

# Business Briefs

## Health Care

### Texas hospitals 'going bare' due to no funding

A representative of the Texas Hospital Association told *EIR* April 4 that many rural Texas hospitals are in such bad financial shape that they can no longer afford hospital malpractice insurance. Should a facility be hit with just one malpractice suit, it would have to close.

Texas has lost hundreds of hospitals over the past few years because federal and state reimbursements for their services to Medicare and Medicaid patients are inadequate, and the number of uninsured patients has risen dramatically. Texas reimburses hospitals the least of all states in its Medicaid program.

This crisis, which caused a tremendous number of rural facilities to close, is now hitting the inner-city hospitals. Several hospitals grossed \$2 billion in uncompensated care in 1990.

## Food Supply

### World rice trade up in 1991

World rice trade rose to about 12 million tons in 1991, up 1 million tons from 1990, the U.N. Food and Agriculture Organization reported in the March issue of *Food Outlook*. Exports from the People's Republic of China, Burma, and Pakistan, in particular, are expected to be larger this year.

However, rice exports from Vietnam are expected to fall by more than 50%, due to rising domestic prices which are causing concern over domestic supplies.

The main countries with larger import demand for rice are Brazil, Malaysia, Peru, and the West Asian oil-producing countries.

Import requirements for the Soviet Union are also expected to increase. So far, about 200,000 tons have been contracted from Thailand for delivery this year, according to the FAO.

India has also announced a large increase in exports available for 1991, but its export

prices are higher than world market levels. India has introduced a new rice seedling, which matures in 65, as opposed to 95 days, and will be a great boon for semi-desert areas, according to Indian press reports. The superfast variety has already been tried out for three consecutive years in the Kalahandi desert in the state of Orissa, and despite the short monsoon there, the rice variety gave a very high yield. Scientists claim that even if it rains only 3-4 days during the monsoon period, this variety of rice will produce a subsistence level of yield.

The new variety could also prove to be a boon in flood areas like the state of Assam in the northeast, where the Brahmaputra floods over thousands of hectares of cropland, destroying the standing crops. Following the receding of the flood waters, the normal variety of paddy does not get much water to sustain it for the full 95 days. By cutting down the maturity time by 30 days, Assam will also be able to pull in bumper crops.

## Technology

### New X-ray lens developed jointly by U.S., Soviets

U.S. and Soviet scientists have jointly developed a new X-ray lens. The lens is capable of focusing X-rays into beams that can be used for medical applications and for manufacturing semiconductor chips.

Soviet physicist Muradin A. Kumakhov of the I. V. Kurchatov Institute of Atomic Energy in Moscow, and American physicist Walter Gibson, director of the Center for X-Ray Optics at the State University of New York in Albany, recently formed a partnership to commercialize the X-ray optics technology.

Utilizing the principle that X-rays can be reflected off of smooth surfaces at very slight angles, the lens is made up of 2,000 glass capillaries through which the X-rays are channeled. The X-rays "bounce" down the smooth walls of the tiny glass fibers, and by tapering the fibers toward one another, the X-rays are focused on a small spot.

X-rays have been sought as a "light" source for etching details on the semiconductors to create more advanced chips with finer

features. However, an X-ray source powerful enough to manufacture semiconductor chips with present technology could cost as much as \$50 million. With an X-ray lens to focus the rays, a less powerful source could be used.

In the medical field, focused X-rays would allow for more precise pictures of small features or, in the case of radiation therapy, to concentrate X-rays in treating a tumor and reduce the exposure of healthy tissue.

## Living Standards

### Britain: second-worst poverty level in EC

Great Britain has the second-highest poverty rate in the European Community, according to a new EC report just issued in Brussels. Only Portugal has a higher percentage of its population living below the official poverty line.

According to the report, the number of British poor grew from 8.2 million to 10.3 million in the first five years of Margaret Thatcher's rule, representing 19% of the total population, and a rise of 35% for households.

A recent study done jointly by the University of Bristol and an independent British television station shows comparable figures, asserting that in the last seven years, the number of poor in Britain has doubled.

The study did not point out that Britain is unique among European Community members in the degree of its commitment to "free market" economics.

## Trade

### Germany surpasses U.S. as top exporter

Germany has surpassed the depression-ridden United States as the leading source of exported goods. According to recent General Agreement on Tariffs and Trade figures, the U.S. was the world's largest exporter in terms of financial value in 1989. In 1990, however, Germany took over the number-one spot for

the first time.

