

# Business Briefs

## Infrastructure

### Pakistan approves rail links to Central Asia

The cabinet of Pakistani Prime Minister Benazir Bhutto approved plans on June 13 to build a railway to Tajikistan through Afghanistan, and road links to Central Asian republics through China.

The cabinet approved plans for a rail link starting at Chaman, on the border between Afghanistan and the southwestern Pakistani province of Baluchistan, where the current tracks end, Pakistani Information Minister Khalid Ahmad Kharal told a news conference. The railway line would stretch from Chaman through the southern Afghan city of Kandahar to the western city of Herat, and north to Kushka in Tajikistan, where the track would link up with existing lines, Kharal said.

The World Bank has agreed to help with \$1.5 million for a feasibility study. The cabinet also approved plans for road links to Central Asia via the Kunjerab Pass, the highest road pass in the world, through China.

## Nuclear Energy

### Safety of Soviet-style plants said improved

The safety of Soviet-style nuclear plants has been improved, according to a European Union study discussed at a meeting in Brussels on June 10, a U.S. nuclear expert reported to *EIR*. Roughly 300 safety improvements have reduced the probability of another accident like the one at Chernobyl by a factor of 100.

The source said that the EU had commissioned a safety review of the RBMK-style reactors that had undergone various improvements since the Chernobyl accident. The European Commission donated \$5 million to the project and the Canadians \$2 million, but the United States kept out of the study "for political reasons." The two reactors studied were Ignalina in Lithuania, which is the RBMK design, and Smolensk in Russia, a newer reactor design.

Meanwhile, Ukraine will not close its nu-

clear plants at Chernobyl, the June 13 *New York Times* reported, based on a "secret directive" by Ukrainian President Leonid Kravchuk leaked by the Natural Resources Defense Council. A U.S. delegation led by the Department of Energy (DOE) had negotiated in early April a "commitment in principle" from the Ukrainian government to shut down the two remaining operating reactors at the Chernobyl site. But a reading of the agreement makes it clear that Ukraine would not shut down the plants until it had replaced the 1,700 megawatts of power. Ukraine already has an electricity shortage and brownouts, even with the two Chernobyl plants operating.

The State Department is reportedly calling for the West to help Ukraine complete three Soviet-style nuclear plants with western safety standards at a cost of about \$2 billion. The DOE, according to the *Times*, is proposing "that the West help Ukraine to become more energy-efficient and to build plants that use renewable resources like wind."

## Africa

### Rail, electric upgrades of infrastructure planned

The Republic of South Africa and some neighboring nations have begun railway cooperation projects aimed at upgrading existing infrastructure through modernization and use of better equipment. Spoornet, South Africa's state railway, has donated 7,000 rail cars and numerous locomotives to the respective railway companies that operate lines with the same gauge as the South Africans, such as Zimbabwe, Zambia, Tanzania, Zaire, Botswana, Mozambique, Namibia, and Swaziland. A modernization of track in Zaire has been launched by Spoornet in a joint venture.

Meanwhile, securing South African industrial input for continental infrastructure development was on the agenda of the Organization for African Unity (OAU) summit conference which began in Tunis on June 13. Specifically, there was a proposal by the leading producer of power technology in South Africa, ESKOM, for the construction of a "continental electricity grid from Capetown to Cairo," and other proposals for modernization

of the main black African ports.

The debt issue and economic recovery of the continent will be on the agenda of a special OAU conference this autumn, one resolution passed at the Tunis summit stated. This conference (neither the date nor the location have yet been set) will discuss joint cooperation projects for economic and transport infrastructure.

Meanwhile, 90 experts from non-governmental organizations issued a joint appeal for a debt moratorium for African and other developing countries, at a conference in Washington on June 17. They attacked International Monetary Fund and World Bank policies. The conference was attended by scientists and diplomatic representatives from 27 countries.

## Space

### China and France upgrade cooperation

China and France are upgrading cooperation in space technologies, the French daily *Le Figaro* reported on June 18. In mid-June, a series of meetings between Chinese and French specialists organized by Jean-Daniel Levi, director of the National Center for Space Studies (CNES) of France, were held in Beijing and Shanghai. The Chinese "have a real desire to tie the bonds of cooperation; we have decided to pursue the discussions and to launch a series of exchanges and visits of experts," Levi said.

The only point of discord is that the French companies Matra and Thomson were excluded from all discussions by the Chinese side, because they are on a "black list" for recently selling military aircraft to Taiwan.

Nonetheless, the Chinese showed considerable interest in French technologies. The Chinese side was represented by Song Jian, "superminister" for Science and Technology, and by Gen. Ding Henggao, president of the Commission for Science, Technology, and National Defense Industries, which has under its authority the Chinese space agency, as well as the Chinese Atomic Energy Commission and the office responsible for aerospace technologies. General Ding, a member of the Chinese Communist Party Central Committee, was recently promoted to three-star general, the highest rank in the Chinese People's Liber-

ation Army. He was scheduled to arrive in France on June 17 at the invitation of French Defense Minister François Léotard. Ding, a collaborator of the "father" of the Chinese atomic bomb, Nie Rongzhen, is married to Nie's daughter, Nie Li, who holds the rank of general and is an important figure in the Chinese space industry.

