

Business Briefs

Energy

Maine utility files for bankruptcy

One of the bitter fruits of the environmentalist harvest was reaped Aug. 31 when Eastern Maine Electric Cooperative filed for Chapter 11 bankruptcy because of the financial difficulties imposed by the delays in the Seabrook, New Hampshire nuclear plant.

The plant, ready but not operating because of environmentalist objections, is owned jointly by 12 New England utilities. The largest share, 35.6%, is held by Public Service Company of New Hampshire, which has announced a restructuring similar to a Chapter 11 bankruptcy.

Environmental challenges and regulatory changes have added \$3.6 billion to the cost of the 1,150-megawatt Seabrook plant. The plant has been ready to go on line since summer 1986, and every month that it stays closed costs the utilities \$50 million, of which \$40 million is interest.

Meanwhile, New England has already begun to feel the effects of power shortages this summer, with a 5% voltage reduction. Electricity use in the region has grown 120% faster than the demand for power nationally, averaging 5% in 1986, and major shortfalls are predicted in the next few years.

Medicine

Prospects are 'bleak' for an AIDS vaccine

At a conference of the National Academy of Sciences' Institute of Medicine on Aug. 31, scientists reported on the difficulties of finding a vaccine against AIDS, and called for a "Manhattan Project"-type effort to crack the problem.

"The vaccine effort is running into serious problems," said David Baltimore, director of MIT's Whitehead Institute, and a leading AIDS researcher, according to the Sept. 1 *Philadelphia Inquirer*. "Last year we estimated a minimum of five years. Things today, if anything, seem bleaker than

that." Other speakers pointed to the complexity of the virus, its ability to disarm the immune system, and its capacity to attack the central nervous system in addition to blood cells.

Dr. Paul Volberding, director of AIDS activities at San Francisco General Hospital, said, "Clearly the chimpanzee work has no necessary relevance to what we can find in humans. Even antibodies people develop themselves to fight the disease don't work."

Dr. William Haseltine of Harvard Medical School said that, given the problems with a vaccine, "therapy will have to be the key." "An organized Manhattan Project-type approach is, in some ways, needed. There is a real need for coordination in drug development." Dr. Edward Skolnick said, "We . . . need to ask ourselves whether we need another type of national effort, akin to what was done in the 1940s with the A-bomb development."

Banking

Corruption scandal hits Yugoslavia

Sixty-three banks in Yugoslavia may be forced to close, as a result of a financial scandal being described in the Yugoslav press as the "biggest blow to the Yugoslav economy in postwar history . . . the tip of a nationwide iceberg of financial corruption."

The affair involves an agro-industrial firm, Agrokomerc, in the mainly Muslim republic of Bosnia, which is accused of having issued as much as \$500 million in uncovered promissory notes. The company had been key to a number of planned industrial projects, and its troubles are expected to lead to worker unrest.

Meanwhile at a joint session of the Yugoslav parliament, Vice President Zemljarić warned that some of the nation's foreign debt payments may have to be deferred, in light of ongoing financial difficulties. About 76% of Yugoslavia's \$17.8 billion debt is coming due within the next five years.

"Under the conditions of more and more restricted financial world markets," he said, "this would certainly render normal repro-

duction in the Yugoslav economy impossible and would prevent its technological development. . . . These reasons impose the necessity that the pace of our debt repayment be reconsidered. Therefore, all the aspects of Yugoslavia's foreign liquidity and its relations with all the classes of creditors are being studied and the development requirements and export possibilities examined. Preliminary talks on these questions have been started with commercial banks, and with some creditor governments, and with the IMF."

Health Care

Mexico forbids sale of blood

The sale of blood was prohibited in Mexico on Aug. 26, in an effort to curb the spread of AIDS. Private hospital blood banks had detected more than 1,500 AIDS cases, higher than the official figure for all of Mexico. Government AIDS expert Estanislao Stanislavski said that while AIDS is doubling every 12 months as an international average, in Mexico it is doubling every 7 months.

The ban on blood sales has drawn fire from the president of the National Chamber of Hospitals, Jesús Gómez, who said that the nation's blood supply system is inadequate as it is, and the need cannot be met only by donations.

Austerity

Merrill Lynch: shock treatment for Mexico

Merrill Lynch issued a study at the end of August, predicting a disaster for the Mexican government that succeeds that of President Miguel de la Madrid. The failure of the government's austerity policies to "yield the expected results" has endangered the effectiveness of "orthodox policies," and could force application of "shock treatment."

"It is not inconceivable that the political