

Business Briefs

Shipping

Unions fight to allow dredging to proceed

The presidents of the two dockworkers unions in the United States, the International Longshoremen's Association, which represents dockworkers on the East and Gulf coasts, and the International Longshoremen's and Warehousemen's Association, on the West Coast, have threatened to cooperate to shut down all ports in an attempt to convince politicians to allow the dredging of ports to move forward, the July 19 *Journal of Commerce* reported.

Ports need to be regularly dredged to keep ship channels deep enough, and many ports would like to dredge channels deeper in order to allow larger and more heavily laden ships into port. But environmentalists have effectively prevented most dredging for the past few years, arguing that dredged materials are so contaminated with pollutants that it is unsafe to dump the dredged seabed back into the sea.

On July 14, port officials in New York signed an agreement to send 150,000 cubic yards of dredged material to Utah. Doing so is costing ten times more than the normal method of dumping the material back into the ocean.

Central Asia

India, Russia, Iran forging trade ties

Central Asian nations, along with India, Russia, and Iran, are forging various pacts for opening up trade routes into Central Asia. S. Gavrikov, Russian consul general in Calcutta, reported on July 13 that members of the Community of Independent States in Central Asia may use Iranian railways to speed up the movement of cargo, and that the Indian Commerce Ministry is sponsoring a study to explore such a possibility.

Speaking at a seminar on business development in CIS nations organized by the Federation of Indian Export Organizations and the State Bank of India, Gavrikov said that such a rail route would cut the distance and transport

time for cargo moved via shipping routes through Black Sea ports. Most of the CIS countries are landlocked, and movement of cargo through the Russian ports to Central Asian destinations is time-consuming. An alternative, air cargo service, would be very expensive.

Iran and Turkmenistan are likely to conclude a treaty by the end of August with India on movement of goods to Central Asian republics, and a railway connection from Iran to Turkmenistan is expected to be established within three years. High-level delegations from Iran, Turkmenistan, and India held discussions in New Delhi in early July on the infrastructure needed for a rail and road route from Iran to Central Asia.

India and Kyrgyzstan are also looking at establishing a new trade route. New Delhi and Bishkek, the capital of Kyrgyzstan, are exploring use of a rail link between Turkmenistan and the Iranian port of Bandar Abbas, from where cargo can be transported to India by ship. "Only 130 km of the rail link need be established to enable Indian access to Central Asia via Iran. A delegation of businessmen, returning from a Central Asian tour, felt that the transport bottlenecks could be sorted out in two to three years," Indian Minister of State for External Affairs R.L. Bhatia said in talks with Kyrgyz Minister of State for Foreign Affairs Talgat E. Chinetov in late June. Kyrgyzstan is also exploring the possibility of exporting electricity to India.

China

Special economic zones ruled out

The Chinese government will not set up any "special economic zones" in central or western China, and there will be no additional preferential policies for existing SEZs on the east coast, the State Council announced on July 19. While the government is determined to promote development of the central and western regions, speculation that SEZs on the model of Shenzhen, near Hongkong, would be opened in these regions to attract foreign investment, is groundless, China's *Economic Daily* reported on July 25.

In the past, there were highly preferential

tax and other policies granted to the coastal SEZs, but there will be no additional tax breaks from the central government.

However, the SEZs could play a more important role in China's economic reform, as "experimental zones" where new policies or measures could be introduced before they are attempted in the national economy, the paper stated.

Labor

Puerto Rico unions protest 'reform'

Over 1,250 trade union leaders voted unanimously for a general strike against the anti-labor and anti-union clauses of a so-called labor reform proposal, during a summit meeting of the Trade Unions Committee (COS), a non-partisan coalition of all Puerto Rican unions, on July 23. Despite Gov. Pedro Rosello's insistence on the reform, it faces heavy opposition, including from the Industrialists Association, the Chamber of Commerce, and the two opposition political parties, the pro-autonomist PPD and the pro-independence PIP.

The reform is part of the "Puerto Rico Plan for the Year 2000" promoted by former PPD Gov. Rafael Hernandez Colon, whose objective is to integrate the island into George Bush's planned new world order. In it, Puerto Rico is to become the "linkage point between the two developing blocks in our hemisphere: the North American Free Trade Agreement and the South American Common Market."

The reform essentially puts an end to overtime, lowers the minimum wage below that now prevailing in the private sector, and cuts other benefits. "This government has legislated against the people, it has maintained a state of confrontation and intimidation against the working class, and has refused to accept trade union democracy," stated Renan Soto Soto, COS national coordinator and president of the teachers federation.

COS intends to campaign to defeat 10 anti-labor legislators, especially the presidents of both legislative chambers, in the 1996 elections.

