

Business Briefs

Infrastructure

Pravda team calls for Soviet rail modernization

Two reporters of the Soviet daily *Pravda* went on an investigative tour of key Soviet railroads, and came to the conclusion that "the increase of commodity transport volume simply makes it unavoidable that we put the entire rail transport system on a modern basis as soon as possible," they wrote in the paper Dec. 17.

In light of the international food aid effort, border transit stations should receive massive new investments, the reporters wrote, after an inspection of Brest-Litovsk, the central transit hub between East and West. There, they found chaotic circumstances, with an immense number of freight cars standing around unused because of their poor condition. The director of Brest-North Station told the reporters that his own workers are forced to repair many Soviet freight cars before they are ever used, since they arrive in a dilapidated state.

An estimated 4,000 freight cars, many carrying food supplies from Romania, Poland, Hungary, and Czechoslovakia, are now blocked at the border because of disarray and mismanagement.

U.S. Cities

Escape from New York? Bridges closed!

Scores of New York City bridges already on the verge of collapse will be left to rot until "sometime after 1995," as a result of budget cuts ordered by the administration of Mayor David Dinkins. City engineers were informed that funds for bridge reconstruction and repair would be cut an additional \$22 million over the next five years, on top of \$252 million slashed in December.

Many bridges will suffer major structural damage if left to deteriorate further. Corroding decks will develop large holes that could force engineers to close bridges. Many others are losing concrete around their reinforced steel

supports, which corrode rapidly when exposed to water and polluted air. City engineers say that deferring maintenance and repairs will eventually cost the city billions of dollars in reconstruction costs.

The city is also considering a \$2 million cut in its preventive maintenance budget, eliminating a program to remove loose concrete from the underdecks of bridges.

Of the 842 bridges and viaducts in New York City, 56% are deficient and 26 are in "critical condition," according to a study by the Parsons Brinkerhoff engineering company and the Peat Marwick accounting firm. The study was chartered in 1989 and due Oct. 1, 1990. The city missed that deadline and a Nov. 1 extension, prompting State Comptroller Edward Regan to accuse the city of a coverup. "City officials are sitting on a time bomb," he warned.

Meanwhile, at least 20 of the 173 bridges maintained by the Boston Metropolitan District Commission are in poor condition, that agency says. In addition, several of the dams and locks—a few of which are more than 100 years old—are in need of costly inspections, at minimum. In the last three years, however, the MDC's operating budget has dropped from \$87.4 million to \$60.9 million this fiscal year.

Research

U.S. fusion energy research being shut down

Major portions of what remains of the U.S. magnetic fusion energy research program were killed Dec. 5. The canceled projects include the \$76 million ZTH magnetic confinement fusion machine at Los Alamos National Laboratory, scheduled for start-up in 1992; the functioning \$20 million Advanced Toroidal Facility (ATF) at Oak Ridge National Lab; and the \$10 million Large Spheromak Experiment (LSX) funded by the Department of Energy at Spectra Technologies in Bellevue, Washington.

The Bush administration strategy is to favor only the Princeton program—by cutting it less. Princeton's \$11 million PBX-M project

is being axed. Princeton's magnetic fusion research staff has dropped from 1,300 in 1984 to 800 today.

In laser fusion, Los Alamos lost funding for the \$87 million Antares laser fusion machine, just built in 1987, and now apparently will lose funds for the recently completed Aurora fusion laser, "because Livermore's Nova fusion laser is considered the leader in inertial confinement fusion research," according to the New Mexico *Albuquerque Tribune* Dec. 6.

At \$275 million, the 1991 budget for magnetic confinement fusion research will be the lowest since 1981, before adjustment for inflation, according to the *Tribune*.

Dick Siemon, program manager for magnetic confinement fusion at Los Alamos, declared, "This is one first-rate disaster from the point of view of the world's energy needs."

Development

Nigerian leader asks 'African Marshall Plan'

Nigerian leader General Babangida demanded an "African Marshall Plan" to develop the continent, in a statement to delegates attending the World Conference on Reparations to Africa and Africans of the Diaspora, in Lagos in mid-December. He charged that the granting of independence to African nations after World War II was only a "tactical political concession," while the African continent was thereafter subjected to economic exploitation and civil wars supported from the outside. He said, "We want an African Marshall Plan to compensate for the centuries of abuse and lack of attention."

Delegates to the conference demanded a form of indemnity from Europe and North and South America, to compensate for the damage done to Africa by five centuries of slavery. One speaker pointed out that Germany is still paying Israel reparations for Nazi crimes, and that the U.S. has begun to pay indemnities for its treatment of Japanese-American internees during World War II. Africa should be accorded the same consideration.

