

Business Briefs

Research and Development

U.K. parliament warns of decline in technology

A report issued in mid-January by the House of Lords Select Committee on Science and Technology in Britain sounded the alarm on British science.

The report on "Civil Research and Development" notes that Britain's manufacturing base has "shrunk alarmingly." It states:

"The committee's inquiry has disclosed the gravity of the U.K.'s prospects in R&D. To remedy this, the committee has recommended a high profile for science and technology, dynamic leadership at the center, and a new approach to funding R&D."

The report recommends creating a science minister in the Cabinet; the formation of a Council of Science and Technology, chaired by the prime minister, to oversee the whole of scientific and technological endeavor; new government allocation of funds for research in science; and more tax incentives for industry to conduct research.

"These all matter greatly. But what matters most is the determination of both the public and the private sectors to create new confidence and to restore the U.K.'s prosperity and its international position in science and in industry. The key issue is one of attitudes: the determination to make the U.K. industrially successful, combined with new hope for those engaged in science and technology.

"Cosmetic adjustments to the status quo will not be enough. The government has to show that it means business and create a new climate of optimism."

Health

U.S. hospitals begin blood tests for AIDS

Federal health officials have begun testing anonymous blood samples from hospital patients around the country to determine the

extent of the spread of AIDS, the *Los Angeles Times* reported on Jan. 8.

The tests will be conducted on routine blood samples collected from patients admitted to hospitals for diseases other than AIDS.

Dr. Timothy Dondero, chief of the surveillance and evaluation branch of the Centers for Disease Control AIDS program, said the testing would be done for "statistical purposes only, to get a sense of how much infection there is in the population. Knowing how much infection there is in some communities will enable us to know where intervention programs are necessary."

In related news, a Jan. 10 report issued by the Maryland AIDS Task Force warns that as many as 60,000 people in the state may be infected with the AIDS virus, and recommends a tenfold increase in state spending to slow the epidemic. In addition to the 478 officially confirmed AIDS cases, there are at least 9,000 people who are infected but have not yet displayed symptoms—and probably many more, the report states.

Infrastructure

Where is the Reagan 'recovery'?

President Reagan, in his weekly radio address on Jan. 10, hailed the fact that the Dow Jones industrial index had closed over 2,000 on Jan. 9 for the first time ever, pointing to this as an indication that the U.S. economy is booming. In fact, developments on the stock market bear nothing to do with the health of the real industrial economy, which collapsed at least 15% last year.

The Democrats' official reply to the President's broadcast underlined the deterioration of national infrastructure. Rep. Jim Howard (N.J.) declared:

"Infrastructure is not as headline grabbing as the Strategic Defense Initiative, but . . . if we don't provide clean water, safe bridges, and improved roads and transit systems, it won't be private industry that's

blamed; it's part of the general function of a 20th-century government to do these things."

Howard pointed out how far the decline of the United States has gone: "We have 220,000 structurally deficient or functionally obsolete bridges in this country. Many of our cities have antiquated and leaking water systems. New York City wastes more water each day than London uses. Good roads, clean water, and adequate sewage treatment . . . [are] the support systems for our society. . . . If we don't pay now to correct these problems, they'll become worse and it'll cost more in the future."

Foreign Trade

U.S.-Soviet trade chief calls for an economic NSC

Dwayne O. Andreas, chairman of the U.S.-U.S.S.R. Trade and Economic Council is quoted by the *Washington Times* on Jan. 12 as calling for a new and separate National Security Council to coordinate U.S. international economic affairs.

Andreas also suggested the creation of a U.S. fund to make available \$10 billion in credits to U.S. corporations "struggling to compete with government-backed foreign competitors in overseas markets."

Andreas has recently been dubbed the new "Armand Hammer"—referring to the aging chairman of Occidental Petroleum who has been a friend of the Soviet Union since the Bolshevik Revolution. Andreas is chairman of the Illinois-based Archer-Daniels-Midlands Co., and has for the past three years headed the New York-based Council, a group of 22 U.S. businessmen and 22 Soviet trade officials who seek to promote bilateral trade.

Andreas has met with Soviet General Secretary Mikhail Gorbachov several times in the past two years, and reports that Gorbachov had asked him about ways that Moscow could structure its arms proposals to appeal to American political leaders.

