

# Business Briefs

## International Trade

### British firm dealing with Libyan dictator

Britain's "Tiny" Rowland, chief executive of the powerful Lonrho Corporation, has been involved in secret negotiations in Libya with Colonel Qaddafi, and has proposed joint ventures with Qaddafi, whereby Lonrho would take over the operations of U.S. oil companies in Libya, the *Daily Telegraph* of London reported on Nov. 27.

Citing revelations made in the British magazine *Business*, the *Telegraph* claims that Rowland contacted Qaddafi through Ahmed Qaddafadam, a cousin of Qaddafi who works for Libyan security and intelligence.

The *Telegraph* further asserts that the Lonrho chairman, Tory parliamentarian Edward Du Cann, "is understood to have been fully briefed about the move by Mr. Rowland." Rowland is a key figure in the so-called "Russian Party" of the British business and intelligence establishment.

## U.S. 'Recovery'

### More signs of economic collapse

- The Houston and San Antonio United Food and Commercial Workers meat cutters have approved a new 39-month contract with Kroger that calls for a pay cut, the loss of three personal holidays, and a cut in Sunday, holiday, and overtime pay. The highest-paid meat cutters will take a \$1.50 per hour pay cut, and meat wrappers, a \$1.25 per hour pay cut.

- Frito-Lay has temporarily laid off 100 employees at its new Duncanville Road manufacturing plant in Dallas. The plant, which opened in July 1986 at a cost of about \$40 million, employed about 200 persons prior to the layoffs.

- The State of Louisiana is facing a \$370 million deficit for FY 86-87, and may be forced to call a special session of the legislature to deal with the problem. Gov. Edwin Edwards ordered \$235 million in budget cuts

earlier in October, when the estimated shortfall was only \$255 million. The new estimate, issued by the Legislative Fiscal Office, means the state still has a \$135 million projected deficit, after a 10% across-the-board budget cut for most state agencies.

- GM will cut production of some full-sized and luxury cars early next year, idling another 4,500 hourly workers. GM will fire 2,500 Feb. 2 at its Detroit-Hamtramck plant, which now employs 5,800 workers. At GM's Orion plant north of Detroit, 1,000 of its 7,300 workers will be fired starting Jan. 5, as will 1,000 of its 6,500 workers at the Wentzville, Missouri, plant.

## Maritime Trade

### World shipping fleet shrinking

The world shipping fleet is shrinking at a rapid rate, according to *Lloyds Register*. For the first six months of 1986, the world shipping fleet fell a record 11.4 million gross tons, three times the previous record.

Fearnley's of Oslo reports that the physical volume of world shipping tonnage has collapsed by 26% to an annual level of 14 billion ton-miles, since the onset of the combined oil and interest-rate shocks of 1979.

In late November and early December, layoffs at European shipyards have included 1,500 at Scott Lithgov in Scotland and 800 at H&W in Belfast. U.S. Lines, owned by the pioneer of containerized shipping, laid off 1,200 when it went into Chapter 11 bankruptcy on Nov. 25.

## International Credit

### East bloc debt to West increases

The Comecon's hard-currency debt to the West will increase a record \$10-12 billion in 1986. According to Western European trade sources, the "hard currency" debts of the Comecon countries will show the big-

gest annual increase in history and reach the highest levels ever, an estimated \$83-85 billion.

While the dollar drop accounts for about half, the post-September collapse of Soviet oil earnings has been compounded by lower earnings on natural gas exports to Western Europe.

According to one Belgian analyst, "The Soviets have compensated for the collapse of hard currency export earnings by demanding better terms of trade within Comecon from its Eastern European satellites. Industrial exports from countries such as Czechoslovakia, originally intended for Western markets, have been forced to go instead to the Soviet market to pay for energy."

## Health

### French government mobilizes against AIDS

Lyndon H. LaRouche is in the center of the news in France following the decision by the government in Paris to launch a series of exceptional measures against the AIDS epidemic (see *EIR*, Dec. 5, 1986, p. 41).

The Dec. 5 *Paris-Match* commented: "Behind the tragic epidemic, with the nascent come-back of puritanism, is hiding an ideological and political threat which any day could explode in our faces. Lyndon LaRouche. . . ."

Jean-Marie Le Pen's National Front has now jumped on this AIDS issue. A National Front representative in the Chamber of Deputies, Dr. Bachelot, called a press conference on Dec. 1 to present his party's anti-AIDS plan. He declared: "There won't be anyone left by 2025. . . . 26 million are already infected in Africa. . . . This epidemic would bankrupt the social security system too. . . . AIDS is worse than a nuclear war!"

