

Business Briefs

Insurance

British government to allow DNA testing

The British government will allow insurance companies to use genetic testing to weed out less eugenically fit individuals, the March 20 London *Daily Telegraph* reported. Those determined to be pre-disposed to "inherited" diseases, such as breast cancer, cystic fibrosis, Alzheimer's, and sickle cell anemia, would be charged higher rates or priced out of coverage for health and life insurance.

The reported excuse for changing the previous policy against allowing such testing, is that without government approval, insurers would do the tests without regulation. Up to seven tests will be presented for government approval by September.

Anna Bradley, director of the National Consumer Council, is quoted: "We would be very concerned about measures that could stop people getting insurance." Dr. Evan Harris, a Liberal Democrat Member of Parliament for Oxford West and Abingdon, said, "By allowing insurers to test for even single-gene disorders you are going to get a genetic under-class. There will be enormous public opposition to this. People should not take these tests without adequate counselling."

A Department of Health spokesman said, "The genetics and insurance committee has been set up to receive applications to demonstrate the validity of tests, but the industry will have to prove that such tests are reliable. If the insurance company thinks you have a genetic condition, it can load a policy."

Science & Engineering

NASA's Goldin scores cyberspace drain

NASA Administrator Dan Goldin blamed the fantastic salaries offered to young men and women in the booming computer and Internet companies as a major reason why the space agency is facing a critical shortage of capable science and engineering manpower,

in a mid-March speech to the NASA Advisory Council. There are 65 new millionaires created every day in Silicon Valley, he said, which has made it difficult to attract young professionals to NASA.

Goldin said that, often, students coming out of school are being drawn to the prospect of getting rich quick, rather than taking up a career in the space program, or aerospace industry. "NASA has no credibility with the young people," he stated. He blamed ups and downs in the space agency's budget for some of the problem. Goldin has proposed that young people be hired at NASA for limited periods of time, which would then weed out those who are not serious enough to stay. The average age at the space agency today is 45 years.

Aviation Week, in its March 13 issue, echoed Goldin's concerns, warning that design experience is "vanishing" for fighter and bomber design, the nuclear weapons industry, and space launch infrastructure. In "Industry's Loss of Expertise Spurs Counterattack," part of its series on "Aerospace in Crisis," it reports on the efforts by government agencies and private corporations and foundations to secure "knowledge management," to counter the "tremendous loss of expertise caused by a decade of budget cuts, downsizing, and an aging workforce." Many studies, including a recent one by RAND, show the loss of "intellectual capital" in the United States, and the brain drain of engineers and highly skilled people out of aerospace and related technology into Internet- and computer-related jobs.

Asia

Trade surpluses shrink, as 'recovery' fizzles

The outlook for trade and the so-called recovery in Asia has dimmed, after much ballyhooing that the rebound from the financial crisis of 1997 was caused by International Monetary Fund (IMF)-World Bank conditionalities.

In a survey of 119 independent economists covering Asia outside Japan, Reuters reported on March 18, the post-crisis surge in trade surpluses, caused by the crash of Asian

currencies and commodities values, is now headed down. South Korea's trade surplus will contract from a forecasted \$14.7 billion to \$12.6 billion; China's surplus will decline by more than \$1 billion from its forecasted \$28.35 billion; Hong Kong is expected to suffer a bigger deficit, from a projected \$8.5 billion to \$9.9 billion. Exports from Thailand and Indonesia are expected to slide to \$22.2 billion and \$6.3 billion, respectively. The Philippines' exports, one of the lowest in the region and behind Indonesia, are expected to rise from \$3.2 billion to \$4.54 billion on the back of expanding cheap electronics exports because of the bigger peso depreciation vis-à-vis competing Asian electronics producers.

Water Management

China to become world's 'hydropower superpower'

Over the next 15 years, China plans to build a national network of electricity-generation stations, to become the world's biggest "hydropower superpower," Water Resources Minister Wang Shucheng said, *China Daily* reported on March 20. By 2015, China should have harnessed 40% of its water resources for power generation. So far, only 17% of potential hydropower has been tapped, and only 14% of potential power is being used, lower than that of Brazil, Egypt, India, and other developing countries, due to the long construction times for these projects in China and the huge investment needed. The international average of potential water resources used for power generation is 30%.

The network will give top priority to western areas, where five of China's provinces with the biggest potential are located, and which have 75% of China's hydropower potential, of which only 8% is being used.

A State Power Corp. blueprint designates an electricity-supply hub based at the Three Gorges hydropower station on the Yangtze River, as the first regional power grid. By 2010, three more regional grids will be established, in north, central, and south China. By 2015, all the regional grids will be linked, after construction of a number of state-run hydropower stations, to form an in-

SUDAN plans to build rail links to Ethiopia, Chad, and the Central African Republic, Minister of Transport Lam Akol told the Sudan News Agency on March 24. By establishing a rail link to Ethiopia, he said, Sudan will be connected to the rail line that will run from South Africa to Egypt.

