

Business Briefs

Biological Holocaust

Closer AIDS screening in Eastern Europe

Polish officials will soon test all known homosexuals in Poland for the AIDS virus, according to reports reaching West Germany from Warsaw in January. The number to undergo mandatory testing is reportedly in the vicinity of 100,000 people. According to the World Health Organization, 21 AIDS victims in Poland are under quarantine at present.

In Yugoslavia, the government news agency Tanjug announced Jan. 8 that screening of blood donors for the AIDS virus would commence. Until now, such AIDS screening was in practice only in Slovenia, among Yugoslavia's six republics. The Yugoslav Federal Commission for Contagious Disease has set the goal of eliminating the transmission of AIDS by means of blood transfusion, through this stricter supervision of donated blood.

Public Health

Revolt in Italy hits Communist AIDS line

A revolt is brewing in Italy against the Communist Party-backed cover-up on AIDS, even by CP supporters. In Sassuolo, a small city near Bologna governed by Communists since World War II, the mayor (a Communist) and city council attended a conference on AIDS sponsored by the Schiller Institute, and fully agreed that screening measures and isolation of AIDS victims are necessary. They will go to Rome on Feb. 12, when *EIR* and the Schiller Institute will hold an international conference on AIDS, to lobby for such measures.

Revolt erupted, too, at a conference on AIDS organized by the Communists in Rome, and addressed by Prof. Fernando Aiuti, who chairs the special government commission to fight AIDS. The Communist head of the Epidemiological Center of the Lazio Region claimed that AIDS cases are declining. "AIDS is by no means the number-one health problem in Italy; smoking

is," he said, calling on participants "absolutely not to demand testing, because screening Lazio inhabitants would cost 41 billion liras" (\$30 million).

The chief of a Rome hospital objected that "in our hospital we do not know where to put AIDS patients any more, while some months ago we went around looking for them."

A Communist virologist said: "With 1 in every 50 persons seropositive, shouldn't we be talking of an apocalyptic holocaust? *EIR* . . . [is] having a conference in Rome demanding a crash program against AIDS. If we stick to the line that the situation of AIDS is not dangerous in Italy, their catastrophic line will win."

Dr. Aiuti, whose "solution" is giving free condoms to soldiers and syringes to drug addicts, stated that "there is no risk of infection" if an AIDS patient lives in the family, and added, "I myself treat my patients without using gloves and mask." But Aiuti's unit has issued a memorandum for medical personnel advising them to wear not only gloves and masks, but even goggles, and beware not only of blood, but also saliva and excrement.

Finance

Bank failures triple in year

Seventeen banks, nine of them in the oil states of Texas and Oklahoma, failed during January—an insolvency rate about three times higher than last January, according to Associated Press. The Federal Deposit Insurance Corporation said the 17 closings included 5 in Oklahoma, 4 in Texas, 2 in Colorado, and 1 each in Missouri, Indiana, Iowa, Illinois, California, and Massachusetts. Six banks closed down on Jan. 29 alone.

"We expect a sizable increase in the number of failures in 1987," predicted FDIC Chairman L. William Seidman last month to the Senate Banking Committee. "Weaknesses are likely to persist through next year or longer in energy, agriculture, and real estate. Parts of the banking system will continue to be hurt by these strains."

Last year, bank failures reached a post-depression high of 138, compared to 120 in 1985, 79 in 1984, 48 in 1983, 42 in 1982, and 10 in 1981. At year's end, the number of banks on the FDIC's "problem list" stood at 1,484 banks and is increasing at nearly one a day.

Poverty

Homeless dying off at two per month

Philadelphia's homeless are dying at a rate of two per month, according to a recent study. At least 42 homeless people have died in Philadelphia since the beginning of 1985—a rate approaching two per month, according to the lead article in the Feb. 1 *Philadelphia Inquirer*.

The deaths are due to exposure, violent crimes, accidents, and untreated illness. The homeless victims are "turning up dead in abandoned houses and junked cars. They are perishing in fires. They are being murdered. They are dying in hospitals and dropping dead on the streets."

The death rate among the homeless was monitored by the *Inquirer* in a month-long examination of medical examiners' records, and through interviews with homeless rights advocates and shelter operators.

Foreign Debt

Dope money finds new route into Argentina

Argentina is introducing a "debt-for-equity" scheme that will simultaneously turn its economy over to foreign interests as it makes the nation into a major drug-money laundry.

Argentine Treasury Secretary Mario Brodersohn flew off to the Davos, Switzerland conference on the international economy Jan. 28 with a proposal for "flexibilization" of the Argentine stance on debt-for-equity transfers. Previously, Argentina had proposed that for every dollar in debt paper capitalized, a "foreign investor" would have to bring one dollar of his own into the coun-

try. Now, the government has agreed to allow the "investor" to buy the extra dollar on the black market, thus helping launder drug money.

