

Business Briefs

Dope, Inc.

Brazil's northeast is big marijuana producer

The Brazilian northeast has become the largest producer of marijuana in the world, according to the president of Brazil's National Drug Abuse Information Agency (NIDA), Richard Lindland. Lindland made the statement while on a trip to the United States. Brazil's northeast, he might have added, is one of the most impoverished areas in the world as well.

His statements were confirmed by the interim superintendent of the Brazilian Federal Police in the state of Pernambuco, Vladimir Cutarelli. He said that Lindland's statements are not surprising, because the northeast has all the conditions required to produce marijuana, especially Pernambuco state, where vast marijuana fields have been found.

The police official added that as drought worsens in the northeast, marijuana plantations will become more common. "With one hectare of marijuana, a family can live."

Foreign Exchange

Soviets moot convertibility of ruble

Two leading Soviet economists told the press in Washington Dec. 3 that "savings" from the disarmament made possible by U.S.-Soviet treaties could be spent on the Third World, and that economic reforms associated with General Secretary Mikhail Gorbachov's *perestroika* might soon make possible the convertibility of the ruble.

Abel G. Aganbegyan, the top economic adviser to Mikhail Gorbachov, and Stepan Sitaryan, deputy chief of the Soviet State Planning Commission (Gosplan) raised the possibility of a ruble freely convertible into other currencies and of joint U.S.-Soviet aid to developing countries. Aganbegyan said Moscow was ready to spend savings from disarmament "to satisfy humanitarian and food needs of developing countries."

Aganbegyan admitted that resistance to Gorbachov's *perestroika* (restructuring) is "fairly serious." "*Perestroika* is being resisted by some of the managers," he said, "especially those who as a result of reductions in their rights and responsibilities lose their authority and job."

Aganbegyan and Sitaryan said that they saw a convertible ruble as part of Soviet plans to play a much bigger role in the world economy. "We have set ourselves a task to make our ruble convertible," said Aganbegyan. "But to do that we have to change our pricing system to bring it closer to the outside. We will be conducting price reforms in 1989 and 1990."

U.S. economists, interpreting the remarks, were quoted in the *New York Times* saying that it was unlikely that he was talking about full convertibility. "Full convertibility would be disastrous for the Soviet balance of payments," said Przemyslaw Gajdeczka, a specialist on the Soviet economy at WEFA Group, formerly Wharton Econometrics. "It would mean a huge shake-up in their economy and there would be a great deal of resistance."

Transportation

Secretary calls for 1,000 more air controllers

James H. Burnley, IV was sworn in as Transportation Secretary on Dec. 4, replacing Elizabeth Dole, who departed to join her husband Robert's presidential campaign.

President Reagan used the occasion to call for further deregulation of the nation's transportation industry.

Burnley announced that the Transportation Department would hire more than 1,000 additional air traffic controllers if Congress approves its request for a \$1 billion increase, or about 20%, in spending for aviation, bringing that portion of the department's budget up to \$5.8 billion. In addition, more inspectors and maintenance personnel would be hired, Burnley said.

He didn't criticize deregulation, but said that the additional air traffic controllers were needed because of a surge in numbers of people traveling by air.

During the peak travel months of the summer of 1987, the department advised airlines not to schedule additional flights, because the air traffic system was incapable of handling them safely. It was the first time additional flights were not added during summer months.

Burnley was deputy secretary of transportation under Dole for four years.

AIDS

Houston hospital closes down

The Institute for Immunological Disorders (IID) of Houston, Texas, the first U.S. hospital devoted exclusively to AIDS patients, closed down on Dec. 11, after operating for only a little over a year.

Since opening its doors in September 1986, the hospital has lost over \$8 million, primarily because of care provided to indigent patients. It had operated on an outpatient-only basis since November 1987. The IID stopped accepting indigent patients in March 1987, and laid off some employees, but the institute continued to lose money.

IID officials have referred 450 patients to private physicians or to Jefferson Davis Hospital, the county hospital which treats patients unable to pay.

Dr. Peter Mansell, IID's medical director, will return to M.D. Anderson Hospital, where he will spend much of his time analyzing the records of patients treated at IID.

American Medical International owned the facility.

Markets

U.N. to seek private financing

U.N. Secretary General Javier Pérez de Cuéllar told the General Assembly Dec. 2 that the United Nations would have to borrow on the open market in 1988 in order to remain solvent, largely because the United