

# Business Briefs

## Science

### Conference on optical biophysics in Italy

The Italian industrial giant Montedison sponsored a conference June 21-22 in Milan on "Biophysical Methods in Physics and Biology." The focus of the conference was the frontier area of "nonlinear spectroscopy" and "optical biophysics," which studies the electromagnetic properties of living tissue for medical diagnosis and cure.

The conference was opened by an address of Montedison President Mario Schimberni and the Italian Nobel Prize winner in biology, Renato Dulbecco. The conference was centered around the operational possibilities of nonlinear spectroscopy, with speakers from the United States, including from Los Alamos National Laboratory, and Kaiserslautern University in West Germany, as well as Italy.

Some 70 people from the Montedison staff and its scientific Donegani Institute, plus many journalists, attended.

The speakers included Dr. Jonathan Tennenbaum of the Fusion Energy Foundation of West Germany, which has been in the forefront of promoting studies in the field.

"The Medicine of the Future" is the way one Italian daily headlined its article on the proceedings.

## Free Enterprise

### Israelis see 'evil empire' behind drugs

Israel law-enforcement officials now speak of drug trafficking as a centralized global empire, according to a *Jerusalem Post* news article—the same framework used to analyze the drug trade in *EIR*'s famous book, *Dope, Inc.* Israeli police are also admitting that Israel occupies a important position in that empire.

In a June 19 piece entitled, "A Drugged State," the *Jerusalem Post* reports that there

is a "rapidly growing narcotics menace" and "terrifying" increase in drug use and marketing in Israel. The paper quotes a senior officer at National Police Headquarters: "We are taking on an evil empire. It is a battle we can never completely win, but one which we must fight."

The *Post* comments: "The 'empire' stretches from the foothills of the Far East's 'Golden Triangle' to the ports of Western Europe. Its trade routes criss-cross the map and increasingly pass through, or even end, in Israel."

The *Post* quotes Commander Uzi Berger, head of the National Police Intelligence Unit, which runs Israel's anti-drug campaign: "We are talking about an organized business from start to finish. They even send telexes ordering certain amounts from growers in the Far East, Turkey, or Iran. They have a common language. They know each other. You could say it is a bit like the diamond business. Everyone knows whom he is trading with and everything is done on trust. There are no contracts, nothing written. . . . We are fighting a monster."

Israeli smugglers, he says, are active in places like Antwerp and The Hague, and a senior police officer is soon to be dispatched to Holland to help local police spot them.

"That Israelis play a big part in organizing the trade abroad can be seen by the number who have been arrested overseas on narcotics charges," the *Post* adds, reporting recent cases of Israelis nabbed for involvement in drug-trafficking, in New York, Brazil, Egypt, and Belgium.

## Trade War

### Shultz prepared to give Asia to Reds?

George Shultz repeated trade war threats against ASEAN nations, during a meeting with ASEAN foreign ministers June 19. He stressed that the flexibility and pragmatism of ASEAN would be challenged "perhaps as never before" over the next few years, as the world economic system "adjusts to the

inevitable, and in my view possibly rapid, decline in the U.S. trade deficit."

ASEAN, he added, would have to diversify its markets, because "while you may be able to maintain your current market share in the United States, you clearly will not be able to look to the United States to take major increases in your exports."

Reporting Shultz's comments, the *International Herald Tribune's* Michael Richardson writes, "Rapid economic growth has enabled most governments of ASEAN nations to keep radical Communist or Islamic political movements at bay."

Richardson reports that Shultz's "blunt warning . . . has sent ripples of concern through the ASEAN countries—Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Analysts said the group was worried about the possible social and political costs of an economic slowdown, including the spread of Communist or Islamic extremist movements. The ASEAN countries were also worried, the analysts said, that if the U.S. became preoccupied with economic difficulties at home, it might weaken the U.S. military presence in East Asia and the Western Pacific, at a time when Soviet, Vietnamese, and Chinese power are growing."

## Middle East

### Peres tour to focus on regional economy

The holding of an international conference on the economic development of the Middle East will be the main topic of Israeli Foreign Minister Shimon Peres's European tour, which began June 22 in London. He was to visit Paris June 24 and Bonn on June 26, then on to Brussels.

Prior to his departure, Peres said that he wanted such a conference to be organized jointly and in parallel to an international conference on peace in the Middle East, with West Germany and Japan playing an "especially important role."

