

Business Briefs

Railways

Magnetic-levitated train pushed by Bonn

Magnetically levitated trains should play a great role in future East-West European transportation, Heinz Riesenhuber, West Germany's cabinet minister of research and technology, told the press in Bonn on March 28.

The West German experimental train, Transrapid, could help to bring millions of future passengers quickly from one end of Europe to the other, Riesenhuber said. He added that given the political changes in Central and Eastern Europe, plans for the future of transportation in Europe must be rethought. Transrapid routes on, or crossing the territory of, present-day East Germany, could be considered.

A spokesman of Riesenhuber's told *EIR* on March 29 that there is "pre-thinking about a future route leading, let's say, from Cologne over Dortmund, Bielefeld and Hanover to Berlin, or, one may also begin the project in Berlin extending into the West and on the other side, to Warsaw in the East or even beyond. All of this is possible." He emphasized that the magnetically-levitated train is not conceived of as an alternative or substitute, but a complement to the electric-driven high-speed trains now being built or planned. Both types of trains figure in Lyndon LaRouche's "development triangle" proposal to link Paris, Berlin, and Vienna.

Industry

'Factory of the future' being mothballed

An extremely sophisticated, world-class "factory of the future" facility built by UNC, Inc. of Maryland and nearing completion in Uncasville, Connecticut is being mothballed and its workforce disbanded due to cuts in Pentagon spending, according to *Metalworking News*.

The termination is due to the decision of the Department of Energy to use a single source for the fuel for the nuclear-powered SSN-21 Seawolf submarine. Single-sourcing,

the practice of relying on only one supplier for a component, is the policy most criticized for the decline of the defense industrial base.

The top-secret plant is known to be "a state-of-the-art CIM facility which performs different types of operations with very little interface" said to involve "an enormous amount of on-line data acquisition." The software system is said to have wider use where routing, documentation, and other data-integration features are paramount, but UNC cannot afford to complete the plant on its own.

"That new facility was the wave of our future," said Robert Bonito, UNC vice president. Company executive David Dragics said the firm would just about cover its costs by scrapping the program now. "From our standpoint, we're getting out of a no-growth, low-return business."

AIDS

CDC study shows high infection rates

An Atlanta Centers for Disease Control study of AIDS has shown that one out of every four men aged 25-44 admitted to surveyed hospitals in New York City tested positive for AIDS, *New York Newsday* reported April 4.

Dr. Timothy Dondero released the results to date of the so-called Sentinel Hospital Survey April 3 at an AIDS conference at Johns Hopkins University in Baltimore. For two years, CDC has carried out large-scale, anonymous testing of people treated for non-AIDS-related ailments at 26 hospitals nationwide, selected to reflect different segments of the population. Three hospitals in New York City and three in New Jersey participated.

"The overall rate for New York City hospitals was 8% positive," the highest rate was in the male population aged 25-44, where 24% of men and 8.1% of women tested positive, Dondero said. "This rate [for men] is higher than what has been reported out of Africa."

Dondero said the CDC believes the only declines in rates of new infections are among homosexual men in New York, San Francisco, and Los Angeles. Elsewhere, he said, the epidemic continues to grow. The Sentinel Hospi-

tal Survey shows a steady increase for all demographic groups nationwide.

Dr. Gerald Friedland of the AIDS program at Montefiore Medical Center in the Bronx said he found the CDC study "very, very sad. The epidemic is clearly not declining, and I think all indicators for our environment are that things will get much worse. . . . The potential consequences of this information are staggering."

Cold Fusion

First annual conference airs promising results

Stanley Pons of the University of Utah opened the First Annual Cold Fusion Conference held March 28-31 in Salt Lake City with a defense of his cold fusion measurements as both conservative and understated, Reuters reported March 29.

Pons said many of his cells "operate for weeks or months and then spontaneously show heat increases," and that during these bursts "total excess energy rises very sharply."

Perhaps the single most important new experimental result reported at the conference was that of Robert A. Huggins of Stanford University. Huggins's group reports 20 megajoules of energy per mole (molecular weight) of palladium, over long periods of time, according to Hal Fox of the Fusion Information Center. That amounts to excess heat of 15-20%, they said.

Fox told *21st Century Science & Technology*, "To get that amount of energy by chemical means, you would have to combust all of the apparatus and part of the work bench."

Credit

Chips industry needs lower interest rates

The semiconductor industry needs a lower interest rates, the House Committee on Science, Space, and Technology Subcommittee on Science, Research, and Technology

was told by industry representatives on March 29. Their testimony implicitly recognized the need for a two-tier credit system to promote productive economic activity.

