

Business Briefs

Biological Holocaust

Italian cabinet 'shaken' by AIDS outbreak

Prime Minister Bettino Craxi's cabinet met in early October to discuss the prospects for spread of AIDS, according to the Italian daily *Corriere della Sera* on Oct. 9. They emerged from a briefing by health officials badly shaken.

According to the article, as a health ministry official read out figures concerning the spread of AIDS in coming years, "a chilling, deadly silence fell over the cabinet meeting. The official hypothesized, with figures and forecasts in his hands, a coming catastrophe, connected to the spreading of heroin."

Prime Minister Craxi, Ministers Scalfaro, Forlani, Rognoni, Amato, and the undersecretaries of the Health, Education, and Defense ministries were in attendance. The Interior Ministry proposed a study, as soon as possible, of laws that will allow adequate controls.

EIR spoke to the author of the article in Rome, Paolo Graldi, who said that he wrote the article on the basis of what Minister Scalfaro told him of the cabinet meeting. The ministers had looked "horrified" after hearing the report on AIDS.

Asked if the "controls" on AIDS' spread demanded by the interior minister imply AIDS screening, he stated: "AIDS screening started in jails, where there are a lot of healthy carriers, and the figures coming out of there, even if covered up, are very heavy." However, official AIDS screening was ruled out in previous government discussions, due to Communist and "liberal" pressures. However, he added, such screening would be done under the cover of drug testing, beginning in schools and the military.

Development Aid

Mexican minister meets with Nakasone

Mexican Secretary of Finance Gustavo Petricioli met with Japanese Premier Yasuhiro Nakasone on Sept. 24 and requested Japa-

nese financial assistance totaling \$1 billion for three Mexican industrial projects, including an oil pipeline.

Petricioli delivered to Nakasone a letter from Mexican President Miguel de la Madrid, in which de la Madrid expressed hope over the visit and Japanese support for the projects. He also extended an invitation to Nakasone to visit Mexico. Nakasone said he would like to visit Mexico as soon as possible.

According to Petricioli, de la Madrid hopes the bilateral relations between Japan and Mexico will continue to expand in the 21st century. Nakasone expressed the intention of seeking the prosperity of the two countries for the next century. During his stay in Japan, Petricioli will also meet with Finance Minister Kiichi Miyazawa, International Trade and Industry Minister Hajime Tamura, and bank officials.

Transportation

Congress reaches agreement on Conrail

House and Senate negotiators announced on Oct. 9 that agreement has been reached on legislation authorizing a public stock sale of Conrail, the government-owned freight railroad, clearing the way for passage of the bill after two years of debate.

The new legislation calls for the government to receive \$2 billion from the sale of the stock, but that amount is not mandatory. Rep. John Dingell (D-Mich.) said that the amount was not made mandatory because the lawmakers were not primarily interested in maximizing the government's revenue.

"Our paramount goals are the preservation of Conrail's long-term viability and the protection of rail service in the Northeast and Midwest," Dingell said. "Our bill gives Conrail the strength and flexibility to thrive independently and provide continued rail service."

The Reagan administration proposed selling Conrail to Norfolk Southern railroad in 1985, claiming that Conrail was not financially healthy enough to survive as an independent railroad in the declining freight rail market in the Northeast and Midwest.

The Senate approved the sale, but the House refused, citing the anti-competitive impact of merging Conrail with one of its largest competitors.

Conrail was originally created in 1974 out of the ruins of the bankrupted Penn Central railroad and several smaller lines in order to preserve rail service in the U.S. industrial heartland.

Food

Brazilian government to confiscate beef

The Brazilian government announced on Oct. 8 that it was ready to confiscate cattle from ranchers in order to put an end to a four-month-old shortage of meat in the country.

Sao Paulo state governor Andre Franco Montoro said, "The confiscation will start within the next few hours in Sao Paulo."

According to an agreement reached during the first week of October, the government raised the price for beef carcasses to \$20.23 from \$15.50 for a portion of beef weighing 33 pounds. Since the ranchers were persisting in holding back the meat, officials announced that the meat will be confiscated at the previous price of \$15.50.

International Trade

U.S. semiconductor agreement attacked

Former Undersecretary of Commerce Lionel Olmer attacked the U.S.-Japan agreement on semiconductors concluded this summer as a "bad precedent."

"I am one who strongly believes that it is an agreement ill-conceived, impractical, almost certain to fail, and highly unlikely to advance the interest of American semiconductor manufacturers," Olmer said on Oct. 9 at a luncheon sponsored by the governmental Japan External Trade Organization.

