

Business Briefs

Energy

Third World demands imperil environment?

The U.S. Congress's Office of Technology Assessment (OTA), a bastion of anti-technology zero-growthers, has issued a report on energy use and the global environment which, according to the *Washington Post*, "dramatizes the dilemma facing many of the world's poorest and most densely populated nations: The more their people gain access to motor vehicles, mechanized farm equipment, and modern appliances, the more they have to spend on power plants and imported oil and the greater the risk of environmental degradation."

The *Post* quotes a bevy of environmentalists suggesting that "non-fossil fuel" avenues to development must be used by the Third World, since "you can't ask these countries to forego development, so you have to make it possible for them to develop in a more environmentally friendly way."

The report itself notes, "Overuse of biomass already contributes to environmental degradation. . . . Moreover, gathering traditional supplies of fuel wood is time-consuming, exhausting work frequently undertaken by women and children, who are thus diverted from other activities."

A later OTA report will make recommendations for dealing with the Third World energy "problem."

Aerospace

Italy proposes seven European satellites

The Italian Ministry of Defense has proposed that Europe build seven new military satellite systems during the 1990s, according to *Space News*. The proposal, following technical studies which were completed last June, would cost \$13 billion, and is intended to involve Italy's European space partners. The new programs would include three satellite programs

for communications and data relay, two for observing satellites, one for theater navigation, and one for electronic intelligence.

At the present time, the Italian Defense Ministry is involved in the Helios photographic reconnaissance satellite with France and Spain, the all-Italian SICRAL Alarm and Classification Communications (early-warning) satellite, and the U.S. Navstar Global Positioning (navigational) satellite system. An Italian Air Force official is quoted saying, "The proliferation of long-range missiles and aircraft is a problem for Italy and its European partners. Satellites give us the necessary warning."

Investment

South Korea to give billions to industry

The South Korean government will provide \$2.1 billion in grants and loans over five years to help industries develop manufacturing technology, the Trade and Industry Ministry announced on Jan. 26. The plan was contained in a ministry report to President Noh Tae Woo on measures to promote industrial development, the *Bangkok Post* reported Jan. 29.

Officials said that, under the plan, 919 technology development projects would be assigned to Korean manufacturing companies.

It was also announced that Korea will seek seven joint research projects with Japan. Economic and technological ties between the two countries were stimulated during the visit of Japanese Prime Minister Toshiki Kaifu to Seoul the second week of January. According to *Korea Herald* reports of the visit on Jan. 10, the two sides agreed that it was "as a result of the brilliant economic achievements" of the two countries that the region is in as good shape as it is, and that the "strengthening of economic, scientific, and technology cooperation between our two countries will not only contribute to our own development but will accelerate that of others."

Demography

China's 'excess birth guerrillas'

Villages of outcast families are springing up outside the cities of the People's Republic of China, where families can escape the abortion police and freely commit the crime of giving birth. The newspaper *Henan Ribao* reports on one such village, known as "Monks Ridge," with over 100 households. Some have jobs in the cities, but many pick up garbage or tell fortunes for fellow villagers. Attempts to bulldoze the villages have met with successful resistance from the "guerrillas."

Meanwhile, China's economy continues in desperate shape. Reports in the Beijing press say that 40% of the rural labor force of 400 million are "surplus labor." The vice minister of agriculture, Chen Yao-bang, says it is closer to 50%, but claims that about 45% of this surplus has been employed in rural industries. However, 400,000 rural industries have been closed in the past year. It is estimated that employment must be found for about 200 million people over the coming years.

Astronomy

Galaxy has no big black hole

Blobs of plasma apparently ejected from the Milky Way's "central object" provide a new assessment of this object's nature, two astronomers reported to the semiannual meeting of the American Astronomical Society in Philadelphia on Jan. 16.

The plasma blobs and a particle wind were detected through their emission of radio waves, and the observations lead to an estimated mass for the central object of only 300 times the mass of the Sun.

"This study rules out a supermassive black hole, in accordance with other methods of analysis I suggested several years ago," said Leonid Ozernoy of Los Alamos National Laboratory, who presented the new results, along

with Farhad Yusef-Zadeh of Northwestern University.

Astronomers have thought for many years that the central object, known as Sagittarius A* ("Sag A-star") might be a supermassive black hole, with a million times the Sun's mass. The concept of a black hole, a mass so great that its gravitation prevents even light from escaping, is a mathematical extrapolation that has never been found in nature, being perhaps a figleaf for astronomers' want of imagination.

