

Business Briefs

Biological Holocaust

Brazil is running out of TB medicine

By the end of August, Brazil will have exhausted its reserves of tuberculosis medication, as a result of its economic crisis, according to a report in the newspaper *O Globo* July 23. The country still has 32 million pills or injections, for 120,000 patients. Officials estimate that 6,000 patients who began treatment this year will be left without medicine.

TB causes 5,800 deaths per year in Brazil. Without treatment, 50% of the patients are expected to die in two years, 25% will remain in a chronic state of illness, and 25% will recover on their own.

Imports have been blocked since last year because of exchange controls, and medicines have already run out in many localities. People are refusing to go to the main TB hospital in Rio de Janeiro, Santa Maria Hospital, because conditions are so bad that 11% of patients die.

In 1979, Brazil spent \$100 million to cure 55% of the TB cases which were treated. Today, it spends \$67 million, of which \$10 million is for medicine, to cure 97% of those who complete the six-month treatment.

Health

OSHA demands worker protection against AIDS

The U.S. Labor Department's Occupational Health and Safety Administration (OSHA) will soon begin penalizing health care employers who fail to protect workers from exposure to AIDS and other blood-borne diseases, the *Washington Post* reported on July 23.

The decision means that the federal government will begin subjecting hospitals and other medical facilities to legal sanctions, such as fines, for failing to enact safeguards protecting workers against transmission of AIDS. OSHA, however, has decided not to issue new safety standards for AIDS and hepatitis B, but to use existing federal rules.

"We believe we need to begin enforcing our existing guidelines," said an unnamed Labor Department source. "We don't think that [adherence to] the guidelines by employers is consistent enough."

Real Estate

Tax reform bill worsens S&L crisis

Collapsing U.S. real-estate values because of the Reagan administration's 1986 tax reform are worsening the disastrous losses of savings and loan institutions, according to analysts at the Federal Home Loan Board Bank.

"The tax reform act is having its consequences in the real-estate market. There are a lot of foreclosures of commercial property, and a lot of developers are walking away from deals after the tax advantages that motivated the deals ceased to exist. So the S&Ls are taking a lot of property back," said one analyst. Losses have increased from 4.2% to 6.2% of S&L mortgage portfolios over the year to May 1987.

The tax reform bill eliminated the tax benefits which had prompted the building boom of 1981-87, which led to a 25% oversupply of urban office space in the United States.

International Trade

'Pasta war' looms between U.S., Europe

The European Community on July 20 rejected as "completely unacceptable" a U.S. demand for large cuts in pasta export subsidies, raising the prospect of a transatlantic "pasta war" beginning in August, UPI reports.

If the United States imposes sanctions on European pasta imports on Aug. 1, then the EC would retaliate with "mirror measures." The EC position was stated by officials after the July 17-18 ministerial meeting in Copenhagen, which U.S. Agriculture Secretary Richard Lyng attended, along with the outgoing Undersecretary Daniel Am-

stutz (formerly of the Cargill grain cartel), who talked tough about protectionist measures.

On July 22, the U.S. Senate approved a protectionist trade bill, which would force the President to retaliate against other countries' "unfair practices."

Industry

Europe will slash its steel production

The European Commission on July 21 approved a \$7 billion, three-year plan to cut Western European steel capacity by 30 million tons. The program proposes that member-countries maintain production quotas on the most common steel products, shut down a number of large mills, and cut 80,000 jobs. The plan will be submitted to the member governments for consideration in September.

Several thousand West German steel workers demonstrated the following day against the measure. In the Saarland cities of Dillingen and Voelklingen, which have an official unemployment rate of 18-19%, several thousand steel workers called on the Bonn government to secure jobs for the Saar Steel Corporation, and to resist the European Community's quota for closures of steel plants.

Also 4,000 workers of Maxhuette Steel in eastern Bavaria took to the streets, demanding job security through joint emergency action by the Bavarian state government in Munich and the federal government. Maxhuette Steel has filed the equivalent of Chapter 11 bankruptcy, and there are plans to lay off 3,000 of the 4,500 workers employed at the plant.

AIDS

Colorado meatpacking firm will test workers

The Montford Meatpacking company of Colorado, owned by Conagra, Inc., has announced that it will test all prospective employees for AIDS. President Ken Montford

said that the company is trying to protect its employees, who work with knives, from spreading AIDS-contaminated blood.

If blood from an AIDS-infected worker is spilled in an industrial accident, it could serve as a conduit for spreading AIDS to others, said Montford, adding: "My philosophy is that it is a communicable disease, and we have historically tested for communicable diseases."

