

Business Briefs

Post-Industrial Society

Automakers to orient sales to Internet

General Motors and Ford want to buy the materials from which they make their cars, and then sell those cars, over the Internet. Car buyers could order personalized cars, selecting the options they desire in much the same way that computer buyers order custom-made computers from Dell. In doing so, according to Jacqueline Doherty in the Jan. 24 issue of *Barron's*, "manufacturers should eliminate a ton of fat, including much of the 60-65 days of inventory now considered ideal, even though it ties up over \$55 billion in working capital. They'd also probably be able to avoid paying taxes on materials purchased over the Internet."

In January, General Motors Chairman John Smith, Jr. told an industry conference that the company expects to do \$50 billion in business through its TradeXchange website this year and plans to get its \$87 billion annual purchasing budget on the system by the end of 2001. Ford is developing a similar site, dubbed AutoXchange.

"The Dell model is certainly going to be coming home to roost in Detroit," said Dresdner Kleinwort Benson global auto research coordinator David Garrity. He estimates that automakers could reduce their costs by \$3,000 on an average car with a sticker price of \$22,000 by doing business with their suppliers online.

South Asia

Indian President warns of economic disparities

India's economic and social disparities are unleashing tensions in Indian society, President K.R. Narayanan warned in a speech on Jan. 25, the eve of the 50th anniversary of the founding of the Indian Republic, *The Hindu* reported. "Violence in society has bared a hundred fangs as advertisement-driven consumerism is unleashing frustrations and tensions in our society. The unabashed, vulgar indulgence in conspicuous

consumption by the *nouveau riche*, has left the underclass seething in frustration. One-half of our society guzzles aerated beverages, while the other half has to make do with palmfuls of muddied water. Our three-way fast lane of liberalization, privatization, and globalization must provide safe pedestrian crossings for the unempowered India also," he said.

"We are becoming increasingly insensitive and callous," Narayanan said, asking whether India had become "a stony-hearted society, not a compassionate one that produced the Buddha, Mahavira, Nanak, Kabir, and Gandhi."

India's "greatest national drawback" is the condition of women, and "our greatest national shame" the condition of the Dalits, the lowest ranks of Indian society. Indian women "continue to be regarded as it was in the 18th and 19th centuries," he said. He warned against the tendency toward reversing the affirmative action programs for the Dalits.

Narayanan called on India's citizens to undertake an "honest self-analysis and self-questioning about where we, as a people and a society, are headed." He warned of the "sullen resentment among the masses against their condition, erupting often in violent forms in several parts of the country." This must not go unheard, he said.

Health

Budget cuts in Brazil spark fear of epidemics

Various diseases, including some which had been considered extinct, are reviving in Brazil, according to specialists from the National Health Foundation. Because of budget cuts, health officials are increasingly worried about the outbreak of epidemics.

Among the most dangerous diseases is yellow fever. There are few cases a year, but in some years, mortality is as high as 50%. In 1999, there were 70 cases of yellow fever in Brazil, the second-largest number in 20 years, up from 34 cases in 1998. Health Minister Jose Serra, however, stated that there will be no national vaccination campaign against this disease (which can be transmit-

ted both by mosquitoes and person to person), and the government will rely on "persuading" people who travel to high-risk areas to get their vaccinations.

One case of yellow fever was identified recently in Rio de Janeiro. Officials fear an outbreak of mosquito-borne epidemics in Rio de Janeiro in particular, because the mosquito-control force was practically dismantled after the federal government shut down its program, fired 6,000 workers, and declared mosquito control a "local" responsibility.

In 1999, a Congressman discovered that the Cardoso government had spent only 58.5% of the budget line allocated for combatting the spread of dengue and yellow fever. The government's request for mosquito-eradication (crucial to combatting these diseases) for the year 2000 budget is one-third of what it was in 1999.

Systematic cuts in the Health Ministry budget began in 1993 and accelerated in 1995. The Jan. 14 *Tribuna da Imprensa* reported that in 1996, the head of the National Health Foundation, Dr. Edmundo Juarez, handed the Health Minister a detailed report, warning that the risk of epidemics was grave, and growing worse. When the government ignored him, Dr. Juarez resigned.

Space

Glenn experiments show that age is no limit

In presentations on Jan. 28 co-sponsored by NASA and the National Institute of Aging, scientists who designed the biomedical experiments that flew on John Glenn's Space Shuttle mission in 1998 reported that they found no significant difference in the 77-year-old former Senator's adaptation to space flight, or readaptation to Earth's gravity, from those of astronauts half his age.

