

# Business Briefs

## Industry

### Ukraine, Georgia report sharp drops in output

Ukraine and Georgia reported sharp drops in industrial output, worse even than that of Russia, according to a Community of Independent States (CIS) report released in May. The economic data document that while Russia experienced a drop of 25.4% in output in the first four months of 1994 compared to the same period in 1993, the respective figures are 39% for Ukraine and 65% for Georgia.

The only CIS republic that reported a slight increase in industrial output, which may be due to less enforcement of shock therapy policies, is Armenia.

The statistics for some other Central Asian republics show a significant increase in oil and gas production, but this comes against an overall collapse of productive capacities and a drop in gasoline refining output.

## Space

### Europe embarks on new projects to Moon, Mars

"A new era of space projects" shall be started by a European Moon exploration program, Roger Bonnet of the European Space Agency (ESA) proclaimed in Paris on May 30. He said that experts have worked out a proposal for a project to establish a European station on the Moon by the year 2020, which would be prepared by a lunar orbital mission in the year 2003. That mission would deploy robots to the surface of the Moon to explore its potential in raw materials.

The project for a station on the Moon is to be seen in the larger perspective of manned missions to Mars, Bonnet said. The whole package is scheduled to be presented to the European Union governments in a first draft in July, and the final go-ahead is expected by no later than the summer of 1995. The entire project is based on the Ariane space launcher pro-

gram. Cooperation with the Russians, Japanese, and Americans is envisioned.

On May 30, the Franco-German heads of state summit in Mulhouse, France endorsed the next phase of space cooperation, with the commitment to develop and build the next generation of orbital launchers, the Ariane 5 rocket, and to examine options for a joint orbital satellite to be launched early next century. The surveillance satellite project would supply Europeans with data independently of U.S. satellites. It has been proposed repeatedly by France, but was not accepted by Germany.

The Ariane program, basically a Franco-German project, is the most successful and most fail-safe launcher for non-military satellites in the world. Over 50% of all launches are now done by the Ariane 4 from the base at Kourou, French Guyana.

## Labor

### U.S. study warns of underclass in work force

A report by the Commission on the Future of Worker-Management Relations, appointed by President Clinton and sponsored by both the Labor and Commerce departments, released findings on June 2 that show the proportion of low-wage earners in the American work force is rising, creating an "underclass" in a two-tier wage structure, Associated Press reported.

The "stagnation of real earnings and increased inequality of earnings is bifurcating the U.S. labor market, with an upper tier of high-wage skilled workers and an increasing 'underclass' of low-paid labor," said the report. It warned that "a healthy society cannot long continue along the path the U.S. is moving with rising bifurcation of the labor market."

The report states that the number of American low-wage workers has "grown greatly, with the result that a sizeable proportion of U.S. workers are paid markedly less than comparable workers in other advanced countries." By contrast, high-paid workers earn more than their counterparts in other nations. Less skilled

workers suffer higher levels of unemployment than better educated ones. And once inflation is taken into account, the real hourly compensation of American workers has stagnated in the past two decades and actually fell for male workers, a development "unprecedented in the past 75 years in the country."

Labor Secretary Robert Reich, in a news conference announcing the report, stated, "A society divided between the haves and the have-nots or the well-educated and the poorly educated . . . cannot be a stable society." He said the nation is not at the point of being dangerously divided along such lines, "but there is cause for concern."

## Mining

### Clean Water Act destroying industry

The U.S. mining industry will be destroyed by revisions to the Clean Water Act, according to Philip D. Brick, chairman of the American Mining Congress Water Quality Committee and director of environmental affairs for Cleveland-Cliffs Inc.

In a congressional hearing in late May, Brick targeted revisions introduced by Rep. Norman Mineta (D-Calif.). "The metals mining industry has been unfairly singled out for particularly onerous, and in some instances, impossible requirements. These new requirements present a real and significant threat to the continued viability of the metals mining industry in the United States, with little or no corresponding environmental benefit," he said.

Brick said that two new sections included in the substitute "would effectively ban" any ongoing or future exploration, mining, and processing of metallic minerals. If enacted, they would result in "widespread shutdowns of existing mining operations around the nation, including, for example, copper mines in Arizona and Utah, gold mines in California and Nevada, silver mines in Idaho, iron mines in Michigan and Minnesota, and zinc mines in New York and Tennessee," Brick said.

