

# Business Briefs

## AIDS

### Virginia law would test at 5 years old

Republican Delegate Robert K. Cunningham of Springfield has introduced legislation in the Virginia state legislature in Richmond that would require all Virginians over five years of age to be tested for AIDS by July 1989, or risk facing misdemeanor charges.

"We're talking about the greatest good for the greatest number," said Cunningham of his proposal, which has been opposed by a state cabinet secretary and by Democrats in Virginia's House of Delegates. "AIDS is an epidemic," Cunningham spelled out in a letter to House members. "It is essential, without panic, to resort to those measures which will limit its spread and shield the uninfected in order to protect their rights to freedom from fear of fatal infection."

Under Cunningham's bill, all adults would be informed of test results, and a child's test results would be given to the parents. A report of all positive results would be sent to the state Department of Health, which would keep all such information confidential.

Cunningham has also drafted a law making it a felony for an AIDS carrier to transmit the disease knowingly through sex or blood donation.

Human Resources Secretary Eva S. Teig has argued that the budget would probably not contain enough allocated money to pay for the testing required by Cunningham's bill.

## Biological Holocaust

### CDC covers up mosquito spread, too

The Atlanta Centers for Disease Control (CDC) is keeping a low profile on the issue of the spread of the so-called tiger mosquito (*Aedes albopictus*) throughout 17 of the eastern United States. Despite the low profile, some CDC sources say "a biological timebomb is ticking."

According to reports from public health experts, what frightens the CDC officials has been the discovery of cases of the dangerous Dengue hemorrhagic fever as far north as Baltimore. There is evidence indicating that this frightening infection is being spread by the tiger mosquito.

The fear is, that beginning next spring, there could be a spread of the tiger mosquito pestilence as far north as Boston, and as far west as the Rocky Mountains, affecting potentially a 35-state area. One source close to CDC is quoted, that if we can not control the spread of the tiger mosquito, "the first Dengue fever epidemic in the United States since 1945" could erupt this summer.

It is reported that the tiger mosquito is an Asian variety also found in Madagascar. It is known to be "a dangerous transmitter of yellow fever, Dengue, and some special forms of encephalitis." It is an efficient transmitter of a nastier form of Dengue native to Cuba, Dengue hemorrhagic.

## Foreign Exchange

### Secret central bank accord on dollar

An unannounced agreement reached between world central banks, in the context of the recent Group of Seven accord on the dollar and the markets, provides for a special dollar-support fund, that is creating "a sea change in the character of American debt and in dollar-support operations," a senior London financial source told *EIR* Jan. 27.

The special fund of \$15 billion is money lent to the U.S. government to support the dollar, in the foreign currencies of Europe and Japan.

"It's the end of the unilateral buy-up of dollars. The Americans are moving in the direction of having their indebtedness in foreign currencies and, in that respect, the United States's debt character becomes identical to that of Mexico and Brazil, which pay their debt in foreign currencies."

A potential test case of this arrangement, is the reported Feb. 2 U.S. Treasury Bond offer of \$27 billion, he noted. "How will foreign central banks buy the bonds? Since no private bank, individual buyer, or pen-

sion fund will buy dollars, foreign central banks will have to buy in a big way. The big question is, is a secret agreement being reached with the U.S. Treasury, to have a fixed exchange rate of foreign currencies and the U.S. dollar, coupled to a U.S. commitment to repay in foreign currencies?" The United States has been unwilling to do this before, he said, "but the crisis of the dollar may force a revision of this attitude."

This expert claimed that recent reports from Tokyo of imminent massive Japanese purchases of long-term U.S. Treasury Bonds, should be seen in that context. The Japanese purchases are intended to "ensure smooth sales of U.S. government securities and restrict increases in long-term interest rates," according to the report of Jiji news service. This policy is "likely to have great influence on Japanese institutional investors . . . who now seem cautious about investing in the United States due to the decline of the dollar," the release continued.

## Foreign Investment

### China to develop its coastal areas

Chinese Communist Party General Secretary Zhao Ziyang said Jan. 22 that China must attract foreign investment with its low-wage export industries. China should "miss no chance to get its coastal areas engaged in drawing more foreign investment and boosting export-oriented production in a bid to get involved in international exchange and competition," he was quoted in *China Daily* Jan. 23.

Said Zhao, "We should do a good job attracting foreign investment, since our coastal areas boast the advantages of low-paid laborers with high expertise." Another drawing card for China's coastal areas is good infrastructure, he said.

"This development strategy is of significance politically and economically," he continued, calling for top priority emphasis on launching wholly foreign-funded enterprises. Previously, China has given approval to only a very few wholly foreign-owned enterprises.

