

through all categories. Total sales, excluding autos, were unchanged from May, following gains of 0.1% each in April and May and a 0.5% decline in March. June sales of durable goods were up 0.9% from May, but May's figures were down 0.9% from April. Auto sales were up 1.9% from May, but May's figures were down 1.8% from April.

Foreign Exchange

Peru hit with flood of narco-dollars

Peruvian Planning Minister Javier Tantalean declared early in July that the flood of \$1 billion in narco-dollars into the Peruvian economy had complicated the nation's monetary system and prevented the national currency, the inti, from stabilizing against the dollar. While it was initially thought that the drug money was a mere 1-2% of the country's foreign exchange earnings, he said, "It is now believed to be as much as one-third! We are seriously studying this situation, so that, based on a deep analysis, proper measures can be taken."

Tantalean also accused former central banker Manuel Moreyra, of fomenting "economic terrorism," and demanded that he prove his charge that the government has decreed a 45% devaluation of the inti. "I maintain that this gentleman is out to create distrust among entrepreneurs, by predicting things that are not true."

He indicated that the real amount of the devaluation in July will be 9-10%, not 45%.

Health

AIDS spreads faster among heterosexuals

The AIDS disease is now spreading faster among the heterosexual population in the United States than among homosexuals, according to a Munich-based epidemiologist, Professor Froesner.

This assessment is confirmed by a study of military recruits reported in the *New Eng-*

land Journal of Medicine July 15, which showed that equal numbers of men and women were infected by AIDS in some areas of the United States. Twice as many blacks as whites carry the virus, according to the study.

The researchers, using blood tests of recruits from October 1985 through March 1986, said the AIDS epidemic is apparently no longer primarily restricted to male homosexuals and intravenous drug users. The study found that 1.65 of every 1,000 military applicants tested positive for the disease, compared to 0.61 of every 1,000 women. But 20.3 of every 1,000 male applicants and 17.4 of every 1,000 female applicants from New York City tested positive. In San Francisco, 11 out of every 1,000 men and 10.9 of every 1,000 women had been exposed to AIDS. For blacks, the ratios were higher: 3.89 of every 1,000 black applicants tested positive, against 0.88 of every 1,000 whites.

Defense Production

China emerges with formidable sub force

The Navy of the People's Republic of China has developed from its original four obsolete submarines into an important undersea shock force with more than 100 submarines, becoming one of the world's top five submarine powers.

According to a report from Beijing Domestic Service on June 12, the first submarine force, consisting of some 100 college and high school graduates, was established in June 1954. The Navy sub school, established at the same time, now has become the only submarine institute in Asia.

The submarine force is now completely equipped with domestically made medium-sized submarines. A very powerful extra-long-wave radio system that covers the whole globe, and advanced navigation equipment, are installed on each vessel. The Navy submarine force has extended its scope of activity to west Pacific waters and the whole territorial waters that include the Xisha and Nansha archipelagos.

Briefly

● **MEAT CONSUMPTION** in Mexico collapsed by 60% during the first half of 1987, said Arturo González, chief of the Butchers Union.

● **BOLIVIA** has ceded control over 4 million acres of its jungle to a group called Conservation International, in exchange for purchase of \$650,000 worth of its \$4 billion foreign debt, which it had picked up for \$100,000. A similar deal will soon be consolidated in Costa Rica by the World Wildlife Federation.

● **PRESIDENT REAGAN** discussed banking deregulation with a bi-partisan group of congressmen early in July. The Congress is preparing legislation designed to "plug the non-bank bank loophole" in existing bank law, which allows mega-corporations like Sears to go into banking. A spokesman for the Independent Bankers' Association told *EIR* that the administration has vowed to veto the bill, on grounds of "an ideological commitment to deregulation of the entire economy."

● **NEW YORK CITY** has passed a "Do Not Resuscitate" law that allows physicians to ignore patients undergoing cardiac or respiratory arrest, without risking any criminal liability. The patient has to have asked not to be resuscitated—or a relative or friend can request the patient's death if he is deemed "incompetent."

● **SIX LARGE U.S. BANKS** received approval from the Federal Reserve Board on July 16 to broaden their securities-dealing activities. The Fed approved the banks' underwriting and dealing in new securities, like car loans and delinquent credit card accounts, that can be bought and sold by banks.

● **STEELWORKERS** of Local 6860 were told to accept a three-year contract that cuts wages by \$2.43 an hour, a spokesman for Eveleth Mines reported, or face phase-out of the company's operations.