

Business Briefs

Ibero-America

Venezuelan President hit for IMF pact

The Jan. 27 edition of *El Diario de Caracas* editorially slammed Venezuelan President Carlos Andrés Pérez for his two and a half years of adherence to International Monetary Fund dictates. This has led to "an anarchic country, semi-paralyzed by strikes and insecurity . . . but much more dependent on the dollar to meet its needs." The daily urges major modifications in Pérez's economic program, "before we find ourselves forced to annul the [IMF] 'letter of intent' for violating our independence."

El Diario's editorial is a warning that the increasingly violent anti-austerity demonstrations hitting the country are but the tip of the iceberg. On Jan. 23, more than 5,000 Venezuelans protested in two separate Caracas rallies against the Pérez government's termination of popular subsidies which have caused dramatic price rises. The demonstrators were dispersed by police wielding plastic bullets and teargas, and fears of a new *Caracazo*—the 1989 protests which led to thousands of deaths—are again rising.

International Credit

Military commander blasts IMF policy

Gen. Thaumaturgo Sotero Vaz, former chief of staff of Brazil's Amazonian military command, sharply attacked Collor government's imposition of the International Monetary Fund's anti-inflationary recipes and warned that they are bound to lead to widespread social unrest, in a broad-ranging interview published in the Jan. 22 edition of *Veja* magazine. Such policies, he said, "place us in a position of subservience. There are clear signals that we are accepting recipes imposed by one or another agency, such as the IMF, which go against the will of the people."

Inflation can't be contained at the cost of hunger or unemployment, he said, "because at

some point, someone is going to throw the first stone and then it will be too late." Gen. Sotero Vaz warned that Brazil is getting close to "the limit . . . and it's quite probable that we'll see situations of rebellion . . . In Manaus, for example, lootings of supermarkets have already occurred."

In the same interview, the general noted the U.N.'s backing for U.S. military adventures in Panama and Iraq, and warned of a similar intervention into the Amazon for the purpose of imposing limited sovereignty.

Health

CDC calls conference on drug-resistant TB

The Centers for Disease Control in Atlanta, Georgia has convened a two-day conference of health officials and tuberculosis experts from 46 states around the United States to start devising a national strategy against tuberculosis. The CDC's action comes as a response to dangerous forms of drug-resistant tuberculosis which have struck in 13 states, and whose spread they say is now out of control.

Federal health officials say the outbreaks chiefly involve people infected with HIV, the virus thought to cause AIDS, but they also admitted that it is not known exactly how many people are infected or what proportion they represent among the total number of tuberculosis victims.

"At no time in recent history has tuberculosis been of such great concern as it is now, and legitimately so, because tuberculosis is out of control in this country," said Dr. Dixie Snider, the disease centers' top TB expert.

Thirteen patients contracted drug-resistant tuberculosis and 11 died at Elmhurst Hospital in Queens, New York, the fourth hospital in New York City and the sixth in New York State where multiple drug-resistant TB cases have been detected in recent months. In this outbreak, federal health authorities said, 85% of the tuberculosis patients were also infected with HIV.

AIDS and TB are also sweeping through the New York prison system. Some 26% of the women inmates and 16% of the men at Rikers

Island are infected with the HIV virus, while from 15 to 22% of the inmates have tested positive for TB exposure.

Energy

Japanese reactor to use Moon's helium

Japanese scientists are designing a fusion reactor that will use helium mined on the Moon for fuel. Joining the international effort begun in the United States, Hiroshi Momota, from the National Institute for Fusion Science, and Tsutomu Iwata, of the National Space Development Agency, are working on deuterium-helium-3 fusion reactor designs, and ways to get the helium-3 fuel from the Moon.

According to an article in the *Washington Times*, with money from the Japanese Education Ministry, Momota has produced a conceptual design for a D-helium-3 fusion reactor, which he says could be ready by the year 2011, at a cost of \$350 million for a prototype. Mr. Iwata remarked that he thinks a Moon base to mine the helium-3, and a commercial fusion reactor to use it, could be ready in another 30 years. They both state that though Japan leads internationally in helium-3 fusion research, Japan would be at a disadvantage in mining the Moon rocks.

Technology

Develop E-beam waste treatment method

Researchers at Los Alamos National Laboratory, the Florida International University, and the University of Miami have built an electron-beam accelerator which produces a 1.5 million volts energy pulse of about 100 nanoseconds duration. Electron-beam technology has potential uses in destroying hazardous waste, sterilizing medical waste, sewage treatment, and food processing.

