

# Business Briefs

## Labor

### Thai trade union leader dies

Paisal Thawatchainan, one of Thailand's most respected labor leaders, recently passed away at the age of 50, of cancer.

Almost single-handedly, the late labor leader formed the Thai Trade Union Congress (TTUC) in 1983, when he led some 30 unions in a split from the Labor Congress of Thailand (LCT), after a bitter faction fight over economic policies.

Paisal distinguished himself from other labor leaders by persistently pointing to the International Monetary Fund and the World Bank as being responsible for Thailand's economic ills.

Paisal appointed Pakdee Tanapura, an associate of Lyndon LaRouche, as economic adviser to the TTUC executive committee, a position much desired by economists and technocrats in Thailand. Tanapura has devoted himself to giving economics classes to union members and others over the past three years.

The policy approach of the late labor chief appears certain to be maintained by the TTUC. Recent confederation elections saw victories by communications, textile, and telephone workers' union heads, all of whom were close associates and co-thinkers of the late Thawatchainan.

## Technology Transfer

### Pentagon refutes Jap-bashers

In a statement dated March 11, the Department of Defense officially refuted the slander campaign that has been waged against the Toshiba Corp. and the Japanese government, over the issue of alleged violations of technology transfer laws. The statement read in part:

"The Department of Defense believes that recently published reports concerning illegal diversions attributed to the Toshiba Corporation (so-called Toshiba 2, 3, and 4) are not supported by the evidence.

"In cooperation with the Japanese Government, DOD has conducted two investigations over the past year surrounding Toshiba Machine and Toshiba Corporation. One resulted in halting further servicing and equipment to the Soviet Baltic Shipyard in Leningrad which was making propellers for submarine quieting. While the Soviets had initiated R&D of advanced marine propeller designs between 1979-1982, the Toshiba Machine diversion provided the U.S.S.R. with substantial production capability. The other investigation concerned a negotiation of a possible sale of a printed circuit board manufacturing plant to East Germany from which the Toshiba Corporation voluntarily withdrew.

"At this point, allegations that there were violations by the Toshiba Corporation in addition to violations by Toshiba Machine are not supported sufficiently by the evidence. Indeed, we have discussed these other allegations with the Government of Japan and are satisfied with their replies. The evidence is simply not compelling."

## East Bloc

### Soviets exploiting child labor

The Soviets have a labor shortage, recent U.S. congressional hearings heard testimony, "not because the economy is surging, but because individual workers are producing so little that more of them are needed just to keep things from declining further."

In January, the Soviet news agency TASS revealed one horrific consequence of this state of affairs: the massive exploitation and injury of children in the U.S.S.R.

TASS said that a report from the Soviet state prosecutor's office had shown, that hundreds of children were killed and thousands crippled every year, by "criminal exploitation" of them while performing "volunteer" labor on state farms. In 1986, it said, the U.S.S.R. had 35,000 serious accidents to working children under the age of 14. These ranged from the fourth-grade boy in the Soviet Far East who fell asleep in a grain bin and was buried alive, to the 135 students who were infected with brucellosis at a cat-

tle farm in Soviet Central Asia.

TASS said that a senior Komsomol official, A. Rybakov, had opposed publication of this information from the prosecutor's report, because "We are pushing through a resolution on expansion of the use of children in labor, and such publications only interfere with that effort."

## Precious Metals

### West facing nickel shortage

"The LME's [London Metal Exchange] current situation implies that there is virtually no nickel left in the free world's stocks. At the end of last week its stocks had dropped below 2,000 tonnes," according to the *Financial Times*.

More than 55% of all nickel produced in the West is used by the stainless steel industry.

Since 1980 nickel producers had been selling nickel close to its cost of production. As a result, they were unwilling to invest and closed many plants—selling their inventories. Now there is next to no nickel to be found. What went for \$1.87 a pound in the last quarter of 1987, on March 22 sold for \$8.57 a pound.

While the *Financial Times* asserts that the acute nickel shortage is something of an exaggeration, since supply figures exclude such items as ferro-nickel and uncut full plate cathodes which are used by large stainless steel manufacturers, in point of fact, the loss of the nickel to prod these items is bound to be felt there, too. It is expected that the effects will be felt within one of the next two three-month supply cycles on which the nickel and stainless steel industry work.

