

Business Briefs

Environmentalism

Study finds UV radiation down

Levels of ultraviolet radiation have decreased globally by as much as 18%, according to a study just published in the December issue of *Geophysical Research Letters*. The evidence presented in the paper contradicts the main contention of environmentalists, that an increase in UV radiation has occurred due to ozone depletion.

The environmentalists claim that there has been an approximate 8% depletion in the ozone layer. If the claim were true, UV radiation reaching the Earth should have increased by 16%. The researchers' paper instead shows a decrease by about that amount.

The authors seem to apologize for exposing the ozone hoax by saying that the decrease in UV radiation reaching the earth is the result of urban air pollution. However, since UV measuring stations on top of mountains have detected the same decrease, that is an unlikely explanation.

Health

AMA wants right to test for AIDS

The American Medical Association has called for physicians to have the right to test a patient for the HIV virus, which causes AIDS, without the patient's specific consent. The policy proposal was made in the form of a resolution passed by the AMA House of Delegates at year's end.

"Gay activists" and other groups within the AIDS lobby are opposing the measure on the grounds that physicians only wish to protect themselves from exposure to the disease, and will use the test results to limit treatment and access to hospital facilities by those infected.

Doctors currently are not required to ask permission to test for any number of deadly communicable diseases, but must do so in a number of states when it comes to AIDS.

The National Association of People with

AIDS fears that insurance companies will gain access to the confidential test results, and implement discriminatory health care policies, which will then become the subject of litigation.

The AMA also called on HIV-infected physicians to cease performing "exposure-prone procedures" and said that HIV-infected doctors who "repeatedly violate practice limitations should be reported to state licensing boards."

Eastern Europe

Depression called worse than '30s

The industrial depression in eastern Europe is worse than the depression of the 1930s, said Gerald Hinteregger, executive director of the U.N. Economic Commission for Europe (ECE), in an interview with the Vienna daily *Die Presse*, the daily reported. The average drop of national product by 29% in the 1930s has already been exceeded by the eastern European economies today.

Using the category of "net material product" which excludes service sectors of the economy, Hinteregger said that in the three-year period since 1988, the East European "NMP" has already dropped by 25%, of which 10% occurred in 1990, and 20% this year. Compare this to the United States during the first Great Depression, when the biggest recorded annual drop in industrial output was 8%.

According to official estimates, unemployment in the three East European states of Poland, Hungary, and Czechoslovakia was 3.1 million workers and employees by September 1991, to which another 3.9 million must be added in the other states, the ECE says.

Without going into details, Hinteregger urged western states to launch a second "European Recovery Program" (Marshall Plan) and help to stabilize the governments in the East before "disappointment, frustration, and populist tendencies" take over.

Meanwhile, Valtr Komarek, former Deputy Prime Minister of Czechoslovakia and now director of the Forecasting Institute of the

Academy of Science in Prague, has authored a commentary for the *New York Times* entitled "Shock Therapy and its Victims." It is a sharp attack on the radical "free market" changes drawn up by the likes of Harvard Prof. Jeffrey Sachs, and imposed on Poland and other eastern European nations by western nations and the International Monetary Fund.

Komarek calls economic shock therapy a "grave error . . . that will have enormous and dire consequences." It is "defined by armchair western economists," is "untested beyond the economic laboratories of Cambridge, Massachusetts," and is "out of touch with reality."

He blames the United States and the International Monetary Fund for Czechoslovakia's 58% inflation rate and mass unemployment and disinvestment. He calls instead for funneling tax revenues "into infrastructure projects" which would work "much the same way that public works like building a highway system or putting a man on the moon do in the West."

Above all, Komarek said, "Eastern Europeans need to draw on their strengths in key manufacturing sectors, like precision instruments in Czechoslovakia, in order to join the world economy."

Trade

Industrial figure scoffs at Bush 'mission'

W. Edwards Demming, the American-born dean of Japan's industrial engineering community, scoffed at George Bush's "free trade" mission to Japan in an interview with columnist Hobart Rowan. Demming told the columnist that there is no reason for American auto executives, or other business leaders, to stomp off to Japan, when the real problem with the American economy is largely of their own making.

Demming, a statistician and production manager, was exiled from American corporate life by Harvard Business School gurus such as Peter Drucker and Harold Geneen. Their "systems analysis" and "cost effectiveness" approach to production, and Benthamite theories of labor productivity, have become dogma in U.S. management circles, while Demming,

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who revolutionized Japanese quality control and production management practices in the 1950s, has become a national hero in Japan.

