

Business Briefs

Health

Short hospital stays add to infant mortality

A major contributor to the high infant mortality rate in the U.S. is that the average length of stay in the hospital for a mother after delivery is two days—four for birth by Caesarean section. In Western Europe, including Britain, women stay in the hospital an average of 6-8 days, the *International Herald Tribune* reported April 19.

The U.S. infant mortality rate was 10 per 1,000 in 1987, compared to 9.1 in England, 7.6 in France, and about 6 in the Scandinavian countries. Most infant deaths occur within 28 days after birth. The longer hospital stay allows staff to observe the baby's health and the mother's ability to care for the child.

In the 1970s, there was a move in the U.S. to reduce hospital stays due to the "risk of infection" in nurseries. "U.S. insurance companies, observing this, began setting limits on coverage," and now allow only two nights for a vaginal birth and four for a C-section.

One World Health Organization official said the most important variable in infant mortality is low birth weight, related primarily to lack of social support during pregnancy and cigarette smoking. In Europe, women are assigned midwives during and after pregnancy, along with their physician. Women get free milk and vitamins, and most receive a financial allotment for each new child—a sharp contrast to the U.S.

Food

FDA approves technology to control salmonella

The use of irradiation to control salmonella and other bacteria in fresh and frozen poultry was approved by the Food and Drug Administration on May 1. It is estimated that 30 to 60% of U.S. poultry is infected with salmonella and that as many as 4 million people suffer from salmonella poisoning a year.

The FDA has already approved low-level irradiation for pork (to control trichina), fruits

and vegetables, wheat, and spices. The decision on poultry has been under study by the FDA for 12 years, a process initiated in 1978 by food irradiation pioneer Dr. Martin Welt. Welt's company now has a petition pending with the FDA to permit irradiation of seafood.

Low-level irradiation of food has been proven to be absolutely safe after more than 30 years of tests.

International Debt

Creditors say Brady Plan increases arrears

The Institute of International Finance said that the Brady Plan of U.S. Treasury Secretary Nicholas Brady, which seeks to ensure debt payment by Third World nations, has engendered "a loss of discipline in the international financial system and the build-up of payments arrears to commercial banks and official agencies," in a report released May 4.

The report by the IIF, which represents major creditor banks, estimated that total interest arrears to commercial banks have risen from \$14.37 billion to \$18.15 billion since the start of the year, up from \$6.45 billion since the end of 1988. This "mistaken policy" has had contagious effects which could worsen the International Monetary Fund's own arrears problem, the report said. It recommended that the IMF revert to granting no money to any country until it has erased arrears to the banks.

The report, entitled "Improving the Official Debt Strategy—Arrears Are Not the Way," labeled the Brady Plan as underfunded and inflexible. Debt reduction deals have not been voluntary for the banks, as claimed, but "almost mandatory." It also said that the Brady Plan had slowed voluntary debt reduction, which was at \$11.33 billion in 1989, down from \$18.38 billion in 1988.

Income

Health care costs wiped out middle-class gains

U.S. health care costs are now so high that they have wiped out most of the income gains of

middle-class American families, according to Citizen Action, a public interest group, the May 7 *International Herald Tribune* reported.

From 1980 to 1987, rising health care costs have erased from 77 to 91% of real income growth for median-income families. Health care expenses have eaten up one-fifth of real U.S. economic growth over the same period, "nearly twice the bite taken out of economic growth by the nation's major international competitors," the group reported.

Americans pay at least twice as much for their health care as do Japanese, West Germans, Canadians, British, and French, Citizen Action reported. Yet, care is far worse in general. The U.S. ranks 22nd in infant mortality and 12th in life expectancy among industrialized countries.

Infrastructure

India's Tehri dam gets final go-ahead

The \$2 billion Tehri Dam project in the state of Uttar Pradesh, which had been stopped by environmentalists several months ago and subjected to another official review, has now been given final approval by the Indian government.

The five-member committee of experts set up by Prime Minister V.P. Singh's cabinet to look into safety aspects questioned in an earlier Environmental Ministry review, concluded that all dangers arising out of the seismicity of the project site have been taken into consideration, and that the design of the dam is completely safe.

The chairman of the Tehri Hydro Development Corp. announced that the project will be completed by 1996, four years ahead of schedule, provided there's no interruption of funding.

World Markets

U.S. court upholds international jurisdiction

In a display of judicial arrogance, a U.S. Court of Appeals upheld on April 18 a two-year-old

lower court ruling which declared that the British-based futures market for North Brent Sea crude oil is a U.S. market because U.S. companies do business there.

