

Business Briefs

Labor

Virginia education poor, German employers say

Walter Kunerth, executive vice president of the Siemens automotive systems division, complained to Virginia Gov. George Allen during Allen's trade mission to England, Sweden, and Germany in early June, that Virginia's education is so lousy that German employers have to retrain workers to bring them up to the level required for basic industrial work, the June 14 *Richmond Times-Dispatch* reported.

The complaint reflects the insanity of the Conservative Revolution's cheap-labor policy. Allen, whose first stop was a private meeting with former British Prime Minister Margaret Thatcher, is in Europe to tempt European firms to re-locate to Virginia from such skill centers as New England, offering low wages and no unions as incentives. The fact that a low-wage workforce is also an unskilled workforce is apparently beginning to sink in with German employers, who pointed out to Allen that German workers typically get six weeks of vacation and earn one-third higher wages than their American counterparts.

Fusion Energy

Omega lights up at over 50 terawatts

The University of Rochester Laboratory for Laser Energetics successfully initiated operation on schedule in early June of their Omega glass laser, by shooting upwards of 15 laser shots. The Omega is now the world's most powerful system for research on laser pellet fusion.

The 60-beam laser produced 37,000 joules of ultraviolet light energy in less than a billionth of second. This was well beyond the projected design energy of 30,000 joules. The system was completed under contract to the U.S. Department of Energy and is designed to explore scientific issues involved in "direct drive" laser pellet fusion targets.

Net energy-generating laser fusion sys-

tems, or what are termed officially National Ignition Facilities, are now being planned for both the United States and France. These systems will utilize lasers in the million-joule range. A 100-kilojoule laser is being designed at the United Kingdom's Aldermaston Laboratory. Among the types of laser pellet targets to be tested with the Omega laser are cryogenic spin polarized fuel pellets first proposed by the Fusion Energy Foundation in the early 1980s.

Economic Policy

Free trade is destroying France, says Allais

Nobel Prize winner for economics Maurice Allais said that "protectionist" policies are urgently needed to deal with the priority problems of "unemployment and public order," in a commentary in the June 13 Paris daily *Le Figaro*.

The adoption by the European Community over the past 20 years of a "globalist free-trade policy," coupled to "floating exchange rates and the deregulation of the capital markets," has engendered "instability and unemployment. It has disaggregated our industrial fabric, in a continued and persistent manner, and it has considerably reduced the rate of growth of our living standards," he said.

Allais commented, "The perversions of socialism have brought about the collapse of the societies of the East. But the *laissez-fairiste* perversions of the professed liberalism of the last 20 years, have led us to the brink of the collapse of French society."

Allais attacked the "globalists" (who seek out the cheapest labor markets) as "*chienlit mondaliste laissez-fairiste*," which, in approximate English, would be, "one-worldist shit-head who believes in absolute non-intervention into the economy."

"It is said every day, that there is nothing to do, in the face of the extraordinary strength of the global monetary markets. But these markets are only manipulated by the 'golden boys' who, within the large banks, have as their mission the realization of profits, by speculating on currencies, by means of payment created *ex nihilo*, and by unleashing, by their action, massive variations in the rates of exchange. It

is completely wrong to insist that we can do nothing against the irresistible movements of capital that they unleash. In reality, it would suffice that the big powers adopt legislation forbidding banks to speculate on their own account, which is perfectly possible, so that massive and destabilizing speculation becomes impossible."

Germany

Truck traffic could double in 15 years

The number of trucks from eastern and central Europe crossing Germany has leaped tenfold since reunification in 1990, causing massive traffic jams which the Germans call "stau" [jam], a harsh word that has come to have political as well as economic connotations," according to the June 9 *Journal of Commerce*. The German Transport Ministry reports that trucks carried 14 billion metric ton-kilometers on German roads in 1993, three times the number of 1980. The ministry expects the 1993 figure to double in the next 15 years.

The ministry plans to triple the motorway toll on trucks, from the present \$1,180 a year, to about \$5,000 a year. The new toll will bring in an estimated \$1.4 billion, which the ministry would like to use to improve intermodal terminals, especially those providing links to inland waterways, and to help develop more coastal shipping.

Middle East

Iran, Jordan expand economic cooperation

Iran and Jordan signed a number of agreements on trade and transport during the visit of Iranian Trade and Industry Minister Mohamed Riza Nematzadeh to Amman, Jordan in the second week in June, the Iranian daily *Ettelaat* reported on June 13. The minister was in Jordan to head the Jordan-Iran joint committee meetings on the expansion of mutual economic cooperation.

Jordan's King Hussein commented that

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the first joint economic commission would help expand, especially, scientific, technological, and economic ties. Reports indicated that the two nations hoped to double their current volume of trade.

