

Business Briefs

Development

ASEAN nations, Japan meet on fund

Senior officials from the Association of Southeast Asian Nations (ASEAN) and Japan began a two-day meeting on March 4 to discuss the allocation of a \$2 billion aid package, part of Tokyo's pledge to recycle its surplus fund to promote regional development.

The \$2 billion will be divided among Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand. The fund, it was announced, would be spread over three years and will be operational by the middle of 1988.

The fund also provides for "two-step loans" with more favorable terms and conditions than are currently channeled through the Overseas Economic Cooperation Fund and the Export-Import Bank of Japan to various ASEAN financial institutions.

Dope, Inc.

More heroin coming from Southeast Asia

There has been a sharp increase in the amount of heroin entering the United States from Southeast Asia, Drug Enforcement Administration head John Lawn told a conference of 80 anti-drug officials from 12 U.S. embassies in Asia. The conference began March 15 in Kuala Lumpur, Malaysia.

The amount coming from the Golden Triangle has risen from 18% one year ago, to 30% now. Malaysian Prime Minister Mahathir called for a "total war" against narcotics, and said drug addiction is the most serious problem facing Malaysia, even worse than Communist insurgency.

A huge heroin seizure in Bangkok, Thailand recently showed that the United States has underestimated the amount of heroin shipped from Southeast Asia, senior U.S. official Joseph Winder told reporters a

day earlier. The minister-counselor of the U.S. embassy told reporters that the 1,280 kilograms (1.4 tons) of 95% pure No. 4 heroin seized, were destined for the United States. This exceeds Washington's estimate of an average of 1.2 tons flowing annually into the United States from the region.

"Now, the U.S. has to rethink the amount of heroin coming from this part of the world," he said. Winder said U.S. officials have discussed with Thai officials the possibility of beginning a program of asset seizure exchange. The cooperation would allow the United States to give a certain amount of seized drug money to Thai authorities who helped provide the information leading to the seizure and arrests. Thai authorities are considering legislation empowering the state to seize assets of convicted traffickers.

According to a source in Bangkok, the United States had asked Thai authorities to hush up the news of the seizure. He said that Washington wanted the news kept quiet during the election year, because it involved exposing an important mafia ring with strong political connections.

AIDS

Heterosexual victims on rise in Brazil

The latest survey of the Brazilian health ministry shows AIDS increasing among heterosexuals, drug addicts, and people who have gotten transfusions, in about the same proportion as it is decreasing among homosexuals and bisexuals.

The official count of active cases since 1982 is 2,766, but the interim director of the national AIDS program, Pedro Chagas, estimates that there are actually 4,600 with symptoms and 225,000 to 500,000 carriers.

The statistics are from February during which the official total went from 2,651 to 2,766, or 20.67 per million people. President José Sarney asked congress to approve AIDS victims eligibility for retirement benefits, pensions, and care, and for AIDS medication and test kits to be imported tax free.

Emilio Ribas Hospital in Sao Paulo is having a wing renovated to increase its beds for AIDS patients from a present 60 to 210. There are now a total of 171 AIDS beds in the state. Most private and many state hospitals are refusing to treat AIDS victims.

Law and Euthanasia

Judge quashes subpoena for name of 'mercy-killer'

A Cook County Circuit Court judge ruled March 18 to dismiss a grand jury subpoena that would have forced the *Journal of the American Medical Association* to reveal the name of a gynecology resident who admitted to murdering his patient in an article titled "It's Over, Debbie" in its Jan. 8 issue. *JAMA* has defended its publication of the article, under the excuse that euthanasia is an ethical topic that needs to be debated.

Cook County State's Attorney Richard M. Daley, whose Chicago office had issued the subpoena, told reporters that *JAMA* was "protecting the identify of a killer who may kill again—indeed who may have already killed again." The article "appears to be a confession to murder. . . . Even more disturbing, it is an unrepentant confession by one who justifies the murder of another human being."

The right to murder and defend the practice is being hailed as a gain for First Amendment rights by journalists and the right-to-die lobby.

Poverty

Administration gets brutal with elderly

The Reagan administration has decided that too many of the nation's elderly and disabled have been living the life of Riley.

A new rule, which will go into effect April 8, will require increased payments from

hundreds of thousands of low-income elderly and disabled people who are in nursing homes and other institutions at federal government expense. This is to "enable states to shift more of the financial responsibility for the cost of nursing home care to the recipient."

