

Business Briefs

Debt

G-15 reaches joint position on debt

Fifteen developing nations have reached a joint stand on reducing Third World debt to strengthen their bargaining position with creditors and rich nations, Ahmad Kamil Jaafar, secretary general of the Malaysian foreign ministry, said, Reuters reported June 2.

"We cannot make debt slaves of nations, not in the so-called enlightened age," stated Malaysian Prime Minister Mahathir Mohamad in the opening address to the first "Group of 15" developing nations' summit, which began June 1 in Malaysia's capital Kuala Lumpur. He argued that the Western nations were dealing with the Third World debt problem from the state of mind of a commercial banker, which is untenable: "You cannot tell people to live at subsistence levels until they pay off their debts. Bankrupts die, nations cannot." Western creditors, Mahathir insisted, must be prepared to accept the risks of lending, "and, if all else fails, to accept losses."

Heads of state of Argentina, India, Indonesia, Malaysia, Senegal, Venezuela, Yugoslavia and Zimbabwe were joined by senior ministers from Algeria, Brazil, Egypt, Jamaica, Mexico, Nigeria and Peru at the June 1-3 meeting. The 15 account for about half the total Third World debt of \$1.3 trillion. "We are forging a position which can be used in our negotiations. If there was no common position you cannot deflect or minimize pressure," Ahmad Kamil said.

Perestroika

Deutsche Bank asks West aid plan for Soviets

The West should put together a "perestroika plan" for the U.S.S.R. modeled on the postwar Marshall Plan, stated West German banker Axel Lebahn of Deutsche Bank, in comments to the *Financial Times* at an IMEMO conference in Moscow May 31.

Lebahn's proposal echoes that made by former Deutsche Bank head Friedrich-Wil-

helm Christians, in a recent interview with *Der Spiegel* magazine.

Lebahn insisted that commercial banks in the West would be unable to offer the sort of credit Moscow wanted to finance imports of consumer goods and food. "Already by the volume of loans that would be needed, a single bank or single country could not do anything here," said Lebahn. "It should be a multilateral action. The politicians should sit together from the very beginning and create a political framework. The plan should be openly discussed in the West." He said it should involve preconditions and should include mass training programs in skills such as engineering, consulting, and marketing.

Real Estate

Office space vacancy rate hits new high

The United States has 465 million square feet of vacant office space, enough to hold nearly 2 million workers, and an amount equal to the combined office space in Washington, D.C., Chicago, and Dallas, according to the Boston firm of Torto Wheaton Services, *USA Today* reported May 30 in its second installment of its "Banks on the Brink" series.

Stamford, Connecticut leads the nation with a 30.6% vacancy rate, or 8.7 million square feet of available space, according to Coldwell Banker. Los Angeles has 23.5 million square feet available, enough to fill downtown Hartford, Connecticut. Nashville, Tennessee has 3.7 million square feet available, a 22% vacancy rate, and Phoenix, Arizona has a vacancy rate of 27.6%. Nationally, the vacancy rate is running about 20%.

Industry

Lower capital costs help Japan and Germany

The industrial strength of Japan and Germany depends heavily on the lower cost of capital which is due to a host of factors, according to

a study by New York Federal Reserve economists Robert McCauley and Steven Zimmer cited by the June 1 *Financial Times* of London.

The study indicated that the decisive element in productivity-boosting investments in new capital and R&D is not merely the "cost of funds," i.e., a narrow measure of interest charges on bank borrowings, but a broader "cost of capital," which takes account of the effects of inflation and taxation of profits as well as depreciation schedules and investment tax incentives.

The authors cite in particular the different and closer relations of banks to industry in Japan, where banks are often shareholders as well as lenders. They also mention the lower and more stable inflation rate, which lessens the risk factor in stock ownership and thus lowers the cost of equity financing.

Science

Form of universe seems similar to soap bubbles

The large-scale organization of matter in the universe appears as a foam of "soap bubbles," according to two teams of astronomers who have shown that galaxies are not randomly distributed throughout space, but occur only at periodic distances. Their findings were reported in *Nature* magazine Feb. 22.

The astronomers made "pencil-beam" surveys (i.e., over a tiny field of view to great depth) on a line of sight outward along both galactic poles. Instead of finding a random distribution of galaxies, as predicted by current cosmological theory, they found a fairly sharp periodicity in the distances at which galaxies are located. Fifteen intervals of about 626 million light years each have so far been mapped along the polar axis. Examining new directions, they again found a periodicity only slightly different from the first.

