

Business Briefs

International Trade

Soviet 'new economic policy' to affect trade

Soviet leader Mikhail Gorbachov's "new economic policy" will soon begin to have effects on Soviet foreign trade policies. A U.S.-Soviet trade conference held in mid-November in Moscow discussed forms of joint ventures, including jointly owned production facilities in the Soviet Union.

According to a spokesman of the conference, "The Soviets are also reorganizing their foreign trade system by giving direct export and import authority to some local enterprises and ministries. . . . The first phase, beginning in January 1987, will involve the granting of direct trading authority to a group of 20 ministries and 67 enterprises."

The European Economic Commission on Nov. 24 received a letter from Soviet Foreign Minister Eduard Shevardnadze, offering exploratory talks between his government and the European Community, the existence of which the Soviet Union has never officially recognized.

South Africa

Kodak pullout hurt economy

Eastman Kodak is withdrawing under terms that one analyst called "the stiffest" of any U.S. firm so far. Kodak, one of the longest-established foreign firms in South Africa, announced on Nov. 19 that its assets in South Africa would be liquidated by next April 30, and that no Kodak unit in the world would be permitted to supply products to South Africa.

Azar Jammine, chief economist of the Johannesburg-based Econometrix marketing and market research firm, said that local companies would find it virtually impossible to replace Kodak's products and technology.

This is an example of the "technological rundown the country is likely to experience as a result of disinvestment," Jammine said.

Meanwhile, in connection with the terms

negotiated by the head of Barclays Bank in the sale of their assets to the South African Oppenheimer interests, one consultant to the South African Federal Reserve Bank said, "With friends like these, who needs enemies."

"But a pullout this big must have something big behind it." It is expected that Barclays will withdraw from the so-called debt standstill between South Africa and its short-term debt creditors, signaling a possible escalation of financial warfare.

South Africa's announced policy is to answer serious economic warfare with a debt moratorium. Debt discussion meetings had been scheduled for April 1987.

Management

Just what the space program doesn't need

An article in the Nov. 22 Sunday *Washington Post* Magazine reports that Mona Tycz, a NASA engineer at the Goddard Space flight center in Greenbelt, Maryland, convinced her supervisors to hire Werner Erhard and two associates from his firm Transformational Technologies Inc., to hold sessions with 47 managers of the center.

Forty-five thousand dollars later, Tycz reports: "What surfaced is the need for a whole new arena of mastery in management, one that comes to grips with the phenomena of the dance between an organization's cultural capacity and the unfolding of program accomplishment. It's not a problem that needs to be fixed. It's an opportunity . . . that hasn't been available in the past because it wasn't needed in the past. It speaks to where we are."

Foreign Debt

Soviets back debt symposium

Radio Moscow reported favorably Nov. 21 on the proceedings of an "international debt symposium" in Argentina. The conference called for "refraining from paying foreign debt," and treating foreign debts as "immo-

ral, given the social and economic conditions on the continent" of South America.

Radio Moscow said that investments from the advanced sector are at their lowest level in decades in South America and that the advanced-sector nations have imposed prohibitive tariffs on goods from South American countries.

The conference participants "denounced the United States for escalating the arms-race," claiming that the money spent on armaments, would be better spent on development. Finally, Radio Moscow said, the participants denounced U.S. actions in Nicaragua.

The 'Recovery'

Japanese, German growth rates down

The Japanese economic planning agency is revising downward its official economic forecast for fiscal 1986, a government source reported Nov. 12.

The Japanese economy is unlikely to reach its goal of 4% growth. It is more likely that growth will be in the 3.5-3.8% range, the source said, according to the *Japan Times*. This was the first time that a top government official admitted that the official growth target might not be met.

Meanwhile, West German economic growth estimates have also been lowered to below 2.5%. In a report to the government regarded as a "surprise," the "five economic wise men," heads of the major economic institutes, estimate the economy's fourth-quarter performance will be much poorer than previously expected.

Development

Gandhi organizes Africa fund

Indian Prime Minister Rajiv Gandhi set up an "Africa Fund" at the Harare, Zimbabwe summit of the Non-Aligned Movement. The purpose, Rajiv said in recent statements, is to provide the front-line states, those African nations bordering South Africa, with

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infrastructure and communications, to free their economies from total dependence upon South Africa.

Gandhi has placed one of his top people on the Fund full-time, and Indian engineers are already in the front-line states drawing up feasibility studies for infrastructure projects.