Dr. Ian Ross, President of AT&T Bell Laboratories and Chairman of the National Advisory Committee on Semiconductors, testified that while the reasons for the decline of the U.S. semiconductor industry are varied, the cost of capital is one of several areas in which Congress could improve the business environment.

Dr. George Bodway of Hewlett-Packard stated that one of contributing factors in the failure of U.S. Memories, a government-industry consortium, was the difference in interest rate of capital in Japan versus the United States. With 12% interest rates in the U.S. and 4-5% rates in Japan, U.S. Memories would have had 16% higher cost in 1991, and 13% higher cost in 1993, than a similar company in Japan.

Transportation

U.S. airline deregulation failed, says study

Instead of promoting healthy competition to reduce air fares, the deregulation of the nation's airline industry has failed, resulting in the bankruptcy or sale of more than 200 airlines, according to a study by the Economic Policy Institute, a Washington research center, released March 28.

The study confirms *EIR's* analysis, released before deregulation was enacted by Congress, that deregulation would destroy the industry.

Ten years after deregulation became law, only 74 air carriers remain in business, and that number may narrow to 9 or 10 carriers by the end of the century, the study said. "What had begun as a program of modest liberalization became an avalanche of abdication of responsible government oversight.

"We ought to have the courage and wisdom to admit we made a mistake. The time has come to roll back deregulation," wrote Paul Stephen Dempsey, a University of Denver transportation law professor who previously

defended deregulation as a lawyer for the Civil Aeronautics Board, who authored the study.

Air travel cost is up 2.6% per mile per average passenger from pre-deregulation prices, and per trip costs may have increased as much as 33% because deregulation has encouraged longer flights, the study said.

Citing Department of Transportation statistics, the study said poorer service has resulted in complaints, ranging from delays and congestion to overbooking, missed connections, bumping, loss of baggage, cancellations and deteriorating food, increasing from 7,326 in 1983 to 40,985 in 1987.

The study said the margin of safety in airlines has narrowed in recent years, with more than half of the jets in service 16 years or older. Accidents are on the rise, with many pilots attributing deterioration of safety procedures to deregulation practices, the study said.

Space

Japan readies Moon development technology

All major Japanese corporations are involved in ongoing work to research and develop the technologies which will be needed to develop the Moon, according to a review of some of this work in the April 2 *Journal of Commerce*.

In an article headlined, "Japanese Don't Plan to Be Lost in Space," the *Journal* reports that all of the top Japanese companies have staffs looking into questions of construction materials, architecture and engineering studies of buildings, and how to mine helium on the surface of the Moon.

According to a U.S. liaison to the Tokyo Institute for Future Technology, 68 people at the institute supervise the work of industry in Japan for space exploration. The institute is doing research with the University of New Mexico using lunar soil simulant to develop mining technologies for the lunar surface.

On March 30, the White House announced that cooperation will be sought with Japan, Europe, Canada, the Soviet Union, and other countries for the Moon-Mars exploration initiative.

Briefly

● **THE SOVIET** economy suffered 9.1 million man-days of work lost in January and February 1990, more than the 7.3 million lost for the entirety of 1989 due to strikes, absenteeism, and ethnic conflicts, according to a report published by the Soviet State Statistical Commission. *Trud*.

● **DAIMLER-BENZ**, which recently forged joint ventures with Mitsubishi, is now working on a deal to integrate its MTU aircraft engine research, development, and production operations with United Technologies' Pratt and Whitney division.

● **ELECTRICITY** prices will rise 10-20% above inflation due to environmental requirements, according to Department of Energy Deputy Undersecretary Linda Stuntz, the March 28 *Washington Times* reported. "If you're going to attack sulfur dioxide and oxides of nitrogen and attack acid rain, you're going to increase costs," she said.

● **FRANCE** will delay payments from the Soviet Union for five years for an oil and gas refinery, the *Financial Times* of London reported March 31, as inability to pay has led to "mounting concern about arrears" in payments from the Soviet Union.

● **THE FDIC** has classified eight states—Alaska, Arizona, Arkansas, Colorado, Louisiana, New Mexico, Oklahoma and Texas—as "economically depressed regions," according to an agency press release issued March 22.

● **UNEMPLOYMENT** in Panama is up more than 33% since the U.S. invasion, the Mexican daily *La Jornada* reported March 31. There are 320,000 unemployed, 120,000 of them laid off in the last three months, and a large number of strikes, including a 48-hour hunger strike against firings and for payment of back wages.