

Business Briefs

Health

CDC Warns that Texas Is a National Health Threat

Only 67% of Houston children aged 19 to 35 months received vaccinations for childhood diseases in 1999, according to figures released in early July by the Centers for Disease Control and Prevention in Atlanta. While the national average is 80%, Texas averages 74.7%, and historically, Houston is a portal for epidemics, such as the 1989-91 measles epidemic which infected 55,000 and killed 120 nationally.

Kathy Barton, spokeswoman for the city of Houston Health Department, agreed with the CDC analysis, but argued that the immunization rate is not as low as the survey figures developed by the CDC, in part, because there is no central registry for vaccinations, and records cannot be accurately tracked.

Space

Indian Scientists Debate Lunar Science Mission

Over the past few months, scientists in India have been debating whether that nation should take a big leap forward in space technology, and send a science orbiter to the Moon, *India Today* reported on July 3. One plan would be for a launch in 2005, carrying a 1,000-pound orbiter to collect data about the Moon for five years. K. Kasturirangan, the chairman of the Indian Space Research Organization (ISRO), will soon put together a special team that will study the feasibility of such a mission.

The mission would build upon the technology that India has developed in launch vehicles and satellites, but will require a new generation of more sophisticated techniques in navigation, booster capability, and scientific instrumentation.

The arguments against the lunar mission are familiar ones. Some say that it is silly to "reinvent the wheel" and carry out missions that the United States and Soviet Union did decades ago. Others complain that the coun-

try has not yet mastered the space applications technology it has already developed, such as in Earth remote sensing. Still others are lobbying for commercial development projects, rather than more government spending in space.

But Prof. Narendra Kumar, president of the Indian Academy of Sciences, argues that "there is no doubt the spin-off technology is enormous. We will push our rocketry, processing systems, and communications to the limits of their capability. Such a mission becomes a major point of convergence for frontier technology."

Kasturirangan states that "as a motivator, it will electrify the nation." P.S. Goel, the director of the ISRO Satellite Center in Bangalore, who is likely to head the study team, draws a parallel to the effect of the space race between the United States and Soviet Union in the 1960s: "The money spent on such a mission by India will be nothing in comparison to the delta of confidence we will derive, and the feeling in the public that even our country can do it."

Agriculture

Biotechnology Should Focus on Food Supply

Genetic engineering and biotechnology should focus on increasing the food supply in the developing sector, states a white paper, "Transgenic Plants and World Agriculture," issued on July 11 by a working group representing the Royal Society of London, the National Academies of the United States, Brazil, China, India, and Mexico, and the Third World Academy of Science. "It is essential that we improve food production and distribution in order to feed and free from hunger a growing world population, while reducing environmental impacts and providing productive employment in low-income areas," it states.

"The obvious concern is that the recent backlash against GM [genetic modification] technology will completely overshadow all the promise that the technology offers," said Bruce Alberts, president of the U.S. National Academy of Sciences and a member

of the working group that produced the paper.

Most GM technology has not been developed with Third World needs in mind, and the white paper urges "invigorated" R&D by governments and the private sector to bring the benefits of the new technology to smaller-scale farmers "where profits for big agricultural corporations are unlikely to be forthcoming." "Care should be taken," it says, "that research is not inhibited by over-protective intellectual property regimes," with research results placed in the public domain. Although it is specifically stated that poor, Third World farmers should be able to keep their GM seed for future use (instead of paying the supplier for new seed each year), it is not clear whether this also applies to U.S. farmers.

One of the areas discussed is the use of molecular techniques to produce vaccines against some infectious diseases in potatoes or bananas, which could make them accessible to larger populations.

Corporate

Commercial Debt Spurs Record Bankruptcies

American corporations are going to be running into big problems in the months ahead, and a string of big corporate bankruptcies, particularly because of a heavy increase in commercial debt, could occur, the *New York Times* reported on July 7.

Over the past five years, corporate debt has jumped from 38% of the GDP to 46%. With the economy slowing down, and with prospects of a tightening of credit, "some companies that assumed they could refinance debt when it came due will find that they cannot," the *Times* wrote. "And then we will see corporate defaults and bankruptcy filings rise to a level much higher than might be expected even if there is only a modest slowing in economic growth."

"Inevitably," the *Times* said, "some of the companies that default will be ones that need never have borrowed money, given how eager investors were to buy their shares. But the managers feared that issuing too

many shares would depress the stock price, and they knew that their duty was to maximize shareholder value. So they took on debt that did not look dangerous — but that proved to be fatal.”