A pilot project at a municipal plant in Dade County, Florida has shown that this technolo-

gy is highly effective in purifying drinking water. Here, 99% of many hazardous chemicals were destroyed, and other chemicals that are highly resistant to treatment were reduced 80-85%.

The Los Alamos accelerator is more powerful than the beam used in the Florida project. It will be used to study chemical reactions during treatment. In this process, the electron beam reacts with the water molecules to produce highly reactive chemical agents that in turn react with the contaminants and reduce them to non-hazardous compounds.

Electron-beam technology may play a role in treating nuclear waste and water mixtures, which is a concern at Department of Energy facilities.

Russia

'Shock therapy' called wrong treatment

"Shock Therapy Is the Wrong Treatment" read the headline of a commentary in the Jan. 22 *International Herald Tribune* by Melvin Fagan, former director of the U.N. Economic Commission for Europe. The commentary charged that Yeltsin is "following the advice of foreign advisers and some fledgling economists in his entourage who seem to have gained their knowledge of market economics from Milton Friedman-type textbooks."

"Boris Yeltsin's shock therapy is likely to bring economic anarchy that destroys the nascent democracy throughout the former Soviet Union," Fagan wrote.

Attacking the so-called price liberalization policy, Fagan added, "In fact prices have not been liberalized, they have been hijacked. Prices are set by people whom Mr. Yeltsin himself has called 'Mafia-type' intermediaries; they hold back goods from official markets so as to profit from scarcity. . . ."

"The first rule of sound economic management for a government is to maintain a stable price-income ratio—preventing sudden impoverishment—that allows only very slight changes. . . ."

"Action should then have been taken to increase the incomes of the people, privatize en-

terprises, remove profiteers from the distribution system, and reorganize retail trade. Only then, when sufficient goods were available, should prices have been allowed to rise—gradually."

"At present the need is to use the powers of government to enforce lower prices for essential consumer goods while eliminating the black marketeers who control distribution. The Army may have to be used to receive goods from producers and move them to the markets, using its own trucks and storage facilities."

Transport

Japan launches superconducting ship

Japan launched the world's first superconducting ship Jan. 27 from the port of Kobe, marking the beginning of the end of 150 years of propeller-driven shipping. The "Yamato One," shaped like a small submarine, is powered by superconducting electromagnetic propulsion (SEMP). It was built by the Ship and Ocean Foundation, formed by Japan's major shipbuilders, Mitsubishi Industries, Hitachi, and Mitsui.

When an electric current passes through a strong magnetic field created by a superconducting coil, a force is generated which ejects water from a duct at high speed, propelling the ship forward. SEMP could theoretically allow speeds close to 100 knots, about 125 miles an hour.

"This kind of ship should be better at high speed, where propellers don't work so well," said Kensaku Imaichi, director of the foundation.

For the next several months, the 98-foot Yamato test ship will remain in port while engineers inspect the machinery. When test runs begin this summer, it will carry 10 people and move at only about eight knots, but the speed of the SEMP ships will increase with improvements in superconductor technology. The aerodynamic design of the ship is meant for much higher speeds than the initial tests.

Briefly

● **LONRHO CORP.** of England is in much deeper financial trouble than publicly admitted, the late-January issue of the German *Wirtschaftswoche* business weekly reported. Lonrho has suffered a 30% drop in stock value since early December 1991, and matters will not be helped if the firm invests massively in Russia and eastern Europe this year. The London brokerage house James Capel recently assessed bookkeeping methods at Lonrho as "quite liberal."

● **ALGERIA'S** new military government, the High Council of State, ordered an emergency meeting Jan. 19 of key ministers in the still-existing Ghazali civilian cabinet to "draw up concrete steps to relaunch the economy." The linchpin of the reported program is a reversal of oil nationalization, opening up oil and gas fields to foreign partners.

● **AIDS** will kill 20 million by the year 2000, William Draper III, head of the U.N. Development Program, warned Jan. 20 at a UNDP regional meeting in the Philippines. "The lengthening shadow threatens the lives of tens of millions of Asians," Draper said. "In this region, AIDS is spreading at a tragic and potentially catastrophic rate, putting progress in human development at risk."

● **KYRGYZSTAN**, one of the former Soviet republics, will receive American help to privatize agriculture, announced U.S. Secretary of State James Baker's envoy, Robert Fowler, during a trip there. The announcement came at approximately the same time that Kyrgyzstan legalized opium cultivation.

● **JAPAN** has agreed to extend China \$5.69 billion in loans for coal and oil exploration, Reuters reported Jan. 25 from Tokyo. This is above the \$6.5 billion package previously agreed to for 1990-95. Japan's Export-Import Bank and the Bank of China are expected to sign as early as March.