The two astronomers consider that the central object is either a small black hole, or a rapidly spinning, magnetized star. The central object should provide some clues to the process by which galaxies are formed.

The supermassive black hole hypothesis had been supported by observations of gamma ray emission from the galactic center. A recent French-Soviet experiment, however, shows that the gamma rays are coming from a different source near Sagittarius A*, previously known for its X-ray emission.

Biological Holocaust

WHO has no money to fight AIDS

The World Health Organization's anti-AIDS program lacks the money required, Director Michael Merson told the press in Geneva, Switzerland on Jan. 28. The budget for 1991, which was about \$100 million, must be cut by \$30 million. This means jeopardizing both the so-called prevention programs and the medical treatment of patients.

Merson also pointed to the fact that 10 million children in Africa will be orphans by the year 2000 due to the death of their parents from AIDS. For these children, there must be food, clothing, and housing, Merson said.

About 1 million of the 16.8 million citizens of Uganda are estimated to be HIV-infected, the German magazine *AIDS Forschung* says. The Rakai District, a rural area with a population of 330,000, is considered to be a region with a high prevalence of HIV infection. In this area, the parents of about 40,000 children may already have died of AIDS.

In Abidjan, the capital of Ivory Coast, AIDS is now the leading cause of death for males, and the second leading cause for females. Between 1988 and 1990, the prevalence of HIV-1 in hospital patients increased by 8.2% to 53.1%, and the combined prevalence of HIV-1 and HIV-2 is now 58.0%.

Health

U.S. readies new cuts in hospital care

Gail Wilensky, administrator of the Medicare program, has sounded the opening salvo of the federal government's latest war on rising hospital costs, attacking hospital capital investments and treatment costs as the major culprit. Wilensky plans to cut Medicare's paltry 85% reimbursement of capital costs to a flat rate payment, ignoring the capital expenditures a facility may need.

In her memo to Congress, Wilensky claims that "nationwide, more than one-third of hospital beds are empty," and that hospitals are still building to increase numbers of beds.

To the contrary:

- The American College of Emergency Physicians reported in September 1989 that overcrowding emergency rooms threatens the future of the country's hospital system.

- The American Hospital Association reports that 104 hospitals closed in 1988. By the mid-1990s, AHA estimates that 1,000 hospitals will be closed or converted. Between 1993 and 2000, the estimate of AHA and others is that an average 300 hospitals will close each year.

- The AHA, as well as the National Association of Public Hospitals and the National Committee for Quality Health Care, estimate that in the next 11 years, 40% of all U.S. hospitals will close. It estimates that 2,700 hospitals will close or convert, leaving about 4,100 hospitals nationwide—all because of uncompensated or undercompensated care for the poor, uninsured, and the Medicare/Medicaid prospective payment system (PPS) which reimburses hospitals at a fraction of their costs.

- **THE EUROPEAN** Airbus consortium has had to arrange extraordinary financing to extend the leases for 21 of its jets to bankrupt Pan American. A.I. Leasing II, an affiliate of Airbus, is owed \$16 million in back payments for the leased aircraft, and an additional \$18 million was due at the beginning of January.

- **SOUTH KOREA** will extend a \$3 billion credit to the Soviet Union toward purchase of Korean technology, Soviet Deputy Prime Minister Malyukov announced from Seoul. The agreement will be signed in March, preceding the scheduled visit by Mikhail Gorbachov to Japan.

- **ENERGY** consumption per dollar of GNP in the United States declined every year between 1970 and 1989. Over that same period, GNP nearly doubled. Energy consumption in 1970 per GNP dollar was 27,490 BTUs. By 1989, it had declined to only 19,600 BTUs—a 29% drop. But GNP rose from \$2.4 to \$4.1 trillion over the period—demonstrating a serious decline in real industrial and agricultural capital formation.

- **BANKRUPTCIES** in Australia doubled in the last quarter of 1990. A total of 2,924 Australian companies were declared bankrupt in the October-December quarter, a 56% jump from a year earlier. The October-December figures compared with 1,874 in October-December 1989, according to the daily *The Australian*. Worst hit was western Australia in which bankruptcies nearly doubled, and then Victoria, with a 65% increase.

- **WEAPONS SYSTEMS** now in use by the United States in the Persian Gulf are technologically far behind the typical Japanese commercial product, according to the *Los Angeles Times*. A personal computer contains more sophisticated electronic components than the cruise missile, for example. The major reason is the contraction of the manufacturing base for many new technologies.