

Business Briefs

Petroleum

U.S. oil production falls as imports climb

The American Petroleum Institute (API) issued its biannual report on July 14 on U.S. oil production, import, and consumption statistics for the first half of this year. The report shows that both domestic production and consumption continue to fall, while imports continue to rise. Production is now at a 35-year low, consumption is lower than in 1977, and imports have increased 9.2% from a year ago.

The API report was presented by Edward H. Murphy, the institute's director of finance, accounting, and statistics. Murphy said that domestic crude oil output had fallen to 6.9 million barrels a day, a 5.5% drop from a year ago, with the biggest drop recorded on Alaska's North Slope. North Slope production fell 8.5% from last year's levels. He attributed the falling production to lagging prices and restricted new drilling, according to the *Houston Chronicle*.

The *Chronicle* quotes Murphy: "Last year at this time, spot West Texas Intermediate was \$21 a barrel. Now it's around \$18. Ask anybody last year what they thought prices were going to be in July of this year, and they'd tell you it was going to be \$21 to \$22—and they expected stronger demand. . . ."

"It's very much a self-inflicted wound. It wouldn't be falling like this if we were allowed to drill where the oil is," he said, in reference to protected areas offshore and in Alaska.

Health

AIDS will absorb most of budget, says South Africa

The AIDS problem will absorb most of the future public health budgets of the Republic of South Africa, a new report by the state medical research council released in early July reveals. The report warns that 75% of the state medical

expenses will flow into the struggle against AIDS by the year 2000.

The report gives a devastating picture of the rise of AIDS infections among black youth (predominantly young females), the depopulation of entire regions, and the dramatic increase of AIDS cases among newborn children.

Half of the world's recorded AIDS-infected cases are Africans, especially in countries that are faced with grave economic problems, political unrest, and civil war, the report says.

The Balkans

Soros-Sachs 'reform program' caused war

In early 1990, a "Yugoslav reform program" drafted by Prof. Jeffrey Sachs from Harvard and approved by the International Monetary Fund, in the name of the Markovich government, and involving speculative financier George Soros, led to the dissolution of Yugoslavia and the ongoing war in the Balkans, the secretary of economics of the former Yugoslav government in Belgrade told a journalist in July.

Elements of the Yugoslav "shock therapy" program were even more draconian than the similar program imposed on Poland. When asked if the Yugoslav economy had begun to collapse under this Soros-Sachs "reform," as was happening in Poland, the official said: "This was the problem with Yugoslavia, which fueled dissolution and war, because of the decline in the economy. There had been zero or negative growth since the early 1980s . . . but with the reform program, there was an even greater drop that was followed by the breakup of the country, disruptions, and collapse."

In his Nov. 18, 1992 speech to the Harvard Club of New York entitled "Nationalist Dictatorships versus Open Society," Soros admitted promoting a Yugoslav reform program, but denied blame for the subsequent genocide: "The Yugoslav economic reform program was

introduced at exactly the same time as the Polish one in January 1990. I remember visiting Yugoslavia in April or May 1990 and the situation looked much better than in Poland." But, said Soros, Slobodan Milosevic felt threatened, stole the money from the National Bank of Serbia, and used it to get elected by promoting "Greater Serbia."

Asia

Three nations to map out development plans

A northern growth "triangle" plan is being pushed by senior economic officials and academics from Indonesia, Malaysia, and Thailand, the Australian *Financial Review* reported in early July. The idea for the project, encompassing northern Sumatra in Indonesia, the four northwestern states of Malaysia, and southern Thailand, apparently emerged three years ago.

Officials plan to meet in July to draft an agenda, pinpoint cooperative projects, and provide terms of reference for a feasibility study by the Asian Development Bank within eight months. "The necessary leg-work has been done, and the approaches to various government officials have been completed," said Ismail Muhammed Saleh, deputy director general of the Kuala Lumpur-based Institute of Strategic and International Studies.

Demographics

Russia faces disaster, warns parliament paper

Rossiskaya Gazeta, the publication of the Russian Parliament, warned in mid-July that Russia is facing a demographic disaster. The figures were more stark than those previously published, giving rise to accusations that they are exaggerated. However, the general trend is unquestionably accurate.

