

Business Briefs

Industry

Japan to be number-one manufacturer this decade

Japan will replace the United States as the world's number-one manufacturer by the mid-1990s, an economist from a German bank told the U.S. Congress's Joint Economic Committee on May 8. "Should current trends continue, I expect Japan to become the world's number-one manufacturing power by the mid-1990s and surpass the United States as the world's largest economy in the next decade," said Kenneth Courtis, senior economist for the Asian division of Deutsche-Bank Capital Markets.

Japan is building its economic edge by out-investing the United States in new plant and equipment in increasing amounts since 1980, Courtis said. "When measured on a per capita basis, the investment gap takes on its full, critical importance." Japan invested \$5,320 per capita in 1991, while America invested \$2,177, he said. "When measured on a total population basis, that means that the investment gap was an enormous \$794 billion in 1991." Japan's total private sector plant and equipment investment from 1986 to the end of last year exceeded \$3 trillion, with another \$500 billion going to research and development, Courtis said.

Malthusianism

'Population control' view called anti-Christian

The population control lobby has the worldview of the Gnostics and the Manicheans, wrote Christopher Derrick in the May 5 London *Times*. Derrick was responding to an earlier letter to the *Times* which stated, "There is a marked tension between the Catholic faith and the whole idea of population control."

Derrick wrote, "But it doesn't only concern contraception and the other specifics of personal morality. It goes far deeper than that. What are people *for*? Behind all talk of limiting

their numbers, there lurks an unspoken value judgment: It's somehow better not to be born at all than to be born into an inescapably low-quality existence—'low-quality,' that is, by the present-day standards of the affluent West."

Derrick continued, "Our present-day affluence is a highly exceptional thing, very recent and of no guaranteed permanence. Must we therefore conclude that in general (with some exceptions) human life has always been an evil and birth a misfortune? If we do, we shall be siding with the Gnostics and the Manichees (among others) and against the Christians, about one of the most fundamental questions that can possibly be asked. Let us face that question squarely and take sides consciously."

International Credit

Russian commentators attack IMF policies

After an April 27 International Monetary Fund vote to admit Russia and 13 other former Soviet republics, the daily *Komsomolskaya Pravda* of May 1 carried two attacks on the IMF.

Columnist S. Brilev compared Russia's situation with Ibero-America, where obedience to IMF dictates has turned the continent into "one big pasture, enslaved to world price fluctuations on their exports. . . . By the same logic, our country is threatened with the danger of becoming one big oilfield." IMF loans go to export industries, he reported. "And what if imports exceed exports, as happened in Chile in the late 1970s, and is happening today with us? Then with our export revenues, we will first pay the foreign debt, and second, we will take a new loan to cover vital imports. In that situation, Chile's foreign debt grew from \$5 billion to \$20 billion in 7-8 years. At that point, the international financial organizations usually advise total privatization and reduction of expenditures for social needs (as already anticipated by several recent government decisions)."

Brilev concluded, "In order to obtain small

indulgences, one must . . . regularly pay the foreign debt and interest, and implement measures recommended by the IMF. Are we really protected against American calculations, that in a few years Russia will be in the same situation as the Latin American countries?"

In a second article, V. Prokhvatilov pointed to the damage done by IMF recipes in eastern Europe, including Poland and "Yugoslavia, where civil war broke out after the Markovic government stabilized the dinar."

He quoted Prof. E. Yasin, who commented, "Implementation of IMF-recommended plans will mean that as a convertible ruble is introduced, Russia's borders will become transparent for western goods, and prices will rise to world levels. And who is going to buy our steel at world prices?" A study group headed by Yasin forecasts that desperate plant directors will turn millions of people onto the street.

Biological Holocaust

AIDS spreading fastest among women, blacks

The first national study on inpatient care for individuals with human immunodeficiency virus (HIV) but not diagnosed with acquired immunodeficiency syndrome (AIDS), issued by the National Public Health and Hospital Institute on May 14, shows that the nature of the AIDS epidemic is changing.

While 51% of AIDS patients surveyed were homosexual or bisexual men, 53% of HIV-infected persons are drug-injected women and heterosexual men—i.e., the "next generation" of AIDS patients. Currently, 24% of HIV patients, as opposed to 14% of AIDS patients, are women, and 47% of HIV patients, as opposed to 34% of AIDS patients, are black. Nearly three times as many HIV as AIDS patients are babies under 15 months old.

Larry Gage, president of the National Association of Public Hospitals, located AIDS and HIV "as part of a larger fabric of neglect and despair for residents of many of our nation's urban areas. But just as in other areas

Briefly

that range from housing to jobs to trauma systems to prenatal care, the current AIDS and HIV safety net is underfunded and stretched to the limits." He called on elected officials to "pay immediate attention to this crisis."