When these findings are combined with the discovery of the "Great Wall" of galaxies (see *21st Century Science & Technology*, Spring 1990), some astronomers conclude that galaxies are gathered in a cellular or soap-bubble structure. Another possibility, suggested recently by Chinese dissident, astrophysicist Fang Li-zhi, is that the topology of space is

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multiply connected, causing the same galaxies to be seen in the same direction more than once.

The astronomers comment drily that their results are "possibly unappealing in terms of standard cosmogonies." There is no force known that could have formed structures of the size already observed in the time available since the alleged Big Bang, without the introduction of ad hoc theoretical epicycles.

One of the astronomers, Alexander Szalay of Eotvos and Johns Hopkins universities, told *21st Century* on May 31 that they would have been kicked out of observatories in the early 1980s if they had reported their discovery before amassing their evidence.

Medicine

Fetal operation opens new era

In an operation that may open a new era in fetal medicine, Dr. Michael R. Harrison and his colleagues at the University of California in San Francisco performed lifesaving major surgery on a fetus and delivered a healthy baby seven weeks later, the May 31 *New York Times* reported.

The fetus had a hernia of the diaphragm, a fairly common and usually fatal congenital malformation. His stomach, spleen, and large and small intestines had migrated through a hole in the diaphragm, taking up so much space that his lungs could not grow. Without fetal surgery to close the hole, to push these organs where they belong, and to give his lungs a chance to grow, he would almost certainly have died at birth. His lungs would have been too small for him to take a breath.

Astronomy

Largest telescope being assembled

The W.M. Keck Telescope—to have more light-grasp than any previous telescope—is now being assembled near the summit of Mau-

na Kea, a dormant volcano in Hawaii, at an altitude of 13,600 feet. Completion and the start of operations is planned for late 1991.

The Keck is the first of new technology telescopes that solve a problem that prevented increases in scale beyond the Palomar 5-meter diameter mirror completed in 1948: As the heavy mirrors are shifted to point in different directions, gravity causes them to slump slightly, deforming the high precision of the mirror surface. The solutions involve the use of multiple smaller mirrors whose images are correlated by computer. The Keck combines 36 hexagonal segments in a composite surface, with continuous automated monitoring and adjustment of each segment's alignment with the others. The result is equivalent to a single 10-meter collecting surface, with four times the light-grasp of the Palomar mirror, or 17 times that of the Hubble Space Telescope. No ground-based telescope, of course, can have the resolving power of the Hubble.

Population

Beijing will enforce birth control in Tibet

Officials of the People's Republic of China disclosed plans May 30 to extend birth control policies to Tibet, a state family planning commission official in Beijing said, Reuters reported. Chinese diplomats expect the restrictions will provoke protests by Tibetans.

Tibet's regional government would limit rural families to three or four children, the official New China News Agency said. Tibetans living in towns are already limited to two children—or three if the first two are both boys or girls. "It is important to control the size of Tibet's population as well as to improve its population quality," the agency said, quoting the official Zhaxi Namgyai.

After the 1949 communist revolution, ethnic Tibetans declined from 2.78 million in 1953, according to official figures, to 2.5 million by 1964. While an estimated 100,000 Tibetans fled into exile after a failed rebellion in 1959, official figures indicate large numbers died of famine or persecution, a Chinese historian said.

● **THE LONDON-CHANNEL** high-speed rail tunnel was not given parliamentary backing by a ministerial group consisting of Prime Minister Margaret Thatcher, *Financial Times* reported June 2. The builder, European Rail Link, has said it will not proceed without such backing.

● **DELAWARE** Gov. Michael Castle signed a law May 29 allowing banks to underwrite insurance and sell it by mail across the U.S., *USA Today* reported. Many large banks have operations in Delaware and will immediately get into the business. The Independent Insurance Agents of America and the American Council of Life Insurance are opposed to the measure.

● **RAILWAY ENGINEERS** from 15 nations formed a European-wide association in Brussels June 1 to coordinate railway development efforts. The president of the new union is Josef Windsinger, of the West German Association of Railway Engineers.

● **'PALESTINE FEVER,'** a new illness as yet unidentified in a laboratory, which causes high fever, an itchy red rash, temporarily crippling joint pain, and a sore throat, and which first occurred in Palestine, Texas in February, has affected over 50 children in rural Texas.

● **AMERICAN WORKERS** are working longer hours just to get by, according to the June 3 *New York Times*. Nearly 24% of the 88 million workers now spend 49 hours or more each week on the job (or jobs). In 1973, according to a Harris poll, the median number of leisure hours per week was 26.2, which dropped to 16.6 hours by 1987.

● **JAPAN'S** Institute for Space and Astronautical Science is proposing a \$100-million unmanned lunar mission in 1996, including a lander and penetrator to analyse lunar soil, according to NASA.