

Business Briefs

Russia

Unemployment time-bomb said to have short fuse

Fyodor Prokopov of the Russian Federal Employment Service has warned that it won't be easy to maintain for much longer the illusion that only 800,000 Russians are unemployed, the Oct. 7 London *Financial Times* reported in an article entitled "Fuse Burns Low on Unemployment Time Bomb."

When the illusion of "hidden unemployment" is no longer maintained, and various part-time work ploys and unpaid "holidays" are done away with, unemployment could reach an acknowledged level of 7 million (7-10% of the population), and that *before* large-scale bankruptcies begin. In some regions, there is already 20% unemployment. Up till now, the unions have been quiet and worker militancy has been almost nonexistent, but that could quickly change, the paper said.

Meanwhile, the tonnage of U.S. maritime exports to Russia has collapsed 57% so far this year, compared to last year, the Oct. 5 *Journal of Commerce* reported. The collapse has been especially dramatic in foodstuffs.

Germany

Politicians lobby for more high-tech jobs

The deepening depression may boost prospects to get high-technology projects under way in Germany, as politicians face growing pressure from labor and the unemployed. Such a possibility was hinted at recently in remarks by several senior politicians.

On Sept. 29, Lower Saxony Gov. Gerhard Schroeder (Social Democratic Party, SPD), at a conference of the five northern German states in Schwerin, called for increased federal funding of the aerospace sector and research in that area. Schroeder attacked the DM 70 million (\$44 million) cuts in the government research budget as being intolerable at a time when many jobs in that sector (30,000 in his state alone) are threatened by market conditions.

Mecklenburg-Prepomerania Gov. Bernd Seite (Christian Democratic Union, CDU) also issued a call from Schwerin for the completion of the Hamburg-Berlin magnetic levitation train project, a decision which is long overdue. The line would run through his state and create several tens of thousands of new jobs.

Wolfgang Clement, spokesman of the SPD-led state government of North Rhine-Westphalia, again declared that the SPD is willing to talk about a nuclear power component of a future energy policy consensus with the governing CDU. A spokesman of the mine workers union IGBE told *EIR* on Sept. 28 that German miners would support nuclear power if Bonn first signed guarantees for coal-mining jobs.

Labor

Nuclear industry will lack skilled labor

The *Brown Book*, a publication of the OECD's Nuclear Energy Agency, gives dramatic figures on the estimated reduction of the work force qualified to run the nuclear industry (not counting R&D and teaching sectors). World nuclear output is expected to grow from 281.6 gigawatts-electric (GWe) in 1990, to 295.8 GWe in 2000, and 309.2 GWe in 2005. Even though no new plants have been ordered in the United States since 1987, none since 1982 in Germany, and the next French one has been postponed to 1995, Japan as well as some other countries are expected to build additional plants.

From 75,000 specialists in 1990, the United States is expected to have only 72,000 in 1995, rising to 80,000 in 2005. However, of these, 12,000 will have been transferred over to waste management by 2005. Concerning nuclear engineering courses, only 39 are left compared to 63 in 1978, which means 1,300 students as compared to 2,200 in 1978.

In Germany, before the 1986 accident at Chernobyl, Ukraine, 11 universities and 11 institutes were producing specialists, with 30-60 students in the classes. Now, the same

classes are taught to 3-6 students. If the number of specialists is expected to increase by 1,800, this is largely due to the students who will be graduating from universities in the former East Germany.

In Sweden there has been no increase in qualified specialists. The situation there is critical: Five doctorates are expected per year, which is insufficient for industry and university needs. The Royal Institute has been asked to do something to "preserve national skills."

In Japan, a growth of 2.7% of specialists is projected, going from 10,000 in 1990 to 14,000 in 2000.

Overall, in Europe and the United States the number of engineers is falling.

Italy

Banking liabilities may be higher than expected

Liabilities of the Italian banking system, officially 42,000 billion liras (roughly \$26 billion), may in reality be four times bigger. The official figures, which were reported at the end of September by Tancredi Bianchi, head of the Italian Banking Association (ABI), already are a 22% increase from 1992. However, *Corriere della Sera* reported on Oct. 9, a Bank of Italy investigation into the important savings bank Cassa di Venezia revealed that official liabilities are half the real figures. "Somebody hypothesizes the system's hole as being L 100,000 billion, but pessimists spell figures that would make dust out of all bank assets and threaten to collapse the sector."

The Italian government, acting in agreement with the Bank of Italy, recently authorized banks to transform credits into shares of indebted companies, and lowered mandatory reserve requirements, in order to free liquidity for takeover operations, including purchase of privatized state companies. The debt of state industries alone, a large part of which is technically in default, amounts to L 100,000 billion. The state turns out to be creditor and debtor at the same time, because it also owns many banks like Credito Italiano, Banca Commerciale, Banca di Roma, Banca Nazionale del La-

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voro, Istituto Mobiliare Italiano, and others. However, three of these banks are already on the privatization list, and their sale has been commissioned to Wall Street firms such as Goldman Sachs and Merrill Lynch.

