

lor called on the creditor banks to make concessions, especially in regard to interest rates, beyond what they have offered to Mexico, Venezuela, and other debtor countries.

"It has become clear that the foreign debt of the Third World, not just that of Brazil, is absolutely unpayable under the current terms," he said. "We must therefore find ways and terms to renegotiate it in a way that would promote the economic growth of debtor countries, and make the creditor banks understand that it is much better to have a customer with affordable interest rates—not those abusive, outrageous rates that have been charged especially throughout the past decade—who can pay the debt under terms and interest rates established through that renegotiation."

"Our negotiators will at no time allow our economic growth to be affected or our domestic market be weakened, because this would bring about many problems," the President added.

Bankers respond

Response from the international banks has not been long in coming. The March 28 edition of *Folha de São Paulo* quoted unnamed U.S. bankers demanding two things of Brazil immediately: a "symbolic" payment on the interest arrears, and the restarting of talks on renegotiating the foreign debt. The next day, Allistair Tedford, vice president of Salomon Brothers, and Peter McPherson of the Bank of America, called on Finance Minister Cardoso to discuss the foreign debt situation.

Two days later, Brainard of Bankers Trust, clearly speaking for many other top banks, showed his fangs in interviews with two Brazilian papers. He told *Estado do Brasil* that Brazil had better immediately begin making interest payments, or else "the country is headed for the abyss, just like Argentina. The next step," he threatened, "is that the IMF will pull out, the American government will wash its hands of the problem, the World Bank also won't get involved. No one will want to touch the country." On the proposal to limit interest payments to \$5 billion a year, he replied, "I don't think it's a good idea. This is derived from the principle that the payment of interest endangers the country's growth. . . . It's proven that countries which reduce, or fail to pay their foreign debts, will not attain acceptable levels of growth."

Speaking to *Gazeta Mercantil*, Brainard was even harsher, threatening that "there's nothing Brazil can do to hurt us, but there are many things we can do to hurt you."

Undeterred, Cardoso reiterated to a conference of the Inter-American Development Bank in Montreal on April 2 that Brazil would no longer let foreign creditors dictate the country's economic policy. "The fact is that every time that this has happened, it has resulted in failure. We now await from the international financial institutions and the international financial community a response commensurate with the sacrifices now being undertaken by Brazilian society," she said.

The city of Houston: a terminal case of 'free enterprise'

by Carol Hugunin

Since the onset of the Reagan-Bush "economic recovery," the city of Houston has been transformed from what passed for an economic miracle, to a nightmare of poverty, homelessness, and disease. This is the legacy of the Gramm-Rudman budget-slashing policy, which has devastated the nation's productive capacities and its infrastructure—ports, roads, bridges, water management—in the name of Donald Trump-style "free enterprise." The story of Houston, is the story of what happens to all those thousands of unemployed, once their unemployment checks run out.

In 1979, when the auto industry began massive layoffs, thousands migrated to Sunbelt cities like Houston, sporting bumper stickers like: "Will the Last One Out of Michigan Please Turn Off the Lights." Shanty towns and soup kitchens sprang up. Since the Sunbelt was a boom area, many of these blue-collar families found new jobs.

But then in 1983, the price of oil collapsed, ruining first the local oil industry, then feeder industries, then real estate, and finally, in the past year, even the banks around Houston. Adverse weather further set back local farming. Homelessness was on the rise, along with tuberculosis (TB), acquired immune deficiency syndrome (AIDS), and measles—at precisely the time that supportive infrastructure collapsed, from homeless shelters and hospital emergency wards, to railroads, bridges, and roads.

In December 1989, McKinsey and Co. released a study of homelessness in Houston and the surrounding Harris County area, which had been requested by the Coalition for the Homeless of Houston/Harris County. On any given night, 10,000 in Houston/Harris County are homeless, including 1,500 children. Almost 40% of these have been victimized by crime since becoming homeless. In addition, 150,000 more people are marginally homeless: These double up with relatives or friends for as long as the host will tolerate them, then move on to visit somewhere else. More than 30,000 of these marginally homeless are children growing up under highly adverse conditions, constantly changing schools.

In addition to these, 250,000 more citizens are just one paycheck away from becoming homeless; just one illness, or even the temporary loss of a job, would move them into the streets. So, on any given night in the Houston/Harris County area, there are 10,000 homeless plus 150,000 marginally

homeless, and 250,000 at risk of becoming homeless—for a total of 410,000 homeless or at risk; that's roughly 10% of the population! And this time around, unlike in 1979, they are Texans, with 46% born in Houston.