USA Today similarly warned on July 12 that corporate bankruptcy filings, up 26% for the fiscal year that ended March 31, could set a record for 2000. Michael Frank, an attorney with the Bankruptcy Resource Center in Miami, was quoted, “When you hear everyone from President Clinton to Alan Greenspan talk about an economy that’s pretty much booming, the number of bankruptcies is really weird.” There were 145 bankruptcies valued at \$58.8 billion in 1999, and there are already 83 bankruptcies worth \$45.3 billion through June 22, 2000.

Britain

Official Warns about an ‘Industrial Meltdown’

British industry is facing a “meltdown,” according to a confidential memorandum written on May 7 by Andrew Fraser, chief executive of the government’s Invest in Britain Bureau. The memo, handed over to Trade and Industry Secretary Stephen Bryers, was leaked to the *Daily Telegraph*, which on July 3 came out with the front-page banner headline “Memo Warns of Industrial Meltdown.”

The memorandum puts all the blame for the rotten state of British manufacturing on the high exchange rate of the British pound and mistakenly claims that joining the euro would be the miracle cure for all problems. Fraser nonetheless draws a devastating picture of the industrial sector in Britain. He expects a “significant level of high-profile closures,” and even “the possible meltdown of the U.K.’s manufacturing base.”

The latest positive economic figures put out by the government are nothing but a “happy scenario,” which disguises the “real short-term pain” felt by industry. Fraser added, “In my view the rate of closures is now likely to accelerate dramatically.” The impact will “be felt disproportionately in the manufacturing heartlands, which is likely to

exacerbate further regional imbalances with all the attendant political problems that implies.”

Finance

France’s Fabius Supports ‘Tobin Tax’

French Minister of Finance and Economy Laurent Fabius created shock waves on June 28, in a speech to the National Assembly endorsing a tax on international financial transactions. This is the so-called “Tobin tax,” named after the American Nobel laureate in economics James Tobin.

Lyndon LaRouche had proposed such a tax on derivatives transactions in particular, to dry out speculation. Now that the International Monetary Fund-based system is imminently set to collapse, such proposals are useful in the context of a New Bretton Woods financial system.

Previously, Fabius had staunchly opposed such a tax. But in recent months, he has made known his concern about the damage from what he has labelled “the excessive volatility of the markets.” In his National Assembly address, he declared the Tobin tax to be “a central idea born of the coincidence of two perfectly correct ideas: on the one side, the necessity to struggle for development, since . . . the product of this tax should be used for development; on the other, the necessity for better international economic regulation.”

There is pressure inside France, especially within a wing of the ruling Socialist Party, for France to push the Tobin tax internationally during its July 1-Dec. 31 presidency of the European Union. At least 130 French National Assembly Deputies, many of them Socialists, are members of the agitational group Attac, which supports a tax on financial transactions. Socialist Deputy Yann Galut estimates that there are 400 parliamentarians and U.S. Congressmen who support the tax. During a meeting of parliamentarians from several nations in Brussels in late June, it was decided to explore setting up a “formal international parliamentary network,” to promote the tax.

PHILIP MORRIS, in a move that will dramatically increase the cartelization of food distribution, has bought out RJR-Nabisco, one of the largest food producers in the United States. On its board is media magnate Rupert Murdoch, Richard Parsons (former president of Time Warner), and Stephen Wolf, senior adviser to Lazard Frères. Philip Morris is one of the largest corporate sponsors of the World Wildlife Fund.

KAZAKHSTAN completed shipment of 2,440 tons of oil to China by rail, one of its oil refineries announced on June. The shipment marks a significant milestone in Kazakhstan’s ongoing efforts to diversify its petroleum export routes, and lay the groundwork for a large-scale export pipeline.

INFLATION figures in Italy released on July 3 were alarming. Production prices rose at an annualized 6.4%, and energy prices rose by double-digits: Electricity, gas, and water bills rose 28.4%. Manufactured oil products rose 20.5%; chemical and synthetic fiber products rose 11.3%.

MALAYSIA has set up four new “advanced vocational institutes,” in chemical and automotive engineering and aviation and marine technology. The new institutes are wholly Malaysian-run, and would provide crucial human capital for building a machine-tool capability. Previously, the nation had three similar institutes, run in cooperation with Germany, Britain, and France.

THAILAND and Myanmar have agreed to build a road to link Kanchanaburi, Thailand (site of the famous “Bridge on the River Kwai”), and Tavoy, on the Myanmar coast. Tavoy is the site of a planned deep-sea port, which could serve as a depot for both Thai and Myanmar imports and exports. The Thai daily *The Nation* on June 22 commented that the road and port could serve as “a gateway for Southeast Asia to the Middle East and Europe.”