PAKISTAN has assured Iran of its support for a proposed gas pipeline to be laid from Iran to India through its territory, the Islamabad *Dawn* reported on March 21. "Considerable progress" has been made toward implementation of the project. Pakistan could earn \$600-700 million in foreign exchange from transit fees, and the government wants to import gas from the pipeline.

RUSSIA'S death rate is twice its birth rate. In January, according to the State Statistics Committee, there were 195,500 deaths (an increase of 19,300 from January 1999) and 93,900 births (a decline of 600). This rate of "natural decrease" puts Russia on course toward more than 1 million natural population decrease this year. The record, set in 1999, is 816,000.

U.S. DEBT grew three times faster than Gross Domestic Product during the 1990s. GDP rose \$3.9 trillion, and debt rose \$12.8 trillion, a \$3.27 rise in debt for every \$1 rise in GDP, compared to \$2.92 in the 1980s and \$1.68 in the 1970s. At the end of 1999, GDP was \$9.5 trillion and total credit-market debt was \$25.6 trillion.

DAIMLER-CHRYSLER has agreed to buy a 33.4% stake in Japan's Mitsubishi Motors for \$1.3 billion, according to Kyodo news agency. The deal, which Reuters calls an "effective takeover," will give the German automaker veto power over Mitsubishi board decisions under Japanese law. The two firms make 6.5 million vehicles annually, trailing only General Motors and Ford. Toyota and Honda will be the only fully independent Japanese automakers. (Last year, France's Renault acquired a 37% stake in Nissan.)

tegrated network. This power grid could provide power for China's more industrialized eastern seaboard.

China could produce as many as 676 million kilowatt-hours (kWh) of hydropower, more than any other country in the world. China is now capable of harnessing 378 million kWh. Yunnan province alone, which has many rivers with big drops in elevation, could produce more than 90 million kWh.

Debt

Nigerian President urges immediate relief

Nigerian President Olusegun Obasanjo insisted on debt relief "now," turning the tables on foreign banks and their charges of corruption, at a meeting with Kwesi Owusu, head of the Jubilee 2000 Africa Initiative in Abuja, Nigeria, on March 21, Africa News Online reported. "The time for an international commitment of deep debt reduction and forgiveness is now. Our foreign debt stands at \$31 billion, and continues to rise, not because of any significant additional borrowing, but mainly as a result of the cost of servicing what was actually borrowed in the past. In these circumstances, it is simply not possible to allocate so much of our lean resources to debt servicing. It is morally unjustifiable for the poor people of Nigeria to suffer any longer," he said.

Obasanjo also supported a call for a new international independent arbitration process: "We need a fairer system to regulate between borrowing and lending, between creditors and indebted countries. Only a process of independent arbitration can guarantee this. What we are seeking from the industrialized world is not charity but fairness. We also seek a fairer understanding of the plight of developing countries, especially as they struggle to enthrone truly democratic culture in their countries, and at the same time provide their peoples with the basic amenities of life."

He continued, "Vast sums of our public funds have been stolen and transferred out of Nigeria in the past 20 years. A large portion of this stolen money is deposited in banks in the West, including the U.S., Swit-

zerland, and the U.K. And yet the banks which frequently dismiss Nigeria as a corrupt country are the very ones which continually cite the convenient doctrine of confidentiality as an obstacle which prevents them from assisting us in tracing and recovering these funds. . . . Profiting from stolen goods is just as culpable as stealing the goods in the first instance. Here too, we are calling for an international solution to the problem of stolen wealth."

Economic Policy

Slovakia rejects IMF conditions on loans

On March 21, Slovakian Finance Minister Brigita Schmognerova told journalists in Bratislava, that her government will not ask the World Bank for a structural loan, because it is linked to an agreement with the International Monetary Fund (IMF). "If the World Bank does not change its mind that it is necessary to have a respective agreement with the IMF . . . we will not accept the loan," she said.

Acceptance of the Fund's conditionalities and its demand to see Slovakian economic and financial guidelines set for several years in advance, would imply "a certain degradation of Slovakia," Schmognerova said. Last year, Slovakia was able to stabilize its economy without IMF assistance, and if need be, the government would ask for normal banking loans on the private market. She pointed out that the World Bank has provided loans to neighboring Hungary and Slovenia without asking for the IMF's consent, and Slovakia is asking nothing more.

The week before Schmognerova's remarks, Slovakian Foreign Minister Eduard Kukan visited Malaysia, where he met with the foreign and defense ministers, and Prime Minister Dr. Mahathir bin Mohamad, who used capital and currency controls to protect his nation against the depredations of speculators and the IMF. Kukan said that Malaysia will help Slovakian industry get into the Association of Southeast Asian Nation markets, and that Slovakia will establish an embassy in Kuala Lumpur.