

# Business Briefs

## Russia

### Don't destroy industry, says commentator

Don't destroy Russian industry, Jonathan Steele, former Moscow bureau chief for the *London Guardian*, warned in the Sept. 26 *Washington Post*. The issue is whether the West "accepts Russia as an industrial power or sees it merely as an exporter of raw materials and an importer of western goods."

Russia is effectively left with state investment as the only viable option for a long time to come, Steele said. Those calling for sharp budget cuts "are therefore calling for Russia's de-industrialization," and they should not pretend to have the best interests of Russians at heart.

Pragmatists under Prime Minister Viktor Chernomyrdin want to keep Russia's industries in business while modernizing them and preparing them for international competition, Steele said. If the West wants to forestall humiliated nationalism arising in Russia, then "let it encourage the common-sense moderation of Chernomyrdin and the parliamentary majority who do not want to destroy Russian industry in order to save it."

## China

### Economist calls for infrastructure investment

Qin Chijiang, the director of the People's Bank of China Financial Research Institute (China's central bank), blamed current economic policy for the collapse of productivity and called for vast infrastructure investment in the interior, the Beijing-linked *Zhongguo Tongxun She* in Hongkong reported on Aug. 18. He described the ongoing collapse in productivity: "If we produced 100 yuan worth of goods in the past, we used 30 yuan as capital, but if we produce 100 yuan worth of goods now, we have to use 150 yuan as capital. . . ."

"This is because the current investment structure in China is irrational, as is the investment distribution. . . . Most of the investment

funds are used in the development of real estate and the construction of first-class hotels and tourist facilities. Since much of the materials and equipment needed for these projects cannot be produced in China, they have to be imported from abroad. . . ."

"More funds should be put into the construction of railways, highways, and bridges to contribute to the economic development and consumption of rural areas and backward regions and to revitalize some large and medium enterprises." He emphasized that the backward infrastructure in the interior creates an overwhelming brake on development along the coast.

## Ibero-America

### Presidents meet on waterway development

Peru's President Alberto Fujimori, Paraguay's President Juan Carlos Wasmosy, and Bolivia's President Gonzalo Sánchez de Lozada met in Santa Cruz, Bolivia on Sept. 24 to discuss projects to integrate the region. This included linking the Paraná-Paraguay waterway with the Pacific ports of Ilo and Matarani, thus linking the Pacific and Atlantic oceans, and port modernization and navigational improvements, IPS news service reported.

In the Declaration of Puerto Suárez issued following the meeting, they established "trilateral coordination to promote and facilitate the . . . physical interconnection and operation of an intermodal transport system among the three countries." Brazil, Uruguay, Chile, and Argentina are expected to eventually collaborate in these projects.

President Fujimori said that the benefits of the project would be enormous. "I feel welcome in the Atlantic and I welcome you to the Pacific," he said. "We must follow the integration spirit of our peoples."

However, the Inter-American Development Bank cautioned the Presidents against choosing a development strategy for the Paraná-Paraguay waterway in order to prevent an increase in "environmental tensions," the Brazilian daily *Gazeta Mercantil* reported on Sept. 26. Environmentalists are also strongly opposed to the projects.

## Medicine

### Infectious disease research taken down

"Since the 1970s, infectious disease research has been continually driven back, with the exception of AIDS research," the Sept. 29 *Süddeutsche Zeitung* quoted epidemiologist Dr. Ruebsamen-Waigmann in an article entitled "Return of the Black Death." The article commented on the plague outbreak in India.

"This is especially unfortunate because we still know shockingly little about the processes of infection. It is frequently totally trivial changes in hereditary makeup which make a harmless microbe into a lethal bacterium. In the case of the 'killer bacteria' in Great Britain, it may have involved streptococci which normally cause tonsillitis at worst, but which can suddenly run amok. Further, infectious disease specialist Hans Pohle complains that there is not even one teaching chair left in Germany in infectious disease. 'Intensive medical research only exists in the areas where a scientific career beckons,' Pohle believes," the paper warned.

## Nuclear Energy

### Dutch scientists push high-temperature reactors

The Program for the Maintenance of Nuclear Competence (PINK), a group of nuclear scientists in the Netherlands founded in 1990 in order to guarantee the survival of nuclear know-how, has called for the development of "widely applicable high-temperature" reactors, the German engineers weekly *VDI-Nachrichten* reported in September.

While there are no plans for building a new nuclear facility in the country, in 1990 the Netherlands Economic Ministry offered funds to the group with the condition that at least 20% of the money would be devoted to activities in the area of third generation, "inherently safe" nuclear power plants. After studying the pressurized water reactor PIUS of ABB, the breeder reactor Prism of General Electric, the high-

## Briefly

temperature reactor of Siemens, and the modular HTR of General Atomics, the group concluded that the MHTGR and HTR, especially the latter, would be the most promising.

