

Business Briefs

Energy

Japan proposes Russian plutonium reactor

Japan has proposed using Soviet plutonium stockpiles to fuel Russian energy needs. The Japanese government is proposing the construction of a "plutonium furnace" nuclear reactor which, linked to a series of large electrical power plants, could provide Russia with plentiful cheap electricity. The lifespan of the weapons-grade plutonium, left over from the Soviet Union's nuclear stockpile, could fuel the reactor for 30 years or more, according to engineers at Japan's Science and Technology Agency which drew up the proposal.

The London-based Plutonium Research Institute estimates that Russia has between 100 and 130 tons of plutonium. The Japanese agency says it has received informal encouragement from Russian officials, but no formal plan has yet been developed.

The general idea of putting the former Soviet Union's nuclear stockpiles to peaceful use was approved by the Group of Seven at its Munich summit in July.

Ibero-America

Mexican 'miracle' no miracle, statistics show

According to the latest figures from the Bank of Mexico, the current accounts deficit of Mexico's balance of payments was nearly \$4.4 billion in the first three months of 1992, about \$2.6 billion (142.7%) more than the deficit registered for the same period last year.

Documents issued by the Center of Economic Studies of the Mexican private sector (CEESP) reveal that the high current accounts deficit is in large part due to the rapid growth of imports, which are displacing domestic products at a rate of 3.8% a year. The documents state, "While in 1985, domestic products met 78.2% of national demand, today they only satisfy 62% because of the severe displacement Mexican products have suffered over the past seven years."

According to the latest Mexican national employment census, one out of every 10 workers is not making as much as 400,000 pesos a month. The minimum market basket is pegged at 600,000 a month.

Ironically, at a July 23 meeting of the European Bank for Reconstruction and Development, bank chief Jacques Attali asked Mexican President Carlos Salinas de Gortari to offer "advice toward the application of economic strategies to encourage the development of eastern Europe." In his toast to Salinas, he stressed that Mexico's experience with economic modernization needed to be taken advantage of by the countries of eastern Europe.

Later, at a dinner for Salinas at 10 Downing Street, British Prime Minister John Major pledged investments in Mexico, saying, "Mexico's economic reform has been a true success story."

Russia

Yeltsin distances himself from the IMF

Russian President Boris Yeltsin has distanced himself from the pricing policies the International Monetary Fund (IMF) has attempted to dictate to his republic. While in Omsk, Siberia on July 24, he stated, "We have firmly told the IMF that we shall not comply with its demand for the immediate and full release of [energy] prices. We shall do it stage by stage." Energy prices will not be raised until the end of 1993.

Reportedly, Yeltsin was told by farmers that if prices were raised as planned, they would not be able to afford the fuel to harvest their grain.

Yeltsin's comment is one sign among many that the IMF is being "put on the back burner" by the Russian leadership, as London's *Guardian* put it.

Arkady Volsky, head of the powerful Russian Union of Industrialists and Entrepreneurs and co-founder of the new "Renewal" movement, has forecast food shortages by winter. He said that food production had dropped by 20% in the first six months of 1992, and the prospect for the coming harvest is not good. He expressed hope that Russia would not see a

"new spiral of shock policies" of the IMF type.

Vice President Gen. Aleksandr Rutskoy, also a co-founder of "Renewal," told a July 25 press conference, "It's high time to stop pinning our hopes on the International Monetary Fund and on outside aid. Russia has enormous potentials of its own." He said he favors "more effective state management and legal mechanisms."

The Volsky-Rutskoy group will present a new policy agenda in early September, calling for higher protective tariffs and additional tax breaks and investment incentives for the productive sector. The authors warn that under current IMF policies, industrial and agricultural output in Russia will drop by between one-half and two-thirds, condemning 70-80% of the population to poverty and starvation.

Biomedicine

Doctors report results of Shuttle experiments

Scientists with experiments on the Shuttle Space Life Sciences mission of June 1991 presented new results from their continuing analyses of the wealth of mission data on July 23.

Dr. Dwain Eckberg of the Medical College of Virginia reported that the reflexes in the neck that regulate blood pressure became "progressively more impaired" throughout the flight in all of the crew members, producing faster than normal heart rates and a smaller range of responses by the heart to changes in pressure. A similar impairment is found in patients immediately before and after a heart attack, implying insights that will help doctors on Earth.

Dr. Muriel Ross of the NASA Ames Research Center did experiments on rodents, and reported that there are dramatic and unexpectedly massive nervous system changes in space. She speculated that this is due to the body's attempt to handle new information, since the head's motion in microgravity is so different.

More comprehensive data will be presented by all of the scientists during a two-day symposium at the World Space Congress in Washington in August.

