

Business Briefs

Space

Evidence suggests Venus may have had oceans, life

In its last hurrah, the Pioneer space probe spewed out evidence of oceans on early Venus, raising the possibility that Earth's twin planet may once have harbored life, scientists reported on March 24, according to UPI.

"The data we have suggest conditions were such as to allow the formation of primitive lifeforms," Thomas Donahue of the University of Michigan said at the National Aeronautics and Space Administration's Ames Research Center.

The Pioneer spacecraft, which had been orbiting Venus for 14 years, burned up shortly after bursting through the cloud-enshrouded planet's atmosphere on Oct. 8, 1992, when it ran out of fuel. Its final data show that the arid, searingly hot planet once was drenched with 3.5 times as much water as thought earlier, enough to cover the entire surface with 25-75 feet of either liquid or vapor.

Africa

Kenya rejection of IMF watched by continent

Kenyan President Daniel arap Moi's decision to try "to build up its economy without western aid" and without the advice of the International Monetary Fund (IMF) is being watched with interest by other African countries, according to the London *Observer*, the April 2 *Washington Times* reported.

"Now it's apparent that in many cases the medicine is killing the patient," the *Observer* article admitted. The "most damaging effects are seen in the world prices of export commodities. . . . Prices are at an all-time low in real terms, and the [IMF] 'adjustment' policies are seen as one of the main reasons for the fall" in prices.

The paper acknowledged that "African countries may now consider that they have little to lose by looking for alternative policies. Refusing to pay foreign debt, because the mon-

ey is needed for anti-poverty projects, is one option. . . . If African countries don't repay their debts, they are likely to lose foreign aid. But the West's aid carrot is smaller than Africa's debt burden. . . . While Africa is expected to pay out \$26 billion a year in debt repayments, it receives less than \$20 billion a year in aid."

A letter to the editor to the London *Times* from the acting high commissioner for Kenya, strongly rejected a *Times* editorial attacking President Moi's move against the IMF. The letter read in part: "Your editorial is dictatorial and insensitive. President Moi is not the first African ruler to reject the unrealistic conditions imposed by the IMF. They have clearly not worked elsewhere. The highest responsibility of any government is to its citizens, not foreigners, and it is time our economic reforms were honestly reappraised abroad rather than blindly condemned."

Banking

Denmark bank hit with lending problems

Denmark's largest bank, Den Danske Bank, is being hit with a rash of billion-kroner lending problems as the financial depression is being felt in the smaller satellite economies which have until recently been propped up on the short-term east German consumer boom.

Den Danske Bank, according to Danish banking sources, while it is trying to create the impression of having negotiated itself out of a looming crisis over the collapse of the country's two largest insurance companies, is far from damage free. "Danske Bank will have to write off DK 1 billion in the sale of Hafnia insurance to the British Sun Alliance. But before all is done, reliable reports are they will take an added DK 3-4 billion loss."

Den Danske Bank, which prides itself for having avoided the rush into real estate speculation which has recently hit rivals like Uni-bank and the Swedish and Norwegian banks, is the major lender to the two recently collapsed Danish insurers, Baltica and Hafnia. It is also the lead creditor to the collapsing large Danish holding, East Asiatic Co. which, with DK 9

billion in debt, is unable to meet debt payments, and on March 30 announced the sale of its shipping arm to Maersk, the Danish shipping giant which is the world's second largest shipping group.

Russia

Shock therapy said to be 'wildest social surgery'

The "shock therapy" economic program of Russian President Boris Yeltsin and former acting Prime Minister Yegor Gaidar is "the wildest imaginable social surgery without anesthesia," Robert J. McIntyre, professor of economics at Smith College in Massachusetts, charged in a commentary entitled "Shock Therapy Disguised as Science" in the March 31 London *Financial Times*.

"The Yeltsin program is constitutional-level social decisionmaking disguised as the application of neutral economic science. Public discussion of these policy choices is discouraged. . . . The resulting 'shock therapy' has been an equal mixture of policy incompetence and uncontrolled corruption, causing immense structural damage of a particular type which has proved to be effectively irreversible in eastern Germany. Regardless of political motive, this tactic destroys the institutional bridges that could lead to . . . future performance. It is the failure of the Yeltsin government to deal with the core organizational and structural realities of economic transition that should earn it contempt."

"Popular support for such shock measures is virtually non-existent," McIntyre reported.

The author concludes that the more sensible group is the Civic Union. "Many of the positions of the parliamentary conservatives, especially the Civic Union group headed by Arkady Volsky, represent a more coherent analysis of the realities of the current situation than can be found in the government program. Civic Union correctly points out that without an integrated industrial transition strategy, International Monetary Fund-style macro-level adjustment policies create only ruins. . . . The Yeltsin-Gaidar program simply will not work as the basis for a sustainable productive econo-

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my. . . . Adoption of an unmodified market economy as the goal, and its achievement by shock methods, will require authoritarian methods, not just in the short run."