Middle East

Treasury's Baker visits Saudi Arabia

U.S. Treasury Secretary James Baker arrived in Saudi Arabia Feb. 2 for talks on strengthening business and investment between the two countries. He also sought to reassure the Saudis that the United States remains a close friend, despite the recent concerns that have arisen over U.S. ties to Iran.

An official traveling with Baker said the secretary would reassure the Saudis that the Iranian arms affair did not signal a shift in U.S. strategic interests in the Persian Gulf, and would state that Washington was no longer selling arms to Iran and was maintaining strict neutrality in the Persian Gulf war.

"It's a particularly important time to reassure the Saudis. They are our close friends, notwithstanding the Iran arms scandal. The policy henceforth is not to sell arms to Iran for hostages or anything else."

Trade

Soviets shipping oil to So. Africa

The Soviet Union has been regularly shipping oil to South Africa despite U.N. oil sanctions officially supported by the Soviets. According to a Dutch Protestant Church newspaper, *Reformatisch Dagblad*, most Soviet oil exports to South Africa are stored in Rotterdam tank-parks, from whence the oil is transferred to ships bound for South African ports.

The paper claims that a secret accord exists between Moscow and Pretoria.

A leading Afrikaaner financial source

told *EIR* that the Soviets were prepared to offer "sanctions-busting mechanisms" to the South Africans to pry them out of Western alignment. The South Africans would ship bulk products into Western European markets under East bloc cover in the event of severe sanctions by Western nations.

The source pointed out that Soviet ships regularly handle Rhodesian coal, in violation of the sanctions that helped bring Robert Mugabe to power.

At the center of this are the Western industrial and financial interests forming part of the Soviet "Trust" apparatus. Switzerland-based fugitive Marc Rich is one of the two biggest shippers of crude oil to South Africa. It is not confirmed if Rich's deliveries include Soviet oil.

One business associate of Rich is Shap-tai Kalmanovitch, an Israeli of Soviet origin. Kalmanovitch is the accredited representative in Israel for the South African "homeland" of Bophuthatswana. His company, LIAT, has been cultivating relations with the government of Sierra Leone, and he has traveled with that country's trade delegations to the Soviet Union—well situating himself to develop "sanctions-busting" trade channels.

Usury

Mexico to sell itself in payment of debt

Mexico will convert \$1.2 billion per year of debt into equity, the finance ministry's foreign financing chief announced at a seminar organized by the U.S.-Mexico Chamber of Commerce in Ixtapa on Jan. 28. Any more than that would cause inflation, he said.

So far, Mexico has exchanged \$620 million in debt for foreign ownership in Mexican companies. During the past two months, there have been 45 conversions, worth \$90 million, 70% of them in the automobile industry.

However, Adolfo Hegewish, the planning ministry's foreign investment chief, told the seminar that Mexico is not "on the auction block," and insisted that the country would not be looted by foreign interests. He said that the 1976 foreign investment law would not be changed. It would simply be made more flexible.

Briefly

● **FIRST BOSTON CORP.** has been hired by Venezuela's central bank to advise it on when and how far to move its \$9.9 billion in foreign reserves out of the declining U.S. dollar.

● **GERMANY'S UNEMPLOYMENT** rate has reached 10% with 280,000 jobless added in the month of January 1987 alone. Registered unemployment is now at 2.497 million, plus a short-work rate of close to 500,000. A sizable part of the increase in short-work occurred in steel, machine-building, and ship-building—three key sectors of the German economy.

● **JEAN BAPTISTE DOUMENG**, France's "red billionaire," has tendered a bid with the European Community to allow him to ship 1 million tons of grain to Moscow at a "super-subsidy" price. This sale is expected to be added to the largest sale in history, 300,000 tons of surplus butter—25% of total—to Moscow. Doumeng tendered the bid in December, according to Brussels reports, and awaits only a final price determination to proceed.

● **RADIO MOSCOW** has been gloating over the United States' "Rambo-style" trade-war measures against its own allies in the European Community. One radio commentary reported on U.S. threats to stop grain shipments to Spain and similar threats to other allies, if U.S. demands are not met. "Europe agreed on a compromise," said the commentary, "but this will hit hard at the farmers of the Economic Community."

● **THE GROUP OF FIVE** leading industrial nations has put off a meeting to negotiate a solution for the fallen dollar, the *New York Times* reported Feb. 2. "There is not going to be a G-5 meeting this weekend, and the reason is scheduling problems for several of the ministers," a monetary source was quoted by the *Times*.