was the clear response to the speculation of the previous decade, which ended in the crash of 1929, so, though perhaps less dramatically, now. We are paying for the mergers and acquisition mania which left around a third of our large corporations with a heavy, sometimes crucifying burden of debt. And we are experiencing the consequences of an extreme and often mindless speculation in urban real estate. And of the junk-bond miasma. And of legislative and regulative measures that, in effect, put government funds . . . at the disposal of some of the fiscally most extravagant, and felonious entrepreneurs since John Law and the South Sea Bubble."

Galbraith recommends that two immediate measures be taken to stop the "spiral of despair" that attends the deepening depression: 1) Create unemployment compensation as it exists in Europe, and launch big, "greatly needed public works" using the idle labor and equipment "for highways, bridges, airports, transport, school buildings; what is called the

infrastructure." 2) A well-considered levy on the more affluent.

"Those of us, a diminishing band, whose memory goes back to the New Deal, remember the ferocity with which the mellowing reforms of that time were resisted. These reforms, we now agree—social security, farm price supports, public works employment, financial legislation, support to unions—mitigated the cruelties of capitalism and did much to save the system."

Industry

Aviation Week queries Bush plan for Soviets

Aviation Week, speaking for a segment of the military-industrial complex, scores George Bush for urging the conversion of Soviet defense industries to civilian production, in a mid-November editorial. The editors report that while many Soviet capital goods enterprises are branching into producing consumer goods, "a great deal of money, time, and effort could be wasted in learning that a Soviet aircraft plant can produce a washing machine, but at 10 times the cost of one in the West."

The editorial states that many Soviets point to the U.S. conversion following World War II as a model, but overlook the fact that the U.S. had a large consumer goods industry before the war, which the Russians lack, and that the U.S. had a strong economic base after the war, while the Russian economy is collapsing.

Aerospace

McDonnell Douglas sells division to Taiwan

McDonnell Douglas Corp. has announced that it will sell 40% of its commercial aircraft manufacturing industry to Taiwan Aerospace Corp. for \$2 billion. The sale is motivated by a desperate need for cash, a need for new production facilities, and a foothold in the Asian market, said spokesmen for the company.

The sale is being opposed by Sen. Jeff Bingaman (D-N.M.). Bingaman has asked the White House to intervene to stop the sale because it would "transfer a tremendous amount of aerospace technology at bargain basement prices." He complained, "Something is very wrong when a large U.S. corporation is forced to seek help not from the U.S., but a foreign government, to stay competitive in the commercial aircraft business."

McDonnell Douglas chairman John McDonnell told workers in Long Beach, California, who fear for their jobs, that the move was essential and that without it, "We will be unable to grow as a commercial airplane company."

Health

Lack of insurance means crowded emergency rooms

Lack of health insurance in the United States has enormously increased emergency room (ER) visits by people who cannot afford medical treatment until a condition becomes acute, the American Hospital Association reports in its annual *AHA Hospital Statistics*. AHA found the largest increase in inner-city areas.

In Seattle, the average increase in ER patients was 104% in 1990 over 1980—more than double. ER visits increased by 59% in Cleveland, 33% in Los Angeles, 32% in Dallas, and 29% in Chicago. In smaller communities, Long Beach reported a 69.5% increase; Nashville, 67%; Minneapolis, 62.8%; St. Petersburg, 60%; and Providence, 55%.

"Inner-city hospitals are asked to be the source of primary care for millions of uninsured and underinsured urban residents, because there's a shortage of inner-city doctors. So, the emergency room is where the care takes place," AHA spokesman Robert Katzfey said. "Emergency rooms face overcrowding that stretches the urban health care system to the limit."

But while emergency room visits are up, other hospital usage is down, the AHA said. The number of hospital beds fell 6% nationally between 1980 and 1990, while the number of admissions fell 14%.

● **PUBLIC HEALTH** officials are warning of the earlier-than-usual outbreak of influenza in the United States. Dr. Walter Gunn of the Centers for Disease Control in Atlanta, Georgia told the *New York Times* that there has been no perceived rise in the death rate from the new epidemic. But, he said, the outbreak has yet to hit the nursing-home residents who are most susceptible to fatality in flu cases.

● **7.5 MILLION** Bangladeshis, about 7% of the population, take drugs regularly. "About 250,000 take heroin only," the *Dainik Bangla* newspaper quoted narcotics control officials. There was no problem "until 1981 when international drug dealers started using this country as a transit," the paper said.

● **CHINA** proudly announced Nov. 5 that it has become the second nation, after France, to mass-produce the abortion pill Mifepristone. It induces abortion up to 49 days after pregnancy.

● **ALBANIA** is comparable to a Third World country, a member of the Catholic aid organization Caritas told a press conference in Vienna. "The population is desperate, there is little food, and in rural areas people only have food for two more months."

● **THE FEDERAL RESERVE** decided at the beginning of this year that its "policy target should be the profitability of the banking system," reported Martin Mayer in the Nov. 21 *Wall Street Journal*. That policy allows "whatever makes money for the banks, whether it's manipulation in the bond market or gouging consumers," he said.

● **MALAYSIA** is doing well economically precisely because it rejected all plans proffered by the International Monetary Fund, stated an editorial in that nation's Nov. 20 *Business Times*.