

TRADE

No Faking It. China's failure to get tough on intellectual-property thieves drags the country closer to a trade war with the U.S.

BY BILL POWELL

ZHOU FUKUAN, A CHEERFUL 32-YEAR-OLD who runs the DVD stand across the street from my old Shanghai apartment, just smiles when I tell him that the U.S. has filed a complaint with the World Trade Organization (WTO) over China's rampant infringement of intellectual-property rights. "I hadn't heard that," he says, "but this sort of thing happens a lot—the government says they'll crack down on [piracy]. It usually lasts a few days, and then..."

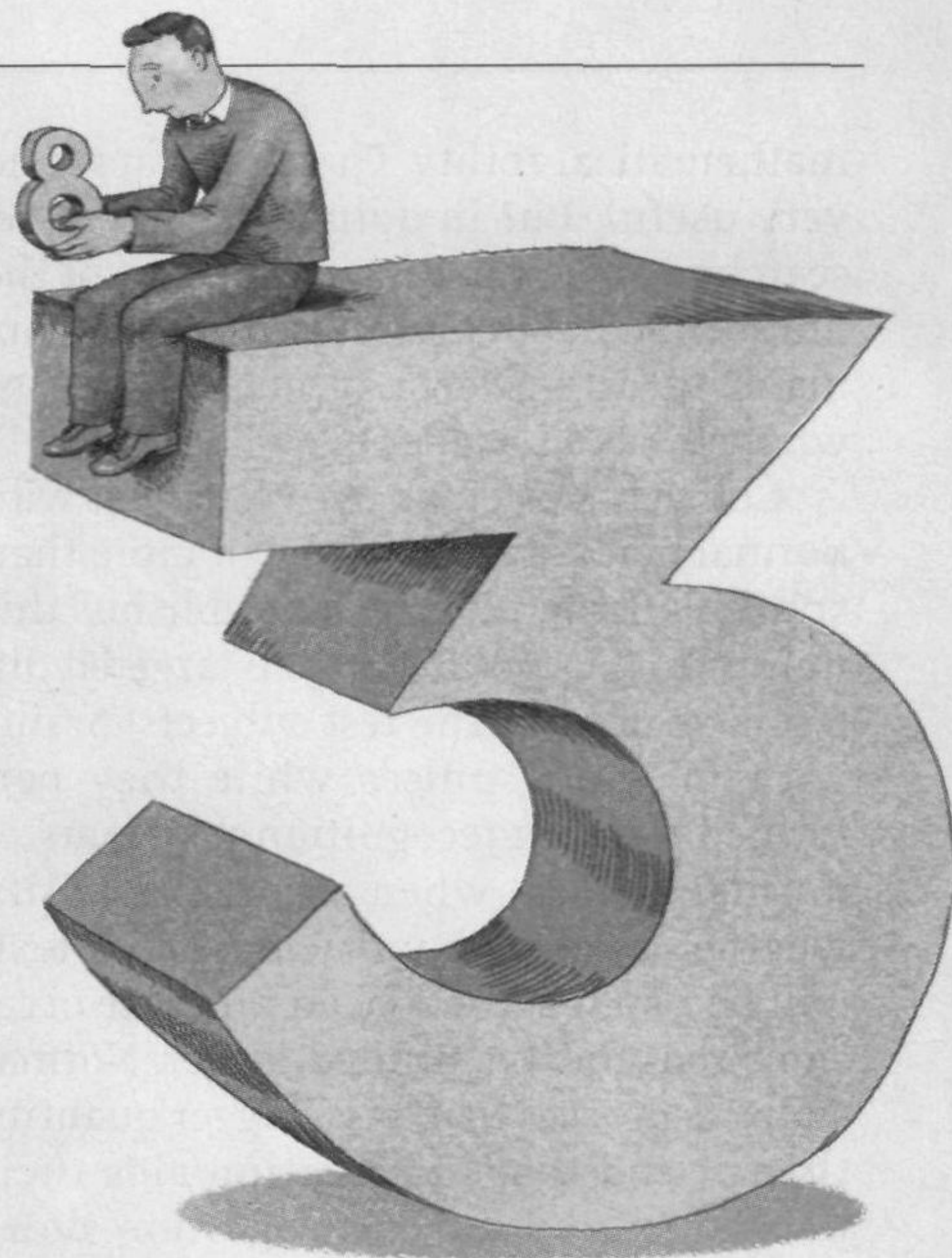
He doesn't need to finish the sentence. And then... nothing. China is always promising to crack down on intellectual-property abuse. In fact, the government recently declared March 15 to be Antipiracy Day, and there are still big billboards downtown urging everyone to combat the scourge of illegally copied software, DVDs and other products. Not surprisingly, Chinese officials threw a rhetorical fit on hearing of the WTO complaint, brought by U.S. Trade Representative Susan Schwab on behalf of the American music and film industries. Commerce Ministry spokesman Wang Xinpei said it would "seriously undermine the cooperative relations the two nations have established."

