

# Business Briefs

## AIDS

### Disease called 'growing menace' to children

AIDS is now the ninth-leading cause of death for children aged 1 to 4 in America. By 1991, a full 10% of pediatric hospital beds will be devoted to children with AIDS, according to a new report of the Work Group on Pediatric HIV Infection and Disease.

The report states, "Probably for every child who meets the CDC definition of AIDS, another 2 to 10 are infected. It is estimated that by 1991, there will be at least 10,000 to 20,000 HIV-infected children in the United States, and 1 of every 10 pediatric hospital beds will be occupied by a child with AIDS."

Dr. Antonia Novello, the head of the group behind the report, said, "If current trends continue, AIDS can be expected to move into the top five leading causes of death in youngsters in the next three to five years."

The report notes that AIDS is already the seventh leading cause of death among Americans ages 15 to 24. "The repercussions of HIV infection in adolescents are magnified by the potential of these sexually active young people to become parents themselves, transmitting the virus to yet another generation."

## Usury

### Mexican finance minister seeks funds

The new Mexican finance minister visited Washington before Christmas, looking for "new money," i.e., a rollover of Mexico's current obligations to the tune of over \$7 billion.

Pedro Aspe, President Carlos Salinas de Gortari's finance minister, has already begun negotiations with major banks and the U.S. government, seeking \$7.3 billion in new loans. The London *Financial Times* Dec. 22 asserted that he will "take a tough line" with the bankers—whatever that might

mean, since Salinas has pledged no debt moratorium under any circumstances.

On Dec. 19, legislators from every opposition party attacked Aspe harshly for Salinas's new budget, which they said panders to the interests of foreign bankers. The new budget cuts public spending a further 2.8%, and only calls for 1.5% annual economic growth, which translates into a per capita decline. Aspe had asked the legislators for "national unity" prior to his visit to the bankers' Washington.

The *Wall Street Journal* reported that U.S. and Mexican businessmen and bankers would demand the complete revocation of Mexico's law limiting foreign investment in return for the money. Investment is now limited to 49% foreign participation—one of the few vestiges of Mexican nationalism left standing after Salinas's predecessor, Miguel de la Madrid's term of office. Foreign banks and businessmen, said the *Journal*, have their eyes on the "petroleum and financial services" industries, i.e., Pemex, the nationalized oil company, and the nation's banking system.

Meanwhile, the defrauded, actual winner of Mexico's July presidential election, Cuauhtémoc Cárdenas, proposed a six-point agenda for dialogue between his opposition coalition and the Salinas government. The central points are, "Defense of the sovereignty, wealth, and existence of the nation," including reducing foreign indebtedness, and "defense of the conditions of life and existence of the Mexican people."

## Agriculture

### China's 'worst' drought threatens wheat crop

One of mainland China's worst-ever droughts is threatening the 1989 wheat crop, the *China Daily* reported Dec. 19. The northern wheat-growing provinces, the Yangtze Valley, and the southwest of China had only half their normal rainfall in 1988.

Temperatures have been high and rainfall low since October. Zhejiang province in eastern China has had less than 20 mm of rain in the past two months, only one-fifth

the normal amount, and in Shandong province, the drought is the worst in 70 years. In Hubei and Jiangsu provinces in the Yangtze Valley, 80% of the farmland is affected.

In November, Agriculture Minister He Kang said, "We are facing a grim situation. In recent years, output of grain has stagnated, while hog production has fluctuated. Due to continuously growing population, gradually decreasing farmland, and rapidly increasing consumption, once alleviated grain shortages have again become acute."

## Food

### Soviets lead U.S. in food irradiation?

Do the Russians, whose agricultural sector is a perennial disaster, know more about handling wheat than Americans?

A little-known protocol of agreement is in effect between U.S. Wheat Associates and the U.S.S.R. Ministry of Grain Products, to "exchange grain information" and to discuss "use and handling of wheat," the *Colby Free Press* reported on Dec. 8. The Kansas paper reported that David E. Frey of the Kansas Wheat Commission had disclosed that a group of Soviet technicians, led by A.E. Yukish of the Ministry of Grain Products, visited Kansas in the summer of 1988, and showed that the Russians are superior to Americans in handling grain.

In fact, the Russians are reportedly bragging about how they are more advanced than the United States in their use of irradiation to control insects. The Soviets have an irradiation facility in the port of Odessa, where they irradiate the grain they have purchased from the United States.

The Soviets complained that the use of chemical insecticides in the United States, where the application of irradiation techniques has been irrationally blocked, has produced "potent toxicants and has the disadvantages of pollution of the environment, accumulation of residual amounts of the chemicals in the grain, and difficulties in ensuring uniform treatment of the entire bulk of grain."