Andreas likened Gorbachov to a "Methodist minister that I knew out in a little town in Iowa."

AIDS Policy

German experts ridicule 'safe sex' approach

"You say that there was a change in the AIDS situation through the effective propaganda leaflets about safer sex? That's a bad joke!" stated local state secretary in the Bavarian Interior Ministry, Peter Gauweiler, in *Der Spiegel* magazine of Jan. 12.

"We will have more people dying of AIDS by 1991 in America than in the whole Vietnam war," Gauweiler stated. "If we had used the West German law on epidemics at the very beginning of AIDS . . . many thousands of people would not have become sick. . . . Bonn's Federal Health Ministry put out this silly leaflet and had to correct it a few weeks later, because it turned out to be wrong. Now the Federal Health Ministry wants the states to sign that their policy on AIDS was correct. . . . I predict that in two or three years, the democratic parties will outbid themselves for measures that most probably will be more drastic than what we want to do in Bavaria now."

Der Spiegel also reported on Gauweiler's discussion with Martin Dannecker, chairman of the German Society for Sexual Research, who put forward the point of view that even infected prostitutes should not be forbidden to continue their "work." Dannecker is a member of the recently founded West German National AIDS Advisory Board.

War on Drugs

New Jersey approves money-laundering law

Under a bill released by the N.J. State Assembly Judiciary Committee in mid-January, money laundering would become a crime punishable by 5-10 years in state prison.

The bill (A-3550), which will now be sent to the full State Assembly, would make

it a crime to "knowingly engage in a financial transaction involving money that was stolen or proceeds of illegal activity, such as drug peddling."

The bill's sponsor, Assemblyman Gary Stuhltrager (R-Gloucester) explained: "Persons who commit crimes involving large amounts of cash usually launder the money by immediately purchasing goods or dividing the money and depositing it into a number of different bank accounts. . . . The crime is then less detectable because the money that was obtained illegally is now hard to trace."

Stuhltrager said his bill is "intended to discourage persons who may not have participated in the original crime from helping guilty parties conceal illegally obtained money."

Oil

Imports called threat to national security

Amoco Chairman Richard M. Morrow warned on Jan. 14 that rising U.S. oil imports pose a threat to the national security.

In a speech to the World Affairs Council of Orange County, California, Morrow said the oil price collapse had reversed the U.S. trend toward lower oil imports and had also reduced domestic crude production. "Increasing amounts of these imports will have to be obtained from the Middle East, one of the most volatile regions in the world but the only area that has significant excess oil production capacity," he said.

He emphasized that more government and public support is essential to encourage development of domestic energy sources, and he called for greater access to government-controlled lands that are now off limits to petroleum exploration.

In addition, he recommended a moratorium on new taxes on the oil industry. Without fostering U.S. oil and gas development, he said, "Our energy security becomes vulnerable to the twin threats of supply interruptions and escalating prices."

● **A REPORT** unpublished by the Defense Department warns that, within a decade, the majority of components for U.S. defense electronics will come from foreign sources.

● **INDONESIA** is refusing entry to foreigners suspected of carrying the AIDS virus, according to Health Minister Suwardjono Surjoningrat in mid-January. He said that no confirmed case of AIDS had been found so far in Indonesia, and that the government wants to keep the country free from the disease.

● **A SENIOR PARTNER** of one of London's largest brokerage houses told *EIR* in mid-January: "At this point there is no U.S.-Japanese currency pact. The Japanese have one major weapon—a buyer's strike at the next U.S. Treasury bond auction in three weeks. If they do, it will have a major shock impact on international finance markets, pushing a further flight into cash and gold."

● **ARMAND HAMMER'S** autobiography is being serialized in the *Economic Daily*, the most widely read Chinese economic newspaper, the *China Daily* reported Jan. 7. The series, "The Success of Dr. Armand Hammer," began Jan. 5 with a letter from Hammer, who wrote: "After reading my autobiography, you will learn that I have enthusiastically supported countries with various political systems to establish friendly and stable relations for about 60 years."

● **CATERPILLAR** will close two U.S. plants, and one in Scotland, causing layoffs of 2,800 employees. The U.S. plants are in Davenport, Iowa, and Dalles, Oregon. According to the *Wall Street Journal*, Frank Manfredi, an industry expert, said that he expects construction machinery demand to be flat or drop 5-10% in 1987.