In protecting computer software and pharmaceuticals, the Chinese actually have made some progress. That's why companies like Microsoft and Merck want no part of the WTO complaint. But for the film and music business, the claim that there has been headway is simply a joke. "Competition has

never been tougher," Li Haihua tells me as he peddles DVDs of new Hollywood films for 60¢ apiece on Shanghai's Huaihai Street, just blocks from a big antipiracy billboard. "There are more [sellers] than ever before, and the price has come down." Zhou says he earns less than 13¢ per disc. "It's definitely a volume business," he adds wearily.

Then again, China is a volume business, one that is increasingly running afoul of Washington as the U.S. trade deficit with the mainland soars. The Bush Administration in February filed another WTO case alleging that Beijing unfairly subsidizes a range of industries; last month the Commerce Department backed a push for higher tariffs on some Chinese paper products. With Congress now controlled by Democrats increasingly skeptical of unfettered global commerce, what was once unthinkable—a trade war with China—has now become remotely plausible. Economists are shuddering, given how harmful a series of tit-for-tat moves between Beijing and Washington could be to the global economy.

China could, in theory, get tough on piracy—not by going after the street vendors, but by shutting down the small, makeshift factories that churn out the discs. There are periodic raids, to be sure, but it would take a lot more effort to truly end the practice, and it's hard to believe the Chinese leadership really cares that much. Maybe a WTO case will change that, but Zhou, for one, doesn't believe it. "Don't worry, I'll still be here," he says, and with a smile asks if I had seen *The Last King of Scotland*. "Five renminbi," he says. ■



NEUROSCIENCE

Down for the Count. Brain research offers new insight on a common, poorly understood learning disability in math

BY LAURA BLUE

IMAGINE A CHILD AT AGE 10 NEEDING TO count on fingers to tell you whether 6 is bigger than 5. That's not as rare as you might think. Affecting some 2.5-7.5% of the population, researchers say, the learning disability dyscalculia prevents people from comprehending or manipulating numbers, even small ones, easily. Though you may have never heard of it, the condition is much more than being bad at math. "You need to hear people suffering from dyscalculia, how hard it is for them to do everyday things, just going to the shop, counting change," says Roi Cohen Kadosh, a research fellow at University College London (UCL). Other practical impossibilities for dyscalculics: balancing a checkbook, planning for retirement, being a baseball fan. The list goes on.

Cohen Kadosh may not have the solution, but it turns out he does have a pretty good grasp of the problem. For the first time ever, he and others at UCL have figured out how to induce dyscalculia—temporarily—in people with normal



Street crime A man sells pirated DVDs out of a suitcase on a Beijing sidewalk

STEPHEN SHAVER—POLARIS; ILLUSTRATION FOR TIME BY WESLEY BEDROSIAN