Germany exported \$421 billion worth of goods, representing 12.1% of the world total. The U.S. sold only \$394 billion worth, 11.4% of the world total. Japan was third in both 1989 and 1990, exporting \$286 billion in 1990, 8.2% of the world total.

The U.S. was still the largest importer, with 14.3% of the world total, followed by Germany, France, and Japan.

## Domestic Credit

### Consumer credit still on the decline

Consumer credit for installment debt fell for the third consecutive month in February, according to the Federal Reserve. It was the first three-month drop since 1987, throwing more cold water on the "consumer confidence" theories of the economic wizards.

Every major category of credit declined, underscoring the deepening decline in sales of consumer durables and income levels. The only thing going up is credit card debt, which rose 7.5%, reflecting not more spending, but only people's attempts to survive the income collapse.

## Markets

### Plans for Japan Sea basin trade zone advance

Japanese and South Korean circles are drawing up preliminary plans for a new trade zone to include the nations bordering the Japan Sea including Japan, North and South Korea, the People's Republic of China and the Soviet Union.

The development of basic infrastructure including rails, ports, and telecommunications, in remote but raw materials rich regions of the Siberian Far East would possibly form the core of the regional development, according to Toshio Watanabe of the Tokyo Institute of Technology.

A senior continental European banker said that the Japan Sea trade zone idea "is one of the most interesting potentials I have come across in a long, long time."

## Biological Holocaust

### Economic strangulation caused current famine

A continuous economic collapse of the African continent is the reason for the disastrous famine threatening 25-30 million lives in black Africa, reports the relief organization Deutsche Welthungerhilfe in an article in their March newspaper. Most important is the "economic strangulation imposed on the continent by foreign powers," caused by the collapse of prices of raw materials, the debt crisis, and the "incompetent conditionalities imposed by Western industrial countries."

The collapse of prices of raw materials, which were on the same level in 1987 as in 1932, caused losses of \$150 billion between 1981 and 1990, calculated in 1980 prices, and at parity prices the losses were between \$400-500 billion. In the same period, the total of all aid including loans was \$105 billion.

Africa is so extremely overindebted that it implies the creditors acted wrongly, says the agency. Debt payments in the 1980s were at least 230% too high, given the economic weakness of the continent. "In the 1980s, \$47 billion in interest payments were pressed out of the African hungerhouses. With this amount of money, they could have constructed 200,000 new schools and 200,000 hospitals. 'Structural adjustment' became the dominating doctrine in North-South relations, as dictated by the Western industrial countries and their institutions, the IMF and World Bank."

They report some consequences of these drastic conditionalities: In Ghana and Zaire alone, so many teachers had to be fired that half a million students have no teachers. Real wages dropped by 50% in 12 countries. The expenditures for healthcare were cut by at least 25% as a result of the imposed conditionalities. The agency calculates that 320,000 African children died in 1988 alone as a result.

● **THE MEDICARE** hospital fund will be broke in 15 years, due to sharply declining revenues, and rising costs as the baby boom generation reaches retirement age, the Social Security Advisory Council said April 3. "The current state of the Medicare program is precarious, and the status quo cannot be maintained," the council warned. Medicare costs were estimated at \$109 billion in 1990, or about 2% of GNP, compared to about 1.3% of GNP in 1970.

● **SOUTH KOREA** and the Soviet Union have jointly proposed construction of a transcontinental railway linking South Korea and the Soviet Union through North Korea, China, and Mongolia. Officials in Seoul, quoted in the Bangkok *Morning Post*, say the proposal was made at the annual meeting of the U.N. Economic and Social Commission for Asia and the Pacific which met in April in Seoul.

● **THE SOVIET UNION** is putting \$25 million into cold fusion research over the next four years, reported a source whose colleague just returned from a Soviet seminar on the subject. The decision to fund 20 different scientific groups working on cold fusion was made after one researcher reportedly devised an experiment that produced 150% excess heat. The experimental device shot deuterons into palladium in a vacuum and produced almost immediate neutron bursts.

● **NORTH KOREA** and Japan have agreed to launch a joint venture to produce graphite at the Fungsan Mine, North Korea's largest graphite mine, near the border with South Korea. Annual production is targeted for 50,000 tons. About 10,000 tons of graphite will be sold to North Korean steelmakers, and the remainder will be exported to European countries, including Germany, to ease North Korea's foreign exchange problem.