

# Business Briefs

## Asia

### Development bank lending jumps sharply

Lending and investment by the Asian Development Bank (ADB) in the developing countries of Asia jumped 25% last year to more than \$5 billion, the bank said in its latest quarterly review.

Despite fears of a global credit shortage because of the competing needs of the former Soviet bloc and Persian Gulf states, the Manila-based bank reported a sharp increase in lending from \$4 billion in 1990.

Energy projects accounted for 35% of all ADB funding, agriculture taking 20%, and transport and communications 15.5%.

Indonesia got the single biggest loan for a \$300 million power project. Borrowing by the 52-member bank totaled \$1.3 billion in 1991, compared with \$848.6 million in 1990.

Borrowing was through eight bond issues on the international capital markets. For the first time, the bank tapped the U.S. dollar market in Asia, issuing "Dragon bonds" in November for \$300 million in Hong Kong, Singapore, and Taipei.

Other issues were made in the Austrian schilling, Japanese yen, Swiss franc, Euro-sterling, and on domestic U.S. dollar capital markets.

## Russia

### Rutskoy calls for state of emergency

Russian Vice President Aleksandr Rutskoy warned in a Feb. 8 speech to 3,000 delegates at a Congress of Russian nationalist parties that the "shock therapy" program implemented by President Boris Yeltsin is destroying the nation. "We have reached a point when we have to take responsibility for the future of our state and its physical survival. . . . There is a solution: to declare an economic state of emergency."

Rutskoy charged that the result of the shock policies "can only be one thing: the economic genocide of the Russian people."

"The majority of our failures in reforming the economy are connected with the overall power crisis . . . and anarchy. . . .

"A man with property will feel responsibility for himself and the country. . . . A worker, a farmer, an engineer, a doctor must have property, not a millionaire, who has earned money nobody knows where."

Russian nationalist Nikolai Pavlov also told the Congress: "Today, the reforms aren't being carried out by the Russian government. They are being carried out by the International Monetary Fund."

Former Russian Prime Minister Nikolai Ryzhkov said on the Russian television program "Itogi" on Feb. 2 that when his government was in power, a study had been done of Yegor Gaidar's shock therapy program, in its incarnation as the Yavlinsky-Shatalin "500 Days Program." Ryzhkov said that the study "showed exactly" the results which have occurred with Gaidar's program. "This is why we could not agree with these measures at that time," said Ryzhkov.

## Trade

### Walesa charges West has betrayed Poland

Polish President Lech Walesa told the European Council in Strasbourg Feb. 4 that the West has betrayed the democratic revolution in Poland. Poles have "the bitter feeling," he said, that they had support from the West only as long as they were needed to wreck the "old order" in Europe. Now that the job is done, Poland has lost all support from western nations, and meanwhile, the Poles are faced with a grave economic crisis that is threatening to destroy everything so far achieved.

The West is closing its borders to Polish export goods, and is only interested in extracting money from the Polish consumers, he said. "You have made a profit with the Polish revolution," but given it nothing in return.

Walesa again called upon the West to invest in Polish industry, but predicted little would occur because the nations of the West have a "salesman's mentality." There are no investments in the Polish economy, but only interest in selling goods to the Poles as con-

sumers.

The politicians and economic experts of the West are closing their eyes, Walesa charged, to the very real danger that in Poland as well as in other eastern European nations, democratic efforts might fail and that then, dictatorial regimes would return.

## Labor

### Germany needs 300,000 immigrants per year

Germany will need at least 300,000 immigrants annually to fill the gap in its labor market if current demographic trends prevail, according to the Institute for the German Economy (IW). According to the IW calculations, there will be 20 million fewer Germans in the year 2030 than there are today. The number of young people below the age of 15 will drop from 13.7 million in 1990 to 10 million in 2010. As a result, the IW warns, indigenous labor will simply not be able to meet market needs for the foreseeable future.

However, the German labor force rose in the past six years by 3 million people, due to an influx of foreigners and workers from East Germany and eastern Europe. That trend must continue, says the IW.

The report comes at a time of heightened political debate over immigrants seeking asylum and calculates that if the country's borders are closed, the population will shrink by about 12 million in the next 30 years and the employed labor force will decline from just over 40 million to 32.5 million.

## Transport

### Fadeyev outlines high-speed rail plan

Gennady Fadeyev, the Russian minister of railways, told reporters Feb. 4 that his policy would be based on construction of a high-speed rail system between St. Petersburg and Moscow, and that he trusted that other independent republics of the former Soviet Union

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would adopt a similar policy.

