

Business Briefs

Epidemic

Uganda suffers AIDS outbreak

In late May, Dr. Ruhakanga Rugunda, Uganda's health minister, announced that emergency health measures would be taken in the face of the "widespread" presence of the deadly Acquired Immunity Deficiency Syndrome (AIDS) disease, admitting for the first time that a serious problem existed in the African nation. Dr. Rugunda conceded that Uganda was faced with a serious outbreak of AIDS, and said it was seeking help and advice from the United States and the World Health Organization. Funds have been allocated for an anti-AIDS campaign.

A Pakistani missionary doctor, Dr. Mohammad Bajwa, said that nearly 1 in 1,000 people had AIDS, and a minimum of 500 people have died in the past 12 months in Rakia district, one of the worst affected.

Researchers estimate that 10% of the sexually active population—women and men—may be infected with the virus. "It is as if an entire segment of the population here had been irradiated; what we've got here is a sort of Chernobyl," said Dr. J. Wilson Carswell.

When asked if Uganda were experiencing an AIDS epidemic, Carswell responded: "It was an epidemic last year. It is now a disaster. It's going to wipe out many, many people here."

"What our numbers suggest," said Dr. Rick Goodgame, an American missionary doctor, "is that we have more people with the virus in Uganda than in the whole of the United States."

Labor

García prevents mass strike in Peru

Peruvian President Alan García succeeded in averting a mass strike in Peru, a situation which had caused him to postpone—for the fourth time—his planned trip to Panama the week of May 25 to work out details of his proposed Ibero-American debtors summit.

In a statement to the nation on May 25,

García declared that there could be no solution to Peru's economic crisis unless there was "order and acceptance of authority to defend our democracy." He said that he had postponed his Panama trip because "I don't want to bring shame for Peru. When I travel [to Panama], I want to bring a position of solidarity, that proves our country is mobilized."

Approximately 180,000 teachers returned to their jobs May 27, while the 500,000-member civil-servants' union CITE also suspended a planned strike for the that day. Leaders of both unions met with García and agreed to return to work while negotiations on their demands continued, although some 35,000 health ministry workers of the CITE did walk off the job, despite the agreement. One day earlier, 7,000 public health doctors had returned to work after a seven-week strike, ending a bitter confrontation with the government.

Fanning the flames of confrontation with the García government has been the Communist Party-run CGTP trade union, which on May 21 published a full-page ad in the daily *La República* calling for a national strike against "the reactionary labor policy of the government."

In an interview with the leftist magazine *El Nuevo Diario*, the cultural secretary of the CGTP, Hernán Espinoza, described the government as using "fascist" methods of repression against the workers "comparable to those of Mussolini and Hitler."

Espinoza stated that a right-wing coup was in the works in Peru, and—reversing an earlier position of his union federation—declared that the CGTP would not defend the García government against such a coup threat.

Asia

Thai union adopts development plan

The Thai Trade Union Confederation, the nation's largest confederation, led by Paisal Thawatchainan, has adopted an economic platform put forward by Pakdee Tanapura, the Thai representative of the international Schiller Institute, headed by Mrs. Helga Zepp-LaRouche. Thawatchainan is an ad-

visory board member of the Institute.

In the Executive Council meeting, Tanapura presented the outlines of a development program for Thailand, that the TTUC will now use to measure candidates in the July 27 elections.

The program calls for Thailand to:

- Adopt the Peru model for national economic sovereignty against the International Monetary Fund;
- Embark on a major campaign to upgrade agricultural productivity;
- Upgrade national education, especially science education;
- Institute a two-tiered credit system favoring production;
- Build a canal through the Isthmus of Kra;
- Establish parity prices for farmers.

The TTUC Executive Council sent the program to all party leaders on May 29, inviting them to come before the TTUC June 8 to discuss the program.

This is the first initiative in Thailand to propose an economic program that can solve the current government crisis. The program will also appear in the second issue of *Off the Record*, EIR's Thai monthly newspaper.

International Trade

West German industry shocked by U.S. policy

The West German Machine-Tool Association, the VDW, is shocked over U.S. import restrictions recently announced by the Reagan administration. An association spokesman told *EIR* on May 26 that they were "completely surprised" and alarmed at the form of import restrictions on machine-tools imposed this month by the Reagan administration.

Reagan's May 21 call, the spokesman declared, is for a very broad "voluntary" ceiling for Germany, along with Japan, the world's largest exporter of machine-tools. Swiss and Taiwanese exports are also included, but the VDW source indicated the de facto quota hits German machine exports at a very vulnerable time.