Meanwhile, the Italian national association of machine tools producers, UCIMU, reported that Italian domestic orders of machine tools collapsed 3.8% in the third quarter of 1993, compared to the same period in 1992.

Flavio Radice, president of UCIMU, warned, "The domestic market contraction has reached an unprecedented level, and tells us that in our country there are no investments in productive technologies. . . . We are therefore below the red line and worse, since in the absence of an immediate stimulation of investment, the situation could worsen further." Italy is the second largest producer of machine tools in Europe.

Health

Neglect of infrastructure cited in report on TB

The lack of investment in basic health infrastructure in the United States was cited as the reason for the resurgence of tuberculosis, which has increased 20% since 1985, according to a report by the congressional Office of Technology Assessment. The report, "The Continuing Challenge of Tuberculosis," was released Oct. 6 at a press conference on Capitol Hill.

"Recent trends in the incidence of TB have been linked, in part, to decreases in public health investment over the last two decades," according to a press release accompanying the report. "Multidrug-resistant TB (MDR-TB) has been directly linked to inappropriate and incomplete treatment, which in turn has been linked partly to a lack of resources to ensure the proper delivery of TB services. Only in the past two years has the government begun to restore significant funding to TB programs cut during the 1970s and early 1980s. Other associated factors. . . include the human immunodeficiency virus (HIV) epidemic, foreign birth, substance abuse, poverty, and other social problems."

The report includes 11 policy options for Congress to consider, starting with fully funding public health activities identified in the Atlanta Center for Disease Control's 1992 National Action Plan to Combat Multidrug-Resistant Tuberculosis.

Demographics

Family size falling everywhere, says Unicef

The size of families is "falling steeply in almost all regions of the developing world," the United Nations Children's Emergency Fund (Unicef) reported in "The Progress of Nations," its annual report issued in early October.

"By about 2000, the annual number of births in the developing world will have reached its peak." Sub-Saharan Africa had "previously stood out against the trend. But evidence from recent surveys, not yet incorporated into official U.N. estimates, suggests that in Africa, too, fertility may now be making a downward turn," Unicef admitted. In Asia and Ibero-America, "family size is falling at a *far faster rate* than was achieved by today's industrialized countries. . . . Seventeen nations including the most populous Latin American nations, Brazil and Mexico, have reduced the average number of births per woman by half or more in *one generation*. In the last decade alone, births per woman have fallen by one child or more in 21 nations. The steepness of these falls in fertility is *unprecedented in demographic history*. . . . Even in Africa a turning-point may now have been reached" (emphasis added), Unicef wrote.

The report listed the nations, including South Korea, Spain, China, Thailand, Venezuela, and Portugal, where births per woman have fallen by 50%. The fastest-growing nations, where population is supposed to double by 2025, are almost all in underpopulated Africa and the Middle East.

The report noted that Spain and Italy, the two nations with the lowest fertility rate in the world, did not reach the target mortality rate for children under five of 70 per 1,000 births until 1960.

● **UGANDAN** President Yoweri Museveni warned rich nations to stop looting Africa, at an international conference on aid to sub-Saharan Africa on Oct. 5. "If foreign interference was the source of wealth, Africa should be the richest continent now," he said.

● **THE 'JUST DEMAND'** of developing nations for nuclear energy for peaceful purposes should be met, Chinese delegate Jiang Xinxiong told the 37th session of the International Atomic Energy Agency in Vienna on Sept. 27, the *China Daily* reported. Nuclear weapons proliferation should not be a pretext for hampering the development of nuclear technology and industry, he said.

● **THE U.S. SHARE** of arms transfers to developing nations has increased from 10-15% in 1985-87, to 57% in 1992, the *Asian Strategic Review* of New Delhi reported Sept. 29.

● **INDIA AND ISRAEL** will grant each other "most favored nation" trade status soon and begin negotiating a trade and commerce treaty, Israeli Ambassador to India Ebrahim Doweik said. Indian Science and Technology Minister P.R. Kumaramangalam urged the joint development of parallel processing supercomputers and strategic electronics.

● **POVERTY** in the United States (officially defined as \$14,335 income for a family of four, \$11,186 for a family of three) reached a 31-year high of 36.9 million people, according to a U.S. Bureau of the Census survey of over 60,000 households. The purchasing power of a typical family *fell* \$2,000 over 1989-92, to \$30,786, a collapse of 6.1%.

● **OIL AND GAS** reserves in the United States dropped for third straight year, the Energy Information Administration reported in September. Crude oil declined about 4% from 1991 to a 1992 level of 23.75 million barrels. Natural gas reserves in 1992 were 165.02 billion cubic feet, down about 1% from 1991.