In May 1992, a European working group was established to develop a European HTR module, and it is now calling for funding. The working group includes scientists from PINK in the Netherlands, Framatome and Atomic Energy Commission in France, HTR GmbH (Siemens, ABB) and the Nuclear Research Center Jülich in Germany, and SENER in Spain.

PINK and the Energy Research Center in the Netherlands have also started a program for the improvement of the HTR technology under the acronym WHITE (widely applicable high temperature). As a result, both the number of young nuclear engineers and the confidence in nuclear technology in general are increasing in the Netherlands.

### Petroleum

## British-led consortium signs Caspian Sea deal

A British-American consortium led by the government-controlled British Petroleum signed a massive deal for oil exploration in and around the Caspian Sea shelf, at a ceremony in Baku, Azerbaijan in late September. Azeri President Gaidar Aliyev, British Energy Minister Tim Eggar, a senior official from the U.S. Department of Energy, and oil industry representatives attended the signing.

While British-Russian relations are warming, British activity with Azerbaijan is a potential source of conflict. Sources report that there is a split on the Russian side on how to react to the deal. The chairman of the state oil company Lukoil, Mr. Alekhtirov, himself of Azeri origin, has given his blessing and is being supported by certain economic and financial interests in Russia. But significant groupings in the military and political layers are strongly opposed, seeing this as a violation of Russian "turf," especially at a time when there is massive pressure on Azerbaijan to grant the Russians base and troop presence rights on Azeri territory.

The formal Russian position is that the BP-

Azerbaijan deal stands in violation of a March 25, 1940 treaty signed between the Soviet Union and Iran concerning trade and navigation in the Caspian Sea. According to Paragraph 13 of that treaty, only Soviet and Iranian ships and tradesmen would be allowed full rights there. The Russians maintain that the Caspian Sea shelf is one "integrated economic-ecological area," and that no deal is allowable that excludes countries with interests there, including Russia, Kazakhstan, Turkmenistan, and Iran.

### Health

## HIV is transmitted from child to child

The transmission from one member of a household to another of HIV (the human immunodeficiency virus, which causes AIDS) has occurred in two instances, the German magazine *AIDS Forschung* reported in September.

One case involved two children living in the same household with their HIV-infected mothers. While the first child was already infected from the age of 18 months on, the second one tested HIV-positive at the age of 2½. Using a special genetic analysis, it was established that the second child must have contracted the virus from the first child, not from the mother.

Scientists believe that the transmission occurred by blood exposure through (uninjured) mucous membrane and/or skin lesions. It was reported that the first infected child quite often had nosebleeds or bleeding gums and suppurating ear infections. The second child always had problems with rashes coupled with excoriations. The children were sleeping in the same bed and using the same toothbrush. The mothers also observed them biting each other, but with no bleeding wounds visible.

The second case involved two hemophilic brothers. The older one became HIV-infected in 1985. More than three years later, his younger brother turned HIV-positive. An investigation showed that the two viruses were genetically identical. The scientists believe that the transmission occurred from one brother to the other through the common use of a razor.

● **ISRAELI** Foreign Minister Shimon Peres, on the CBS-TV "This Morning" show on Sept. 28, said, "We have to desalinate seawater. . . . We have to introduce different methods on how to really solve the danger . . . of desertification, which is making people so poor."

● **THE EUROPEAN** Airbus credit rating has been downgraded by Standard and Poor's. S&P is claiming that Airbus had to reduce its production plan recently, but French and German sources told the Sept. 26 French daily *Le Figaro* that a new regulation is under study which would make the company more competitive.

● **30% OF POLES** draw at least part of their income from illegal employment, according to the Market Economy Research Institute, PAP news agency reported Sept. 30. Undeclared income amounts to some 166 trillion zlotys (\$7 billion), about 8.1% of Poland's 1994 GDP, it estimates.

● **ITALIAN** Prime Minister Silvio Berlusconi explained to Fiat magnate and Hollinger Corp. adviser Gianni Agnelli on Sept. 23, that money-making companies should not be privatized. "Why should I hurry in selling companies which make money, such as ENEL [electricity] and STET [communications]?" he asked.

● **THE ARCHBISHOP** of Canterbury lectured the Chinese on economy and the need for "sustainability," ecology, environmentalism, and keeping energy throughputs down, while visiting Shanghai on Sept. 16. "I have spoken from the perspective of British economics," he said.

● **RUSSIAN** "industrial production has dropped up to 50%, at least half the country now lives in poverty . . . and general health and life expectancy have declined so severely that even a pro-Yeltsin newspaper calls the situation an 'unfolding catastrophe,'" Princeton Prof. Stephen Cohen wrote in the Sept. 27 *International Herald Tribune*.