"In addition, any new metallic mineral mines would be prohibited from opening. In fact, any mining or processing facility that has operations near any groundwater would be forced to shut down," Brick stated. The requirements, he said, are unattainable and would destroy an \$11.5 billion industry. "Tens of thousands of the nation's highest wage-producing jobs will be lost, the United States will become totally dependent upon imports for all of our metallic minerals, and little or no corresponding environmental benefit will be achieved."

## Medicine

### Broader basic research effort needed for AIDS

Dr. Bernard Fields of Harvard Medical School called for a broader basic research approach to fight AIDS, in the May 12 issue of the science journal *Nature*. "A treatment or preventive strategy for the disease is likely to come from fundamental discoveries in fields other than AIDS research as from those targeted for AIDS. Paradoxically, by targeting too narrowly, we may slow down progress in combating AIDS," he warned.

Meanwhile, British scientists reported in *Nature* that the virus that causes AIDS can not only disguise itself to trick the body's immune system, but can also temporarily inactivate killer immune cells, according to Reuters on June 2. The human immunodeficiency virus (HIV) provokes a strong response by the immune system, but the virus always manages to escape the T-cells sent out to destroy invaders. "The virus can not only hide from the killer cells, but can also change . . . surface proteins in such a way that, while they still provide targets for the T-cells, they do not provoke a lethal immune reaction," researchers at the Medical Research Council and the Wellcome Trust said in a statement.

Andrew McMichael, one of the researchers, said that "the T-cells . . . may actually be inhibited from recognizing the normal virus. The T-cell may actually make contact with the

variant bit of the virus. It'll sort of half-recognize it, but be turned off, temporarily." He said researchers were working to find out how the T-cells were turned off.

Another team reported in the same issue of *Nature* that they had found that the hepatitis virus could act in a similar way against T-cells. "This mechanism could represent a powerful factor for the development of persistent infection by the hepatitis B virus, and perhaps by other viruses that display uncommonly high mutation rates, such as [HIV] and hepatitis C virus," researchers at the University of Parma, Italy and Cytel Corp. in La Jolla, California, wrote.

## Economic Theory

### Allais again attacks economic orthodoxies

Humanity is threatened by the evil caused by prevailing economic orthodoxies that are incessantly repeated but have no basis in scientific reality, Nobel Prize economist Maurice Allais wrote in the June 1 Paris daily *Le Figaro*. Allais has recently vigorously attacked policies of "liberal free trade" and speculation.

According to Allais, "the greatest danger in social sciences and in politics is the established truths and the dogmatism which assures their domination. In economics, as in all science, too many propositions too often tend to be presented as definitively established, and the postulates on which they rest end up acquiring a sort of metaphysical sanctity. Certain theories, whose foundations are, to say the least, questionable, are presented as definitive truths. Not an iota of their supposed perfection appears to be seriously questioned; none of those facts are examined that don't appear to fit into these imposing constructions. These theories only become true by the simple virtue of their repetition."

Certain recommendations from experts are often "only cold monsters" which threaten to "envelop all humanity in Manichean plans that are as unrealistic as they are unjustified," especially as they "ignore human beings," he warned.

## Briefly

● **SUDAN** revalued its currency, the pound, 12.5% against the dollar in mid-May, following central bank regulations on hard currency dealings. The move came as the International Monetary Fund is threatening Sudan with expulsion, the German business daily *Handelsblatt* reported.

● **THE TOKAMAK** Fusion Test Reactor at the Princeton Plasma Physics Laboratory in New Jersey produced 9 megawatts of power on May 27, surpassing its previous record of 6.2 MW set in December. The goal is to reach 10 MW by the end of September when the program is to end.

● **RUSSIA** was relieved of \$7 billion in 1994 debt repayments by the "Paris Club" of creditor governments, which hold \$45 billion of Russia's \$80 billion foreign debt, in early June, the French Treasury announced. The debt will be paid off over 15 years with no payments due the first three years. The governments urged Russia's private creditors to reach a similar accord.

● **CHINA'S** state statistical bureau has warned officials to stop fabricating statistics, the *China Daily* reported on May 30. "The deliberate falsification of economic statistics by local officials could affect the government's decision-making and lead to disastrous consequences," it said.

● **GERMAN** Chancellor Helmut Kohl warned the Christian Democratic Union's economic advisory council in Munich on June 3 that "getting out of nuclear technology would be an assault on the future of our country." Nuclear power is among the "pioneer technologies" that Germany needs for the next century, he indicated.

● **AUSTRALIA'S** richest man, Kerry Packer, has bought a 46% investment in *Vietnam Investment Review*, the Ho Chi Minh City-based weekly newspaper, through the Australian Consolidated Press magazine group. Packer is suspected of ties to narcotics trafficking.