

Business Briefs

Health

Leading scientist warns of TB catastrophe

One of the leading federal scientists on AIDS, Dr. Anthony S. Fauci, director of the National Institute of Allergy and Infectious Diseases, expressed concern Feb. 11 that TB could indeed become as big a threat, if not more of one, than AIDS.

At another special meeting called by concerned health experts, Dr. Fauci said, "We very well may be on the threshold of something that will turn out major—I hesitate to say a catastrophe," but, he noted, "The data don't allow us to say where it is going to go."

Noting the continuing rise in TB cases, including drug-resistant strains, Dr. William Rom of Bellevue Hospital's pulmonary and critical care section said that in one day recently, the New York public hospital admitted 16 patients with drug-resistant TB.

Dr. Fauci explicitly called the meeting to sound the alarm and call for immediate research and training of scientists. He reminded people that in 1981, after AIDS was first discovered, the experts got together and "we thought AIDS might be important but that we really were not sure."

Poland

Infrastructure called key to recovery

Infrastructural improvements are crucial for the economic recovery of Poland, declared Prime Minister Jan Olszewski, without going into further details, in an interview with the German weekly *Der Spiegel*.

"We have to improve the infrastructure fundamentally," Olszewski said, "but at this moment, we're not even drawing upon credits that have already been granted for these projects. My government will give priority to confront this problem."

The Polish prime minister also explained

that he wants to sign a temporary cease-fire agreement with the labor unions to be able to carry out a safety net policy for the lowest-income layers of the population and launch the first phase of a recovery program. His government intends to stay in office for two or three years, to be able to move Poland out of its crisis.

As the shock therapy of the past two years has used up the Polish population's commitment to patience and sacrifice, a different approach must be taken now, one that proceeds with the transformation of the economy in a soft way and gives maximum social protection, said Olszewski. He does not accept the false alternatives of chaos or another authoritarian regime of the Pilsudski type, he said, but rather prefers a policy like that which was launched by the Wladyslaw Grabski government of the early 1920s, which was based on an all-party parliamentary consensus and ruled by decree.

Germany

Dirigism needed in former socialist economies

Free market guidelines won't work in the former socialist economies, state intervention is required, wrote Kajo Schommer, a Christian Democrat and cabinet minister of Economics and Labor Affairs in the eastern German state of Saxony, in a commentary published by the *Frankfurter Allgemeine* Feb. 11. The essay comes in the context of increased pressure from Chancellor Helmut Kohl's Christian Democratic Union (CDU) party in the five eastern states of Germany, to have the state and the Treuhand agency intervene against the collapse of production and employment there.

"It is insufficient for 'damaged economies' if the state only poses conditions for the functioning of the market order," Schommer wrote. "Beyond that, the state has to absorb and cushion the collapse of the old order, it has to order and structure it to a certain extent, and it has to initiate. That is because it is faced with a society that does not have at full scope the

familiar market factors that exist in the West, nor has it the capability to carry forward economic activities of the same scope. This is true to a much larger extent for the states of eastern Europe that have entered the long road toward market economy."

Leaving the eastern economy alone with market forces, Schommer warned, "denies them all chances of recovery." State intervention in the East, Schommer recommended, must create equal conditions for enterprises of all sizes, to prevent entire branches of the economy from disappearing from east Germany, and to keep industrial firms that are presently in conditions too extreme for privatization (outmoded machinery, debt, etc.) under a state umbrella to give them time for recovery.

Industry

Russian businessmen ally vs. 'shock therapy'

One hundred and seventeen Russian business and enterprise leaders opposed to the "shock therapy" reforms of the Yeltsin government have concluded a meeting in St. Petersburg, and have announced the formation of a "Civic and Independent Movement for the Protection of Enterprises in Russia." In a final declaration reported in the French daily *Libération* Feb. 13, the leaders warn that "the Yeltsin administration is not protecting independent entrepreneurs, but rather the new capitalist *nomenklatura*."

According to *Libération*, what is significant is the meeting's warnings about the effects of the ongoing destruction of the capabilities of the former Soviet Army and of the "technological resources" of the military-industrial sector. This process "risks transforming Russia into a new colonized continent of the Third World." The representation from the heavy industry and military-industrial sector was significant at the meeting, the paper adds.

This grouping is in a state of alarm, following the layoff of one-third of the workers at a major metallurgical factory in Komsomolsk, which had traditionally serviced the Soviet

Briefly

● **BULGARIA** is planning to build two high-speed railway lines, including one linking Europe and Asia, but needs western financing, officials said in mid-February.

