**Read a newspaper or visit an online news site and find an article that deals with either a surplus or a shortage (not a trade surplus or deficit or business operating loss). What caused the shortage or surplus? What is happening to prices? What do you think is likely to happen in the future? Does the article agree with you?**

The following article was published in Washington Post Friday, June 22, 2007; Page A16

**http://www.washingtonpost.com/wp-dyn/content/article/2007/06/21/AR2007062102398.html**

Some portions of the article are as follows:

Scarcity of Goods Sows Frustration Among Argentines

As Vote Nears, Price Controls Questioned

By **Monte Reel**

Washington Post Foreign Service
Friday, June 22, 2007; Page A16

BUENOS AIRES -- At the height of rush hour, Luis Ibáñez parked his taxi in the middle of the busiest intersection of this city, got out of the car and stood cross-armed in the street as traffic jammed around him.

Dozens of other cabdrivers joined him Friday, protesting a national shortage of compressed natural gas -- the primary fuel for the vast majority of taxis here. As winter approached in the Southern Hemisphere, the Argentine government cut natural gas supplies to service stations and industrial users last week. It was a temporary measure to ensure that there would be sufficient fuel available to heat Argentine homes over the weekend.

Falling temperatures have exposed weak points in an Argentine economy that boasts 9 percent annual growth, lowered unemployment and rising salaries. In addition to the shortage of natural gas, Argentina recently has faced shortages of some agricultural goods, including milk and other dairy products. Now, many economists -- and a growing number of people in the streets -- are questioning the inflation-control policies of President Néstor Kirchner.

"How can a government not be prepared for the cold?" asked Ibáñez, while city buses and commuter vehicles idled around him. "They never prepare for anything, they don't invest in the country, and the people need to know that there are consequences."

Contd……

The above article mainly deals with a sudden shortage of compressed natural gas in Argentina. This is considered to be the major fuel in the country specially for the taxi drivers. In economics, shortage is a term describing a situation where demand exceeds the supply. The sudden shortage of natural gas in Argentina as described in the above article, was due to lack of sufficient supply of natural gas in the market. As the temperature falls, the suppliers cut the supply and needless to say that a reduction in supply with the same demand will lead to a shortage in the market.

The immediate consequence is the rise in the price. As the supply curve shifts to the left keeping the demand curve in the original position the equilibrium price will go up. The taxi drivers were the worst sufferers as they are the main users of this fuel. The city was out of taxi and the taxi fares were also very high. This causes inconvenience to the citizen of the country.

But this seems to be temporary phenomena. By the weekend the supply of natural gas will come to normal and the equilibrium price also comes down. The article also agreed with mu idea regarding the happenings in future.