From Wilbur J. Brown, mayor, Gilbert, Arizona:

This is a travesty, especially when considering there are no documented deaths attributed to the use of chlorine in a water supply, but a history full of murderous epidemics directly attributed to the non-use of chlorine. . . . Chlorine has proven itself to be a very effective disinfectant. Many of the alternate disinfectants are more potent. . . . What makes chlorine the best available disinfectant are other considerations: availability, cost per dosage, efficient measurement of dosage, ease of application, reliability of analytical methods to determine demand for and remaining chlorine residual. And last and perhaps the most telling, is the substantiated track record chlorine usage has in the water industry.

From Carolyn S. Armstrong, city manager, Colby, Kansas: If EPA elects to implement this rule, many small communities will be forced into bankruptcy or will be forced to destroy the tenuous profitability of businesses within the community through increased utility rates.

From William J. Buckley, Jr., P.E., superintendent of Public Utilities, Danbury, Connecticut:

The proposed rule is not based on sound science. EPA's . . . backstop proposal for chlorination by-products is that chlorine is no longer an acceptable disinfectant, that chlorination by-products above the 40/30 levels pose a significant threat to public health. Epidemiological and toxicological evidence does not support this contention. Current disinfection by-product regulations control the *hypothetical* health risks within EPA regulatory requirements.

From George P. Fulton, P.E., district engineer, First District Water Department, Norwalk, Connecticut:

How can the EPA establish Maximum Contaminant Level limits for THMs and HAA5 when no direct connection has been established between these DBP levels and cancer? The implication that there are 10,000 new cases of colorectal cancer a year due to the drinking of water with elevated DBP levels is almost capricious. A check with cancer "professionals" should show that the causes of most such cancers are known and there is little room for such high numbers.

From David L. Rich, water production superintendent, Public Works Department, Battle Creek, Michigan:

In these days of shrinking financial resources, spending such huge sums with so much uncertainty on the benefits is irresponsible. To try to set levels, as proposed in stage 2, without finishing the research needed, is just plain stupid. The benefits of chlorine as a disinfectant have been proven over nearly 100 years of use. To radically change our disinfection process without extensive research into the need and benefits, as opposed to the risks of microbial contamination, is like playing Russian roulette with the public health.

## IMF policy spreads flu across Russia

by Denise M. Henderson

A serious flu epidemic is sweeping across Russia, Ukraine, and other parts of the former Soviet Union and eastern Europe. While many health experts are alarmed over the epidemic, which is more serious than the Spanish flu that killed 100,000-plus people after World War I, few in official circles are willing to admit that its chief cause is the constantly falling standard of living in the CIS countries and eastern Europe. Budget cuts and rampant poverty have created the conditions for the spread of the flu epidemic in these areas.

According to International Herald Tribune reporter Michael Specter, writing on Dec. 29, "The health systems of virtually all the former republics of the Soviet Union have fared badly in the past several years. The Russian budget, for example, provides only a small fraction of the funds for preventive medicine that it once allocated. Poverty is more apparent than ever, particularly in big cities, where viruses spread most easily." And a researcher from Moscow's epidemiological center, Yuri Solodovnikov, is quoted: "Viruses that used to pass by almost unnoticed now provoke serious epidemics."

The flu would not have gotten out of hand, had it not been for the fact that, for over four years now, Russia has been carrying out the prescriptions of the International Monetary Fund (IMF) and World Bank. Though the faces behind the policy may have changed, the policy has been constant. Russia is facing its worst harvest since the 1960s. The country's industrial base has also continued to collapse, reaching critically low levels throughout the nation. Immediately after the Russian Duma elections in December 1995, Boris Nemtsov, the governor of Nizhny Novgorod, stated that his biggest concern was the 38% collapse this year alone in the *oblast*'s heavy industry base. And in Russia overall, the drop in industrial production this year was 51%.

Latest unemployment figures show that official unemployment has risen by 40% this year and now stands at 2.2 million, or 3% of the labor force. But the unofficial unemployment figure is at least twice that much.

On Nov. 17, 1995, the business magazine *Delovoy Mir* (*Business World*) ran a report by Sergei Tsukhlo, head of Marketing Survey Lab of the Institute of Economic Problems in the Transition Period. Tsukhlo's report on the decline in industry from September to November alone, was staggering.

According to Tsukhlo, "the actual rate of industrial decline" in November 1995, "rose to -18%, as compared to

EIR January 12, 1996 Economics 9

-9% in September. The reduction of output reached -43%in the petrochemical industry (-39% in Sept.), -42% in light industry (-20%), and -37% in the woodworking industry (-17%). Continued production growth was recorded only in the construction industry and metallurgy."

Tsukhlo continued: "The shortage of working capital is still impeding production at most enterprises (79%). Nonpayments were still the second item on this list (71%), followed by internal effective demand (55%, as compared to a low figure for export demand—8%)." In other words, most industries were also facing less of a market for their goods inside Russia, as well as outside.

## Population decline breeds disease

The demographic situation in Russia is not much better. Prior to the Dec. 17, 1995 Duma elections, several candidates, including Viktor Ilyukhin, chairman of the committee on national security of the Russian State Duma and a Communist Party candidate, had discussed the decline of the Russian population. By now, these figures are well known in Russia.

For the first time since World War II, Ilyukhin said, "the population of Russia is beginning to fall. Deaths are twice as high as births. Last year the population fell by a million. It is not just us—the opposition—who are saying this. The United Nations is now saying that if things continue this way in Russia, the population will fall by almost 15 million by the start of the next century. Who will be responsible for this?"

Ilyukhin added, "Today only 17-20% of all young people of school age are still physically and mentally healthy. Today it appears that our nation is unable to reproduce itself. Who is responsible for this?" Ilyukhin continued, "Today Russia is basically being turned into a raw materials appendage. Russia has been handed over for looting. Over \$20 billion are being exported from Russia annually and left to sit in foreign banks. . . . Who is responsible for the fact that the flight of capital has now reached huge proportions. . . ?"

A minority in the Clinton administration appears to be waking up, albeit slowly. Asked on Dec. 19, immediately after the Russian elections, what he thought of the results, a senior U.S. administration official said, "I would say that the vote very much expresses frustration, fear of the future, anger, and pain that a lot of people are experiencing in the course of this reform. One Russian official said to me that the Russians are only now understanding that reform is really going to have a cost." The official added that "The candidates that the [U.S.] embassy talked to, and I had a chance to talk to, basically said: 'It's the economy, stupid,' is essentially the message."

