

network, following wide-ranging privatization of Great Britain's water systems. This has as its main cause the cutbacks in maintenance of the water networks. The annual expenditures for pest control in Wessex have been reduced by 40% compared to the level before privatization. Indeed, if preventive measures in the sewerage system were being carried out as regularly as they still are in the health establishments, then the private water suppliers would certainly have to decide to increase the extent and frequency of such preventive maintenance activities.

An official in the health bureau of Yorkshire made the following point: Based on the continuing cutbacks in expenditures for the maintenance of the sewerage system, the private waterworks of Yorkshire were in a position to pay higher dividends to their shareholders. However, the number of rat-infested dwellings, and the number of illnesses spread by rats, are horrendously and alarmingly climbing. In the city of Leeds, rats have currently permanently established themselves in 10,000 homes. Now, for the first time, things have gotten so far out of hand that countermeasures have proven completely useless, or too expensive.

### And in Germany?

In Rostock, in April 1993, the private firm Berliner Eurawasser GmbH, a daughter company of the French Lyonnaise des Eaux and Thyssen Handelsunion, contracted to run the water supply for 25 years, and since then has invested about DM 25 million. In total, close to DM 1 billion in investments in filtration and sewerage networks need to be made. It is the largest private model of water supply and wastewater disposal in Germany.

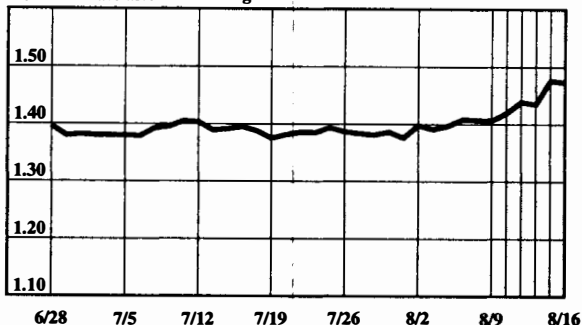
Now, the collapse of industry and the withering of purchasing-power of households is throwing all of the calculations of such enterprises out the window. In 1989, the water consumption in this area amounted to 38 million cubic meters. The calculations for the privatization of the public water supply had, as an underlying assumption, the estimate that water consumption would ultimately stabilize itself at 22 million cubic meters per year. In the meantime, however, it has already fallen to 17 million cubic meters per year, and is expected to continue to fall further. The result: The price increases are heftier than they otherwise would have been.

In some states in eastern Germany, there has even been a wave of refusals to connect to the public water networks. According to a report in the July 14 *Frankfurter Allgemeine Zeitung*, drinking water in this region is increasingly being drawn out of old wells, while fecal matter is being disposed of on dwellers' own property, for cost reasons. In the rural district of Dahme Spree, for example, in general, only 8% of drinking water supplies are connected up to water mains, and nobody is connected to the sewerage system at all. The evil mixture of eco-fundamentalism, deindustrialization, and privatization stinks to high heaven. Kharkov is not as far away from Germany as many may think.

## Currency Rates

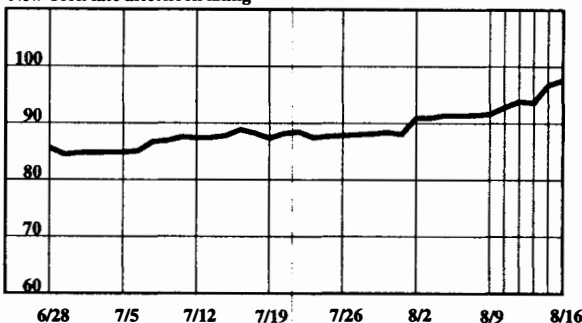
### The dollar in deutschemarks

New York late afternoon fixing



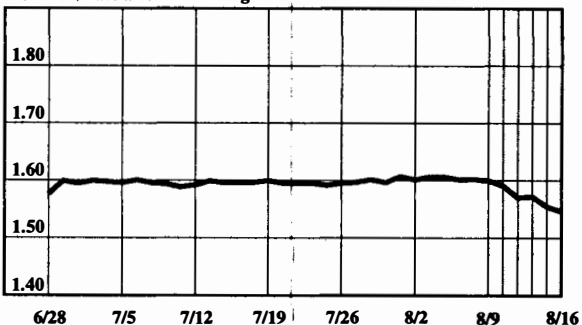
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

