Business Briefs

Health

Sweden gives AIDS test to pregnant women

Sweden has become the first country in the world to give routine AIDS tests to expectant mothers, according to the daily *Svenska Dagbladet*.

This project started Sept. 1 as a test project at two of the largest hospitals in Sweden, one in Stockholm, the other in Malmö. The tests are offered on a voluntary basis, but "our experience is that practically 100% of the pregnant women take the test," says Sam Brody, who heads the women's clinic at Huddinge Hospital in Stockholm. "We are actually positively surprised over the positive attitude the women take."

Professor Margareta Böttiger, who heads the Royal Bacteriological Institute in Sweden, commented: "The goal is that all pregnant women in the large metropolitan areas in Sweden can be tested as fast as possible."

AIDS has become the number-one cause of death among newborn babies in France, doctors at a pediatricians' congress in Strasbourg revealed. The doctors warned that potentially 10,000 women could transmit the AIDS virus to their infants, based on extrapolations taken from the "high-risk group" population in France.

Labor

U.S. government fudges unemployment figures

The U.S. government claims a "stable" unemployment level of 7%—thanks to women and children in part-time jobs, according to the Labor Department figures released Nov. 7.

The figures indicate that the recent job losses in the economy have been offset by gains among women and teenagers who are working part-time. Out of 2 million people joining the workforce in 1986, three out of four are women.

Almost all of the increase in employment occurred in the low-paid service sector. While the absolute level of unemployment is wildly wrong—*EIR* estimates that the actual figure is more than 20%—the figures do reflect the reality that new jobs are being created only in the unproductive sectors of the economy.

Agriculture

U.S.S.R. revises wheat estimates

The Soviet Union now says that it expects a record high grain harvest, a development which will severely hit already weakened European and U.S. grain export prospects. Ideological Secretary Yegor Ligachov on Nov. 7 announced that the harvest this season is expected to be a remarkable 30 million tons more than the average of the past five years.

The announcement came as a shock to the U.S. Department of Agriculture, which had estimated a harvest of only 180 million tons, 30 million less than that announced in Moscow.

If the Soviet figure is correct, it will be the best harvest since the record 237 million tons in 1978. European grain-trading sources report huge Soviet grain stockpiling in recent years.

Domestic Credit

FDIC head warns of mushrooming debt

Federal Deposit Insurance Corporation chairman William Seidman told a convention of the U.S. League of Savings Institutions in San Francisco on Nov. 11 that total public and private U.S. debt has *doubled* since 1980, when Paul Volcker's Federal Reserve policy took hold—from \$3.6 trillion to well over \$7 trillion today.

"The current rate climb in debt in this country cannot be extended for many more years without the potential for unacceptably increasing risk," Seidman warned. "A level of defaulting debt exists that could jeopardize the stability of our financial institutions."

The FDIC is adding a bank a day to its problem list; 300 have been added this year so far, bringing the total to 1,450.

International Trade

Oil surplus accumulates in Europe

The International Energy Agency of the OECD in Paris confirmed in early November reports of an abnormally large oil-stock buildup. According to the IEA report covering the period of July-September, OECD countries received, over and above normal demand, 3.5 million barrels per day (bpd) surplus crude stock.

The IEA claims that 2 million bpd represents a rise in depleted stocks of major companies. But an additional 1.5 million bpd is "unaccounted for," and is believed to represent stocks still at sea.

On Oct. 23, *EIR* reported that such a buildup was under way, citing a Rotterdam industry report that there was an "under-the-table deal" between Saudi Arabia and the major oil companies to keep prices up by buying above current needs.

Asset-Stripping

Goodyear charges 'economic terrorism'

The head of Goodyear Tire and Rubber Company accused Anglo-French financier Sir James Goldsmith of waging "a form of economic terrorism," in an interview with the *Financial Times* of London on Nov. 13. Merrill Lynch, the Wall Street investment company, has launched a bid to take over the world's largest tire manufacturer, and the effort is being overseen by world-renowned "asset-stripper" Goldsmith.

Goodyear chairman Bob Mercer attacked the U.S. government's refusal to intervene against the current rash of speculative takeovers of U.S. industry. Mercer said it takes a year to get Washington to approve an environmental impact statement, "to stick a piece of pipe in the ground in Texas. Yet a foreigner can stick something right into Goodyear and simply by filing a Schedule 13-D with the SEC they are off and running."

The *Financial Times* adds that the current Goodyear-Goldsmith battle could spark Washington legislative response to corporate raiding abuses of the last four years.