In contrast, a Soviet pamphlet stated that

their own method "does not lead to pollution of the environment and leaves no residual products in the grain; the irradiated grain can be used immediately."

## Health

### China sets return of 'barefoot doctors'

Mainland China, the historical center of global epidemics including plague, is now so short of medical personnel that calls are being raised for the return of the "barefoot doctors," London's *Daily Telegraph* reported Dec. 22.

The "barefoot doctors," created during Mao Ze Dong's "Great Cultural Revolution" of the 1960s, were students and peasants with barely six months of medical training who were dispatched into the countryside. They disappeared in the early 1980s as Mao's successors disbanded the agricultural communes.

The official Xinhua News Agency has now reported that the barefoot doctors are needed once again, citing a shortage of medical staff, deaths among pregnant women, especially in remote areas, and the reemergence of endemic diseases.

There are only eight doctors and three nurses for every 10,000 people in the countryside, the news agency said.

## Energy

### NRC takes steps to open nuclear plants

The Nuclear Regulatory Commission took steps Dec. 21 to bring New Hampshire's Seabrook nuclear plant on line and restart the Pilgrim nuclear plant in Plymouth, Mass.

The Plymouth reactor has been shut down for more than two years because of mechanical problems, while Seabrook has remained ready to go but offline for three years, because Gov. Michael Dukakis of neighboring Massachusetts would not approve the

required emergency evacuation plans for Massachusetts towns within 10 miles of the plant.

The commission voted unanimously that the principal owner of the Seabrook plant was qualified to receive a license to test the completed plant at low power. This means that, despite the company's bankruptcy, low-power testing could start in January.

The NRC's only financial stipulation was that the plant owners set aside \$72.1 million to dismantle the plant in case it does not get its full-power license.

Governor Dukakis commented to the *New York Times*: "I never heard of a bankrupt company being able to run anything, let alone a nuclear power plant. I think it's ridiculous." The company went bankrupt primarily because of the delays in Seabrook's opening prompted by Dukakis's stalling.

## Banking

### N.J. institution facing bankruptcy

The stock of First Fidelity Bancorporation continued to drop in the closing week of December, following reports that analysts were not satisfied with the answers they got from bank executives at a meeting in New York on Monday, Dec. 19. The bank holding company is one of New Jersey's largest.

The meeting was intended to put to rest questions concerning the disclosure in the middle of the month that First Fidelity had \$300 million in bad loans on its books. But analysts said that the meeting only raised more questions about the bank.

There was heavy selling of First Fidelity stocks in the days following the unsuccessful Monday meeting. The stock went down \$1.75 per share by Friday of the week.

Overall, the stock closed \$10 lower per share than prior to the disclosure of the bad loans. It was the eighth most active issue on the New York Stock Exchange that week.

First Fidelity grew into a major institution in New Jersey in the past decade, when it invested heavily in Atlantic City casino operations.

# Briefly

● **THE LARGEST** supplier of food to the needy and homeless in Newark, New Jersey, open for nine years, served its last lunch on Christmas day. The Presbytery of Newark, which owns the building that housed the program, said the building was structurally unsound. The program served about 60,000 people a year. No new location for the program has been found.

● **CANADA** is close to approving the U.S.-Canadian Free Trade Agreement. Canada's House of Commons Dec. 22 voted it up 147-111, clearing the way for similar action by the Senate, which approved it on its first two readings, and was expected to give it final approval by Dec. 31. Thus, the agreement will go into effect Jan. 1 as planned. Reorganization of North American banking into a handful of super-megabanks, is scheduled to follow.

● **THE JAPANESE** Diet voted up a controversial tax reform package Christmas Eve, after a 19-hour debate punctuated by no confidence votes and walk-outs by opponents. The tax reform package is thought to be part of Japan's agreement with international financial interests to open up its internal markets.

● **PERU** has sufficient food reserves to last only through January, said just-appointed Economy Minister Carlos Rivas Dávila on Dec. 20. The country faces "a situation of serious crisis." He said that six Ibero-American countries have offered to send wheat and other food to Peru.

● **CARDINAL MARTINI**, the Jesuit Bishop of Milan, wrote in *Corriere de la Sera* Dec. 23 that the world food problem is not one of supply but only of distribution. He thus maintained that there is "overproduction" in Europe and simultaneous starvation in Africa. He proposed a redistribution of food between countries of the North and South, and quoted a speech of Jesse Jackson to that effect.