

Business Briefs

Banking

Sweden grants banks unlimited bailout

On Nov. 5, Sweden announced unlimited financial guarantees for its banking sector, designed to provide a safety net to prevent any more crashes among the country's commercial and savings banks, Reuters reported.

"The package could include many billions of kroners, but it is impossible to speculate how many today," Deputy Finance Minister Bo Lundgren told a news conference when presenting a draft bill. Independent finance firms and insurance firms, also troubled by the sagging economy and a collapse in the real estate sector, were not included in the rescue package.

The government said it will offer banks and state-connected mortgage institutes loans and guarantees to cover future credit losses and losses on return on assets, in addition to guarantees to protect new capital issues.

"The mandate is not limited to any particular amount," a government statement said. "We had to draw the line somewhere, and we made the judgment that the banks are the pivotal players in the payment system, and that's where we have to put in our guarantees," Lundgren said.

Health

WHO abandons strategy of eradicating malaria

The World Health Organization (WHO) has given up on a strategy to eradicate malaria and is now seeking only to contain the disease, Reuters reported on Nov. 2, based on a two-day conference in Amsterdam in late October.

Malaria is probably the world's biggest co-factor with HIV for AIDS. Chronic malaria suppresses the immune system, and 1-2 million people die every year from malaria.

"Attempts to wipe out the mosquito carrier, pursued for 50 years with poor results, will be made only in areas where there is a realistic chance of success," the conference concluded,

said Reuters.

In fact, however, the malaria mosquito was eradicated in many areas in the 1960s, and the rest of the world was on track to do the same through the use of DDT, which saved millions of people from death. But malthusians forced the ban of DDT in the United States in 1972, which immediately reversed the decline in mosquitos and malaria deaths.

It is only by 1995 that WHO expects to have accurate figures on the number of malaria cases. The conference heard that the malaria strain now found in Thailand and Cambodia is showing resistance to all the drugs widely available to treat it. WHO officials expressed concern at the lack of interest of western drug companies in finding new drugs.

In Africa, each year approximately 800,000 Africans, mainly the poor, are killed by malaria, the conference was told. Another 80 million Africans contract malaria but survive. Alan Schapira, a WHO medical officer, said: "There is an unfair accusation that things cannot get done in Africa because of disorganization. But even the toughest colonial-type administration, given the African ecology, would not get far against these [mosquito] species." Malaria is responsible for 20-30% of all deaths of children under five in Africa.

The new WHO strategy is to focus on earlier diagnosis, fast treatment, and earlier detection of epidemics, but where the funds will come from to carry this out was not addressed.

Monetarism

Russian military paper attacks IMF, Eagleburger

Krasnaya Zvezda (Red Star, the daily newspaper of the Russian military,) attacked the International Monetary Fund (IMF) and acting U.S. Secretary of State Lawrence Eagleburger for their lack of aid to Russia. "I believe that Moscow expected from its western partners something more than the theoretical gimmicks of acting U.S. Secretary of State Lawrence Eagleburger," Alexander Golts wrote in a recent issue. "Russia is in need of investments . . . in order . . . to set up the production of food and medicine. But there are no such large-scale in-

vestments, and it looks as though there will be none.

"It is an open secret that the aggravation of [Russia's] internal political struggle is the result of the continuing rapid deterioration of the economic situation and the catastrophic decline in . . . living standards," Golts noted, but "the IMF continues to insist on the unconditional fulfillment of its terms. They come down to the stipulation that credit lines will be open only after the Russian government succeeds in curbing inflation. But . . . this can only be done by one method—halting credits to industry and freezing all forms of payments to the population. In other words, by further reducing the Russians' living standard. The government will hardly risk proceeding along that path."

Golts proposed: "We are in far greater need of a program to stabilize industrial production, geared to our own forces. And a program elaborated without considering the demands of the IMF or any other western financial institutions, elaborated on the basis of the conditions existing in our country and not on the basis of someone else's views. We need finally to realize what we can do for ourselves and proceed from that. And perhaps then the West may run the risk of helping us?"

Aerospace

IATA head warns of another bad year

International Air Transport Association (IATA) Director General Gunter Eser warned in early November that the world's airlines face another bad year in 1993, and predicted that job losses in 1992 will exceed those of 1991, when the world's airlines eliminated 3.4% of 1.45 million jobs, or about 52,000 jobs. Eser said that IATA's 213 passenger airline members will probably lose at least \$2.5 billion this year, with half of the losses coming from the five or six largest airlines in the United States.

Eser noted that the world's airlines were expected to purchase 5,400 airliners by the end of the decade, with a total value of \$400 billion; but that the actual value of the world's airliner

fleet is now only about half that. Even optimistic observers believe that airlines can find the financing for only about 40% of the purchases needed. "There has to be some solid economic basis for airline operations in the future because the industry has some very heavy investments to make," Eser warned.