An informed source in Jordan told *EIR* that committee participants signed agreements on land and naval transport, increasing the volume of trade, and exchange of expertise in infrastructure construction. The source quoted the chairman of the Jordanian Chamber of Industry, Khaldoun Abu Husam, saying that "Iran wants to improve its relations with the countries of the region, especially Iraq, Jordan, 'Palestine,' and certain Gulf states." He added that "Iran's approach toward the political reality in the region is changed."

Jordanian Trade Minister Ali Abu Ra-gheb, who met with Nematzadeh on June 10, said that "there were areas of cooperation between Teheran and Amman such as power, telecommunications, and other strategic fields," *Ettelaat* reported on June 13. Nematzadeh underlined Iran's potential to carry out industrial projects, and proposed Iran-Jordan cooperation in this area.

Pakistan

Bhutto defies budget dictated by the IMF

Pakistan's Prime Minister Benazir Bhutto said her government had debated whether to go for a tough budget, as demanded by the International Monetary Fund (IMF), or ease the burden on ordinary people. "It was decided that this year is a year to breathe," she said, Reuters reported on June 17.

Bhutto responded to the IMF's criticism that the Pakistani budget was not in line with the agreement reached in March for the release of a structural adjustment loan. "We believe in slow reforms so that there is not much burden on our people." She said that reducing the deficit to 4% would have involved levying another \$709 million in taxes. "There is no question of a collapse of the agreement," but Pakistan wanted to move slowly, she said. An unidentified "opposition spokesman" said Bhutto's government had virtually abandoned the IMF's stabilization strategy.

Pakistan's 1995-96 budget is not compati-

ble with an accord reached earlier this year with the IMF, an official from the Fund said on June 15. The IMF negotiated an agreement with Pakistan in March for the release of a structural adjustment loan under a three-year, \$1.5 billion program begun in February 1994. The second year's lending had been delayed because Pakistan failed to meet earlier targets. The IMF had been waiting for the budget released on June 14 before deciding whether to release the loan.

"Macro-economic stability and structural reforms remain our goal but the pace of adjustment has been modified to suit our own conditions," said V. A. Jafarey, Bhutto's adviser on economics. "Inflation would have gone up to 30% [from 13%] had we implemented the two IMF conditionalities," said Bhutto after the bill was presented to parliament.

Italy

Five high-speed rail projects outlined

An outline agreement for five national high-speed railway projects in Italy was signed in Milan on June 12 between Italian Transport Minister Giovanni Caravale and the chairman of the state railways, Lorenzo Necci. The total investment required will be 70,000 billion liras (about \$45 billion), the German economic daily *Handelsblatt* reported on June 14.

The five railway lines will be Rome-Naples (already under construction), Milan-Florence, Turin-Lyons, Turin-Milan, and Milan-Genoa. The projects will be built by a private investors group, TAV (Treno Alta Velocita), in which Germany's Deutsche Bank is involved. Unlike the French TGV railway grid, Italy's grid is not only designed for passengers but also for the transport of goods inside the country as well as for trans-alpine transfer into the rest of Europe.

TAV will shoulder 60% of the investment, and the Italian state railways 40%. The state is also giving guarantees for the loans which the private investors will take out from banks for the projects.

● **SOUTH KOREA** has agreed to provide 150,000 tons of rice to North Korea free of charge, Reuters reported on June 17. Chun Kum-chol, a vice ministerial official from the North, agreed in principle that Pyongyang would accept Seoul's aid.

● **FRENCH** President Jacques Chirac urged an acceleration of the 14 grand infrastructure projects in the Delors Plan, saying they are vital for the reduction of jobless rates. The plan must not be allowed to share the fate of the Loch Ness monster, which is often talked about, but has never materialized, Chirac said on June 9.

● **MOLDOVA** has suffered drastic cuts in consumption in the past five years, according to a report by the Economic Ministry, *Agra-Europe* reported on June 12. Consumption of meat per capita dropped from 58 kg to 30 kg per year, milk from 303 kg to 118 kg, and fish from 12 kg to 1 kg. More than half a million people are undernourished.

● **SLOVAKIA** will get help from Russia in building a nuclear power plant in Mohovce, Russian Atomic Energy Minister Viktor Mikhailov said in London on June 12, the German press agency DPA reported. Mikhailov signed an agreement with the European Union for ECU 76 million for Russia to modernize three nuclear plants.

● **RUSSIA** is experiencing drastic price hikes, *Agra-Europe* reported on June 12. In May, food prices went up 8.8% and prices for industrial goods 5.6%, according to the State Committee for Statistics. From January to May, consumer prices rose 67%.

● **ISRAELI** Foreign Minister Shimon Peres told Israeli radio on June 15 that he was working on three projects to boost the economy of the Palestinian self-ruled areas, including building 100,000 housing units, training for high-level technical jobs in Israel, and constructing industrial parks on the border to provide employment for Palestinians.