

Business Briefs

Labor

Thailand rejects minimum wage for foreign workers

Thai government financial officials, most of whom spent a week in London in January being trained for their role in a reoriented British Empire, rejected proposals from the Thai Labor and Social Welfare Ministry, to establish a minimum wage to protect foreign workers, estimated at well over 1 million, mostly from Burma, Cambodia, Laos, and India, who are working in Thailand.

Prime Minister Banhan Silpa-acha said he preferred to let employers and the market set such wages without State intervention, the Bangkok daily the *Nation* reported on March 20. Critics point out that besides the horrendous conditions of most of these workers, the fact that they are paid 30-50% of the wage paid to Thai workers can only harm Thai workers in the long run. The article only refers to the legitimate workers, not to the unknown thousands of foreign slaves working the infamous Thai sex "industry."

Transcaucasus

Georgia, Turkey expand cooperation

On April 8, Georgian President Eduard Shevardnadze revealed the results of his visit to Turkey and talks with Turkish President Suleyman Demirel the week before, according to wire service reports. The agreements included a Turkish offer to spend \$250 million on overhauling Georgian pipelines for the transport of Caspian Sea oil to international markets via Georgia and Turkey; a \$100 million Turkish loan to Georgia for building other transport and communications facilities, including a gas pipeline to Turkey; Turkish assistance in overhauling existing hydropower stations in Georgia and building new ones; an agreement for Georgian electricity deliveries to Turkey during the summer in return for Turkish deliveries during the winter; and simplifying customs and border-crossing procedures.

The agreements are a new development

in the Transcaucasus, which has become a renewed target of the British Empire's "Great Game" (see *EIR*, April 12, p. 4).

The delegations also discussed building a modern railway link between Turkey and Georgia, and the possible creation of a single energy system by Georgia, Azerbaijan, and Turkey. Shevardnadze stressed that Georgia's rapidly developing relations with Turkey do not contradict good relations with Russia. All countries are interested in a peaceful Caucasus, he said.

Petroleum

Gazprom head to set up deals with Enron Corp.

Rem Vyakhirev, the head of Gazprom, the largest oil and gas concern in Russia, in which Prime Minister Viktor Chernomyrdin is suspected to have a large (if silent) interest, was in America for a ten-day trip at the end of March, *Komsomolskaya Pravda* reported on March 27. Businessmen from all over the United States flew to Dallas, Texas, to meet with Vyakhirev. "Texas state Gov. George Bush, Jr., noted this interest and promised his personal support in widening ties between the big players in the U.S. oil and gas industry and the Russian company," the paper said.

One of the deals discussed was proposed by Enron Corp., for joint work with Gazprom in Uzbekistan. Also, the Howard Energy International Co. is said to be interested in a minimum of five joint projects in Turkey, involving the development of gas networks and the construction of power stations.

The Gazprom delegation also visited Bell Helicopter Co.'s assembly shops in Texas. The paper reported that a decision has been made to purchase 25 Long Ranger 2064 Helicopters, which are adapted for working in the conditions of the far north, and have proved themselves in Alaska. "The second stage of cooperation will entail the production of these helicopters within Russia itself," the paper said.

Vyakhirev and his group then went to New York, where "[David] Rockefeller received the Gazprom party. . . . The delegation visited the stock exchange and called

on [Henry] Kissinger, who afterward held a dinner in their honor at the River Club. Gazprom has visited the headquarters of such major U.S. banks as Citibank, the Bank of New York, Chase Manhattan Bank, and others."

Nuclear Energy

Algeria seeks option for desalination

The Algerian government has signed a memorandum of understanding with the International Atomic Energy Agency (IAEA) in which Algeria will "develop peaceful applications of nuclear energy to encounter the expected shortage of drinking water," a source in the Energy Ministry told *Al Hayat* on April 9.

In recent years, Algeria, Tunisia, Egypt, and Libya have applied to the IAEA for help for a study on the use of nuclear energy for desalination. Official studies indicate that the nations in the Maghreb region suffer a shortfall of drinking water of 3 million cubic meters per day.

Official studies also estimate that \$30 billion will be needed for investment to meet the shortage of water in 15 different areas in the country in the year 2000. Algerian officials expressed to IAEA General Director Hans Blix, who was there to sign the memorandum, their willingness to cooperate to expand the applications of nuclear energy in health, irrigation, and agricultural fields. Algeria currently has two research nuclear reactors, Nour and Salam, which are under the control of the IAEA.

Health

Ukraine faces intestinal disease outbreaks

Anhelina Moiseyeva, chief of the Health Ministry sanitary epidemiological department, told Intelnews on April 8 that Ukraine faces a major outbreak of infectious intestinal disease this spring, as a result of the unsanitary condition of its water supply. "Every seventh or eighth water sample does not

meet microbiological characteristics requirements, both in the cities and the countryside," she said. Some 60% of the water in the Ternopil district's artesian and other wells, and 30% of wells in the Kiev region, fail to meet minimum sanitary standards.

