

Business Briefs

Russia

Attempts under way to halt capital flight

Russia will crack down on exports of key commodities in order to stem capital flight, and particularly to force repatriation of dollars, Russian Central Bank Deputy Chairman Dmitri Tulin told a news conference on Oct. 15. He said that strict controls on banks and customs to monitor export earnings would be backed by a series of measures to fight capital flight, which was estimated at \$5 billion in the first half of 1993.

Some 600 banks authorized to handle foreign trade deals will act as government agents, and face fines if they breach the new regulations, which will take effect on Jan. 1. Under the new rules, modelled on the French customs system, goods will not be allowed to leave the country unless exporters submit to customs a copy of a special "passport" document. The passport, detailing the deal and its value, will be signed by the exporter and an authorized bank, and stored in a database along with cargo documents and customs declarations. A separate registration card will detail bank transactions and the date when export earnings are likely to arrive.

If there is a loss of hard currency abroad due to wrongdoing by the authorized bank, it will be fined for the whole sum lost. Banks failing to report operations may have their licenses revoked. Illegal exporters could face three to five years in jail.

Asia

Kazakhstan seeks closer ties with China

Kazakhstan President Nursultan Nazarbayev, who planned to visit China in late October, told the Chinese Xinhua news agency in Alma-Ata the week of Oct. 10 that he wants better economic and political relations with Beijing. Nazarbayev said that his country gave priority in foreign policy to developing relations with China. "My forthcoming visit to China is aimed at establishing close relations of mutual trust," he said.

Nazarbayev said China was Kazakhstan's biggest trading partner, with bilateral trade last year of \$430 million, 22% of its total foreign trade. Fifteen joint ventures between the two countries have been set up. The two sides are studying possible cooperation in chemistry, metallurgy, and geology, and a "possible free economic zone in the Khorgos region," he said.

Kazakhstan, which has been a major target for Chinese businesses, this year imposed a number of tariff levies and other measures expected to slow down economic trade with China. Western diplomats told Reuters that Kazakhstan imposed the restrictions because it did not want to be merely an exporter of raw materials, as it was in the former Soviet Union. Instead, it wants to develop its own processing and manufacturing industries.

Agriculture

Japanese farmers attack free trade

Japanese farmers demonstrated against opening of Japan's protected rice market on Oct. 14, demanding that the government uphold its policy of food self-sufficiency. About 3,000 farmers and agricultural cooperative officials staged a rally in a park in the center of Tokyo, wearing green headbands reading: "Absolutely No to Opening Markets."

Japan's worst rice harvest since World War II forced the government to announce emergency imports of the grain in September, but only as a one-shot, temporary measure.

"The decision to allow rice imports has stirred much uproar against the government's serious misadministration," Tadaaki Kawano, vice president of the Central Union of Agricultural Cooperatives (Ja-Zenchu), told farmers in a statement.

After the rally, farmers hit the streets to appeal to Tokyo consumers to join in their fight against mounting international criticism of Japan's blanket ban on rice imports.

The protest coincided with the departure from Japan of U.S. Agriculture Secretary Mike Espy after a four-day visit, during which he urged Japan to drop its rice import ban.

Nuclear Energy

China to build new heat-source reactor

China will build an experimental 200-megawatt heat-source nuclear reactor at Daqing oil field in Heilongjiang Province before the year 2000, *China Daily* reported on Oct. 10. *Fusion* magazine has reported that such reactors are particularly suitable for use by developing nations.

If the experiment is a success, such reactors will be built in many cities around the country to provide heating, a spokesman for the Chinese Institute of Nuclear Energy Technology said. The spokesman said that "some foreign countries" have asked China's help in desalinating sea water using nuclear technology, for which the heat-source reactor is ideally suited. Germany is now closing down its heat-source reactor production.

These reactors are smaller than conventional nuclear plants, do not need extra security, and make use of the heat normally wasted or cooled at nuclear power stations. The reactors could replace coal for heating China's homes, saving 100 million tons of coal every year, easing the overall power shortage, and cleaning up China's terrible air pollution, the result of coal burning.

China already has a small heat-source reactor of 5 MW (normally they are 200-300 MW) which has been operating for more than four years. The new reactor could heat 4 million square meters. The reactor uses advanced technologies and its equipment can be produced in China, the Institute said.

Health

TB claims heavy toll each year in Africa

Tuberculosis takes half a million lives in Africa every year, according to figures published by the World Health Organization's (WHO) Congo office in mid-October. Each year over 1 million people on the continent are diagnosed as having the disease, and half eventually die of it. According to WHO, the figures for 1992 were double those for five years earlier.