Demming, now in his 90s, is delivering a series of lectures on this subject to groups of managers in Detroit, Michigan and elsewhere. But, of course, the top corporate managers from Detroit and elsewhere are off in Japan with Bush, demanding that they lower themselves to American levels of economic incompetence.

Foreign Debt

Will Nigeria survive as a nation?

Nigerian President General Babingida has said that Nigeria will not survive as a nation if it is obliged to service its international debt in the coming year, the BBC reported Jan. 1. In a speech on the Nigerian budget to inaugurate the new year, Babingida said that Nigeria, Africa's most populous nation, must seek and achieve substantial debt relief in the coming year.

Nigeria's debt is \$33 billion, and the country has experienced serious economic problems due to the fall of oil prices last year. Its debt service for 1992 alone will be \$5.5 billion, which is already over half of expected foreign exchange earnings.

Russia

Moscow signs trade pacts with E. Europe

A number of new trade agreements have been or soon will be signed by Russia with East European states. These are for the most part barter-type deals:

- In early January, Russia and Estonia signed an agreement by which the Estonians will be allowed to lease R.S.F.S.R. oil wells in return for oil supplies. The leasing rates will be paid to the Russians in commodities from Estonian production, and the trade bill will be

accounted on a ruble basis.

- Russian President Boris Yeltsin and Armenian President Ter Petrossian signed an agreement that promises the Armenians economic support from Russia.

- Russia and Ukraine signed an agreement for a limited volume of food supplies from Ukraine, in return for agricultural and other light machines from Russia.

- Russia and Poland signed an agreement for R.S.F.S.R. oil for Polish food products.

- A similar agreement will be signed in mid-January with the Czech and Slovak Federated Republic in the context of Czechoslovak Prime Minister Marian Calfa's visit to Moscow. This deal will involve Russian oil in return for C.S.F.R. food products and machine parts.

Technology

Germany to announce maglev success

The German Transport Ministry and Research Ministry have disclosed the results of secret tests on the magnetic levitation train. According to an Associated Press story printed in the *Chicago Tribune*, Transport Minister Günther Krause has announced: "The train may be ready to be developed. A first stretch could, for example, be Hamburg-Berlin. Experts tell me the first train could possibly run in eight years."

The 310-mile-per-hour *Transrapid* has received a \$1.3 billion investment by the Germans. The fastest passenger railway currently operating is France's 200 mph *Train à Grande Vitesse* (TGV).

The U.S. news agency dispatch complains sourly that if "the train is technically feasible, the government would have to decide whether it has the money. Budgets are strained by the cost of German unification. There are also environmental objections to train noise."

The United States currently has less rail-road track mileage than it had more than a century ago, in the 1880s. One bright spot is in Texas, where the state legislature recently voted to commission the French to build a Dallas-Houston TGV-type magnetic levitation rail line.

- **ZALES**, the largest U.S. discount jeweler, has closed half of its retail outlets and filed for bankruptcy due to its inability to refinance junk bonds. Seaman Furniture, which was a junk bond take-over in 1987 by Kohlberg Kravis Roberts, will close 15 stores. KKR staved off bankruptcy in 1989 by exchanging more than \$150 million in debt to bondholders for a one-third stake in the company.

- **25 PERCENT** of Africa's workforce will be wiped out by AIDS by the year 2010, according to official estimates reported at the Sixth International Conference on AIDS in Africa. Economists warn that the AIDS pandemic threatens Africa with economic chaos beyond anything it has yet endured, and will kill 5 million or more adults in the next eight years. One in every 40 adults in Africa is already infected.

- **EVERY THIRD CHILD** in Albania under the age of three is starving, and in urban areas every second child is undernourished and eats only one meal a day, reported a Unicef delegation returning from Albania.

- **PERSONAL** bankruptcies in the U.S. shot up 24% in the 12-month period ending Sept. 30, according to American Financial Services, the trade association of non-bank providers of consumer credit. Bankruptcies rose to 849,000, compared with 685,000 in the previous 12 months.

- **CHINA** has announced it is selling a 300-megawatt nuclear reactor to Pakistan and that both sides have vowed it would be dedicated to the peaceful use of nuclear energy. China recently agreed to sign the Nuclear Non-Proliferation Treaty and place the project under the International Atomic Energy Agency.

- **FINANCIAL** Times editor Peter Norman has called for Britain to change its economic policy: "There is an obvious need for Britain to improve its infrastructure, especially in the field of public transport."