Part of the reason for the crisis stems from disagreement over whether local or state authorities are responsible for the safety of the water supply, a disagreement which arises mostly because there is no money for water purification and related sanitary programs, thanks to International Monetary Fund conditionalities.

Moiseyeva also said that there could be a repeat of the cholera epidemics of 1994 and 1995, particularly in the Mykolayiv district, due to the poor quality of drinking water. Cholera epidemics started in July of those years, during which time half of Europe's cholera cases occurred in Ukraine. "The water coming to Zhovtneve Reservoir feeding the city of Mykolayiv is safe now," she said. "But the state of water supply and sewerage systems is such that anything may get in there."

Economic Theory

Allais attacks globalist cult of free trade

French Nobel Prize-winning economist Maurice Allais attacked free trade, in the April 9 daily *Le Figaro*. Allais warned that adoption of a single currency, whereby France would "renounce its right to issue currency," would be a "major political error of incalculable consequences." He called for a referendum on the single currency, and denounced what he called the "perversion of liberalism": competitive devaluations, delocalizations, uncontrolled immigration, and, generally, globalization, i.e., the search for lowest wage areas.

"The globalization of the economy is certainly very profitable to some groups of privileged. But the interests of those groups cannot be projected to those of humanity as a whole. A precipitous and anarchistic globalization cannot but engender unemployment, injustice, disorder, and instability everywhere, and can only reveal itself as being

disadvantageous to all people in general. It is neither inevitable, nor necessary, nor desirable," he said.

Allais described the negative effects this has had on the German and U.S. economies. Even the Davos gurus are getting worried about the effects of their policies, wrote Allais. "During the recent Davos Forum, the great gurus of the free trade globalist cult had to face up to bigger and bigger worries."

Economic Policy

Time to challenge free trade, says Pfaff

"It's time to challenge the orthodoxy of trade liberalization," columnist William Pfaff wrote in the April 9 *International Herald Tribune*. "To assume that the invisible hand of the marketplace will bring eventual benefit for all, is faith, not science. It is an assumption intellectually on a level with that which said that giving 'all power to the Soviets' would essentially create a higher form of humanity. We are actually generating much human unhappiness, and social and political instability, without proof that the future benefits we expect, will outweigh the harm." In sum, what is required, is to "end the complacent economic orthodoxy of the last decade and a half."

Pfaff insisted that it is absurd to claim that "globalization" and its correlates have meant more prosperity. In fact, it was when growth rates were *higher*, up to the mid-1970s, that there was a greater commitment to the notions of "corporate citizenship" and "stakeholder capitalism."

Pfaff proposes "regional trade blocs," in which there would be "controls to limit predatory practices and socially destructive forms of trade," and "currency stabilization," to "contain the destructive effects of speculation." "Public action is necessary, to redefine the social obligations of business, and reward socially responsible conduct." The world requires a "social charter," of "mutually acknowledged obligations to the workforce and citizenry." International trade must be subject to social and labor standards, just as it is currently subject to "environmental standards."

INDONESIAN President Suharto warned against the disintegration of the country because of economic liberalization, in a speech to senior military officers on March 29. "We must be aware that there are limits to decentralization, deregulation, and de-bureaucratization, and to openness," he said.

A NEW TEST for bovine spongiform encephalopathy has been developed at the National Animal Disease Center in Iowa. And, Dr. Michael Harrington of the California Institute of Technology told Reuters that he will soon publish on a test that he has developed. The tests can quickly identify whether a live animal is infected, which would obviate the need to eliminate entire herds, but only the animals that are infected.

JARDINE MATHESON, "the British trading house that started out shipping Indian opium into Canton 160 years ago," will pay \$48 million for a 20% stake in Tata Industries, India's biggest conglomerate, the Australian *Financial Review* reported April 9. A Tata official said, "We see a tremendous advantage for them, as far as India is concerned."

RUSSIA'S railroads could collapse because of the International Monetary Fund's \$10 billion credit, which dictates that railroads are to be privatized and put on a commercial basis, Minister of Railways Gennadi Fadedev warned in Moscow on March 29, *Nezavisimaya Gazeta* reported.

CHINA'S Prime Minister Li Peng arrived in Paris on April 9, the first visit by a Chinese leader since 1984, with deals worth \$2 billion. The deals include purchase of at least 30 Airbus planes, 28 electric rail locomotives from Alstom, and grain; a joint venture; and investments. China will also discuss purchase of high-speed TGV rail systems.

FINANCIAL markets, which are highly volatile, are similar to those of 1987 just before the crash, the French daily *Le Figaro* warned April 10.