

Business Briefs

Demography

AIDS won't kill enough, says United Nations

A U.N. official rejected on Sept. 30 the idea that the spread of AIDS will neutralize global population growth and eliminate the need for family planning, Reuters reported.

Nafis Sadik, executive director of the United Nations Population Fund, told a conference in Berlin that the total number of people who will die from AIDS in the 1990s will amount to less than two months' population growth.

"There has been some speculation and even some mathematical modelling to suggest that AIDS will increase mortality and reduce overall population growth," she said, according to an advance text of her speech. "Such thinking is dangerous, irresponsible and deeply cynical. It shows both a lack of knowledge about family planning programs and the effects of AIDS on a population."

Eurasia

France, Germany must develop East, says prof.

France must change policy course and work with Germany to develop the East, wrote Prof. Jean Blondel of the European University Institute of Florence, in a commentary in the Sept. 25 issue of Paris daily *Le Monde*.

In an unusual break with the mainstream of "French consensus," Blondel said that French policy over the past years has lacked the fundamental quality of "generosity." People in France cynically think that to be generous would be against France's interest, whereas the exact opposite is true.

The "recession" in France is a lesser problem than "the transformation of East Europe," he wrote. France should have "taken the initiative for a combined European action for the reconstruction of east Germany. France didn't do it. It let Germany make the gigantic effort that was required alone."

Rather than complain that Germany is gaining advantages in the East, France should adopt a "new attitude based on generosity and

on trust," and help in the development, first, of eastern Germany, and then of eastern Europe more generally: "It is not too late for France to incite the members of the European Community to play, honestly and together, the game of development of the East. If France doesn't do it, Germany . . . will do it alone, and will be the sole beneficiary. We will then complain, and, depending on the mood, we will scream or we will cry. . . ."

"France wants to be great; it has a chance to be so, by exercising a real European leadership. It can provide Germany with the proof that the reconstruction of East Europe, and to begin with eastern Germany, is the business of all, and that all are ready to participate in this reconstruction. . . . Then, but only then, the other problems that worry France so much will find themselves resolved, as if by magic."

Aerospace

Down-sizing of U.S. firms accelerating

Martin Marietta Corp. announced on Sept. 30 that it has laid off 9,500 workers across the United States in recent months and will cut another 2,000 next year. Many of its facilities in aerospace and defense electronics are scheduled to be shut down, and many of the jobs already eliminated were at plants involved in the Strategic Defense Initiative (SDI), the *Washington Post* reported. While the company had previously announced some small-scale cuts, it had never indicated the total would come anywhere near 11,500.

Martin Marietta started 1993 with 93,000 workers. During this year it also purchased General Electric's aerospace division, adding 33,000 additional workers, and starting Oct. 1, is completing its takeover of the management of Sandia National Laboratories, which has 8,500 workers. That brings Martin Marietta's combined work force to 134,500 workers. The 9,000 layoffs brings to 40,500 the total number of jobs that Martin Marietta has cut this year. That is, nearly one-third of its total employment has been axed in one year.

Three of the largest U.S. defense companies, McDonnell Douglas, Martin Marietta, and Lockheed, have announced layoffs of

172,000 in the last few years. During that time, total defense procurement has fallen by about 60% in real terms, reflecting the insanity of American policymaking circles in disarming the United States while nuclear-armed Russia enters a period of turmoil and potential civil war.

USAir also announced on Sept. 30 that it will eliminate 2,500 more jobs, following 7,000 layoffs between 1990 and 1992 and losses totaling more than \$1 billion over the last two years.

Italy

Over 100,000 demonstrate against unemployment

More than 100,000 workers (organizers say 300,000) demonstrated in Rome against unemployment on Sept. 25. The demonstration was not called by the trade unions but by factory councils and "basis committees," and was addressed by representatives of all leftist political parties: Rifondazione Comunista, La Rete, Greens, and others. Although the Party of the Democratic Left (PDS, formerly the Communist Party) did not officially support the demonstration, a group of its leaders joined it.

The week before in Crotone, workers forced the government to halt layoffs at the Enichem phosphorus plant, which is to be closed down as part of the national privatization plan. They received the support of the whole city, including the archbishop of Crotone, Monsignor Agostino, who is also vice chairman of the Italian Bishops Conference.

After the government capitulation, the Crotone example was followed by other factories, including the Ilva steel plant in Taranto, and the power plant in Gioia Tauro (Calabria). Free-market supporters are upset at the "wrong signal" given by the government, since in at least a dozen other "hot spots" protests could take the same form.