Goodyear workers have reacted strongly against the prospective takeover. During the first week of November, residents of Akron-Canton, Ohio, and Gadsden, Alabama set up picket lines at Merrill Lynch offices, with rumors of an official boycott of Merrill Lynch by the United Rubber Workers union.

Goldsmith, who has been investigated by the Securities and Exchange Commission, though never charged, for his shady dealings in the past, has a history of taking over companies, laundering out the assets, and then leaving a bankrupt shell behind. He is linked with a network of European financiers affiliated with the Soviet-tied Swedish Gyllenhammer mafia of Anders Wall and Kissinger Associate Pehr Gyllenhammer.

Manufacturing

U.S. industrial giants close up shop

The Ford Motor Company announced on Nov. 11 that it would close its 12-year-old tractor plant in Romeo, Michigan, the last factory making small agricultural tractors in North America.

Production would be moved to existing Ford facilities in Europe, eliminating the jobs of 650 wage-earners and 175 salaried workers.

This was just one of several shutdowns by top U.S. industrial corporations, since General Motors announced, two days after the Nov. 4 elections, that it would close 11 plants, firing 29,000 workers:

- General Electric announced on Nov. 11 that it would close its manufacturing plant for color TV tubes in July 1987, eliminating 655 hourly and 135 salaried jobs in Syracuse, New York because the division could no longer compete with competition from Japan and South Korea.

The announcement followed announced layoffs of 825 workers at G.E.'s medium-sized motor manufacturing operation in Schenectady, New York, which brings to more than 4,000 the number of job reductions in Schenectady announced by G.E. this year.

- On Nov. 12, Pratt-Whitney, the world's largest jet-engine builder, said it would eliminate the jobs of 1,500 to 2,000 salaried employees within the next 12 months.
- IBM, which had not laid off employees in about 40 years prior to 1986, announced the closing of its parts distribution center in Greencastle, Indiana, saying it would "re-assign" the center's 985 employees. This is the second plant closing for IBM this year.

Nuclear Power

Cattenom plant begins producing

On Oct. 24, the province of Lorraine in France entered the nuclear era, as the reactor at the Cattenom plant began operation. The plant will produce a total of 2 million kilowatt-hours this winter, and will allow a savings of 200 million francs. When all four sections have come on line, by 1990, some 10% of the total French production of electricty will come from Cattenom.

The opening of the plant was strongly opposed by various ecological groups, which attempted to create hysteria in the local population, and threatened violence if the plant were opened.

Jacques Cheminade, the head of the European Labor Party in France, greeted the opening of the plant: "The Committee for Cattenom and the European Labor Party salute this event, and want to see in it the hope of an industrial renaissance in the Lorraine. They will never stop fighting until a real network of factories, capable of saving our metallurical industry, of relaunching our heavy industry, and of supplying the Third World, can be set up here, thanks to the cheap cost of nuclear-generated electricity."

Briefly

- **BERYL SPRINKEL,** chairman of the President's Council of Economic Advisers, said in a speech on Nov. 11 that the Reagan administration expects a "good economic performance in 1987." Speaking in Detroit, whose economy has almost completely shut down, Sprinkel claimed that the trade deficit has peaked and "there is absolutely no evidence" of a recession.

- **THE AMERICAN** Petroleum Institute, meeting in Houston, Texas on Nov. 11-12, moved toward support of an oil-import tariff, despite the Reagan administration's opposition to such a levy. George Keller, chairman of the Chevron Corporation, told the final session of the API conference that a minimum domestic oil price is necessary as "disaster insurance" for the industry.

- **THE TRADE MINISTERS** of Iraq and Great Britain signed memos of agreement on Nov. 12 in Baghdad, to boost economic, trade, and technical cooperation between the two countries.

- **AGRICULTURE** Secretary Richard Lyng said he was "astonished and dismayed" at the Canadian duty recently placed on U.S. corn imports, and called Ottawa's move "inconsistent with recent efforts by both the United States and Canada to bring about freer and fairer trade."

- **ABEL BELTRAN DEL RIO,** president of the Ciemex-Wharton, a branch of the Wharton School, said that a shock to the Mexican economy would be inevitable if inflation were not cut in the next seven months. He said an "integral economic reform" had been prepared, which would entail wage and price freezes, free float of interest rates, and free devaluation of the Mexican currency for 9 to 12 months. He did not say what would be left of the Mexican economy following such treatment.