Zhao said that opportunities to develop

## Briefly

● **JAPAN'S** magnetic levitation train is almost ready for commercial development, since test runs have proven its technical feasibility. After one more year of testing, the first super-high-speed train tracks will be built between the city of Sapporo and its airport, and between Tokyo and Osaka. About \$150 million has been earmarked for further feasibility studies. Engineers claim the train will be cheaper to install than the present generation of "bullet trains," although operating costs are high. The train reaches 160 mph in 30 seconds, and can travel up to 500 mph.

● **5% OF CONGO'S** 5 million people are infected with the AIDS virus, and doctors predict that 100,000 Congolese will die of AIDS in a decade. "If there is no vaccine, it will be like war for us," said Pierre Mpele, secretary of Congo's committee to combat AIDS.

● **HOWALDTSWERKE** shipyard in Kiel, West Germany illegally shipped a complete submarine model to Israel in December 1986, according to a report in the *Der Spiegel* magazine. The plastic model was shipped from Kiel to Hamburg, and from there to Israel, according to the certificates of Howaldtswerke. From Israel, it may have gone to Iran, or to the Republic of South Africa.

● **SWISS BANKERS** fall into three categories, depending on whether they think the second wave of the international financial crash will come in February, March, or April. A prominent Geneva private banker explained to *EIR*, "We're all very gloomy, U.S. interest rates are bound to go up. There are even small Swiss banks coming to us trying to sell themselves very fast, before they go under." Another Geneva banker forecast that by 1990, the Dow Jones Index would be down hovering between 400 and 500, from today's 1800-1900 level. He was in the "March" faction.

the coastal areas, with a population of 100-200 million, have been missed in the past. "We cannot allow ourselves to miss this change again," he said, "and we should have a sense of urgency." Local governments and enterprises should have a greater role in foreign trade, and the contract system should be introduced.

### Technology

#### Martin-Marietta to assess SDI

On March 22, Martin-Marietta Corporation was awarded more than half of a \$1 billion contract to build a computer complex capable of simulating strategic defense systems and "evaluating whether it is technically possible to repel a nuclear attack," the *New York Times* reported Jan. 23. The computer complex will be built near Colorado Springs.

Its findings "are expected to be crucial to reaching a decision to deploy a rudimentary Star Wars defense" in the early 1990s, wrote *Times* reporter David Sanger, who quoted program director Col. Thomas L. Leib, Jr., "It will be Martin's responsibility to simulate all the options, find the optimum mix of weapons systems, and determine whether it's cost-effective."

Martin Marietta's portion of the \$1 billion project amounts to \$508 million over five years. The Jan. 23 *Washington Post* also reported that over 1,000 jobs will be created.

### Far East

#### Japan, Soviets to plan Siberian projects

Japanese business leaders held talks in Tokyo with Foreign Minister Boris Aristov and other Soviet officials in late January and early February, Japanese business sources said. Their topic: ways to cooperate in development projects in Siberia and the Far East.

The talks, scheduled for Jan. 27-28 and Feb. 2, were to comprise the 11th joint ses-

sion of the Japan-Soviet Business Cooperation Committee and its Soviet counterpart. They were the first talks in 19 months; the previous meeting took place in Moscow in April 1986.

The discussions were to cover a variety of possible development projects involving coal, lumber and pulp, a chemical project, and the improvement of harbor and transport facilities, the sources said.

The Japanese and Soviet committees used to hold an annual joint session alternately in each other's country, but no meeting was held last year because of an international row over the unlawful export of sensitive technology to the U.S.S.R. by Japan's Toshiba.

### Trade War

#### U.S. still plans Brazil sanctions

Despite Brazil's concessions on the issue of permitting U.S. computer firms to flood its market, the United States is still expected to impose trade sanctions in retaliation for Brazil's restrictions on such firms as IBM, according to sources in Washington.

U.S. ambassador to Brazil, Harry Schlaudeman, has just returned to Brazil on an urgent mission connected with the sanctions issue, after meetings at the State Department.

Schlaudeman met with President José Sarney Jan. 25, and presented the U.S. demands that all protectionism be lifted. Should he do so, many Brazilian firms will be bankrupted. If Sarney doesn't capitulate, then the sanctions will be imposed—also potentially bankrupting Brazilian export industries.

The issue has led to a major fight within the Brazilian business community. The "Group of 30" leading exporting companies wants Brazil to forestall the sanctions, as they are already being hurt: Airplanes, shoes, and other products ordered by U.S. firms will not be accepted on delivery by their U.S. buyers if there are going to be heavy import duties on them.

But the computer industry has warned of its own bankruptcy if Sarney capitulates to U.S. pressure.