Transport & Communications

Thailand maps trade ties to U.S.S.R.

The government of Thailand has approved a proposal to open air and sea links with the Soviet Union, and has called upon the communications ministry and Thai Air to investigate possible transport links between Bangkok and Vladivostok.

The opening to Moscow is a direct result of actions by the U.S. State Department and affiliated "Project Democracy" networks, to antagonize Thailand and break its traditional ties to the United States.

The Joint Public-Private Consultative Committee, under Prime Minister Prem, also asked Thai firms and the Chamber of Commerce to come up with ways to expand trade with the U.S.S.R. All of these initiatives have been taken under the direction of Foreign Minister Siddhi Savestila, an associate of Henry Kissinger, who announced that he will be visiting China and North Korea Aug. 18-25, to increase bilateral ties. On announcing the trip, a foreign ministry spokesman noted that Thailand officially supports unification of North and South Korea.

The Debt Bomb

Bolivia will divert anti-drug funds to banks

Bolivia and the international banks have worked out a novel "solution" to the country's foreign debt problem: \$1 billion of the debt will be bought up from the banks at 15¢ on the dollar.

But since the Bolivian government does

not have a penny, the money for this would be contributed by foreign governments, as money "to fight the war on drugs." But the money would go to a fund run by the International Monetary Fund, which would give it to Bolivia only to pay off the banks.

Bolivia says it would go through a book-keeping game: The pesos budgeted for anti-drug activities would be used to buy back the foreign debt. Eventually, the war on drugs would supposedly be financed by diverting pesos which would have gone to debt service.

The catch is that Bolivia now spends nothing on fighting drugs and has not paid foreign creditors since 1985. So, it all boils down to foreign contributions for fighting drugs going to pay off the international banks that set up Bolivia's drug economy in the first place, and reap the lion's share of profit from it.

Infrastructure

Thailand's Kra Canal project moves ahead

The Kra Canal Committee of the Thai Parliament is now finalizing plans for delegations to go to Egypt and West Germany to inspect canals built there, preparatory to building a canal across the Isthmus of Kra which would make it possible to vastly expand shipping in the Pacific and Indian Oceans' basins.

The project has been vigorously promoted by *EIR's* Bangkok Bureau, along with the Mitsubishi Research Institute of Japan.

The proposed canal is getting regional support. A Chinese government spokesman on a visit to Thailand said that China would help with explosive devices which would make construction cheaper.

When U.S. Defense Secretary Caspar Weinberger visited to Bangkok June 12, he also indicated his support for the canal. At a press conference, *EIR's* Bangkok Bureau Chief Sophie Tanapura asked him if he would support the canal. Weinberger responded, "We have not had a formal request of that kind at this point, but I think we would tend to be very sympathetic to requests for things that we believe could strengthen the country economically or from the point of view of security."

Briefly

● **OCCIDENTAL** Petroleum, Armand Hammer's company, said it may sell "a substantial minority interest" in IBP, the nation's largest meat processor, which was fined \$2.6 million for violations of federal safety regulations. Inspectors compared conditions at the company's plants to those portrayed in Upton Sinclair's *The Jungle*.

● **AN IMF TEAM** which left Turkey late in July issued a statement accusing the Turkish government of mismanagement. The statement demanded cuts in public-sector firms and in the money supply, calls the inflation rate "most discouraging," and expresses "a pessimistic view." The IMF also attacked a decision to decrease interest rates, aimed at promoting internal investments.

● **BOLIVIA'S CENTRAL BANK** will offer for sale its gold reserves in Europe, in order to finalize the conversion of tradeable resources, Spain's EFE news agency reported July 22. The head of the central bank will go to Switzerland and West Germany to conclude the deal.

● **PENTAGON SOURCES** recently returned from Africa describe the AIDS pandemic there as the largest-scale genocide in history. According to these estimates, fully 30% of black Africa's intelligentsia is infected, and 50% of the officer corps.

● **BURTON BONGARD**, the former president of Ohio's Home State Savings Bank, was sentenced to a maximum of 10 years in prison July 22, on four charges of fraud stemming from the 1985 collapse of the Cincinnati-based thrift.

● **A NEW INSURANCE PLAN** went into effect in Maryland on July 1, which raised rates for obstetricians 16-40%, depending on location and size of practice. An average obstetrician, who delivers 100 babies a year, would see his or her rates increase from \$39,000 to \$52,000.