## Russia

### Drop in output reported cutting into the bone

The drop in Russian industrial output is cutting into the substance, a report by Yakov Urinson, deputy economics minister of the Russian Federation, warned in Moscow on June 17. He said that the government's forecast of economic development for 1994 has to be corrected, as the output of the industry dropped by at least 26% over the first half-year—some experts are expecting even 27%. In May alone, output dropped by a staggering 53%, compared to the same period the year before.

The report was seconded by a call to Russian President Boris Yeltsin publicized in Moscow the same day, signed by the economists Stanislav Shatalin, Leonid Abalkin, and Stepan Sitaryan, which recommended that the government and Yeltsin stop "playing fire brigade" and finally present an economic program that deserved that name.

## Labor

### Full-time jobs leave U.S. workers in poverty

A new U.S. Census Bureau report shows that 20% of Americans with full-time jobs are still below the poverty line (calculated at \$13,091 for a family of four), a 50% increase since 1979, which "even the normally muted agency termed 'astounding,'" the June 16 *Wall Street Journal* reported. The Low Income Housing Information Service reports that the current U.S. average of \$485 a month for a two-bedroom apartment requires hourly earnings of

more than twice the national minimum wage of \$4.25 an hour. About 46% of rental households in the United States cannot afford such housing on the income of one wage-earner.

The *Journal* detailed how low-wage earners in the new country and western music mecca of Branson, Missouri, for example, are forced to live three or four families to one apartment or trailer, or live in their cars, or forgo medical care. "Many exhibit flu-like symptoms that doctors say are caused or exacerbated by malnourishment and exposure to the elements from sleeping in tents and cars."

The owner of McGuffey's, a chain of family restaurants and one of the largest employers in Branson, is infuriated by his fellow entrepreneurs' miserliness. "A lot of people are making millions here while claiming that they can't afford to pay more than \$5 an hour or give any benefits." He pays his workers \$8 an hour, provides health and dental insurance, and is doing so well he plans to expand his chain.

## Medicine

### Scientists find way to cure cancer cells

French and Chinese scientists are working on an approach to cure cancer cells, and have met with some success. On June 14, at the National Cancer Institute, Dr. Laurent Degos from Paris, France and Dr. Wang Zhen-Yi from Shanghai, China were given a \$100,000 award by the General Motors Cancer Research Foundation for discovering that all trans-retinoic acid (ATRA) can cause white blood cells to differentiate normally, curing acute promyelocytic leukemia (APL), a rare form of leukemia.

The work of the two scientists is a break with the dogma of cancer treatment, because it is the first time that any cancer has been cured by reforming cancer cells, rather than killing them. Dr. Wang commented: "Confucius taught that it is better to change a malignant element into a useful one, rather than kill it."

Dr. Degos said: "I like to call it [ATRA] the anti-dogma drug." The work is based on understanding what went wrong genetically in the cells that made them turn cancerous, and correcting that flaw.

## Briefly

● **USAIR**, the fifth largest U.S. airline which has lost \$1.7 billion since 1989 and is losing about \$1 million a day, plans to slash costs by \$1 billion a year, including extracting \$500 million in permanent labor concessions.

● **A BRIDGE** that will connect Malmö, Sweden and Copenhagen, Denmark got the final go-ahead on June 16, when the Swedish government added its approval. The bridge is an important part of modernizing the European infrastructure grid.

● **GERMANY'S** federal health office is calling for diphtheria vaccinations after a dramatic increase in some areas of the former Soviet Union. Since 1990, more than 29,000 cases have been counted there. "Diphtheria is no longer the 'strangle-angel' of children; now adults between the ages of 20 and 50 years are also becoming sick," an expert of the Berlin-based Robert Koch Institute said.

● **CITIBANK** is now an official business partner with China's People's Liberation Army, the May 30 *Asian Wall Street Journal* reported. The PLA is granted preferential treatment, including tax breaks and duty-free imports, and uses proceeds to finance the military buildup.

● **KIDDER PEABODY** may have been the investment bank most damaged by the annihilation of the mortgage derivatives market in the first quarter, the June 15 *Wall Street Journal* reported. Kidder is being kept afloat by the "deep pockets" of its parent, General Electric, which has so far given it two \$200 million cash infusions in the past two months.

● **ROLAND LEUSCHEL** of Banque Bruxelles Lambert said that all the essential data point to another 1987-style stock market crash, he told the June 17 *Frankfurter Allgemeine Zeitung*. He predicted another big recession by 1996-97, that the U.S. economy will shrink by 3%, and that the dollar will fall to 1.35 deutsche-marks.