

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 Pokrovsky 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, and 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.