Environmentalism

Indians used against national patrimony

Environmentalists' efforts to shut down mining operations in Ibero-American nations, have involved the manipulation of Indians in these areas. The Wayuu Indians in Colombia's upper Quajira Peninsula along the Caribbean Coast, for example, have been deployed to shut down the Cerrejon mining project, one of the continent's largest and richest coal veins. The Indians are claiming that their proximity to the coal-mining operations has led to everything from high miscarriage rates to respiratory diseases of all sorts, prompting the country's constitutional court (a spawn of the narco-terrorist Constituent Assembly of December 1990) to order the government to create "mechanisms" for solving the problem.

An environmental agency of the Colombian Health Ministry has determined that none of the illnesses identified by the Indian inhabitants of the region is attributable to the mining operation. But it is now reported that the United Nations will finance a study and recommendations on the Wayuu's problems.

Among the problems not likely to be addressed are the fact that 66% of the 129,000 Wayuu are completely illiterate, and another 20% have no more than one year of primary school.

The crux of the problem was fairly summed up by a journalist for the Brazilian newspaper *Jornal do Comercio*, who, in commenting on the new Brazilian government's determination to shrink the vast Yanomami Indian reserve that was granted by the previous Collor government, said: What the Yanomami "need is medical assistance. From contact with whites, the Yanomami are suffering a wide variety of illnesses and are being

decimated at a dramatic pace. There is no advantage to them to be owners of extensive lands rich in minerals. What they need is the right to life."

Labor

U.S. said to have been in depression for 19 years

From the standpoint of real economic parameters, the United States has been in a depression for 19 years, Dr. Wallace Peterson, professor of economics at the School of Business Administration of Lincoln, Nebraska, said in an interview with the Nov. 4 Spanish daily *El Pais*. His remarks echo analysis found only in *EIR* over that timeframe.

Peterson, a self-professed Keynesian who recently won the "Veblen-Commons Prize" in economics, coined the term "silent depression" for what has happened to the U.S. economy. "Our deterioration is much more serious than the conventional statistics would have us believe. . . . For the first time since the Second World War, there is a simultaneous fall of production, services, and goods, which is hurting the white-collar worker as much as the blue-collar."

From the conventional statistical standpoint, this cannot be explained, and the United States should supposedly now be experiencing a recovery. So, "why does a state of recession continue?" he asked, stressing that conventional unemployment and Gross National Product statistics have become "irrelevant." What must be looked at, instead, is a real parameter like the income of a wage-earner in a single family. "Real income determines living standards, which indicate economic progress." By this measure of real family income, the U.S. economy, in fact, "has been depressed now for 19 years."

According to Peterson, from 1948-73 the average rate of family income grew in the U.S. by 2.7%, but since 1973, the growth has been 0.37%. Even more important is the fall in the rate of production. In the 1948-73 period, it grew by 2.5%, but this figure has dropped to 0.83% since 1973. Such figures "translate into facts," Peterson said.

● **A POLIO EPIDEMIC** has hit the Netherlands, and has claimed its first victim. Because health officials have not been insisting on a policy of mandatory vaccinations, 22 people have already contracted the disease.

● **SIX MILLION TONS** of food are needed this year to prevent widespread famine, according to the Famine Relief Report of the European Community. But according to its own figures, it has only delivered 1.8 million tons of aid so far. According to the EC's October statistics, the EC has 28 million tons of food reserves, which it has so far been unwilling to touch.

● **'PAKISTAN** may have to develop its own" nuclear power plants if restrictions on exporting such plants to Pakistan are not lifted, Pakistan Atomic Energy Commission chairman Ishfaq Ahmad said, Reuters reported Nov. 2. While not specifying the capability of the program, Ahmad said that "it passed its infancy stage long ago."

● **UKRAINE** does not plan to sell an aircraft carrier to China, Ukrainian President Leonid Kravchuk said in Beijing on Oct. 31. Kravchuk said that his visit to China had opened the way for other military cooperation, and that he had offered to cooperate on developing the new AN-180 aircraft, an upgraded version of a former Soviet troop transport.

● **THE 'CHINA MODEL'** to which the Russian opposition is looking, is a "bread and circuses" operation, the German daily *Die Welt* said on Nov. 3. Focused on food, consumer products, and small businesses, the model cannot succeed for long, the paper said.

● **JAPAN** will resume development aid to Vietnam this year after a 14-year suspension, a Foreign Ministry official said on Nov. 4. *Nihon Keizai* newspaper said the government would approve a 45.5 billion yen (\$369 million) aid package. Tokyo suspended such aid to Hanoi in December 1978 when Vietnamese troops invaded Cambodia.