

Business Briefs

Industry

Japanese leader rips monetarist policies

Akio Morita, chairman of Sony Corporation, told the private Zurich monetary meeting of leading central and private bankers on June 30 that their policies of monetarism and speculation have destroyed possibilities for industry worldwide.

"In my 40 years as a scientist at Sony, I have never consulted my banker as to what or how I should produce any product. I am an industrialist. But the situation today with interest rates, exchange fluctuations and such is that industry is run by financiers, not by industrialists.

"Industrialists must play the money speculation game today to stay afloat. . . . They are forced to buy and sell companies just like they were any other commodity. How can industry be strong under such circumstances? Industry is, after all, the foundation of economy.

"Unless industry and industrialists are revitalized, there can be no growth."

Real Estate

Houston leads the way down

A recent study by Houston real-estate researcher William D. Berry showed that 72 office buildings are currently vacant in Houston, some of them major office towers. The largest vacant building is the 34-story Phoenix Tower, a 631,000-square-foot tower completed in 1984 but never occupied.

There are two 471,000-square-foot buildings vacant: One housed a research facility for Gulf Oil that was closed after Chevron took over Gulf, and the other is the former southwest regional headquarters of Prudential. Other vacant buildings have square footage of: 221,000; 175,000; 160,000; 148,000; 142,000.

Still under construction, but with little

or no advance leasing, are the 53-story, Heritage Plaza Tower, with 1.2 million square feet, and two office buildings with 360,000 and 280,000 square feet of space. The overall commercial vacancy rate is 26.8%, including complete and incomplete downtown and suburban buildings, according to the survey.

Yet, the Salomon Brothers investment house predicts that Houston real estate values will drop another 20-30% before they hit bottom. "Planeloads of investors would be coming to Houston if we had a 30% decline in our real estate prices on top of what we've already had since the early 1980s," said J. Fred Baca, publisher of the *Baca Report* real estate newsletter. "Nobody is expecting a dramatic increase in the price of oil," said one researcher, referring to Salomon's statement that there is a "strong belief" in Houston that "oil will again reach \$30 per barrel and [Houston] will resume the growth path of the 1970s."

Barton Smith, director of the University of Houston's Center for Public Policy, said, "It's oversimplification to talk about a 20% to 30% drop across-the-board. You can't talk about Houston real estate in homogeneous terms. The residential market has already hit bottom . . . but commercial real estate . . . has a way to fall."

Space

Europe could become space power in 2000

Europe should become a space power of the 21st century and West Germany especially should engage in more spaceflight, concludes a report published June 24 by a task force of the German Foreign Policy Association.

The proposed European space program includes development of a space station, launcher capabilities (Ariane 5, Hermes, and air-breathing vehicles), and capabilities for Earth surveillance and military purposes. At the same time, a concept of a new space transport system was presented to the West German Research Minister Riesenhuber: the

space glider *Sänger*, a fully reusable two-stage vehicle for transport into earth-orbit.

The space glider is being developed by the German Institute for Experimental Air and Space Travel and engineers from the Munich company MBB. The basic concept, originally developed in 1943 and later refined in 1960 to 1963 by space-pioneer Eugen Sänger, was one inspiration for the U.S. Shuttle design.

Food

Vitamin deficiency blinds a million children

Approximately one million children under the age of six in Bangladesh are blind because of a disease caused by a vitamin deficiency, a Bangladeshi health ministry report released in early July said.

The report said that most of the children suffer from Xerophthalmia, which is caused by the lack of vitamin A. A separate report by Helen Keller International, an independent group, said at least 30,000 children lose their eyesight each year through nutritional weakness. Both reports said the disease was most prevalent in poverty-stricken rural areas. Health Minister M.A. Matin said at least 50% could be cured by increased vitamin intake.

South Africa

Thatcher: 'What's moral about sanctions?'

British Prime Minister Margaret Thatcher again lashed out at her critics on the South African sanctions issue, this time in a London interview with two Toronto correspondents, published in Canada on July 8.

Sanctions would damage "the most successful economy in the whole of Africa," she said. Thatcher, due to arrive in Vancouver on July 11, said those who embrace the

"symbols and emotions" of sanctions are a serious threat to the well-being of the black majority.

