

Business Briefs

Underdevelopment

Study reveals child malnutrition in China

Children in the People's Republic of China are suffering from malnutrition, roundworms, and underdevelopment, the *China Daily* reported Nov. 30. In two provinces, Heilongjiang in the northeast and Hunan in the southeast, schoolchildren were severely affected by diseases due to malnutrition and dirt, studies by the health departments of both provinces disclosed.

Children are suffering from anemia due to malnutrition are prone to heart and lung diseases and high blood pressure, and most are nearsighted.

In the impoverished northern province of Heilongjiang, 75% of schoolchildren have no oral hygiene, and 50% suffer from roundworms. In one school in the city of Shanghai, 56% of boy students suffer from underdeveloped genitalia, most because of physical underdevelopment, but some also due to lack of personal cleanliness.

Food

East Germans facing shortage of basics

The East German people are faced with a shortage of basic foodstuffs, like bread and milk products, according to a report East German leader Erich Honecker gave to the SED party politburo Dec. 2. He reported that of 205 target goals in the state plan for consumer goods, 95 have not been reached.

Supplies with meat and meat products, fruit and vegetables of all sorts are insufficient, and even more so after the bad grain harvest in East Germany this summer. Western estimates are that East Germany suffered a drop in its grain harvest of 10-12%.

In past months, East Germany has frequently contacted Western grain and feed-grain dealers, as well as food exporters, to improve the supply for its people. Under

state policy, however, communist party members come first.

East Bloc

'Customs war' erupts over Christmas shopping

What one economist characterized as a "full-scale customs war" has erupted between Soviet satellite states, after Czechoslovakia slapped strict curbs and stiff penalties on Christmas shoppers from several "fraternal socialist states," including Poland, East Germany, Hungary, and the Soviet Union itself. Czech authorities feared that shops would otherwise be stripped of limited consumer goods before Christmas.

Under the Czech measures, a long list of goods cannot be taken out of the country, including clothes, shoes, household appliances, and many basic foodstuffs. Other goods will now require export licenses. And even then, the worth of goods a person may take out of the country has been cut from the equivalent of \$100 to \$50.

The move prompted quick retaliation from neighboring states. East Germany, Poland, and Hungary responded to Prague's new restrictions by extending existing curbs on what tourists may take from the country. The Soviet Union has not yet followed suit. In Warsaw, a Czech diplomat was called to the foreign ministry to be given a formal protest against the measures.

Meanwhile, in Austria, retailers are reporting increased sales as liberalized travel rules permit large numbers of Hungarians to cross the border to shop in Vienna.

AIDS

Costs of care to rise dramatically

"State expenditures on AIDS in the United States are estimated at U.S. \$1.467 billion for the current year by the U.S. Office of Management and Budget. By 1992, it is estimated that 172,000 AIDS patients will need

medical care and that costs will be in the region of U.S. \$5 billion to \$13 billion," the magazine of the Swiss Reinsurance Company stated in December.

"According to an estimate by the Public Health Service, in 1992 alone, 66,000 people will die of AIDS. . . . It should be noted, that AIDS patients are often not registered at such . . . so that the number of AIDS-related deaths given in the statistics could be just the tip of the iceberg.

"Estimates for the cumulative medical costs of treatment for the period up to 1991, for example, range between U.S. \$6.3 billion and \$45.4 billion. One of the reasons for these differences is that the studies assume varying lengths of hospital stay. The estimated total outlay per patient ranges from U.S. \$50,000 to \$80,000. In Great Britain, the National Health Service estimates that the total cost of treatment per patient amounts to U.S. \$48,000.

"Losses caused by premature death corresponded to over 90% of the estimated earnings per patient of U.S. \$541,000 to \$623,000. Estimated AIDS cases for the years 1981-1991 give an estimated loss of earnings of U.S. \$146 billion to \$168 billion."

Technology

Japanese introduce new supercomputer

Japan's Fujitsu, Ltd. has introduced a new supercomputer which it says is even faster than the latest product of its chief competitor in the field, Cray Research of Minneapolis. Cray had introduced a powerful machine last February, the Y-MP.

Supercomputers are an essential tool of engineers, auto and aircraft designers, molecular physicists, A-bomb makers, code-breakers, and intelligence analysts. The machines can graphically simulate enormously complex phenomena, and quickly perform calculations that would otherwise take days, months, or even years. Only the United States and Japan have built them, and in the competition, they have frequently leapfrogged one another for the "fastest machine" title.