## Science

### Japanese want to speed biology project

Tateo Arimoto, spokesman for Japan's Human Frontier Science Program, recommended March 6 that the worldwide biolog-

ical research program proposed by former Prime Minister Yasuhiro Nakasone at the 1987 Venice summit, be launched soon, even if initially on a small scale.

After the final meeting of the international feasibility study group, the spokesman announced that Japan will launch a domestic version of the program this year, possibly opening an international office in 1989.

The project, to study the workings of the human brain and other molecular-biological functions, was originally proposed as a 20-year, \$6 billion project.

A final report by 27 scientists from the summit nations and the European Community nations, will be completed by April, and Japanese officials will then visit the seven industrial nations to seek support.

Japan will probably make "a significant contribution" toward the financing, Arimoto said. The full program, he said, would consist of an international board of scientists, making 30-50 grants per year of \$400,000-\$500,000 for research, and offering 100-200 fellowships to young scientists.

## Markets

### Brady, others warn of new crash

Testifying before the Senate Agriculture Committee, which oversees the Commodity Futures Trading Commission, Nicholas Brady called for giving one agency the authority of a super regulator, since all markets are closely tied together.

In February, Brady, who headed the presidential commission that studied why the stock markets crashed in October, and earlier this year delivered recommendations on how to prevent another crash, told the Senate Banking Committee, "We are looking down the barrel, and the gun is still loaded."

In his testimony March 18, he added, "If action is not taken, the structural factors that contributed to the October decline will come together again in the form of a different mousetrap. Next time, it could be the currency markets, the clearing and settlement system, or any one of a number of other factors."

## AIDS

### Contaminated blood shipped to Washington

Twenty-four units of blood contaminated with AIDS and hepatitis B were accidentally sent from Red Cross centers to hospitals in Washington, D.C. and Nashville, Tennessee, the *Washington Post* reported March 19. Federal officials denied that any of the infected blood had been transfused and said they were "virtually certain" it had been destroyed or quarantined.

Two senior Red Cross officials have been suspended for 30 days because of the incident, pending an investigation. The error involved blood that had tested positive for the diseases and should have been discarded. "An ongoing investigation by FDA at the two blood centers has revealed that standard operating procedures were not following in handling these blood products," the Public Health Service said March 18.

## Labor

### Supreme Court: no food stamps for strikers

The U.S. Supreme Court has ruled that labor strikers have no right to food stamps—although all other persons whose incomes fall to specified levels to qualify.

By a vote of 5 to 3, Justices Rehnquist, O'Connor, Scalia, White, and Stevens delivered their opinion: "Exercising the right to strike inevitably risks economic hardship, but we are not inclined to hold that the right to association requires the government to minimize that result by qualifying the striker for food stamps."

Justices Marshall, Brennan, and Blackmun, in their dissenting opinion, wrote that the Supreme Court was intentionally giving employers a weapon to use against trade unions. "No other purpose can adequately explain the especially harsh treatment reserved for strikers and their families," wrote Marshall.

● **THE FEDERAL** Home Loan Bank Board announced March 19 that it will guarantee all the depositors and general creditors of the California-based American Savings and Loan Association, the nation's second largest savings bank. American Savings had filed with the Securities and Exchange Commission at the end of 1987, saying that its net worth was a negative \$106 million. One day earlier, the FDIC had announced an emergency \$1 billion bailout for Dallas's First Republic Bank.

● **THE RHINEHAUSEN** steel plant in West Germany's Ruhr industrial heartland may be sold to China at 20-30% of its value, the daily *Die Welt* reported March 19. It is one of the most modern steel plants in the world, making steel coils and specialty products. Chinese representatives are touring Rhinehausen and other bankrupt Ruhr plants, with the intention of buying them and transporting them back to China. At the end of 1987, the Chinese bought an entire motor-bike factory in Bavaria, took it back to China, and reassembled it.

● **MAGNETBAHN** Transrapid of West Germany has set a new world record for passenger train speed, 412.6 km/hour. A decision is expected in June on the location and construction of Transrapid's pilot application stretch.

● **JAPAN** now has the lowest infant mortality rate in the world, the *Japan Times* reported March 15. The rate of 4.9 per 1,000 is far lower than even Sweden and Finland, with 6 deaths per 1,000. Japan also, however, has one of the highest rates of abortion in the world, which eliminates many high-risk infants. Its Eugenic Protection Law allows abortions as late as the second trimester to "prevent the increase of inferior descendants and to protect the life of the mother."