Britain's Margaret Thatcher is expected to play a leading role in regional peace negotiations, according to sources close to Peres. In London, he received a full support from Thatcher for his proposal for an International Peace Conference. He also discussed at length his new proposal to have an economic conference, running in parallel to the territorial negotiations, as a "way of bridging the gap of mutual suspicion."

Israeli sources expect that Thatcher is in a position to play the role of international mediator between Israel and Jordan, as well as between Israel, the Soviet Union, and the United States. Jordan's King Hussein was to visit London at the end of June.

"The United States has lost its credibility in the region, and cannot act anymore as an honest broker. It is also too much involved in bilateral negotiations with the Soviets. Only London can act," said one source.

## AIDS

### Soviets take public health, research measures

Soviet spokesman continue to deny they face much threat from AIDS, even as they launch energetic programs to control the disease. The Soviet health ministry has launched a program to control AIDS, with the Central Research Institute of Epidemiology coordinating the effort. A special lab is being set up at the institute; 45 diagnostic labs are now in operation; another 60 will be opened by year's end, and about 300 one year from now.

Students wishing to study in the U.S.S.R. are now undergoing blood tests. Some 50,000 people have already been tested in Moscow. All armed forces personnel are being tested.

Nevertheless, TASS quoted Vadim Pokrovksy of the Epidemiology Institute saying: "In the U.S.S.R., there is no danger of AIDS spreading on a mass scale."

"A Vaccine Against AIDS," is the headline in the June 1987 issue of the German-language Soviet magazine *Sowjetunion*

*Heute*. The Moscow Institute for Immunology was able to synthesize a part of the protein of the AIDS virus chemically, begins the article. "Now we are a bit closer to the long-sought-for vaccine," it quotes Prof. Rachim Khaitov from an interview in the Russian newspaper *Trud*. The virus is "unusually aggressive and cannot be researched with traditional methods. The synthesis, however, enables the use of a less dangerous protein-part, which is artificially synthesized from single amino-acids."

The article quotes Academician Viktor Zhdanov again downplaying the danger. The first appearance of AIDS in the U.S.S.R. does not go back to the 1970s, he insists. "The first case of AIDS in our country was registered in 1986. Naturally, we are not so threatened by AIDS as the U.S.A. and Western Europe. . . . Nevertheless, the fight against AIDS should not be limited to one country."

## Banking

### S&Ls continue to suffer deposit loss

Depositors withdrew \$14 billion more than they deposited in FSLIC-insured savings and loans in the United States during the first four months of 1987, compared to only \$2 billion for the same period in 1986, said Federal Home Loan Bank Board (FHLBB) spokesman Doug Green, who added that concerns about the solvency of thrifts contributed heavily to the decline.

Green said Texas S&Ls had net withdrawals of \$32 million in the first quarter (not the first four months), and that thrifts in Louisiana and Arkansas also suffered sizable withdrawals during the quarter.

He said April was the eighth consecutive month that more deposits were withdrawn than placed. To make up for the loss, S&Ls borrowed \$10.1 billion in April from the FHLB and other sources. That is a 38% increase in borrowing compared to April a year ago.

# Briefly

● **JUNK BONDS** are still on the rise. Despite insider trading scandals and an increasing default rate, Standard & Poor's said that junk bonds, high-yield but low credit-rated bonds sold by companies, are proliferating. At the end of 1986, there was \$73 billion issued by 470 companies; now there is over \$100 billion issued by 620 industrial companies.

● **JAPAN** has proposed creation of an emergency currency "buffer" fund by leading industrial nations, "to cope with unpredictable emergencies or unjustifiable violations." Toyoo Gyohten, deputy finance minister, says \$100 billion is needed.

● **MEXICO AND CUBA** signed a bilateral accord for joint development projects in energy, sugar, steel, an other sectors. Fidel Castro himself turned up for the signing ceremony in Havana, totally unexpectedly, indicating the importance Cuba attaches to the accord.

● **AN E.F. HUTTON** broker, 52-year-old Andy Yurowitz, who is also a first vice president and account executive who has been with the firm since 1970, was arrested at the firm's offices by agents of the IRS and charged with helping to launder \$450,000 in drug money.

● **\$30 BILLION** will be invested by Japan in the countries of the Association of Southeast Asian Nations (ASEAN), Thailand, Indonesia, Singapore, Malaysia, the Philippines, and Brunei. The investments will be earmarked for development projects.

● **100,000 CONDOMS** have been recalled because they failed to meet leakage standards. Some were shipped to a county health department in North Carolina. The recall was a result of increased federal inspections of condoms, which began April 7, according to the FDA.