In reality, the government has rehired the Crotone workers, but has decided to go ahead with the closure of the Enichem plant, since it is allegedly "not competitive." There are only seven phosphorus-producing plants in the world. Italy imports phosphorus because the production in Crotone covers less than half of

domestic needs. The factory is well sited, being close to the raw material source (Morocco) and is on the coast facing the main gas field where Agip (belonging to the same ENI holding company) pumps one-third of its domestic production. In 1991, Montedison drew up a plan to double the Crotona production with a few investments. The plan was stopped because the new plant was supposedly going to be built on an archeological site. The plant has not been built, but in the meantime no archeological digging has been undertaken. Today, any investment plan is rejected as "protectionist."

Crotona, due to its relatively good industrialization, is a "mafia-free zone." In recent years, layoffs have increased so much that they threaten the city with social degradation which typically opens the doors to the mafia.

France

Cuts in social services provoke labor movement

French Prime Minister Edouard Balladur on Sept. 28 announced his intent to limit further increases in spending for social services, and in phase two, to look for ways to impose cuts, in order to cut the state budget deficit from its current 318 billion francs to FF 300 billion in the coming fiscal year. The plan has provoked the labor movement, abruptly ending the truce between the government and the unions that has existed for the past four months.

The communist CGT labor federation has already announced a "day of scorn," with nationwide protest rallies and other activities set for Oct. 12. The conservative Labor Front (FO) union announced protest actions, as have several other big labor federations. What may make this labor mobilization against budget austerity explosive, is the fact that the Rural Coordination group of more radicalized farmers is planning to hold nationwide protests against the General Agreement on Tariffs and Trade (GATT) and the agricultural take-down policy of the European Community during October.

Biological Holocaust

Locust plagues worsen in Africa; aid sought

"The locust plague worsened dramatically in Mauritania, and locust fighting teams will need international assistance if the insects are to be contained," the U.N. Food and Agriculture Organization (FAO) reported Sept. 23.

"Urgent intervention by the international community is indispensable," said FAO Director General Edouard Saouma. "In order to prevent this plague from spreading it must be fought on land and from the air."

Saouma voiced concern that a delay in assistance could result in a widening of the infestation to North African countries. The anti-locust task force in Mauritania lacks pesticides and other equipment necessary to fight the growing plague. In 1988, locusts damaged almost 4 million hectares in Mauritania, which is an ideal breeding ground for the locust because of its ecology and heavy summer rains.

Labor

Workers strike foreign enterprises in China

Workers in at least 10 factories in a major Chinese city have struck their South Korean and Japanese joint-venture factories at least 10 times this year because of poor working conditions, UPI reported on Sept. 28.

In the biggest case, 700 female workers from the South Korean-funded Hanfei Shoe Co. marched on Tianjin's city hall in February to demand better conditions and their own labor union. Shoemakers, among them some 1,200 women, worked eight-hour days for monthly salaries of about 100 yuan (\$17.50). Other cases, some involving hundreds of workers, have also induced workers to strike or threaten a strike.

But wildcat strikes and slowdowns in state-run companies have also risen in frequency in the last few years as enterprises lay off workers to increase efficiency. Government officials and independent labor activists say hundreds of such incidents occurred in 1992.

Briefly

● **PHILIP MORRIS** has reached an agreement with Kazakhstan to acquire the state-owned Almaty Tobacco Kombint. It is expected to invest \$200 million over five years in capital improvements and cultivation capacities, using cheap labor. It has been accused of building a black economy in the former East bloc (see *EIR*, May 21, p. 20).

● **A-BEIJING** influenza will arrive early and hit hard, according to the U.S. Public Health Service. It is recommending that those who normally get vaccinations do so between Oct. 15 and Nov. 15. In most years, flu and flu-related pneumonia claim 10,000 lives. This year, A-Beijing is expected to kill 30-50,000 Americans.

● **CHINA** faces desertification of one-third of its territory, the *Overseas Peoples Daily* reported Sept. 25. Communist Party Secretary Jiang Zemin and Prime Minister Li Peng have approved some 300 projects to overcome desertification.

● **HSBC HOLDINGS**, the parent company of Hongkong and Shanghai Banking Corp., has reached agreement in principle to acquire a 10% equity stake in Banco O'Higgins, Chile's third largest bank with assets of \$2.1 billion, Reuters reported. The drug bank already has investments in Argentina and Panama.

● **HELMUT SCHLESINGER**, the outgoing head of the German Bundesbank, attacked the International Monetary Fund for "analytical weakness," in a speech to the Group of Seven. The IMF "analytical paradigm shift" in the latest IMF "World Economic Outlook" report, he complained, was undertaken by people who lack a good nose for monetary stability.

● **HORST KOEHLER**, president of German savings and loans, called for stronger international inspection of derivatives, at the IMF meeting in Washington in September. He warned that derivatives now comprises almost 50% of major banks' activity.