

# Business Briefs

## Transportation

### Carnegie Mellon moots maglev program

Carnegie Mellon University in Pittsburgh, Pennsylvania has proposed to make that city the nation's center for high-speed rail transportation, including the development of magnetically levitated trains, in a public-private venture which would use the city's idled steel mills to build the trains and track, the *New York Times* reported Feb. 24.

The \$1.5 million Carnegie study was supported by a number of Pittsburgh corporations, which have formed a company called Maglev Inc. to conduct a final two-year study of technical and financial issues; the state of Pennsylvania and a consortium of Japanese firms are also supporting the Carnegie project. The proposal calls for an initial \$400 million, 19-mile line from downtown Pittsburgh to the Greater Pittsburgh International Airport.

Carnegie Mellon reports that \$27 billion worth of similar projects are under study and that the nation might ultimately spend \$211 billion on maglev systems built in vacant Pittsburgh steel mills. A Japanese-German consortium has already agreed to build a 20-mile maglev system from Orlando International Airport to Disney World in Florida, scheduled to open in 1994. Other potential routes under study are: Boston-Washington; Boston-Albany; Cleveland-Chicago; Detroit-Montreal-Quebec City; Philadelphia-Harrisburg; Pittsburgh-Cleveland; Miami-Jacksonville; Tampa-Orlando; and San Francisco-San Diego, the *Times* reported.

## Industry

### Firms in U.S. in most precarious position

Industry in the United States is in the most precarious position ever, according to a report from the Office of Technology Assessment submitted to Congress on Feb. 28.

The report says that U.S. industry "is in 'deep trouble' and falling behind competitors in developing, commercializing, and diffus-

ing technologies," the London *Financial Times* reported. "Without federal action, the continued decline of competitiveness will 'hurt American standards of living and our ability to provide for national security.' "

While much of the report focuses on eliminating the budget deficit, pushing higher "savings," improving education, and so forth, the report calls for "closer federal involvement in supporting specific technologies," implying this is needed to overcome the competitive edge of Japan and Europe.

The report proposes creating a Civilian Technology Agency, possibly along with a new Department of Industry and Technology to replace the Department of Commerce—a civilian version of the Defense Advanced Research Projects Agency (DARPA)—which would make grants and cooperative agreements with the private R&D sector.

## Nuclear Energy

### Japan rapidly outpacing the U.S.

Japan is rapidly outpacing the United States in the nuclear power field, according to a team of seven experts who recently returned from a National Science Foundation trip to Japan.

The experts note that whereas in the U.S. there has been only one order for a nuclear plant since 1978—and utilities have canceled about 65 in the same period—Japan has broken ground for 23 reactors.

Kevin Burke, International Specialist at the Nuclear Regulatory Agency, just back from Japan, told the March 1 *New York Times* that the fact that the Japanese were late starters in the nuclear field gave them some built-in advantages. Construction of a nuclear plant averages five years in Japan, compared with 11 in the U.S. This is because designs are better developed before construction begins, a Japanese plant requires only half as many hours of work by skilled craftsmen as does an American one of the same size, and Japanese builders guarantee the prices, eliminating ballooning costs on the way to completion.

Donald Olander, professor of nuclear engineering at the University of California, notes that the Japanese reactors are on the surface

similar to U.S. reactors on which they are modeled.

## Space

### Soviets and Australians reach launch agreement

The Soviet Union and Australia have reached a "preliminary understanding" to launch Australian satellites aboard Soviet rockets at a launch facility to be built in Australia, according to NASA.

For years, there has been interest in building a commercial rocket launching facility at Cape York, Queensland, Australia because it is only 10° south of the equator. The closer to the equator you are, the less energy is needed to put a satellite into orbit.

According to a Feb. 1 article in *Nature* magazine, the government of Australia has been negotiating the purchase of Soviet rockets to launch Australian satellites for two years. U.S. commercial satellite manufacturers would be prohibited from using the Australian launch facility unless the U.S. policy prohibiting the granting of an export license for launch on a Soviet rocket is changed. The Bush administration has only allowed the export of U.S. satellites for launch on Communist Chinese rockets.

## NASA

### Research panel backs expanded agency

The National Research Council, an affiliate of the National Academy of Sciences, issued a report in early March backing the Bush administration's call for the National Aeronautics and Space Administration to send manned missions to the Moon and Mars, but said the program should envisage even greater goals and more advanced technology.

The Council study was undertaken at the request of Vice President Dan Quayle, who heads the National Space Council, to comment on NASA's 90-day study.