The lower court ruling was considered "so absurd" that the market ignored it, certain that it would be overturned on appeal; when it was not, the May 3 *Financial Times* reported, "the market went into shock." Shell cut off all contact with American traders, and Exxon quit the market entirely on the advice of its lawyers.

Under the same insane logic, the Tokyo Nikkei stock market could be declared a U.S. market, as could any of the world's financial and commodities markets, or even, as the *Financial Times* noted, "a Middle Eastern rug bazaar."

Foreign Aid

Bangladesh squeezed by drop in assistance

Bangladesh received an aid pledge of only \$1.8 billion, less than its request for \$2.5 billion, at the mid-April Paris aid consortium meeting. Last year's aid commitment to Bangladesh was \$1.78 billion against a pledge of \$2.5 billion.

Bangladesh Finance and Planning Minister, Gen. M. A. Munin (ret.) said that no "political conditionalities" were imposed by the donors, but acknowledged that a mid-term review of economic performance would be required for the first time.

President Ershad's regime's alleged economic mismanagement has become a major point among the donors. The "swelling growth" of expenditures, mostly unproductive, the reduced level of development or investment operations—much foreign aid is held up "in the pipeline" for want of domestic matching funds—and the "high consumption spree" of the government have been singled out for attack.

In a move attributed to the country's deepening financial and economic crisis, the finance and planning ministers resigned suddenly in March. The country's growth rate was 2.09% in 1988-89, compared to 6.7% in 1972-73, a downturn attributed at least in part to the terrible floods of 1988-89.

Botany

Luminescent broccoli used to curb black rot

The U.S. Department of Agriculture has given the go-ahead for scientific field tests in Macon, Georgia, of luminescent broccoli. Broccoli and cabbage, will be the subject of a project run by botanists from Auburn University to curb "black rot."

Scientists will deliberately infect the plants with black rot bacteria that have received a gene containing a code for bioluminescence lifted from a marine organism (*Vibrio fischeri*), which, it is thought, enables fish to "see." The luminescent black rot bacteria will glow in the diseased plants, allowing scientists to trace its progress without having to kill the plants.

Curing black rot, a major disease of the cabbage and broccoli family, would result in higher yields. Some scientists are proposing that field test plots be dug in Lafayette Park so that a "thousand points of light" will be visible from the White House.

Rail Transport

France embarks on investment program

Michel Delebarre, the French minister of public transportation, announced in Strasbourg in early May, a 10-year program for building 3,400 kilometers of track for the French TGV high-speed train. Thirteen routes for the TGV inside France are planned.

Delebarre said that the entire project, to be presented in detail before the summer recess, will cost 160 billion francs. The Paris-Strasbourg route, with a branch leading to the Swiss border via Colmar and Mulhouse, will cost FF28 billion and is scheduled to be completed by 1997. The other routes will be completed by the year 2000.

New locomotive model has also recently been developed that can be run on all four existing electric currents, increasing the attractiveness of the TGV for use outside of France.

Briefly

● **THE AIDS EPIDEMIC** is the worst in the world in New York City, according to the May 2 *New York Post* which cited a study conducted by the U.S. Centers for Disease Control. "The New York City-New Jersey rate is not only the highest in the country, it is also higher than reported in Africa."

● **MEDICAL** emergency calls increased 48% between 1984 and 1989 in Houston, Texas, the *Houston Post* reported May 7, taxing the capability of the system. Fire department officials estimate that 30% of its EMS dollars are used in the care of illness or injury related to drug abuse.

● **THE PENSION** Benefit Guaranty Corp., a government agency which is liable for defaults on pension obligations it insures, said there is a \$14 billion shortfall of payments into the fund for just the 50 largest plans which include General Motors, RJR Nabisco, and United Brands.

● **PRODUCTIVITY** fell 1% in the first quarter, according to the Department of Labor, despite a 4.1% increase in manufacturing productivity resulting from one time factors: Recovery from the Boeing strike and the Loma Prieta earthquake.

● **THE HUNGARIAN** economy "moved into sharp recession" in the first quarter of 1990 with the collapse of exports to the Soviet Union and the government's tight-money policy, the *Financial Times* reported May 5. Industrial production of state-owned enterprises fell 9.7%, Deputy Minister of Industry Henrik Aouth said.

● **ROMANIA** should not follow the policies of Thatcher and Jeffrey Sachs, but those of the "Asian Tigers," wrote Silviu Brucan, former member of the Romanian National Front, in the May 4 *International Herald Tribune*. Sachs's policies have so far produced "food riots" and a minimum wage of \$22 a month, "not even a tenth of the average worker's food and rent costs."