

Business Briefs

Eastern Europe

Eagleburger aide: Nations must submit to austerity

Eastern Europe has to recognize that "there is no third way," and must submit to painful austerity, according to Robert Barry, a top aide to U.S. Undersecretary of State Lawrence Eagleburger on U.S. policy toward the newly democratic nations. In comments reported in the May 23 *Washington Post*, Barry denounced "the tendency of East European governments to shrink from economic shock therapy"—the sudden transition to an unregulated market economy as dictated by the International Monetary Fund (IMF).

Poland is going through the "kind of political confusion that comes from weariness with austerity," Barry said. "People don't understand that there's no way to take the pain out of a profound economic transformation. But sooner or later, the Poles, and those who balk at austerity elsewhere in the region, will have to recognize that there is no third way—that trying to pump up the dead dinosaurs of inefficient industries with government subsidies leads nowhere but a sure move to the poorhouse."

Trade

Baker: Use CoCom to deny technology

U.S. Secretary of State James Baker has sent a letter to the members of CoCom which proposes changing the entire purpose of the organization, according to the Jan. 26 *Wall Street Journal*. Hitherto, CoCom has been a NATO adjunct charged with denying military-related technology to communist states. Baker's letter proposes transforming it into an organization comprising the former communist countries along with the present members, charged with denying so-called dual-use technologies to other countries.

In the letter, Baker proposes the creation of a CoCom cooperation council which, like NATO's new cooperation council, would include the formerly communist countries. Once

they become members, these countries would be eligible to purchase the advanced technologies they were formally denied—on condition that they enter into CoCom-like export control systems to prevent export of the technologies to non-member countries. In short, CoCom would become an instrument for the implementation of what has been termed "technological apartheid" toward the Third World.

Environmentalism

African leader equates ecologists, imperialists

Alahadj Moh Lawal Garba, head of the African Timber Organization (ATO), has attacked western non-governmental organizations (NGOs) for their plans to boycott tropical timber as a means to conserve rain forests and fight environmental degradation. He sees the move by the NGOs and other ecological bodies in the West as a ploy to perpetuate both poverty in the rain forest countries and their dependence on the industrialized world.

In an interview with Inter Press Service (IPS) during a meeting of the International Tropical Timber Organization (ITTO), Garba said that timber exploitation contributes "very little" to forest and environmental degradation. He blamed shifting cultivation, bush burning, overgrazing, harvesting for firewood, an unplanned land use system, and, to a certain extent, natural calamities.

Garba told IPS that 95% of Africa's 640 million people depend on wood as a source of energy, and their countries are so heavily indebted to the developed world that they must exploit all their resources to pay back these loans, or "they will continue to borrow and forever remain poor."

Said the ATO secretary general, "Campaigning for a boycott of tropical timber without considering this reality is, therefore, politicking, unscientific, malicious, and unrealistic, and only helps to mislead the world community about what sustainable forest management is all about."

Garba told IPS that instead of boycotting timber imports, the industrialized countries

should provide Africa with financial assistance, not only to manage its forests sustainably, but also to develop its agricultural technology to allow for maximum yield within restricted land area.

Infrastructure

Georgian minister outlines desired aid

Greeting U.S. Secretary of State James Baker at the airport May 25 with his boss, Eduard Shevardnadze, Georgian Foreign Minister Aleksandr Chikvaidze made the following remarks in English, according to the *New York Times*.

"When economics is not working, there is no doubt of unrest politically. If we do not have more butter, more bread, then I don't know what will be the answer. We now have only enough grain for 10 days.

"Our national income has fallen 25% in one year.

"What's very important now for the previous Soviet republics, especially for Georgia, is not humanitarian help. Humanitarian help will never solve any problems.

"It is necessary to help us create some kind of economic infrastructure. It means we have to build things that give us products, that give us goods, which we can use for ourselves and also sell to get some hard currency."

Space

Next Shuttle mission to study microgravity

The next Space Shuttle mission, now scheduled for a June 17 launch and to for last 13 days, will give scientists the longest time ever to conduct microgravity experiments in space. (Until now, the longest scheduled Shuttle flight was 10 days). In a series of briefings May 26, NASA representatives and principal investigators for some of the science experiments aboard the U.S. Microgravity Lab (MGL) discussed their intent to study materials pro-

cessing and the biomedical effects of microgravity on astronauts.

The crew will grow protein and create semiconductor crystals, studying the effects of microgravity on the physics of liquid droplets, and test new methods for delivering food and nutrients for space agriculture. One series of experiments on the science of solid surface combustion will study the initiation and spread of fire along various common materials. This will help improve fire safety on the Shuttle orbiters.