The report stated that nuclear power will eventually be essential for bases on the Moon and Mars, it backed study of nuclear spacecraft propulsion, supported the Space Station Freedom for scientific exploration while questioning whether it will be the optimal staging base for lunar and planetary missions, and said that the Space Shuttle fleet will have to be replaced by a less labor-intensive system between 2000 and 2010.

The use of nuclear power both for propulsion and for bases on the Moon and Mars has been a key component of *EIR*'s outline for a competent, serious Mars colonization effort.

## ***Nuclear Safety***

### **Technology to slash waste danger in sight**

A Japanese research institute said March 2 it had made a key breakthrough in tests aimed at drastically shortening the life of high grade nuclear waste, Reuters reported.

"This will help control nuclear waste better and increase the social credibility of nuclear power," said the Central Research Institute of the Electric Power Industry.

The researchers expect to develop a technology in seven years that will shorten the danger zone of nuclear waste. The half-life—or period in which nuclear waste's radioactive power is halved—can be slashed to between 10 and 90 years from hundreds of thousands of years for certain types of waste, the group predicted in a statement. The private institute has been conducting joint research with U.S. and European scientists.

## ***Electric Power***

### **Expert says rotating blackouts unavoidable**

"Rotating" electricity blackouts are "unavoidable" within the next two years, John Sillin, of Management Analysis Co., warned in a press conference Feb. 27.

"The United States is on the verge of a power shortage that threatens the economic vitality of the country," and "the point of crisis" is now at hand in Florida, South Carolina, North Carolina, Virginia, the District of Columbia, Maryland, Delaware, eastern and central Pennsylvania, New Jersey, and Long Island, N.Y., he added.

Sillin was one of the first power analysts to predict the wave of power shortages and brownouts that have afflicted the east coast during the past two years. He now predicts that the east coast will suffer "rotating" blackouts, where one portion of a utility's service area is cut off from electricity for about an hour, then a different portion is cut off, and so forth. But by 1993, Sillin said, these intentional blackouts will last longer and will affect much larger areas at any one time.

The major reason for the impending shortages is that the U.S. simply ceased building new power generation capacity. Sillin noted that utilities feel that state regulators are not allowing rate levels sufficient to fund new construction, and are also leery of being forced by regulators, as in the 1980s, to write off more than \$10 billion in new plants that had been built.

## ***IMF Conditionalities***

### **Agency tries soft-sell to maintain power**

The International Monetary Fund is attempting to give itself a new, more "acceptable" look to continue its policy toward and political control over the countries of the developing sector, Vatican sources report.

Recently, a secret meeting was held in the office of the Pontifical Academy of Science in the Vatican. Present was an IMF delegation led by chairman Michel Camdessus. Camdessus also had a private audience with Pope John Paul II. The line that the IMF is putting forward is that the international monetary institutions should not be so hard in their negotiations on foreign debt.

Camdessus has attacked on several occasions private banks' uncompromising attitude on the Third World.

# *Briefly*

● **OVER 2,000 PENSION** fund plans have been canceled since 1981 and replaced with "annuities" paid by insurance companies covering 2.3 million U.S. retirees and active workers. Many of these companies are facing collapsing earnings.

● **THE SOVIET UNION**, one week after France decided to sell nuclear material to Pakistan, said they are going to do the same. "Pakistan needs nuclear energy for its power needs; once the required guarantees are provided, there is no harm in supplying power plants," the Soviet ambassador in Islamabad, V. P. Yakunin, declared Feb. 27.

● **MARIO VARGAS LLOSA'S** shock program would "substantially affect companies, many of which would fail," economist and ex-president of Peru's Banco de la Nación Augusto Blacker Miller warned, *La Republica* reported Feb. 28. Miller said manufacturing output might fall 30-50%, or \$1.5 to \$2.2 billion if the radical free trade presidential candidate prevailed.

● **DOMESTIC ORDERS** for industrial machinery in West Germany jumped 17% in January from a year earlier, according to the West German Plant and Machinery Manufacturers Association. By contrast, foreign orders rose only 2%, yielding a combined rise of 8%.

● **SEVEN BUSINESSES** in Milan and Genoa have formed the Rapid Integrated Connections Co. to build a 250 kilometer per hour train, reducing travel between the two Italian cities to 45 minutes, at a cost of \$240 million.

● **NEW HOME SALES** in the U.S. fell 7.1% drop in January new home sales, on top of an 8.4% drop in December, the Commerce Department reported March 2.