Briefly

On July 21, NASA Administrator Daniel Goldin and National Institutes of Health director Bernadine Healy signed an agreement to enhance each agency's biomedical research capabilities. The agreement includes joint management and funding of university research, space flight experiments, grant supplements allowing NASA to fund awards to existing NIH research centers, and joint workshops and symposia.

"For decades, the rigors of space flight have pushed NASA to advance the bounds of medical knowledge for the protection of our astronauts' health," Goldin stated. This has spawned the development of programmable pacemakers, CAT scans, and arthroscopic and laser surgery.

Dr. Healy stated at the signing ceremony, "NIH looks forward to what promises to be a productive exploration with NASA of the inner space of our bodies and cells and the outer space of our solar systems and the universe."

Poland

Government announces plan to hike fuel prices

The Polish government announced plans in late July to raise fuel prices by 10.6%, although it hopes to keep the price of diesel fuel, used mostly in public transportation and agriculture, unchanged. One month ago, the Finance Ministry had lowered the excise tax on gasoline from 150% to 130%, in order to avoid raising prices at the pump. It has now revoked that decision, although the government has not yet said what the new gasoline tax level will be.

The announcement came as tough talk by Prime Minister Hanna Suchocka is failing to quell labor unrest against International Monetary Fund (IMF) policies, which include the planned shutdown of two-thirds of Poland's coal mines. On July 21, despite sabotage by Solidarnosc, the biggest union in the country, which is supporting the austerity line, the other labor organizations—the new independent miners union; Solidarnosc 80; the farmers self-defense organization, Samoobrona; as well as the former Communists in the OPZZ federa-

tion—staged a protest rally of about 1,000 workers in Warsaw.

On July 23, the strike action began to expand, and was joined by several thousand workers of the Tychy automobile plant, 23 coal mines of Silesia, 10 copper mines (with 39,000 workers), the 10,000 workers at the Mielec aircraft works, and plant occupations or warning strikes were conducted in steel plants and iron shops, mainly in Silesia.

Railway workers may join the strike action shortly, and protest actions by hospital personnel and teachers in various cities in support of the strikes have also been reported.

Prime Minister Suchocka has said she is willing to talk but not under the blackmail of continued strike actions. Suchocka has also said she is unwilling to resume state subsidies to the coal mines that were abolished in April upon the recommendation of the IMF.

International Trade

China loosens regulation of imports and exports

A new 54-article law drawn up by Chinese Prime Minister Li Peng now gives state enterprises free rein to engage in foreign trade, the official New China News Agency reports. Until now, the government has stipulated which enterprises can conduct overseas trade in an effort to maintain control over hard currency reserves.

Managers will be responsible for the efficiency of their enterprises, the agency said. "Chinese enterprises will enjoy full operational autonomy in 14 areas, including imports and exports, investments, labor, employment, pricing, marketing, and the right to reject any apportionment of manpower, funds, and materials." It described the law as "a major event in the industrial reform effort, and in economic restructuring as a whole."

The law allows state-owned firms to diversify production or declare bankruptcy if necessary. The state would continue to keep a hand in the process by issuing "guidelines," however.

Chinese firms may also provide labor for projects overseas, it added.

● **LOCUST SWARMS** may return to Africa in 1993, says a warning issued by the French monitoring organization Prifas. In Madagascar, signs of locusts reaching the swarm phase appeared in December 1991 and January 1992. By June, about 50 Migratory Locust swarms were circulating on the island. A surprisingly fast swarming of the Red Locust occurred in Tanzania, which had not had swarms for 20 years. And in Algeria and Mauritania, another type of locust swarm is posing a danger.

● **AUSTRIA** will help finance Iran in the construction of a rail link between Mashhad and Ashkhabad, a key section of the trans-Asian railway project connecting the northern Iranian city with the capital of Turkmenistan. The pact was reached in talks between Austrian Foreign Minister Alois Mock and Iran's Ali Velayati in Teheran in late July.

● **ZIMBABWE**, according to the British bank Standard & Chartered, must continue with an International Monetary Fund program which so far has increased unemployment, pushed inflation up to 40%, and forced the devaluation of the currency by 42%, despite the worst drought of the century. Since Zimbabwe "has no viable alternative to an IMF package, the government will have to grit its teeth and agree to politically unpopular policies," the bank says.

● **PRINCESS GLORIA** von Thurn und Taxis is selling some of the family's jewels and silver to pay off family debts totaling \$250 million, following the recent death of Prince Johannes.

● **OIL PRODUCTION** in Russia collapsed by 13.3% in the first half of this year. According to figures released by the Russian Energy Ministry, total output in 1992 is expected to be 385 million tons, going down to 340 million tons in 1993. Russian officials have warned that they will be forced to ration energy if oil production falls to 300 million tons.