Could it happen to anyone?

These are not, generally, your stereotyped "Skid Row" types or substance abusers. Look at some examples:

Case #1—A \$100,000-a-year procurement expediter working overseas came back home to Houston after the savings and loan institutions collapsed. Although he's highly skilled, companies won't hire him because he is over 50 years old. He now lives on private charity.

Case #2—A very frugal, hard-working professional couple, pushing 60, had put all their savings in bank stocks, and lost everything when their savings and loan collapsed. She's a mechanical engineer; he ran a business that employed 30 until it folded when their bank went under. He has a viable idea for chemical treatment of solid wastes, but no capital now to start a new business. Along with their life's savings, the couple lost their health: All their teeth went, heart conditions became a problem, and both are now too ill to look for work. They now live on private charity.

Case #3—The first black engineering graduate of Rice University, a design engineer and part-time minister, with a wife and three small children, lost his job as design studies dried up with the collapse of real estate. He now works at a 7-Eleven store, has lost his home and phone, and is just one paycheck away from becoming homeless.

Case #4—Another white-collar worker, an accountant, lost a \$50,000-a-year job and tried to get hired doing computer work, but found companies weren't willing to take a 50-year-old because of the potential medical insurance risks. He lost his home and car, and is now doing physical warehouse work and would make maybe \$20,000 a year—except that the work is seasonal, not steady.

Case #5—Two single mothers shared an apartment, trying to make it by pooling resources. One worked a day job at a grocery store; the other a night job waitressing; each took turns babysitting, while the other worked. But the pressures of trying to scrape enough together to raise a family this way, and at the same time, to get just a bit more education to get out of the minimum wage category, inevitably led to a falling-out between the two women. The apartment arrangement collapsed, and both become homeless, although employed, are looking for help from private charity.

The McKinsey Co. survey indicates that 5% of the marginally homeless and 10% of those one paycheck away from becoming homeless are white-collar workers: certified public accountants, geologists, engineers; the rest are mainly blue-collar workers. These are average citizens with hard-luck stories, working one, two, or even three minimum-wage jobs to try to support their families; or elderly willing to work even at hard physical labor, as long as their health holds up.

Budget cuts, health care crisis

Houston, Sunbelt city, is the fourth largest city in the United States, built in the spirit of wheeler-dealer, anything-goes "free enterprise." It never had a great public health system, or much in the way of publicly funded homeless shelters or soup kitchens. Now, with the extensive budget cuts, this city, already deficient in social, medical, and other services, has less and less. But the need is growing: In 1988, some 20,000 citizens in the Houston area showed up for a free Thanksgiving dinner, being unable to afford their own. In 1989, plans were made to feed 35,000, with the realization that hunger was increasing in the area. An estimated 60,000 showed up, and many went away hungry.

The most glaring example of this problem is the acute health care crisis. In January 1990, when Hermann Hospital, one of the three area hospitals that handles poor patients, closed its trauma unit, the Houston area went into an acute care crisis. Many poor patients now wait three or more days in the emergency room for problems that should be treated rapidly. Ambulances with trauma patients are turned away. The result is a sad irony: In a city with arguably the best medical research centers in the country, an increasing percentage of the unemployed and poor die because of inadequate health budgets and poor planning. If you're part of the 40% of the homeless who have been subjected to a violent crime since losing your home, your ambulance ride is now likely to end at the morgue.

Staff under these conditions are overworked and face tremendous supply shortages. Fire Department paramedics commonly work 24-hour shifts to make up for the fact that the Fire Department has hired only two-thirds of the number of paramedics required for the job. Paramedics are reduced to "lifting" medical supplies from county hospitals; "borrowing" common items such as blankets from the house closest to the emergency; and personally paying for items like C-cell batteries for laryngoscopes, required as a matter of life and death, to check the airways of unconscious or non-breathing victims. But internists and paramedics who constantly see people die due to lack of emergency wards, lack of staffing, lack of beds, lack of supplies; who chronically work double-time to fill in for shortages; themselves get burnt out. Their marriages become strained and sometimes crack; or they give up on saving lives and quit their jobs; or they fall asleep at the wheel and become the trauma victim who will probably end up at the morgue because of the acute care crisis.

