# Business Briefs

*AIDS*

## WHO won't condemn Soviet test measures

The World Health Organization will not condemn Soviet measures to stop the spread of AIDS, among them widescale testing, and tests of foreigners.

WHO official Dr. Netter told *EIR* that while WHO officials don't like these measures, they will not intervene as they did with other countries. In some instances, the WHO even threatened to cut off aid to national health programs if traditional public health measures were adopted.

The WHO, including its AIDS section, is notoriously dominated by Soviet health officials.

*Raw Materials*

## London's mineral position on the rise

"The role of London in world minerals control is becoming stronger," stressed a senior City of London bank official to *EIR* Feb. 7. "The approval by Lord Young of the Minorco takeover of ConsGold last week will now open the way for further raw materials takeovers. Over the last 10 years, control of U.S. mining assets has increasingly shifted to London. Oppenheimer [Sir Harry, South African head of Anglo-American and De Beers gold and diamond mining interests] is really British."

London mining sources added, "This role of London has especially increased in the past year as commodity prices for metals have risen. The RTZ acquisition of BP Minerals late last year and now Minorco's likely takeover of ConsGold will confirm this role. It's a major revival of Britain's historic role. Neither New York or Tokyo have anything to compete at this point."

The Minoroco referred to is a Luxembourg-chartered investment company owned by the Oppenheimer Group, which already held 29% interest in ConsGold or Consolidated Gold Fields, the $4.9 billion British-based mining group. Minoroco's assumption of full ownership of ConsGold is the largest corporate takeover in British history, and is part of pattern of worldwide reorganization and concentration of precious metals mining and processing.

*Trade War*

## Telecommunications on the agenda

West German Economics Minister Haussmann was told by U.S. officials that the "tele- "telecommunications sector is on the agenda" now for transatlantic trade war. He got the message directly from Clayton Yeutter and his successor as U.S. Trade Representative, Carla Hills, and also from Nicholas Brady and other officials of the Bush administration whom he met with in Washington Feb. 2-3.

Hills informed him bluntly that the U.S. expects the Europeans and the Germans to have their telecommunications sector deregulated and opened up to U.S. products by no later than one year from now.

In this context, a pattern of "scandals" has begun to implicate major West German producers of telecommunications equipment. Siemens was targeted in the Libya (Rabta), Pakistan (nuclear), and South Korea (electronics) affairs; Bosch and Nixdorf have been hit by management bribery scandals, and the chief executive of SEL, Helmut Lohr, first was investigated on bribery and fraud charges, then fired from his post, and finally arrested in a police action.

Apparently, trade war in telecommunications is only the first salvo under the punitive terms of the 1988 U.S. Trade Act. The U.S. Government Advisory Committee on Telecommunications, headed by AT&T, is reportedly behind the demand that Trade Representative Hills target Germany, France, Japan, and South Korea.

Hills reportedly is arguing that European telephone state monopolies must be privatized and opened up to U.S. equipment makers such as AT&T and Motorola, according to *Business Week International*.

In a related development, the London *Financial Times* reports that AT&T is about to secure a potential $25 billion contract to modernize Italian telecommunications in a deal with state-owned Italtel. But the French Alcatel, in a competing bid, has reportedly offered to the Italians joint venture collaboration in world marketing, and is waging an intense battle to outbid AT&T.

*International Credit*

## Philippines, IMF reach agreement

The International Monetary Fund and the Aquino government of the Philippines have buried differences over economic policies that had prevented agreement on a $1.3 billion loan deal in December, the *Financial Times* reported Feb. 3. The agreement in principle reached between Prabhabar Narvekar, director of the IMF's Asian Department, and Vicente Jayme, Philippines Finance Minister, opens the door for a resumption of talks with commercial bank debtors on up to $1.6 billion in new money as early as March.

The agreement centers on a $900 million loan aimed at closing the country's balance of payments gap for the next three years. Also involved is a $400 million contingency facility that the country could draw on to offset the effect of sharp fluctuations in commodities prices.

But other potential lenders and donors are waiting in the wings. Manila has requested $1.8 billion in new loans from commercial banks. It wants to restructure almost $700 million in interest payments due this year to the Club of Paris, a private commercial bank group.

Rescheduling of debt owing to the Club of Paris will probably have to wait until a new package is signed with the IMF, probably in May, analysts said.

An IMF team will return to the Philippines soon, stay about three weeks, and then present its report to the Fund's management, Jayme said. He said the two sides reached agreement in principle on the allowable public sector deficit, projections of tax collections, the target growth rate, and measures to safeguard public sector invest-