"What's moral about deliberately and willfully depriving many black people—and whites and coloreds—of the living they are honestly gaining?" she asked, insisting the economy has to be preserved so that "when apartheid is over, all the people of South Africa can inherit a decent economy."

International Trade

Ibero-American nations to form common market

On July 28, Brazilian President José Sarney will sign an unprecedented economic agreement in Buenos Aires, Argentina. The agreement will include a customs union, and is aimed to increase trade between Brazil and Argentina from last year's \$200 million annually to \$1.4 billion by 1990.

Brazil plans to sign a similar bilateral agreement with Uruguay in August. The Rio daily *O Globo* commented July 6, that Uruguay "is part of the apex of the triangle to build the Latin American Common Market."

Argentine President Raúl Alfonsín gave a speech July 5 in which he said Latin American integration is the only way to overcome an "absurd discrimination that we face in foreign trade because the more developed countries have policies to prevent our development and seek to keep us in stagnation."

Oil

Price predictions promise more declines

The recent collapse of oil prices again to \$10 a barrel, has unleashed expectations of a drop to new lows. A spokesman for Petroleum Argus in London told *EIR* on July 7, "The prospect, at least in the short-term, is bleak. The Russians are an increasing fac-

tor, the Norwegians and U.K. OPEC is nowhere near any accord. The effect of the latest round of global overproduction will hit the markets about September. Prices could easily go down to \$8/barrel."

Swiss and London banking sources both project that the oil collapse could finally topple the world financial bubble, which has been held up by currency manipulations and the like. One analyst reported that we can expect the oil price to collapse 20¢ a barrel every day, for the next two months.

In early July, prices were as low as \$5.50 a barrel for Kuwaiti crude. Saudi Arabian Light, once OPEC's benchmark crude, traded at \$8 a barrel. Normally both the Kuwaiti and the Saudi Arabian light are sold for about the same price as U.S. grades. North Sea Brent traded at \$9.60 and \$9.80 a barrel. West Texas Intermediate, the U.S. benchmark crude traded at \$11 a barrel.

Pandemics

Insect vectors confirmed for AIDS

Two researchers from the South African National Virology Institute have demonstrated that bedbugs carry the AIDS virus.

Entomologist Peter Jupp and virologist Sue Lyons have, for the first time, determined that an insect feeding on human blood could transmit the disease, the French daily *Quotidien de Paris* reported on July 5-6.

Preliminary research has established that the virus from contaminated blood survived a few hours when the blood was ingurgitated by a bedbug. This discovery indicates that the insect could contaminate a healthy individual bitten some hours after the contaminated blood was taken by the insect biting a sick individual.

The two researchers also noted that a greater portion of developing-sector children are infected with the HTLV-III/LAV virus than in developed countries, and that this indicated that "the disease could be transmitted in other ways than simply through sexual contacts," *Quotidien* concluded.

Briefly

● **NEW ORDERS** for the West German engineering industry are down for the March-May period, continuing the recent negative trend. According to the West German engineering industry association VDMA, new foreign orders for the entire industry were down a full 17% from the same period in 1985.

● **A MINI COMPUTER** developed by Soviet scientists is capable of performing up to 1 billion operations per second, or 50% more than comparable U.S. models, TASS announced on July 8. A new state committee to oversee the development of computer technology was established in March.

● **GOVERNOR WHITE** of Texas has renewed his call for an oil-import tariff. "Saudi Arabia is tightening the noose around our industry. . . . World oil prices are down. . . . Domestic production is off. The impact is being felt in related sectors. There's one solution to the problem and I think more people in Texas and across the nation are recognizing the need now for a variable tariff on imported oil."

● **PHILIPPINES** Finance Minister Solita Monsop Collas was in Peru in early July on a private mission for President Aquino to study Peruvian and Mexican debt policies. Collas told Peruvian Vice-Minister Gustavo Saberbein that the difference between Mexico and Peru is that the first can't pay and discretely does not, while Peru proclaims it with audacity, which could bring problems. Saberbein replied that the real difference is that Peru has a debt under \$20 billion, while Mexico's debt is just under \$100 billion.

● **CHINA'S** first domestic satellite network is now operating, and officials say it should be a major boost to modernization efforts, the New China News Agency said in early July. "This is a great step forward in the modernization of China's communications system," Vice Premier Li Peng stated at a ceremony in Peking.