Dr. Dennis Andrulis, president of the institute that issued the study, said at a press conference in Washington on May 12, "Our findings raise important policy questions and future implications for the public and private sectors, suggesting that current estimates severely underestimate the costs and health-care needs of HIV-infected patients."

Rather than "rationing treatment to this population," Andrulis said, they need to "provide a spectrum of care that is financially accessible for HIV-infected individuals."

Space

Lessons learned from Endeavour mission

The problems encountered with the satellite rescue on the recent Space Shuttle Endeavour mission demonstrated that "dynamic interactions [with large masses in orbit] are more complex to simulate" than was previously thought. Space Station official Mike Hawkes reported.

The activities planned for every extra-vehicular activity (EVA), or space walk, are rehearsed by the astronauts in a 40-foot-deep neutral buoyancy tank at the Johnson Space Center. The trouble the astronauts had in attaching a crossbar to the bottom of the Intelsat-6 satellite so it could be grabbed by the Shuttle's robot arm, highlighted the difference between underwater and in-orbit physics.

Underwater, the 162-pound capture bar assembly was easily attached to a satellite model. In space, the force needed to securely attach the relatively small bar to the 4.5-ton satellite was enough to push the satellite out of position and start it rotating or tumbling. There is so much less resistance in space that the momentum from any push is greater. The astronauts held the satellite steady for 90 minutes to make sure they had it motionless.

During an in-orbit news conference, the Endeavour crew stressed that training procedures had to be reevaluated. Astronaut Pierre Thuot, who had tried for two days to grab the satellite, said, "It was something we couldn't train for. We don't have a simulator that can put all the components together—the orbiter, the robot arm, myself, the capture bar, and the satellite, basically five bodies that are all dynamic, and put them together to train."

These observations are all crucial for the multiple Shuttle EVA missions which will be necessary to assemble Space Station Freedom, to be taken aloft by the Shuttle in pieces, and put together in orbit.

Labor

Wage scale collapsing, Census Bureau admits

A controversial report withheld for months by the U.S. Census Bureau shows that the wage scale of the U.S. population has dropped as the "service economy" has expanded.

In 1979, about 12% of the nation's full-time workers had what the Census Bureau characterized as low annual incomes. In 1990, that figure had risen to 18%, according to the *Washington Post*. The study also shows that in the decade from 1964 to 1974, low-paid, full-time workers were a declining (24% in 1964) proportion of the U.S. work force and stabilized at 12% from 1974 to 1979. It then showed that the proportion of full-time, year-round workers getting what it called low wages had jumped to 18% in 1990.

According to a study by the AFL-CIO-linked Economic Policy Institute, U.S. workers' wages fell 7.3% in the 1980s. A worker earning \$10.23 an hour in 1979, measured in 1991 dollars, was only earning \$9.48 in 1991. In 1989, before the present so-called recession, wages had already fallen 5%, to \$9.73, and they have declined an additional 2.5% in 1991.

The study evidently concerns an average for the total work force. The decline is therefore, in part, a measure of the job shift toward lower-paying "service industries."

● **U.S. COMPANIES** have invested \$11.6 billion in Mexican plants over the past five years, reports the *Washington Post* in a feature on how U.S. firms are not waiting for the North American Free Trade Agreement to move south.

● **CHINA** plans massive military purchases from Russia, reported Japan's Kyodo news service on May 3, citing western diplomatic sources in Beijing. China has extended \$1 billion in aid to Russia and signed a contract earlier this year to purchase 400 T-72 battle tanks. It also plans to hire 200 former Soviet scientists and purchase fighters and warships.

● **WATER SCARCITY** will lead to wars if world leaders do not urgently tackle the threat of overpopulation, pollution, and waste, U.N. Development Program consultant Roger Berthelot claimed May 15 at a forum in Sophia Antipolis, France. Lack of water affects 40% of the world's population, and 90% of diseases in the Third World are caused by unsanitary water or shortages. But instead of water projects, he proposed population reduction measures.

● **'THE BANKS** will become the steel industry of the 1990s," prophesied Deutsche Bank spokesman Ulrich Cartellieri at a symposium of the German Employees Union in Frankfurt. He said Germany is not immune to cost-cutting and rationalization measures.

● **900 MILLION** people around the world are undernourished, 500 million of them chronically so, says a report issued jointly by the World Health Organization and the U.N. Food and Agriculture Organization May 13. Nearly 13 million children under five die every year as a result of malnutrition and infection.

● **NORDBANKEN**, Sweden's third largest, is being taken over by the government, following emergency talks between the bank and Finance Minister Anne Wibble in the wake of huge real estate losses.