

Business Briefs

Austerity

IMF warns Israel against Brazil model

Concluding a 10-day visit to Israel, a delegation from the International Monetary Fund (IMF) warned of a rapid deterioration of the nation's economy, similar to the situation in Brazil and Argentina.

According to the March 11 *Jerusalem Post*, the IMF called for Israel to implement a stricter "plan of economic stabilization," modeled on the British example, and to avoid "making the errors" of Brazil and Argentina. In a March 10 meeting with Israeli economic leaders, the IMF team demanded that "each wage increase, should lead to the layoff of workers" as a compensation. The IMF also criticized a planned increase in the budget deficit, and a tax reform plan which would reduce taxes on individuals.

The Bank of Israel has expressed satisfaction with the recommendations, but the prime minister's economic adviser, Amos Rubin, said that the IMF report is not important, since Israel receives no aid from the Fund.

Health

Koop sticks to AIDS cover-up, attacks Gallo

An official in the office of U.S. Surgeon General C. Everett Koop has admitted that the government is covering up the full extent of the AIDS epidemic, in order to avoid "sheer national panic," the *Sunday Express* of London reported on March 22. Koop himself, whose AIDS program stresses condoms and "safe sex," has meanwhile lashed out at "our critics on the political right"—meaning this magazine and its founder, Lyndon LaRouche.

"Officially we say that we have 31,000 cases over the past few years and half of those victims have died," said Koop's aide, who declined to let his name be published. "Officially we say 250,000 cases are expected in the next four years. But actually

we now believe that there may be more than 1 million AIDS victims in the United States today. . . . We have to keep the pressure on to secure funding, but we must cover up the extent of the epidemic to avoid pushing this country to the brink of national insanity because this really is a plague."

The surgeon general was at pains to continue the cover-up, in a March 25 dispute with AIDS expert Dr. Robert Gallo. Speaking at a conference on "The Socio-Economic Impact of AIDS on Health Care Systems," Gallo said he could not rule out the possibility of casual transmission of the AIDS virus some time in the future, especially if the virus mutates greatly.

Koop called Gallo's comments "frightening," and added, "The information Dr. Gallo gave and implied concerns me, because it will provide ammunition for our critics on the political right, who are constantly seeking other modes of transmission of the AIDS virus beyond sexual intercourse and infection by contaminated needles and blood. These people have suggested everything from toilet seats to pets and insects as possible modes of transmission. Their efforts at finding new methods of casual transmission deflect from our efforts to get people to modify their behavior to help stop the spread of the virus."

Eastern Europe

Yugoslav Army 'cannot ignore' labor unrest

Yugoslav Prime Minister Branko Mikulic, facing an unprecedented wave of strikes over a wage freeze, announced on March 22 that if the Yugoslav constitutional system was threatened, "all means" would be used to defend it, "and that includes the Army." Deputy Defense Secretary Gen. Milan Daljevic backed this up, in a newspaper interview published March 23, warning that the Army could not ignore political developments.

In an attempt to defuse the crisis, the government had announced a price freeze on March 20. With inflation running as high as 130%, workers' wages were cut by 60%, by a law which went into effect on March 1.

According to the official news agency Tanjug, the price freeze will affect food, consumer goods, tools, textiles, and furniture. It will last for 90 days and will hold prices at levels in effect on Dec 31. Said the government: "The disturbance in price movements has reached such proportions that it directly threatens the achievement of set economic policy and development, with strong socio-economic and political consequences."

Yugoslavia is being squeezed both by the Soviet Union and by the International Monetary Fund and Western creditor banks.

Aerospace

Indian space failure will not halt launches

The failure of India's first intercontinental-range rocket, which plunged into the sea on March 24, will not affect the schedule of future launches, space officials said.

The Augmented Satellite Launch Vehicle (ASLV) splashed into the Bay of Bengal two minutes after lift-off. Prime Minister Rajiv Gandhi said the failure was a "small stumble," and that the Indian Space Research Organization should continue its work.

India's first Satellite Launch Vehicle also plunged into the sea after blast-off in 1979, although successful satellite launches took place in 1980 and 1983.

Labor

Thai trade unions reject IMF debt plan

The International Monetary Fund and the World Bank are running into trouble in their efforts to force the government of Thailand to sell off its state enterprises in a debt-for-equity plan. In response to pressure from the trade unions, Prime Minister Prem Tinsulanond announced on Feb. 25 that the government would not sell its profit-making operations. To do so, he said, would jeopardize