The agreement is expected to cause a

Briefly

dramatic increase in chip prices in the United States, an increase that will be passed on to the consumer by computer manufacturers. The agreement was prompted by alleged "dumping" of chips onto the U.S. market by the Japanese.

Olmer said that the agreement was made without sufficient consultation with U.S. manufacturers, and that European nations were not consulted at all.

"I would not be surprised to see the agreement being modified," Olmer predicted that pressure in Congress for protectionist legislation would grow as panic increases over the U.S. trade deficit.

Steel

Reagan's import program not working

President Ronald Reagan's reliance on voluntary export agreements by foreign producers is not working, according to a congressional report released on Oct. 9.

"The committee finds that while the President's steel program has reduced the surge of steel imports into the United States, it has not done so sufficiently to eliminate the threat to the existence of the domestic steel industry," the House Government Operations Committee said.

Administration officials have acknowledged the program's effectiveness was hampered by start-up problems in late 1984 and early 1985, but they said the partial success obtained so far shows the effort will work over the long run.

Congress is considering, not capital investment to invigorate and modernize the moribund U.S. steel industry, but rather import-limit legislation.

Demographics

France encourages birthrate increase

On Oct. 8, the French government proposed new financial incentives for families to have

children, totaling \$923 million a year.

Under the measures, soon to go to parliament, mothers who stay at home to look after a third child will have their present \$230 monthly payment increased to \$370.

Working parents who hire a baby-sitter to look after a child under age three will be exempt from up to \$307 in monthly social security contributions.

"The family constitutes an essential priority for the government because it alone can bring to the nation the vigor and values it needs," the Chirac administration said in a statement it released to motivate the new measures.

The birthrate in Europe, including France, has been catastrophically low, according to a recent report by the European Commission.

U.S. 'Recovery'

Financial problems mount in Texas

On Oct. 3, Century National Bank of Houston became the 20th Texas bank, and the 107th nationally, to fail in 1986. Kansas is second with 12 failures, and Oklahoma third with 11.

Century National, with \$14.8 million in assets, was opened only four years ago.

The bank reopened on Oct. 4, as Sterling Bank-Willowbrook, a unit of Sterling Bancshares. The comptroller blamed asset-quality problems and poor credit risks for the failure. About 35% of the bank's loan portfolio was tied to real estate. "It basically ran out of money," an FDIC spokesman enlightened.

Meanwhile, deposits at 267 banks in Harris County, where Houston is located, are continuing to drop, by 9.8% since March 1985, and 5.4% since February 1986. Harris County real-estate foreclosures are also continuing to set new records. "We've already surpassed the previous record total for all of last year," said Ralph Murdock, partner in the Foreclosure Listing Service. "About 4,300 properties have been posted for foreclosure Tuesday [Oct. 7]. That breaks the previous record of 3,965 postings in July for the foreclosure sale in August."

● **SUDAN'S PREMIER** Sadiqa Mahdi announced at the U.N. General Assembly that Sudan, like Peru, will henceforth pay only a proportion of its revenue for debt. Sudan, where 2 million people face starvation in the south, is one of the countries attacked in the World Bank's annual report for trying to "sustain unwarranted levels of consumption in periods when external circumstances were not in their favor."

● **PRINCE CHARLES** discussed the reduction of cultivated lands in Europe at an informal meeting of the agriculture ministers of the European Community in late September. The current president of the EC's Agricultural Commission, Michael Jopling, proposed reduction of cropland in Europe by 3 million hectares.

● **THE GERMAN-IRANIAN** Commission for economic cooperation has resumed its work after a seven-year freeze since the overthrow of the Shah. Twelve industrial companies are said to have contacted Teheran for investment possibilities, a result of the visit of Iran's minister of heavy industry, Behzad Babavi, to West Germany in late September.

● **JAPANESE BANKS** now control 8% of America's banking business, and Japanese real-estate investment in the United States will exceed \$5 billion in 1986. According to David A. Witts, an expert in world trade, these facts indicate that Japan has replaced the United States as the world's banker and creditor. "America is on the road to becoming a hewer of wood and hauler of water for Japan," Witts said.

● **ABORTION RATES** among U.S. women are lower than the estimated international average, according to a recent study. The Soviet Union has the highest abortion rate internationally, with 181 procedures per 1,000 women, over six times greater than the U.S. rate.