

Business Briefs

Debt

Philippines votes to restrict debt payments

The Philippine Senate voted Dec. 12 to restrict foreign debt payments to 10% of 1990 export revenues, Reuters reported.

The level is the same as that initiated by former Peruvian President Alan García against the debt payment demands by the International Monetary Fund in 1985. During the brief period when the policy was in effect, Peru was able to begin to recover from murderous IMF conditionalities.

The debt repayment cap was part of a Senate-approved \$11.17 billion national budget for calendar year 1992. Servicing and repayment of the country's \$28 billion external debt is now over 30% of the country's export income.

Free Market

Hungarian attacks shock therapy

"What we do not need in Hungary is a shock therapy," Lajos Tolnay, president of the Hungarian Chamber of Economics, is quoted as saying in the German press Dec. 24. Tolnay is advocating a phased transition into the market economy, with a strong orientation towards the German model.

Tolnay's remarks, which reflect a dispute over economic policy orientation, came against a background of broad discontent among Hungarian workers in opposition to the liberalist policy course of the present government in Budapest. The first nationwide labor warning strike mobilized 250,000 workers, predominantly from the mining and transport sectors, in mid-December.

Strike leaders expressed harsh criticism of the government's unwillingness to halt the rise of the "new rich" (many of whom are former Communist Party officials, like Miklos Nemeth), while close to one-third of the Hungarian people are falling below the official poverty level. The government's privatization and disinvestment policy in the former state-sector in-

dustry was also attacked.

In Poland, new Economics Minister Jerzy Eysymontt said he wants to alter the former government's International Monetary Fund (IMF) approach on social and industrial policies that was supervised by Finance Minister Leszek Balcerowicz.

Eysymontt, a leading member of the Christian Center Alliance party that has spearheaded the opposition against the IMF, declared in Warsaw Dec. 23 that, despite IMF protests, he plans to have the annual state budget increase rise from 3% to 4.5% to be able to pay for social programs.

Taxation on state-owned industries will be reduced to allow the recovery of the industrial sector, which lost 30% of its output last year under Balcerowicz's fiscal austerity program. "One cannot build a new economy on the ruins of the old one," declared Eysymontt.

Labor

Construction workers demanding jobs

Approximately 50,000 unemployed construction workers marched in New York City Dec. 19 in the largest demonstration for jobs since the Great Depression. Angry workers demanded that all levels of government act to get them jobs.

The rally was led by John Cardinal O'Connor, who called "intolerable" the 50% unemployment rate in the area's construction industry. "I recall the Great Depression," he told the rally. "And there was nothing great about the Depression. People felt humiliated and worthless because they did not have jobs. We need a plan, and we need a plan now, and we need it put into action now."

On Dec. 10, Sigurd Lucassen, the general president of the United Brotherhood of Carpenters and Joiners of America—one of the largest U.S. trade unions, with 600,000 members—said in Pittsburgh that the United States should build its way out of the recession by investing in infrastructure, UPI reported.

"Infrastructure is an investment in the future," said Lucassen. "It's something we leave to our kids and grandkids. But what we're leaving them now are decaying bridges and broken

down systems."

Lucassen said the federal government should finance highways, airports, river dams and ports, water treatment systems, schools, libraries, community centers, hospitals, fire houses, parks and museums.

"Whenever you hear public works, people talk pork barrel," Lucassen said. "We don't figure it's pork barrel. It's an absolute necessity. If we're going to compete in this economy we need to have the tools." He is touting an infrastructure and back-to-work campaign he calls "Ready to Rebuild America."

The United States invests the least in its public facilities of major industrialized countries, he said. "I look at it this way: If the economy remains depressed, then the deficit becomes bigger. . . . We have a tax system based on an economy being vibrant. If people aren't working, they're not paying taxes. Right now interest rates are as low as they've been in years, but people aren't buying houses. They're afraid for their jobs. It's hitting all segments of the economy. If public works go, then this country is not going to come back."

AIDS

Montagnier promises vaccine in five years

In a surprising statement, Pasteur Institute Prof. Luc Montagnier declared that "a vaccine against the AIDS virus, in the case of transmission through blood, could be put in circulation in five years." He also told the Dec. 9 London *Financial Times* that "the reason people are wrong to think AIDS does not concern them personally is that the germs involved are not just the AIDS virus. If there are more and more patients in the world with immune systems depressed because of AIDS, that means more and more use of antibiotics. You can expect organisms to emerge that are resistant to all known antibiotics.