One application of the production of perfectly spherical shells, according to Dr. Taylor Wang, will be to develop containers which can hold living cells, such as the beta cells which produce insulin. This would allow the transplant of live beta cells into diabetics, avoiding the danger of rejection by the immune system. They could then produce their own insulin, rather than suffering through injections.

Dr. Sam Pool described some space biology experiments in which the crew will be the subjects. Doctors expect that the changes in physiology that will take place on the long flight, such as deconditioning, will be more pronounced than on shorter missions, and researchers will use the opportunity to try new countermeasures.

Germany

Loss of fighter project threatens loss of jobs

Germany's threatened withdrawal from the European Fighter Aircraft (EFA) project threatens the future of an entire industrial sector, officials of the German Aerospace Association warned in a press conference in Bonn on May 26. Half the 20,000 jobs that would be lost will be in small and medium-sized high-technology companies which supply the civilian aircraft industry.

Spokesman Hans-Peter Reerink of the Bodensee Geraetetechnik GmbH noted that the EFA project is not a "superbird" for Daimler-Benz, the main German contractor in the project, but concerns the fate of all German suppliers to the aircraft industry. If Germany withdraws, he forecast an "imme-

diolate exodus" of the country's engineering elite, just as after World War II. The issue is no longer an isolated affair facing one industrial sector, but threatens the whole country and its position on the world market, said Reerink.

Aerospace technology is always "dual use," spokesmen for the association explained, with military production having an impact on civilian aircraft production as well as other areas of the economy through complex software systems, miniaturized electronics, etc.

German Economics Minister Jürgen Moellemann is strongly opposed to German participation in the EFA.

Demography

World fertility rates decline dramatically

There is no population explosion, but a population implosion worldwide, and no one can tell what the human population will be at any time during the 21st century, wrote Ben Wattenberg in a commentary in the May 28 *Washington Times*. Wattenberg attacked the U.N. and its population statistics and projections. He also drew a "1965-1990" comparison, without outlining what "1965-1990" policy shifts might have caused the implosion.

In 1965, Wattenberg reported, the U.N. said that the worldwide total fertility rate was 5.0 (the number of children born to the average woman during her years of fertility); in 1990, it was 3.3, again according to the U.N. Thus, the rate had fallen, in one generation, 60% of the way to the simple replacement rate of 2.1. In the Third World, the 1965 rate was 6.1; the 1990 rate 3.8. Since Third World countries, with higher death rates, require higher simple replacement rates, the Third World rate had fallen 62% of the way to simple replacement in a single generation.

Wattenberg also challenged the U.N. statistics. In 1990, it overestimated Nigeria's population by 29 million—more than 30%.

Wattenberg concluded that the demographers' current projections of 21st-century population are "mere games," since they have no idea what fertility rates will fall to.

Briefly

● **GERMAN** and other western companies are "being forced to suspend their participation in modernizing and retooling Russian industries, because the Vnesheconombank, Russia's foreign trade bank," has put a freeze on hard-currency accounts, said a Russian press account.

● **RUSSIA** has announced an AIDS program covering "such areas as the prevention of the spread of AIDS sexually or through blood transfusions, the ensurance of diagnostics, treatment, and clinical examination of patients," Itar-Tass reported May 14. "Much attention in the program is devoted to raising the effectiveness of research into HIV infection," said Vadim Pokrovsky, chief medical officer of the Russian republic.

● **WAL-MART**, the largest U.S. retail chain, has come under attack for its purchase of goods produced by slave labor in China. The Food and Allied Trade Services Department of the AFL-CIO has gone to court to force Wal-Mart to investigate the charge. In fiscal year 1990-91, Wal-Mart imported more than 300 products from China.

● **A BAGHDAD** conference of the Arab Food Industries Federation May 10-15 presented statistics on the Arab world's dependency on food imports. Dr. Falah Said Jubur, secretary general of the federation, noted that the embargo on Iraq highlights the strategic problem that 250 million Arabs are dependent on food imports for up to 10% or more of every important food commodity.

● **ISLAMIC** heads of state participating in the economic development summit in Ashkabad, Turkmenistan have agreed to the construction of a railway connecting Mashad, in northeast Iran, to Sarakhs on the Turkmenistan-Iran border, followed by a line north to Tedzhen, Turkmenistan.

● **THE KOREAN** National Bank has been forced to provide a \$4.1 billion low-interest loan to bail out the Daehan, Hankook, and Kukmin investment-trust companies, reported AFP from Seoul.