Unfortunately, the COS's environmentalist prejudice has led it to oppose two develop-

ment programs under discussion (copper mining and the construction of a coal-based energy plant), which would provide thousands of productive jobs. (The official unemployment rate is 30%, but the real rate is about 50%.) During the last 25 years, all types of development projects have been killed by an environmentalist tendency within all the political parties, particularly the Second International-linked PIP led by environmentalist Sen. Ruben Berrios Martínez.

Environmentalism

'Eco-friendly' pesticide dooms Egypt's cotton

Egypt is facing serious boll weevil infestation of the cotton crop in some parts of the country, and authorities have resumed aerial spraying for the first time in two years, government newspapers reported on July 24. The daily *Al-Ahram*, under the headline "Cotton in Danger," laid the blame on the so-called environmentally friendly methods of pest control, which it said had again failed to stop the weevils.

The level of infestation was higher than in previous years, and some farmers have uprooted the crop in despair, the paper said.

Last year's cotton crop was down by over 100,000 tons, primarily because the pesticides weren't able to control the weevils.

Economic Policy

Swiss daily attacks state intervention

The pro-free market Swiss daily *Neue Zürcher Zeitung* in its July 22-23 issue, worried about what it called an emerging paradigm of state interventionism in international development policy.

The paper noted, that in the last 30 years, certain states in eastern Asia were able to build up much stronger economies than those of the rest of Asia, Ibero-America, or Africa. The main factor of that success seems to be the poli-

cy of "state intervention and coordination," such as that carried out, for example, by the Japanese Ministry for Industry and Trade, and the rejection of *laissez-faire*. "If it is true that state interventions are the reason for success in Asia, then the schoolbooks for development policy have to be completely rewritten . . . then the modern apostles of market economy from the World Bank and the IMF [International Monetary Fund] would soon be without jobs and bread."

This is not an academic question, the paper said, especially for the former East bloc: "If it turns out that the success of Asian tigers is related to factors beyond the sphere of the market, then also the communists, while [now] moving away from planned economy, could make an appeal to unorthodox measures. The same holds for Africa."

With a barrage of highly unconvincing arguments, the paper tries to give the impression that "development policy revisionism" is "lacking an empirical basis."

Space

India tests GSLV rocket with indigenous parts

Indian space scientists on July 25 announced that they had made a "good beginning" on development of the Geostationary Satellite Launch Vehicle, the most powerful rocket being developed by India, with successful tests of an engine, *Asian Age* reported.

The liquid-fueled engine is a better version of one that powered the Polar Satellite Launch Vehicle, launched on Oct. 15, 1994. However, it is the first time that the engine has been test-fired for 200 seconds, the longest duration attempted by the Indian Space Research Organization.

The most significant achievement of the July 24 test is the success of the silica phenolic material, developed by Indian scientists, used in the nozzle of the liquid engine. The material insulates the nozzle against flames that emerge from the rocket at temperatures of 1,300°C. "This means that we can build anything we want. We are not at the mercy of other countries anymore," one scientist said.

● **FOOD PRODUCTION** in the CIS fell another 13% in 1994, a report of its Committee for Statistics said. All republics except Armenia (up 3%) and Turkmenistan (up 2%), reported drops in production, *Agra-Europe* reported on July 17. In Moldavia, production collapsed by 28%; Tajikistan, 25%; Kazakhstan and Ukraine, 17% each; Kyrgyzstan, 15%; Belarus, 14%; Azerbaijan, 13%; Georgia, 10%; Russia, 9%; and Uzbekistan, 1%.

● **THE GERMAN** Institute for Economic Research in Berlin is "spreading pessimism" on the economy in its annual forecast for 1996, the press reported. It said that after the international rise of interest rates since February 1994, worldwide economic activity has been shrinking, and is now affecting the German export industry.

● **THE TUBERCULOSIS** infection rate in Russia is 2%, the daily *Komsomolskaya Pravda* reported on July 26. World Health Organization guidelines state that 1% constitutes an epidemic. The paper blamed the epidemic on a lack of legislation enabling police to detain and screen homeless people. It did not mention that TB is usually transmitted via close contact with an infected person and compounded by conditions of chronic poor nutrition and poverty.

● **OVER 50 INDIAN** firms are now operating in Central Asia in pharmaceuticals, cotton yarn, packaging consumer products, textiles, and leather. The Indian government has offered \$35 million in credits to promote joint ventures.

● **AFRICAN** National Congress Secretary General Cyril Ramaphosa said the ANC was committed to breaking the "stranglehold" of the large conglomerates on the South African economy, the July 28 London *Financial Times* reported. They are blocking foreign investment, hampering growth, and frustrating black business ambitions, he said.