● **RUSSIAN** scientists at the Chelyabinsk nuclear weapons complex presented U.S. Secretary of State James Baker with a memorandum Feb. 14 outlining civilian work they could do for the West, including on food irradiation and fiber optic technology. The laboratory's chief scientist, Yevgeny Avrorim, told Baker that the scientists were seeking "important work," and not just "money for living."

● **BORIS YELTSIN** aide Aleksandr Granberg, speaking at an Alaska World Affairs Council meeting, proposed that the Russian-American company that oversaw the Russian colonization of Alaska in the 18th and 19th centuries should be revived to help spur development of the Russian Far East. "A Russian-American company could become a protective umbrella for private businessmen doing business in Russia," said Granberg.

● **ASTRONOMERS** excited about the Hubble Space Telescope, according to the Jan. 20 *Aviation Week*. "After a year of the 'guest observer' program, the Space Telescope Science Institute in Baltimore, the arbiter of telescope time, must turn down five requests for time for each that it accepts."

● **ALBANIA** has shut down all passenger rail service, citing the danger of serious accidents. "Poor telephone communications could result in a train collision at any moment," said an official. He did not say when passenger service would be resumed.

● **FISCAL AUSTERITY** and debt-servicing prevent the Treuhand, the government agency responsible for the states of the former East Germany, from doing its job, is the conclusion of a study by the Institute for the German Economy published Feb. 14.

Armed Forces.

In a parallel development, 250 leaders of oil industry enterprises have formed a new "Union of Oil Producers" to defend their interests against competition from foreign oil firms being brought in by the government. The founding meeting of this group was in Tyumen, Siberia in early February, *Libération* reported.

International Credit

Russian vice president blasts Yeltsin program

Russian Vice President Aleksandr Rutskoy has called for the declaration of a state of economic emergency in an article published in the Feb. 8 *Pravda*. Titled "Is There a Way Out of the Crisis?" the article is several pages long and gives a detailed refutation of Harvard Prof. Jeffrey Sachs and his economic programs. Not only does Rutskoy go after Sachs by name, but he also insisted that although Adam Smith's "invisible hand" may seem to work in theory, in practice, it doesn't.

Rutskoy noted that Russia should have learned from the Polish example, and calls for a "regulated" transition to a market economy.

He wrote, "I well recall that neither Yeltsin nor Rutskoy promised to transform the state into a beggar or the people into paupers. . . .

"It is surprising that the idea did not occur to Sachs of turning the IMF [International Monetary Fund] and the World Bank plus two or three major banks from the United States, Japan, and the European countries into subsidiaries of the Russian Central Bank with the full right to dispose of their resources."

On the "magician" Sachs, Rutskoy said there are other western economists, like those of the Galbraith school, who could have been consulted, but weren't. "If our 'shock therapists' are not stopped in time," he wrote, "by next year the country may be left not only without money but without trousers."

The vice president also proposed that all government employees should be given a fixed salary of 342 rubles so that they could under-

stand the plight of the average Russian, who is forced to live on that amount.

Rutskoy proposed that western firms be obligated to trade in rubles with Russia. In terms of the unemployed, the Russian vice president wrote, "Working people do not need charity from whatever quarter, they need work."

"The main aim should be to create the most favorable initial conditions for economic entities . . . and to develop their business activities aimed at the quantitative and qualitative competitive production of goods and foodstuffs . . . giving definite priority to the development of enterprise in the production sphere."

Space

Hubble finds crucial galactic anomaly

The accidental discovery of young globular clusters, calling into question a fundamental premise of astronomy, was announced at the January meeting of the American Astronomical Society in Atlanta, Georgia. It is thought that all galaxies were formed in the same cosmic era, and that globular clusters are their earliest stellar formations. The existence of young globular clusters may be a hint that galaxies have formed in different eras.

Globular clusters are tightly packed, spherically symmetric clusters of stars sharing a common origin, each cluster having from hundreds of thousands to perhaps several million stars.

Jon Holtzman of the Lowell Observatory reported the discovery of globular clusters of young (blue and relatively bright) stars in the course of a Space Telescope investigation of galaxy NGC 1275 in the Perseus cluster of galaxies.

It has been suggested that such anomalously young globular clusters could result from the collision of galaxies—not the first time astronomers have used the fiction of "worlds in collision" to explain away findings inconvenient to prevailing doctrine.