The Reagan administration had decided to restrict negotiations on voluntary limits

Briefly

● **THE EUROPEAN** Community (EC) has opened an office in Jakarta, Indonesia to manage relations with ASEAN, according to a newsletter of the Catholic Institute for International Relations in April. The EC is the third-largest investor in ASEAN.

● **UNITED STEEL** Workers of America local presidents gave their approval in late May to a tentative contract agreement with Bethlehem Steel Corp. The contract would cut wages and benefits to the 30,000 employees by \$1.98 an hour.

● **SOUTH KOREA'S** economy grew by 9.5% in the first quarter, the Bank of Korea reported the last week in May. The 9.5% annualized increase, a provisional figure, compared to 5.5% for all 1985. The Bank of Korea predicted that growth for the year would reach 8.8%. The manufacturing sector grew 11.4% in the quarter. Exports grew by 22.9%, while imports increased by 16%. Korea's current account deficit went down from \$778 million in the first quarter of 1985 to \$212 million this year.

● **A HALF MILLION** workers walked off their jobs throughout Australia in protest delays in wage raises on May 28, one day after Prime Minister Bob Hawke warned of hard times ahead for the economy. The "Day of Protest" called by powerful Australian Council of Trade Unions closed down all major ports for 24 hours and disrupted almost all major industries and public transport.

● **THE MEXICAN** Economic Council is "on a forced march" toward adopting a "heterodox shock" plan to meet some of the demands of the IMF and foreign bankers, according to *La Jornada* of May 29. A official of the planning ministry said that with or without moratoria, "We will have to continue adjusting public finances: increasing income and making expenses appropriate."

to six months; if no decision has been made by that time, the administration will take action.

New orders for German industry for the first quarter of this year are down 13% over one year ago, while export orders, some 62% of the German output, are down 29%.

Banking

Colombia declares loan 'unconstitutional'

The Colombian Supreme Court in late May declared that a Chemical Bank syndicated loan to Colombia is unconstitutional.

The \$1 billion loan arranged by Chemical Bank was ruled invalid because it violated national sovereignty by surrendering jurisdiction over the contract to foreign courts. The loan stipulated that U.S. courts had jurisdiction on any litigation arising from the loan.

The loan was signed early this year following several years of haggling, but only \$50 million has been disbursed. The creditors have withheld other disbursements to blackmail the Colombian state sector into paying other alleged debts.

Free Enterprise

Legalized gambling rejected by Mexico

Casino gambling was turned down in Mexico, the interior ministry officially announced May 24, one day after the leader of the "tourism lobby" had announced it would go to the Congress to ask for permission to legalize casinos.

The major argument of the tourism lobby had been that casinos would attract U.S. gamblers to come and spend money in Mexico, while discouraging Mexicans from going to Las Vegas.

Mexico's tourism industry is heavily penetrated by border-straddling organized crime. The Tijuana race track is a classic example of the Los Angeles mafia's use of

Mexico for its money laundering. The roulette wheels would serve as washing machines for the huge flow of dirty money now cleaned by Mexico's resorts and prostitution rings.

Casinos would also serve as a cover for accelerated capital flight. Most of the estimated \$3 billion spent by American tourists annually in Mexico disappears into the illegal black market and leaves the country.

Until very recently, the dope lobby was convinced it would have casino licenses by the end of the year. Late last year, the same interior ministry gave permission for the Vog discothèque to hold a dry run operation of a casino, using fake money, according to its owners. The demonstration was stopped when attention was called to it by the Mexican Labor Party.

The interior ministry ended its communiqué published in leading newspapers by asking Zapata, who has claimed that there are 400 illegal casinos operating in Mexico City alone, to provide it with sufficient data on the location of illegal casinos "to close them and punish those responsible."

Banking

Who will buy up Continental Illinois?

In late May, the Federal Deposit Insurance Corporation (FDIC) was trying to find a way to divest itself of its 80% ownership in Continental Illinois.

The federal agency has hired the Morgan Stanley investment bank to advise it on disposing of its ownership in the banking company that the FDIC "rescued" in 1984 with \$4.5 billion.

The dilemma, reports Reuters, is that, with a bank the size of Continental Illinois, laws would have to be changed to allow a large U.S. bank to buy it. "Money center banks in New York and California cannot buy banks in Illinois under current laws," Lawrence Cohn of Merrill Lynch lamented.

Otherwise, a foreign bank will be found to buy Continental. Two large non-U.S. banks, Bank of Montreal and Algemene Bank Nederland, already own large Chicago Banks.