He criticized the government anti-AIDS plan for not going far enough and proposed to quarantine the infected people and organize a national referendum with parliamentary approval.

The Socialist paper *Le Matin* commented: "This plan looks amazingly like that pro-

# Briefly

posed last August by the old battler for American moral order, Lyndon LaRouche, principal leader of the NDPC [National Democratic Policy Committee] whose theses are defended in France by the Parti Ouvrier Européen. The same desire for politicization of an above-all medical problem, the same will to marginalize infected persons, and above all, the same opportunism on a possible 'moral' judo of a generalized worry. . . ."

## AIDS

### Soviet doctors to join in research

"Soviet Doctors to Join AIDS Research," was the headline of a front-page article in the *Times* of London on Nov. 28. The article reported: "British and Soviet doctors are to collaborate on research into AIDS and other public health issues in a return to 'medical détente' between the two countries. Soviet virologists will work with British specialists on studies of AIDS after talks in London this week between a delegation of Russian doctors and the Department of Health and Social Security."

*Times* science correspondent Thomson Prentice comments: "The inclusion of AIDS research on the agenda suggests that Soviet health authorities are more concerned about the impact of the disease in Russia than recent official statements have indicated."

## Infrastructure

### New York to allow raw sewage in water supply?

New York State environmental officials recommended in late November that an upstate sewage treatment plant that empties directly into the New York City reservoir system be allowed to discontinue chlorination. This is to "save the fish" that populate the streams leading to the reservoirs.

The outcome of the hearing in Albany will set a precedent for 90 other sewage plants

that empty into the city's water system. The State Commissioner of Environmental Conservation will decide the question, though his department is the party to the hearing in favor of dropping chlorination.

"Our water supply system was never meant to accommodate raw sewage," said Dr. Vin Coluccio, supervisor of the Drinking Water Quality planning office of the New York City Bureau of Water Supply. "From a public health point of view, this is completely indefensible."

The amount of wastewater dumped by the treatment plant in Delhi, southeast of Oneonta, New York, is 500,000 gallons per day. Testifying against the proposal *inter alia* are the State Department of Health, the New York City Department of Environmental Protection, and the Environmental Defense Fund.

## Biological Holocaust

### Score German failure in AIDS fight

"The strategy of the West German Federal Health Ministry to fight AIDS has failed," said Peter Gauweiler, state secretary in the Bavarian Interior Ministry, quoted in the weekly *Der Spiegel* Dec. 1. "A lot of the estimations of the Federal Health Ministry have been proven wrong," Gauweiler stated.

For example, the assertion that AIDS will only spread in the "risk groups" and that only 5 to 15% of the infected persons will come down with AIDS. Although AIDS is taking a "catastrophic course," the Federal Health Ministry continues its "psycho-social activities campaign."

*Der Spiegel* also reported that at the last meeting of the health ministers of the West German states, at the end of November, Bavaria was the only state that voted against the continuation of this "strategy."

"Doing without anti-epidemiological measures against AIDS puts the lives of many contact persons at risk," said Gauweiler. This attitude "is most likely incompatible with the constitutionally prescribed responsibility of the state to protect healthy persons."

● **AMEX TRIED** to smuggle credit cards into Argentina, a former employee reported in early December. He testified that AMEX regularly does this in other countries. "We pay the police. In Mexico we pay the police every month," he claimed.

● **JAPAN** will invest \$500 million in Mexico's Pacific Oil Project, both governments announced in late November, at the end of President de la Madrid's visit to Japan. A trade agreement between Mexico, the United States, and Japan was also signed, under which Mexico will become a "bridge" for Japanese products to the United States.

● **COLOMBIA'S** Comptroller's General office issued a new criminal indictment on Dec. 3 against Occidental Petroleum for tax evasion, this time involving Oxy's project to construct a maritime port in the free zone of Cartagena. The Eighth Commission of Colombia's House of Representatives will debate the Occidental case later in December.

● **ARGENTINA** will eliminate 20% of state employees during the next three years, the finance ministry reported on Nov. 30. "An inefficient state discourages the will to participate and burdens the country's productive activities." According to German Abdala, head of the state employees union, this "highlights the systematic destruction of the state."

● **OTTO WOLFF** von Amerongen, president of the Trade with the East Division of the West German Trade and Industry Association, said in an interview published in the German press on Dec. 1 that East bloc trade has been the "most stable element" in relations between the U.S.S.R. and West Germany. He declared that if the "new ice age" between Moscow and Bonn continues, "it will be up to businessmen to show that icy relations are not good for both sides."