"Talking about far-reaching goals," said Fadeyev, "I am very glad that the project of building a high-speed railroad connecting St. Petersburg and Moscow found support in Russia. This is the future of transport. This is an area where we are several dozens of years behind Europe. We should catch up because western countries are already creating a unified system of high-speed railroads."

Fadeyev also discussed other projected improvements of the railway system. "Despite the fact that earlier the railway network was developed in a harmonious way, now there are already a number of bottlenecks in the territory of Russia, which should be addressed. I am talking about a second bridge across Amur, a railroad to Yakutsk, a new railway from Kuzbas to Donbass, [and] approaches to three seaports, Nakhodka, Novorossiisk, and St. Petersburg. We find understanding and support of the government here. We will continue to work in this direction."

At a recent meeting, said Fadeyev, the Community of Independent States agreed that "the Russian Ministry of Railways will exercise operational control over railway transportation in the period of transition until an interstate, inter-governmental body has been created."

## Manufacturing

### Industrialist calls for 'global' projects

Bill Spencer, president of Sematech, a government-industry consortium established to enhance American competitiveness in the semiconductor industry, told a *New York Times* interviewer that the way to restore U.S. manufacturing capabilities is to launch "global" projects like a manned space mission to Mars. "Swords Have Been Sheathed, But Plowshares Lack Design," is the headline given the interview by the Feb. 4 *New York Times*.

"The little corner of the world that I'm interested in changing is manufacturing capability. The United States has lost its ability to manufacture competitive products today. It's particularly true when we're talking of high-volume, low-cost manufacturing, the kind of

thing that has made televisions and VCRs so popular today.

"We don't know how to design a product; we don't know how to manufacture it once it's designed. This is our biggest technological problem. The answer is to get a group of companies together, involve the government, and cooperate in systemic and generic manufacturing. If we don't rebuild our industry, we can't remain a leading country. We can't do it with nuclear weapons now. We have to do it with manufacturing.

"The big science projects we're thinking about are good ones. But they should be global projects. The human genome. The superconducting supercollider. The manned exploration of Mars is something we can't pass up. But those are things we ought to do as a planet."

## Medicine

### New technology saves old hearts

A relatively new procedure that can extend the life of a tired heart (heart failure) will soon be tried at the Johns Hopkins Medical Center in Baltimore. Though still experimental, the operation involves wrapping the heart with muscle taken from the back that has been re-trained to contract at the same rate as heart muscle, and thus to help boost the heart's ability to pump blood.

The operation, called cardiomyoplasty, was first performed in France in 1985, the same year the U.S. FDA approved it. It is currently undergoing evaluation at five U.S. medical centers.

The concept is about 50 years old, but the technological inadequacies, such as conditioning the back muscle to beat with the strength and stamina of the heart, was not developed, nor was the ability to reeducate striated skeletal muscle to behave like smooth heart muscle and resist fatigue. Now, both of these obstacles have been overcome.

Cardiomyoplasty could in many cases solve the problems encountered in heart transplants. The most likely candidates for the surgery are younger people (under 60) with chronic heart failure, but who may not be sick enough, or have too many complications, for a heart transplant.

● **A MARSHALL PLAN** for Africa has been called for by the President of Senegal. German newspapers quote him saying, "The huge immigration problems of Europe have their reason in the enormous poverty of Africa."

● **U.S. CONSUMER** borrowing fell in 1991 for the first time since 1958. U.S. consumer installment credit fell 0.9% in 1991, according to Federal Reserve statistics reported by Reuters. Consumer borrowing dropped a seasonally adjusted \$1.72 billion in December, following a revised November drop of \$170 million. The Fed noted that Americans were continuing to pay off old bills faster than they were taking on new debt.

● **200 GERMAN DOCTORS**, politicians, and high school teachers have signed a manifesto denouncing euthanasia against the dying, handicapped, and unborn human beings. The text reads: "The basic right of these groups to life are endangered. . . . Soon it will become a duty for every invalid to ask to be killed in order to release society from the burden of caring for him."

● **LASERS** will now be used to clear clogged heart arteries, in a new procedure just approved by the Food and Drug Administration. It gives doctors a new way to treat "at risk" heart attack patients, with a much higher rate of success than current bypass surgery and balloon angioplasty—the opening of blocked arteries by the use of a balloon-tipped catheter. Other laser devices are already used for opening clogged leg arteries.

● **SCIENTISTS** at the Air Force Phillips Laboratory in New Mexico have proposed that a thermal propulsion nuclear reactor now under design could be used to transmute high-level radioactive waste from weapons and commercial power reactors to easier-to-handle, less radioactive byproducts, *Aviation Week* reports. A group of scientists at the Department of Energy's Brookhaven National Laboratory in New York conducted the initial study.