A similar story can be told about the city shelters and other services. The Star of Hope, Houston's largest men's shelter, was forced to close a 350-bed unit because the city lacked the money to bring the building up to city standards, and lacked the funding for the staff to support it.

Children are hardest hit

The worst tragedy, is that the children of Houston are the greatest, and largely unspoken for, victims.

Last year, Houston/Harris County had the largest measles epidemic in the United States since vaccination became widespread: 1,804 cases with 10 deaths. The victims were children, mainly preschoolers.

Houston has averaged, over the last five years, an infant mortality rate of 11.5 deaths per 1,000 live births. But in the Northside, a poor area of the city with no medical facilities, the rate is 23.4 deaths per 1,000 if you're white, and 21.8 deaths per 1,000 if you're black. This is far worse than in any European country, and worse than some Third World countries. Israel has an infant mortality rate of 13 per 1,000; Cuba and Czechoslovakia 15 per 1,000; Bulgaria 16 per 1,000; Costa Rica, Poland, and Portugal 19 per 1,000. Yet in Houston, both private and public hospitals have excellent neonatal care for low birth-weight infants.

A *Houston Chronicle* reporter, Ruth SoRolle, matched birth and death medical records provided by the state of Texas on roughly 3,000 infants who had died in the Houston/Harris County area over the last seven years, in an effort to find the causes of this problem. Normally in Houston, 7% of infants are born with low birth weight, but among those that died, 60% were low birth weight. The tragedy was best summarized by the all-too-typical case of the first baby born in Houston in 1989. His mother was black, young, and poor; she smoked, suffered from a nutritionally inadequate diet, and had never held a job. This baby, like her previous baby, died within a few weeks of release from the hospital, from sudden infant death syndrome (SIDS). Yet, public health workers had not indicated to her that this baby needed any special monitoring, or was at any kind of risk for SIDS. The mother had had no prenatal care and advice.

Medical infrastructure doesn't exist on the Northside, and for the poor, the \$1.50 round-trip cost to visit a clinic elsewhere by public transportation generally means one-half gallon of milk less for the children. To qualify for public health care, roughly 50 pages of health forms must be filled out, and a pregnancy test must be taken. At most clinics, bilingual aid, or any other kind of help filling out forms, is not available, and few of the most needy are literate or persistent enough to complete the job on their own. Pregnancy tests, like childhood vaccines, are only available on certain unsteady days. The pregnant woman is advised to "call back next week at 8:30 a.m. sharp." Only the first 12 calls are actually tested for pregnancy; the rest can try again the following Monday.

So Houston's county hospitals spend hundreds of thousands of dollars valiantly trying to save low birth-weight infants, born to mothers who never received inexpensive preventive prenatal medical care and nutritional assistance. And their infants die, sacrificed to the mentality which insists that public health infrastructure just isn't necessary.

TB is rampant in Houston, which in 1988 had 27.6 cases per 100,000 people. The United States as a whole has only 9.1 cases per 100,000 people. Of course, New York City,

with 32.8 cases per 100,000, and Miami, with 55.0 cases per 100,000, have a worse TB problem, but these are cities with large immigrant communities. Houston's TB problems are clustered in poor black neighborhoods, not among the Spanish-speaking or Asian immigrants.

The "free enterprise" policy also increases the rate of child abuse, as adults turn to alcohol and drugs, and take their frustrations out on their children. In 1979, when Harris County started recording child abuse cases, Houston was still a booming Sunbelt city, with 8,010 recorded cases of child abuse. By 1988, with the economic collapse in the area, the number had grown to 12,579 per year—157% of the 1979 figure.

Gangs and drugs are the latest plagues to overwhelm the city's inadequate infrastructure. Again, the tragedy is that the children are the worst victims. Crack and cocaine babies not only come into the world facing the horror of withdrawal from involuntary drug addiction; they also suffer strokes prenatally. They are born brain-damaged, with severe mental retardation and physical handicaps.

These problems, naturally, are not unique to Houston. The nation's capital has an infant mortality rate twice as high as that of Houston: 23.2 deaths per 1,000 live births in 1988, and probably higher now. In Ward 8 in the District of Columbia, the rate is 60 deaths per 1,000 many Ibero-American children.

The ideologues of radical "free enterprise," some of whom even consider themselves Christians, should read Matthew 18:2-10: "But whoso shall offend one of these little ones which believe in me, it were better for him that a millstone were hanged about his neck, and that he were drowned in the depths of the sea."

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