The reparations demand will be a formal

Briefly

● **THE GAP** between income and rent is growing so large that more than 50% of all renters in Massachusetts, Maine, California, Nevada, and Vermont cannot afford a two-bedroom apartment, according to a new study. No one earning the average wage of a retail salesperson—\$195 per week—can afford the average rent in any state in the Union.

● **ENVIRONMENTAL** legislation—the Clean Air Act, the Clean Water Act, and Waste Pollution regulations—cost the U.S. economy over \$100 billion in 1990, more than 2% of GNP, according to a study by the Environmental Protection Agency—released two years late.

● **CANADA** has announced the sale of a Candu nuclear reactor to South Korea, the first foreign sale since 1981. Minister of Energy Jake Epp said it was “a straight commercial deal,” with no export financing on the part of Canada.

● **A BLACK SEA** Economic Cooperation Zone will be the subject of a study and proposal by Turkey, following talks among representatives of the Soviet Union, Turkey, Romania, and Bulgaria in Ankara in late December. The project is to include cooperation in energy, telecommunications, transportation, and the environment.

● **THE U.S. BUDGET** deficit was up to \$48.1 billion in November, an increase of 62% over November 1989, according to Treasury Department figures reported Dec. 21. Individual income tax and corporate tax collections dropped 21% and 46%, respectively.

● **THE LONG ISLAND** Power Authority voted Dec. 21 to submit a decommissioning plan for the Shoreham nuclear plant to the Nuclear Regulatory Commission. The plant was built at a cost of \$5 billion, but never operated because of environmentalist obstruction. Energy shortages are now predicted.

agenda item at the June 1991 Organization of African Unity summit.

Space

Budget causes NASA facilities to deteriorate

A new study by the U.S. General Accounting Office has found that eight National Aeronautics and Space Administration (NASA) centers have severe problems caused by a lack of money for maintenance, the Dec. 18 *Washington Times* reported. In the 52-story Vehicle Assembly Building at the Kennedy Space Center, where the Shuttle is mated to its external tank, GAO inspectors found that NASA had installed netting to catch pieces of concrete falling from the roof.

Experts at the National Research Council recommend that agencies spend at least 2-4% of their facilities' replacement value on maintenance, the report says. For most of its facilities, NASA spends between 0.9 and 1.5%.

The space agency's facilities include 2,700 buildings and 3,200 other major structures encompassing 36 million square feet.

Trade

Comecon no longer functioning, says U.N.

Trade among the nations of the Soviet dominated Council for Mutual Economic Assistance (CMEA or Comecon) collapsed in 1990, and worse is on the horizon, says the *Economic Bulletin for Europe*, just released by the United Nations. It details a systemic “collapse of the CMEA trading system” over the course of 1990 between East European nations and the U.S.S.R.

Because 1990 was to be the last year of settling trade imbalances in rubles, CMEA economies have desperately tried to minimize year-end ruble holdings. “The individual East-ern countries resorted to a variety of direct con-

trols on their exports and imports to and from one another, a process which led to mutual re- crimination and retaliation.” The result has been a devastating average 18% drop in intra-CMEA trade in 1990. Soviet exports to CMEA states, mainly oil, fell some 15% in volume.

The Jan. 1, 1991 conversion of all East European oil imports to a hard currency basis will have an impact “larger than that of 1973 and 1979 in the West.” The U.N. calculates that CMEA countries—Poland, Hungary, Czechoslovakia etc.—import 80% of their oil from the U.S.S.R., and had paid a preferential price equivalent of \$7 per barrel. An average \$35 world price in 1991 would add a cumulative \$23-28 billion to East European countries' trade deficits.

The Soviet Union, Bulgaria, and Romania are in a second category of economies where the “situation is deteriorating outside of any coherent policy framework and reflects a collapse of central control.”

Health Care

Soviet pediatric care seen breaking down

The Soviet health care system is breaking down, reports a journalist for the Hamburg-based *Abendblatt*, who visited a hospital for children in Leningrad. “The biggest problem is the lack of diagnostic and treatment equipment,” doctors are quoted. There are only 18 incubators for a total of 62,000 babies born each year. (By Western standards, 62 incubators would be needed.) With every incubator, the lives of 45 children per year can be saved; otherwise, these children die.

“We don't have any ultrasound equipment at all,” doctors say. Surgery is performed in hospital rooms rather than operating rooms. “Especially medicine is lacking, which is not produced in the Soviet Union. For example, there is no medicine available for epileptics, for the thinning of the blood, and so on. There is still enough special food for children, but who knows for how long,” doctors fear.