Dr. Linda Shackelford, from the NASA Johnson Space Center, reported that in her experiment on bone mineral loss, Glenn's response was no different than that of the younger astronauts in studies of muscular strength after the mission, although on a short mission, the bone loss, which is cumu-

INDIA'S Oil and Natural Gas Ministry has asked the Russian state-sector firm Gazprom to help develop that country's gas industry, Itar-Tass reported on Jan. 24. Among the projects in which Gazprom is expected to become involved are the construction of a gas pipeline from Iran to India and the development of offshore gas fields in the Bay of Bengal.

COCA COLA plans to lay off 6,000 workers, including 20% of its U.S. workforce, in a move billed as intended to shrink bureaucracy (and culpability) at the Atlanta headquarters, and to operate with more local control, the Jan. 27 *Washington Post* reported. Incidents of tainted product have occurred recently in Europe and elsewhere, triggering falls in stock value.

ISRAEL'S National Infrastructure Minister Eliyahu Suissa told a seminar in Jerusalem that Israel may consider purchasing a nuclear reactor from France for production of electricity. Peace with Syria could pave the way for purchase of a \$1.5 billion reactor that would be located in the Negev Desert.

CHINA'S State Council (Cabinet) met on Jan. 19-22 to discuss speeding up economic development in the western regions. The "western campaign" will develop infrastructure, including highways, railways, airports, natural gas pipelines, water resources, and telecommunications; promote environmental protection; expand "tertiary" industry, including tourism; and develop scientific and educational capabilities.

QUANTUM FUND co-founder Rim Rogers told the Austrian weekly *Format*, that "once the stock markets start to crash, things will proceed very rapidly." He said, "Whenever you hear at stock exchanges that this time everything is different, then you had better hurry as fast as you can to the exit. In 1990, it was Japan, in 1920 it was radio companies, and in the 19th century it was railway stocks. Now, it's Internet paper."

lative over the duration of any flight, is small.

Dr. Adrien LeBlanc, from the Baylor College of Medicine, reported on his magnetic resonance imaging studies of muscle atrophy in space, which experiment was added to the mission after Glenn joined the crew. Images were taken pre-flight and five days after the crew returned to Earth, and measurements made of bone marrow changes and muscle volume and density. Dr. LeBlanc reported that the post-flight images of Glenn showed him at 95% of his pre-flight bone density, which was better than some of the other crew members. He also found that Glenn responded well to the stimulus of gravity back on Earth, and bone density came back up to normal.

Astronauts typically have trouble sleeping in space, and Dr. Charles Czeisler found that Glenn, who normally sleeps very well for a person of his age, exhibited the same sleep disturbance in orbit as younger astronauts, including awakenings during the night and delays in falling asleep.

One study which disproved researchers' hypothesis concerned the post-flight recovery of balance. The researchers, led by Dr. William Paloski at the Johnson Space Center, expected Glenn to suffer a greater decrement in balance control than younger astronauts, based on the problems of the elderly generally. The readaptation of the vestibular system for balance control requires a neuroplasticity which the researchers thought would be degraded in an older subject. They found, however, that Glenn had a typical post-flight recovery.

Middle East

Israeli minister urges regional water agency

Israeli Foreign Minister David Levy called for the formation of a Middle East regional water agency which would have charge of financing, planning, and developing water resources, the daily *Ha'aretz* reported on Jan. 18. Levy made the proposal the previous week during a meeting with Jordanian Foreign Minister Abad el-Ayala Khatib. Levy also proposed to his Jordanian counterpart that they hold a meeting of experts

on the issue from both countries.

On Jan. 16, Levy made the same proposal to a visiting delegation from the European Union, where he declared that "the development of new water sources is a top priority, and desalination is a challenge for the whole Middle East, which struggles against the desert."

In a related development, Jordan is considering buying as much as 180 million cubic meters of water from Turkey. The head of Turkey's state waterworks, Dogan Altinbilek, said that both Jordan and Israel are considering such purchases and that a decision could be made in April "in tandem with the peace process." If Jordan does purchase water, it might be transported via Israel.

Kosovo

Infrastructure lack hurts electric supply

The Serbian province of Kosovo is facing wintertime electricity shortages because of the regional breakdown of infrastructure.

The United Nations mission in Kosovo estimates that it needs 620-650 megawatts of electric power at peak periods, but the obsolete and erratic main power plant at Obilic generates only about 400-500 MW at best, Associated Press reported on Jan. 29. About 100 megawatts are coming in from Serbia, Albania, and Macedonia. There are eight-hour electricity shutoffs in most of Kosovo, some households have had blackouts for more than 24 hours, and many people have had to use wood stoves for heat, although firewood is scarce.

Greece has agreed to donate at least 60 MW daily to Kosovo. But the current would have to be routed through Macedonia's power grid, which, though supposedly repaired from the NATO bombing, is not thought capable of carrying such an increased load without risk to Macedonia's own electricity supply. Albania's power grid might be used instead for routing power from Greece to Kosovo, but the UN team says Albania's infrastructure also has problems.