The Africa Fund includes India, Peru, Algeria, Nigeria, Congo, Zambia, Zimbabwe, and Yugoslavia. Efforts by the Cubans and North Koreans to join the Fund were blocked by Gandhi, since he wants the Fund to organize funds for African development from the United States and Western Europe.

Press reports from Harare said the Africa Fund's purpose is to establish a fund for military armaments, etc., for the front-line states. But Gandhi says this is not the case.

Biological Holocaust

AIDS hits thousands in Japan

There are 11,000 AIDS virus-carriers in Japan, according to Takashi Kitamura, Director of the Department of Enteroviruses at the National Institute of Health. Kitamura's statements were reported in the *Japan Times* Nov. 21.

Twenty-one full blown cases have occurred to date, with 13 dead. Kitamura said he expected the AIDS cases to reach 1,500 in three years.

The known cases include 10 homosexuals and 11 hemophiliacs, but the reluctance of Japanese homosexuals to admit that they could be AIDS carriers is hampering control efforts.

The Japanese Health and Welfare Ministry has approved production of an AIDS test drug. The drug, developed by Fuji Rebio, Inc., in cooperation with Yamaguchi University, reduces the time needed to detect AIDS from the 3½ hours needed by conventional methods to 2 hours.

"AIDS: The Growing Threat" was the lead editorial of the *Japan Times* on Nov. 17. Although repeating the "sexual and shared needle" transmission line, the editorial states that no country or people can isolate themselves from AIDS. "Only 21" cas-

es of AIDS have been reported in Japan, the editorial states, but recently an infected Filipino woman working in a bar exposed at least 50 men to AIDS. "Japan can no longer stand aside from the campaign against AIDS," the editorial states.

The Debt Bomb

Mexican debt piling up

Mexico will have sent \$100 billion abroad in interest payments during this decade, if it pays its debts as contracted. That is much more than all the loans received between 1976 and 1986.

The Mexican government plans \$40 billion in new public debt in 1987, according to the plans that Finance Minister Gustavo Petricoli presented the Congress Nov. 19. A planning ministry official told UPI, "It has been decided to adopt a series of accords which would permit obtaining enough resources for the new plan."

Mexico is spending far more than budgeted for debt service. By the end of September, it had paid 7% more than the entire year's allocation for interest and 23% more than the total for amortization.

Africa

Buthelezi harsh against sanctions

Gatsha Buthelezi, chief minister of Kwa-zulu/Natal met Nov. 24 with President Reagan and cabinet members, telling them divestment and sanctions against South Africa could spark more violence. Speaking at the National Press Club, Buthelezi said:

"It would be a very grave mistake if the United States opted out of the situation. . . . In the long term, sanctions and divestment can only benefit those who believe that violence is the answer in South Africa. More desperation will be created by escalating poverty."

A White House spokesman said Reagan's 10-minute meeting with Buthelezi was warm and cordial.

● **'THE SPANISH** government suspended certain sanitary standards for meat imports," the Spanish daily *El Pais* wrote on Nov. 11. This means it will not be obligatory to indicate on the meat the date the animal was slaughtered. Spain is also permitting fruit imports from Eastern countries, which have been rejected by other EC countries for fear of contamination after the Chernobyl nuclear disaster.

● **PERU'S JUAN REBAZA** was promoted from general manager of Pesca Peru, the state-owned fishing and seafood-processing company, to chairman of the board, at the end of November. Rebaza was a founding member of the Ibero-American Trade Union Commission of the Schiller Institute. The fishing industry plays a key role in President Alan García's economic recovery program for Peru.

● **GOODYEAR TIRE & Rubber Co.** announced on Nov. 21 that it would close its Kelly-Springfield Tire operations in Cumberland, Maryland. The shutdown will put up to 1,675 people out of work—about 5% of Cumberland's workforce. Cumberland officials said the closing would hit the local economy hard. "It's going to be a bad period of time," said Mayor George Wycoff, Jr. "From McDonalds to Sears-Roebuck, the impact is going to be felt."

● **TEXAS** has recently been hard hit by a new wave of layoffs. Pennzoil, in Houston, has announced it will lay off 330 employees, after having laid off 600 earlier this year. Texas Instruments is laying off over 200 people at its Stafford semiconductor plant, as part of a previously announced layoff of 1,000 employees worldwide.

● **ARGENTINA'S** economy collapsed in October. Most dramatic was steel, down 18%. Electricity consumption in textiles was down 6.6%, food products 2.4%, wood products 2.3%, chemicals 7.2%, and basic metals 13%. Capital goods fell by 11% from the previous month.