Last April, WHO declared the resurgence of the disease a global emergency and warned that without immediate action, TB would kill more than 30 million people worldwide over the next decade.

The disease, which is on the rise in the United States and the rest of the developed sector, has its greatest impact on Africa, where hospitals are few and anti-TB drugs are scarce. Scientists claim that the emergence of drug-resistant strains and the destruction of the body's immune system by the AIDS virus are among the reasons for the resurgence.

Africa

Debt moratorium needed, says Tutu

South African Archbishop Desmond Tutu, on a visit to Australia on Oct. 14, urged western nations to grant a 12-month debt moratorium to newly democratic African nations and to the new South African government, Reuters reported.

"Give us a chance to make a new start through . . . a 12-month moratorium on debt repayments, linked to human rights, democratization and appropriate development benefiting so-called 'ordinary people,'" Tutu said in a speech to the National Press Club in Canberra. "If this test is passed, let the debt be cancelled. . . . Give Africa a chance to make a success of its second liberation."

Tutu also urged Canberra to send more observers to the April elections, and called for Australian companies to return to invest in his country.

Space

Europe retrenches, programs facing cuts

The European Space Agency announced at a press conference on Sept. 27 that the agency's budget through the 1990s will likely be cut by 17%. The proposed new budget was presented to the ESA Council for approval on Oct. 13. ESA Director General Jean-Marie Luton said,

"The economic crisis in Europe has continued and there continues to be heavy pressure on space budgets."

The announced cuts are on top of a series of four reductions that have been made in the past two years, which led to the cancellation of the small Hermes reusable spaceplane. The proposed budget is for \$21.8 billion over the next six years, a reduction of \$4.6 billion.

ESA officials are proposing that the Columbus module being built for the U.S. Space Station Freedom project be cut in size by nearly 40% and launched on a European Ariane rocket rather than on the Space Shuttle. The Ariane will be able to accommodate fewer experiment racks and will be limited to four tons of payload.

Science

Nobel Prize in Medicine given for work on genes

Phillip Sharp, an American, and Richard Roberts, a Briton, shared the Nobel Prize in Medicine for a discovery that genes are not continuous coding segments. The discovery implicitly refutes the reductionism that has dominated biology since the Watson-Crick discovery of "the genetic code."

The two were intrigued by James Darnell's discovery that the messenger RNA copy of the genetic material in a gene was five times longer than needed to encode its protein. Sharp and Roberts found that both the DNA in the original gene, and the messenger RNA copy of it used to make a protein, contain long segments of "nonsense" which separate coding sections of DNA. How the so-called nonsense is spliced out by RNA, neither Nobel Prize winner understands.

What is implied by this discovery, is that DNA plays more than just a coding role in building proteins; perhaps a master catalytic role, orchestrating energy transfers within the cell. The more Darwinian view of this discovery is that the nonsense DNA simply makes it possible for the evolution of new genes to occur more rapidly, by enabling the shuffling of coded segments to rapidly create new genes for new proteins.

● **UNEMPLOYMENT** in Europe will increase from the current 17 million to 20 million by the summer of 1994, and to 30 million by the year 2000, unless there is a drastic change in economic policy, European Commission President Jacques Delors warned the European Parliament. He called for more research and education to compete with the United States and Asia.

● **AT LEAST ONE-THIRD** of China's industry is idle for lack of power, the *People's Daily* reported Oct. 11. The national power supply is 15-20% short of demand, and factories in Guangdong, the center of China's "reform" economy, are shut down three to four days a week. In 1992, China lost output worth \$125 billion due to the power shortage.

● **BOLIVIAN** labor unions are on strike demanding that 4,000 railroad, telephone, and other public sector workers laid off by the government on Aug. 6 be rehired. Oscar Salas, head of the Central Workers Union, said, "Democracy is in danger. You cannot throw thousands of workers into the streets . . . with unemployment rates of over 30%; you cannot guarantee social peace in this manner."

● **THE CHICAGO** Mercantile Exchange and Chicago Board of Trade are looking to Central America as the new growth spot for futures markets, Reuters reported Oct. 11. "The level of interest is very high," CME Vice President for Marketing William C. Kokontis told a conference held to introduce derivatives to potential Central American users.

● **TAIWAN** President Lee Teng-hui said that he wants closer economic cooperation with China to avert a military conflict. "It is a very good idea for the Chinese mainland, Taiwan, and Hong Kong and Macao to form an economic cooperation zone," he told the Oct. 12 French daily *Le Monde*.