Briefly

Keiichior Uchida, who headed the new VP-2000 machine's development at Fujitsu, told an interviewer at company headquarters Dec. 6, "We wanted to develop the fastest single processors in the world. That is what we accomplished."

The Fujitsu VP-2000 gains speed by including ever faster components in only two processors. Cray's Y-MP gets its speed by incorporating eight processors, which, while slower individually, share the burden of complex calculations.

The VP-2000 "sounds like quite a good machine," the Dec. 7 *New York Times* quoted Christopher Eoyang of the Institute for Supercomputing Research in Tokyo. "But everyone thought it would include more processors than it does. But multiple processors require new systems software. The task is technologically more complex than many people thought it would be for the Japanese."

Nevertheless, the new machine can, according to Fujitsu, perform 4 billion "floating point" operations per second, i.e., basic arithmetical tasks like addition. That is more than twice as many as the supercomputer it replaces.

Securities Markets

Top British bank cuts back its workforce

Morgan Grenfell, one of the City of London's top investment banks, has laid off 450 persons and closed down most of its stock market and bond trading operations. The company cited low market volumes since the Oct. 19, 1987 crash of stock markets around the world.

Morgan Grenfell spokesmen say the company lost more than \$33.5 million in the first 11 months of 1988.

The 450 employees represent one-fourth of its London workforce. It is one of the largest layoffs in City of London history. More than 12,000 jobs have been lost there since October 1987. Some of those dismissed at Morgan Grenfell reportedly made up to \$370,000 a year, on top of perquisites like sports cars.

"This is big, big news," one London broker commented. "And it could be just the beginning."

In fact, the move was not unexpected, but is part of a drive to "bring the City's manpower into line with reduced business," commented one newspaper editorial. Since the 1986 "Big Bang"—the deregulation of the London markets—six firms have halted operations in convertible securities and options (gilts). Morgan Grenfell is the first big investment bank to do so. According to banking analysts, losses in the gilt market are probably running about £100 million a year.

About 1,500 more jobs in the securities industry could be lost in coming months, according to a recent study commissioned by the City of London and the London Stock Exchange.

Agriculture

Fowler bill pushes environmentalist policy

Sen. Wyche Fowler (D-Ga.) has proposed provisions for the 1990 farm bill, which he introduced before the U.S. Senate recessed, incorporating the environmentalists' wildest dreams.

The bill proposes incentives for "low-input" farming methods without chemical fertilizers, and loans to farmers making capital investments for the switch. It would also establish a Farmers' Conservation Service dedicated to low-input farming; provide for restoration of "wetlands," and deny farm benefits to any farmer who drains "natural wetlands"; expand the Conservation Reserve Program and encourage the planting of more trees; penalize farmers who clear trees; establish new restrictions for water testing to curb the use of pesticides; and establish U.S.-certified "organic" foods.

Fowler's proposals are praised by the American Farmland Trust, a group that represents the food cartel companies. Jim Riggle of that organization said that Midwestern states are already involved in experimental "low-input" farms, otherwise referred to as "sustainable" agriculture.

● **TRADE** between the Soviet Union and Cuba has risen tenfold over the past 15 years, and now stands at \$9 billion annually. Cuba joined the Soviets' Comecon trade bloc in 1972.

● **MEXICANS** are opposed to joining a North American Common Market with the United States and Canada, Cuauhtémoc Cárdenas, the defrauded loser in Mexico's July presidential elections, told the Overseas Development Council Dec. 8 in Washington. "Inevitably, our natural resources, labor, productive plant, and markets would be incorporated into the U.S. economic and political system," he said.

● **HYPERINFLATION**, Weimar-style, could erupt in Brazil at any time, the *Wall Street Journal* warned in an article Dec. 8. It said that Ibero-American nations must receive some debt relief soon or they will collapse. Brazil now has a 2,000% inflation rate. The *Journal* fears that in January, Brazil's currency could balloon overnight and become utterly worthless.

● **4,000 CATTLE** were shipped hundreds of miles in New Zealand in early December, in an effort to save some breeding stock from the effects of that country's worst drought in history. The drought is expected to cost 1,000 jobs, at a time that unemployment is already at record levels. Many farmers who would normally be grazing 2-3,000 sheep on spring grass now have empty paddocks.

● **KIICHI MIYAZAWA**, Japan's finance minister and a deputy prime minister, may be forced to step down soon if opposition parties are to consider a tax reform plan that is a key part of Prime Minister Noboru Takeshita's economic package. Miyazawa is accused in a stock scandal which involved private purchase of certain stocks before they were listed publicly. The tax reform involves a controversial 3% indirect tax on all goods and services.