Practically, for the elderly and disabled, this means additional costs averaging \$75 per month and doing without such "frills" as eyeglasses, dentures, and hearing aids.

Crash of '88

Crédit Suisse chief warns of crash

Crédit Suisse executive board member Hans-Jörg Rudloff, in remarks to the March 13 *Welt am Sonntag*, said that the "speculative orgy" of recent years is sure to lead to a crash, but that "the present generation" is unprepared for what could happen.

In recent years, he said, money became "the most valuable commodity in the world," leading to a situation in which people "forgot the basic principles. The speculation became wilder and wilder, larger and larger. And that always ends the same way—a crash."

Rudloff reported that, an unpublished report by the Swiss National Bank showed that in 1987, central banks spent \$140 billion in market interventions to support the value of the American dollar. "That means that they financed the entire American deficit last year. How can the central banks in the long term finance the entire U.S. budget deficit? That they will not do."

The longer the United States postpones imposing "restraint policy," he insisted, the worse it will be. By "restraint" he made clear he meant even more severe budget cuts and austerity. Rudloff said that rather than impose measures which would mean "a small recession now to correct the imbalances distorting world financial flows, unfortunately, we find ourselves instead in the midst of a presidential election. Therefore, naturally this necessary recession is postponed"—

meaning a far more dangerous "correction" after the election.

Rudloff stated that the worst danger is a psychological one. "The current generation was raised in times which only got better and better. They don't believe that anything could happen . . . that a war could break out . . . that an economic crisis could hit . . . that daily bread could become a question . . . that they could no longer find any work."

Rudloff, who was among the few, in spring 1987 to predict a crash later that year, warned against the illusion that Black Monday was "just an accident," because such wishful thinking among policymakers would result in even bigger mistakes.

Black Monday was only just the beginning, just as 1929's stock market crash was followed by the depression two years later. It can happen again, he asserted.

Oil

Mexico loses \$154 million in price fall

In the first two months of 1988, the nation of Mexico lost more than \$154 million in projected oil revenues because of declines in oil prices. Should the present tendency continue, the annual loss will be more than \$2 billion.

The Mexican finance ministry, however, claims that the fall in the international oil price has not altered "the stability of public finances." "Although the sale of crude represents an important segment of income of the public sector, with the program of stabilization, substantial corrections have been made which have enabled [us] to resist the external oil shock," said a spokesman.

The spokesman said the finance ministry is confident there will be a mild recovery in the price of oil, but that even if the events prove otherwise and the price per barrel falls below \$9, Mexico could use its international reserves of \$15 billion as a backup.

The Mexican government's 1988 budget projects a minimum price per barrel of \$16 and an export platform of no less than 1,418,700 barrels.

Briefly

● **A DEFENSE INDUSTRY** report on the impact of changes in Pentagon procurement practices and tax law has concluded that there will be a substantial squeeze on profits that will result in job losses and refusal by contractors to invest in new technologies. New procurement policies would force contractors to pay a portion of the research and development costs, restrict monthly progress payments, and limit profit margins to about 10%.

● **PRUDENTIAL-BACHE**, the securities subsidiary of Prudential Insurance Co. of America, the United States's largest insurer, posted a 1987 loss of \$164 million. Only two months ago the company announced that it had only lost \$100 million. The parent company posted modest gains for the year.

● **A CHILDREN'S** Defense Fund report states that more babies die in infancy in the United States than in any other advanced country, and that the United States is 19th in the world, worse than Singapore and Spain. For blacks, the U.S. infant mortality rate is "worse than Cuba, Costa Rica, or Bulgaria." "In Washington, Boston, Chicago, or Philadelphia, a black baby is more likely to die before its first birthday than a baby born in Jamaica."

● **A COLOMBIAN** businessman, Sabas Pretelt de la Vega, the head of the National Federation of Retailers, has proposed turning San Andrés Island in the Caribbean, between Colombia and Nicaragua, into a "free port" with no labor laws, taxes, or exchange controls—transforming it into a drug and money-laundering haven over night. By contrast, the Colombian military had asked the United States to use the island for a radar base to track drug planes, but the United States refused.

● **OCCIDENTAL PETROLEUM** has sold its entire share of a Colombian oil venture to Hispano Oil of Spain, pulling its operations out of the country.