Last year, 200,000 more people died in Russia than were born, the paper reported. In Moscow and St. Petersburg, deaths outnumbered births by almost two to one. There is also mass migration from the countryside. In the past 10 years, over 3 million Russians have left the villages for the cities, leaving 51,000 villages empty. About 40% of marriages end in divorce and nearly one in five women of childbearing age have an abortion in any given year, because no other form of birth control is available. The number of suicides rose 15% in 1992.

Poland

Two-fifths of population living in poverty

Some 39% of the Polish population is living below or very close to the poverty level, according to a new report released on July 12 by the National Bureau of Statistics in Warsaw. Families with many children, single mothers, and the aged are the most affected. The report dealt with the year 1992.

The dramatic collapse of living standards under the International Monetary Fund-imposed regime of the past three years is characterized by the fact that 43% of all households can secure food only if other expenses are cut to a minimum or are not paid, such as rent and electricity—which 16% of all households are already doing. Some 20% of families have to borrow money to afford basic foods.

The fact that 20% of all low-income households do not have a supply of fresh water, and 50% of these households have no warm water, has public health officials alarmed, as does the fact that more and more children from low-income families are suffering from the effects of long-term malnutrition.

The French daily *Libération* reported on July 15 that the large majority of Poles abhor Jeffrey Sachs's "shock therapy" program. Coal production is only 60% of what it was in 1980. Steel production has gone down by one-half in four years. Factories manufacturing

trucks, tractors, and aeronautic equipment are producing material that is not being bought. Officially, unemployment is 2.6 million, but "nobody has any illusions: The number of those without work can only grow in the next years, to the rhythm of the closures of factories and plans of restructuring. Planning chief Jerzy Kropiwnicki speaks of 3.5 million unemployed by the end of next year. Concerned about the rise of unemployment, the population also sees its resources collapse from year to year. . . . Between 1989 and 1992, salaries have gone down 26.6% in real terms; this year, they should go down a further 5%."

Biological Holocaust

Antibiotic-resistant bacteria emerges

New York City Health Department officials report in the current issue of the British medical journal *Lancet*, that there is widespread emergence of antibiotic-resistant common bacteria. Dr. Thomas Friedan and his colleagues report that enterococci bacteria, which regularly live in the human intestines, are now resistant to the antibiotic vancomycin. This first appeared in New York City hospitals in 1989, but by 1991, there were 38 hospitals with cases of drug-resistant enterococci bacteria. Of 100 people infected with the drug-resistant bacteria, 42 of them died, half from conditions directly related to the new bacteria strain.

Conditions in New York City and many Third World cities are ripe for disaster, the *Lancet* piece said, according to the July 13 London *Times*. The combination of high-tech medicine sporadically administered in the midst of total social and economic deprivation, drug abuse, and AIDS, is deadly.

The discovery of antibiotics and the prevention of deaths by infection was the single most effective medical discovery in history; it added 10 years to the average human lifespan, and therefore, the development of antibiotic-resistant bacteria is extremely dangerous. Drug-resistant tuberculosis is the biggest worry.

● **GERMANY'S** electronics sector will eliminate 50,000 jobs this year, industry spokesmen announced in Frankfurt on July 13. Apart from a drop in consumer products, the crisis in the aerospace and power-generating sectors and in the automobile industry was cited as the main reason for the decrease.

● **J.P. MORGAN** Futures, Inc. was fined \$125,000 by the Chicago Board of Trade for a series of violations, UPI reported July 16. The company is accused of failing to have contract-grade Treasury notes at its bank in an acceptable form to meet delivery dates on five occasions.

● **INDIAN FARMERS** ransacked and partially damaged the manufacturing factory of the multinational Cargill Seeds Ltd. The Karnataka Rajya Ratha Sangha (KRSS) group is demanding a ban on the cartels in the seed sector and the maintenance of the status quo with regard to the Indian Patent Act of 1970.

● **FRANCE'S** government is refusing to increase allowances for families, despite a drastic drop in birth rates, according to *Quotidien de Paris*. One demographer told the daily that such an increase would "express confidence in the future."

● **YEMEN** started a two-day aerial spraying campaign on July 14 to combat invading swarms of locusts, Reuters reported from Aden. Yemen officials say crops could be destroyed by tens of millions of locusts carried by winds into the country from the Horn of Africa.

● **THE CANADIAN** commercial paper market could face an agitated or collapsed market situation similar to that which precipitated the collapse of the Olympia and York worldwide real estate giant, Moody's Investors Services warned in a report issued July 14, UPI reported.