

Business Briefs

Africa

Kaunda highlights debt, AIDS crisis

Zambian President Kenneth Kaunda, recently reelected President of the Organization of African Unity, told a press conference in Washington on Oct. 9 that a "special summit" of the OAU has been scheduled for Nov. 30-Dec. 1, to deal exclusively with the topic of unified action on the debt.

Kaunda, who had recently announced that his own son had died of AIDS, also gave an impassioned appeal for an all-out international effort on AIDS, warning that it could destroy all mankind.

Asked by *EIR* whether he had discussed AIDS with President Reagan during his four-day visit to Washington, Kaunda replied that he discusses it with everyone he meets. "My main point is that we are wasting valuable time. AIDS is an enemy of mankind. It cuts across East and West, North and South, rich and poor. It cuts across ideology, color, and region, and all artificial barriers, to attack mankind as a whole. We must fight it realizing this, or AIDS will destroy us."

Biological Holocaust

AIDS in Yugoslavia nears African levels

The spread of the AIDS epidemic in Yugoslavia is heading for a rate of infection like that in parts of Africa. According to the Foreign Broadcast Information Service's translation of an article printed July 9 of this year in *Rilindja*, the daily paper in the poverty-stricken Kosovo province of Serbia, Yugoslavia, the AIDS virus was detected in 698 out of 5,624 persons tested—nearly 13%! Equipment to test all blood donors in Kosovo, the report said, was to be ordered only in September.

Kosovo, the site of violent strife between ethnic Albanians and Serbs, is one of the poorest areas in Europe.

Medicare

U.S. plans more cuts in health services

The Reagan administration is drafting a proposal to cut Medicare costs, by publishing lists of cheaper "preferred" doctors, and by slapping financial penalties on those Medicare users who choose doctors who do not cut costs, according to the *New York Times* Oct. 13. Medicare provides health services to 31 million elderly and disabled people.

The idea, according to Dr. William Roper, the head of the Medicare program, is to save "at least \$50 million" in the first year, and much more later. Dr. Roper said that the plan was to "steer Medicare patients toward certain doctors who practice a conservative style of medicine, who have a proven track record of providing appropriate medical care without unnecessary utilization of services."

Dirty Money

Britain's 'Guinnessgate' scandal explodes

Heads are rolling in the City of London. The British government on Oct. 13 arrested billionaire Gerald Ronson, head of Heron, the U.K.'s second-largest private company, and one of Britain's richest men, on charges of fraud and grand larceny; former Guinness chairman Ernest Saunders was re-indicted on 37 additional counts of fraud and theft. Five days before, on Oct. 8, broker Sir Jack Lyons was arrested on charges of theft and embezzlement. London broker Tony Parnass was arrested three days ago in Los Angeles.

These are the biggest arrests of City insiders in recent history. "Thatcher wants someone in jail," says a source who reports that the prime minister and Chancellor of the Exchequer Nigel Lawson are behind the arrests.

The political connections of the arrested men are suggested by the fact that Tiny

Rowland, a trader with Khomeini's Iran, put up \$400,000 bail for his business associate Ernest Saunders. Rowland reportedly benefited handsomely in deals with Saunders, at the time that Saunders, together with Wall Street's Ivan Boesky, convicted for insider trading, and Rapid American's Meshulam Riklis, illegally rigged the January 1986 takeover of Distillers.

Austerity

Bonn slashes industry subsidies, health care

The West German government on Oct. 7 announced sweeping budget cuts, totaling 19 billion deutschemarks (\$8.7 billion). The cuts will hit most sharply against state subsidies to coal mining, steel and iron production, shipbuilding, and agriculture.

The government had already announced that 30,000 miners and another 35,000 steel workers will be fired in the next 18 months. And of the 22,000 German shipbuilders, some "30 or 40% will have to quit," said Economics Minister Martin Bangemann.

The second-largest area of budget cuts will be in health care. An example of the effect of the recent budget-cutting, is the case of Düsseldorf University Hospital, which failed to get the money it needed from the state government of North Rhine-Westphalia. A secret letter from the hospital director to staff physicians was leaked to the press on Oct. 12, itemizing austerity measures to be taken:

- Treatment "of very expensive patients" will be reduced;
- Therapy for cancer patients will be done on an outpatient basis;
- Patients with "very expensive dialysis procedures" will not get them as often as before;
- No new personnel will be hired;
- Surgical instruments and garments, catheters, and sheets will be reusable;
- The disinfectant supply will be reduced.

"Other measures in order to save costs can follow," the letter ended.