"For many years, we experimented in the dark. All attempts finished in a dead end. Today, we can say that the preparations for the experimentation and the development of a vaccine will last one to two years.

"We will need then two more years to exploit the results of that work. I don't want to

make ill-conceived promises, therefore, count on five years.

"This vaccine will be developed from an envelope of the virus. . . . The molecule obtained from that envelope cannot contaminate. It does not have genetic information. But it is able to program the immune system in its own defense system against substances which are similar to it, therefore also against the true virus, the HIV-1, as soon as it appears in the blood."

Because HIV-1 can be transmitted from cell to cell within the body without recourse to the blood stream, the effectiveness of the vaccine would be limited, since it only patrols the blood stream.

Political Economy

Kozyrev looks to science and technology

Andrei Kozyrev, foreign minister of the Russian Federation, emphasized in an interview Dec. 20 that scientific and technological progress are crucial for the future of any nation.

"World competition as to who should be regarded as a great power is now being decided in other planes and in other categories than in the past. First of all, this depends on scientific and technological progress, on the country's place in markets of products and in markets of technologies. This is where a real battle is taking place now," Kozyrev said.

"At the turn of the century, Russia held a worthy place among such states as France, Germany, America. We must return into that group. . . . In foreign policy our interests will be promoted by everything that helps economic development and normal life of people in Russia."

Space

Moon-Mars mission hinges on nuclear propulsion

Aviation Week reported in its Dec. 2 issue that though a nuclear engine for Mars is not the only

propulsion technology being advocated, it is clearly the leading candidate.

Intimidated for years by the anti-nuclear rhetoric from the press and demonstrations and lawsuits, NASA scientists and engineers have shied away from advocating the use of nuclear power for propulsion.

It seems that the hesitation is dissipating. David Weaver at the Johnson Space Center in Houston told *Aviation Week*: "I can't tell you we won't do a mission with chemical propulsion. I can tell you you're going to expose the crew to a whole lot more risk if you do."

NASA has increased the funding for the nuclear propulsion work at the Lewis Research Center from \$500,000 last year to \$5 million this year. The head of the Lewis program estimates that hardware could be readied for use in an unmanned lunar transit vehicle by 2000-2005.

Agriculture

FAO issues world food warning

The U.N. Food and Agriculture Organization based in Rome issued in December a grim assessment of world grain stocks in the wake of what they said is the "worst decline in world agriculture production in eight years."

World grain harvested in 1991 fell a staggering 86 million tons, or 5%, mainly due to deliberate U.S. acreage reductions and the severe Soviet harvest decline of some 25% from a year before.

"The world will enter 1992 once again consuming more than it produces, and stocks will be drawn down to dangerously low levels. As our safety margin is reduced, our food security next year will depend to a large extent on the success or failure of harvests," said the FAO.

The report is all the more alarming as the General Agreement on Tariffs and Trade negotiations would implement draconian reduction in European Community food output, and in context of recent warnings by prominent volcanologists that the eruption of Mt. Pinatubo last summer will set off major global climate alterations and possible harvest failures and drought in the coming 2-3 years.

Briefly

● **THE DUTCH** government is considering domestic "production quality standards" for marijuana—which has attained position number six on the list of Netherland's favorite "garden crops."

● **RED CHINA** opened its first commercial nuclear plant Dec. 15. The 300-megawatt Qinshan plant in Zhejiang province will serve China's largest city, Shanghai. The plant "was designed and constructed solely by China," the New China News Agency reported.

● **A NEW SOLID FUEL** has been created by researchers at the Chemistry and Metallurgy Institute of the Kazakhstan Academy of Sciences, TASS reported Dec. 9. Used as a fuel for experimental tractors, "Aluminum-based alloys, activated by the additives of some metals . . . enter into reaction with distilled water and release pure hydrogen. As soon as small additions of gas get into the main engine, its power sharply increases without noxious exhaust fumes."

● **MORE THAN 3%** of the adult male population in the U.S., a record 2,978,328 persons, is on probation or parole, according to Bureau of Justice statistics released in December. The number of prisoners in the American prison system is more than 1 million.

● **DESALINATION** work may be abandoned in California, where Metropolitan Water District officials are urging termination of a pilot desalination project because of costs uncompetitive with other sources. The district pioneered in nuclear desalination studies using a modular high-temperature gas-cooled nuclear reactor, which was cost competitive, but abandoned the plan because it thought it could not get approval for a nuclear project.

● **VINDICATOR** of Florida, the nation's first commercial food irradiation plant, was granted an operating license Dec. 9 by the state of Florida.