Economic Policy

G-77 attacks U.N. for interference

The Group of 77 developing countries denounced the U.N. Secretariat on March 26 for attempting to interfere in the domestic economic policy affairs of member states. A formal condemnation was issued by current G-77 president and Colombian ambassador to the U.N. Luis Fernando Jaramillo.

The group (which now includes 129 members) singled out for criticism a little-known aspect of the U.N. reorganization overseen by U.N. Secretary General Boutros Boutros-Ghali regarding the functions of the newly created Department of Economic and Social Information and Policy Analysis. Boutros-Ghali said in a report in March that the new department will, among other things, monitor and assess economic and social policies and trends from a global perspective, and that this monitoring will include an "analysis of efficient domestic macroeconomic management and relevant microeconomic issues."

The G-77 argues that this proposal might imply a violation of member states' sovereignty. "It is necessary to reformulate this function of the department, strictly respecting the limits imposed by the [U.N.] Charter and the General Assembly," the G-77 said.

Political Economy

East European economies decline dramatically

The economies of eastern Europe lost 70% of their economic muscle in the three years after 1989, a new report of the Vienna Institute for International Economic Research reveals. The economic decline was dramatically accelerated with the application of "shock therapy" as

advocated by Harvard professor Jeffrey Sachs and others.

The report, presented by the institute's director Peter Havlik on March 26, says that the drop in industrial and agricultural output translates into a loss of 40-50% of the work force which those countries still had as of 1989.

Havlik charged the West with only focusing on Russia and neglecting Ukraine, as if no other state than Russia had survived the breakup of the U.S.S.R. This approach, Havlik said, has contributed a lot to tensions between Moscow and Kiev, as well as between other republics in the Community of Independent States.

Medicine

Drug-resistant TB tackled with genetic techniques

Researchers are working to conquer drug-resistant tuberculosis using genetic techniques, the March 30 *Wall Street Journal* reported. In particular, the paper reported on the work of Dr. William R. Jacobs, Jr. and his colleagues in trying to discover what genetic changes in TB makes it drug resistant.

It is estimated that 1-1.5 million people in the United States will develop TB, which can be passed by casual contact. Drug-resistant strains develop when patients do not finish treatment. There are hundreds of strains of drug-resistant TB, at least three of which resist all present drug therapies.

Dr. Jacobs's team is following two paths of research: One is to isolate which of the 4,000 genes in the TB bacterium becomes altered to make it drug resistant, and the other involves finding ways to mutate TB to make it less virulent or possibly harmless. Both these approaches involve genetic techniques that have only been recently developed.

The Summer 1992 issue of *21st Century Science & Technology* magazine reported on the reemergence of TB, and carried interviews with TB researchers. One of them, Dr. Barry R. Bloom, an associate of Dr. Jacobs, stated, "We have no new drugs that are effective in this situation. The fatality rate of multi-drug-resistant TB is 40-60%. And that is the same as not treating conventional TB at all."

● **THE HIV-2 AIDS** virus strain has hit port cities in India and may spread to inland regions, the *Indian Journal of Medical Research* reported March 18, according to UPI. By the end of 1990, HIV-2 had been "already established in major port cities such as Bombay and Madras," it said.

● **FOURTEEN** more AIDS cases have become known to the Centers for Disease Control in Atlanta, Georgia in which the patients tested negative for HIV, the virus which causes AIDS. It is still not known what causes this AIDS or AIDS-like disease.

● **RUSSIAN** aircraft designed for Arctic research may be used for weather studies by U.S. scientists. The Department of Commerce announced on March 30 that a U.S. team will visit Siberia in the middle of April to investigate renting such aircraft.

● **400 MILLION CHINESE** suffer iodine deficiency and several million are mentally retarded as a result, the March 26 *Chinese Science and Technology Daily* reported. The newspaper said that iodine deficiency was a leading cause of mental retardation in China, and that an estimated 51 million people in mainland China suffer some form of mental retardation.

● **WORLD PRODUCTION** of machine tools collapsed 19% in 1992, to \$34.6 billion, according to the *American Machinist* annual survey of the industry, the March 29 London *Financial Times* reported. "The declines are the worst in the 30 years" since the magazine started its surveys.

● **NEW DATA** on cancer research has cast doubt on the validity of animal tests currently being used to determine whether or not a particular substance is carcinogenic, according to an article in the March 23 *New York Times*.