

Business Briefs

Labor

U.S. Steel Mills Face Skill Deficiencies

Skilled labor shortages, among both new college graduates and general laborers, are affecting steel mills in the United States, the *Pittsburgh Post-Gazette* reported on July 28. For example, because of the 1980s downsizing in steel, an entire generation is missing from management. "We could start seeing plant managers who are only in their 30s because there won't be people in their 40s around," said Gary Michals, LTV steel professor at Case Western Reserve University in Cleveland. But even that presumes there are those with ability "out there," or "coming up" — not something to take for granted.

U.S. Steel, J&L Specialty Steel, USX, and other firms all report trouble attracting graduate engineers. J&L Specialty runs a program paying an undergraduate \$2,000 a month, plus a rent-free apartment and other perquisites for four months, to entice new engineers to the firm. The competition is from glitzy information-technology companies.

For hourly jobs on the factory floor, many seeking work aren't qualified. Chicago steelmaker Ispat Inland got 4,000 applications last year for 100 new jobs paying \$14 an hour, but a vast number lacked needed education or experience. Ispat's representative said, "We were surprised by the number of people who looked good on paper who couldn't measure stuff."

Mining

Rio Tinto Rewriting Indonesian Legal Codes

Rio Tinto, the mining giant, in league with the Australian Legal Resources International (ALRI, a "human rights" group) and the Australian government, are attempting to rewrite Indonesia's legal codes. Legislation on "environment, human rights, and corporate governance" in Indonesia is now being drafted by the ALRI, with AUS \$50,000 from Rio Tinto and an equal amount from the

Australian government. It is not clear what formal relationship the ALRI has with the Indonesian government, although they are providing "assistance in judicial training" in Indonesia at a time when there is a massive shake-up, especially in Jakarta, in the structure of the courts and the role of the judges.

Rio Tinto, which has major holdings across Indonesia, has "a high degree of involvement," according to Bob Burton of the Mineral Policy Institute, a non-governmental organization (NGO) based in Sydney, Australia. The Rio Tinto legal staff has been "seconded to work with ALRI on the Indonesian law reform project," he wrote in the *Mining Monitor*.

Burton reported that the previous head of the ALRI now works in Rio Tinto's public relations department, while also serving in the executive of Australia's leading human rights umbrella group, the Australia Council for Overseas Aid (ACFOA), which has "long taken a close interaction in human rights issues in Indonesia." Ironically, ACFOA in 1995 published an attack on the massive gold and copper mine, Freeport, in Irian Jaya, in which Rio Tinto is now a major stockholder. As Burton said, "The whole project raises disturbing questions about the blurring roles of government, corporations and well-intentioned NGOs."

Russia

Zyuganov Sees Economic Policy Fight in Autumn

On Aug. 2, Russian Communist Party leader Gennadi Zyuganov told a press conference that economic policy was the subject of "a persistent, covert struggle . . . at the top, which may develop into a strong confrontation in the Fall." According to Zyuganov, the struggle is between ideas that his party "has advocated for the last ten years," and a "right-wing, liberal, pro-American line that is evolving in the economy." In the last elections, Zyuganov's economic program was written by a non-member of the party, Dr. Sergei Glazyev.

Zyuganov's comments came as the government is preparing to reform the so-called

natural monopolies. The cabinet meeting of July 27 took up the issue of "restructuring" national utilities companies. According to ORT's report on Deputy Prime Minister Kudrin's press conference that day, the government is preparing to start the privatization of state monopolies, including the national power grid, UES, and the Railways Ministry. Over 2 million Russians are employed in rail.

Such privatization is certain to make a bad situation worse. Electric power brown-outs, which have been affecting Russia's Far East all Summer, grabbed headlines in early August when an infant died in an affected Primorsky Krai hospital. Anatoli Chubais's management of UES is enforcing the principle of "no payment, no power," while continuing to insist that the solution lies in selling off large parts of UES to investors, who allegedly would upgrade them.

On Aug. 3, the government daily *Rossiyskaya Gazeta* reported on the scale of the power cuts: "The situation is scandalous. . . . Mass cutoffs await Dagestan and Mordvinia, and major defaulters will be cut off in Saratov and Penza Oblasts. Primorsky Krai, where cutoffs have been compounded by the typhoon which caused flooding in coal pits, is best not mentioned. . . ."

"The normal operation of the railroads has already been disrupted. There is frenzy in the Kuban region [a major agricultural area], where everyone—both those who pay and those who do not—is being cut off indiscriminately. There have even been mass cutoffs of children's vacation camps in Anapa, and food is rotting in their refrigerators."

Infrastructure

China Focusses Rail Investment in Its West

China is shifting the focus of its railroad construction to its western regions for a long period to come, *People's Daily* reported on Aug. 7. This will not only benefit the western regions, but will also boost rail construction in the whole country, the Ministry of Railways stated. Rail passenger and cargo transport have increased by more than 10% over the national growth of rail use in the last year.

LYNDON LAROCHE'S proposal for developing Mideast water resources was aired on Egyptian national television on July 24. In an interview, Dr. Mohammad Selim, director of the Center for Asian Studies at the University of Cairo, introduced LaRouche's Oasis Plan, explaining the proposed mass desalination approach, powered by nuclear energy.

THE 'NEW ECONOMY' firm Value America, Inc., in Virginia, filed for Chapter 11 bankruptcy protection on Aug. 11. The firm sold everything on the Internet from ice cream sandwiches and caviar to furniture and CD players. In 1999, it lost \$143.5 million and laid off 300 employees. It will now lay off another 185 employees and concentrate on electronic services to provide for online ordering, billing, and distribution for vendors and manufacturers.

SIERRA LEONE'S Youth Arise urged Parliament to pass a law mandating HIV testing of all citizens, on Aug. 7. The group's Secretary General, Abu Bakarr Talib Jalloh, said, "The HIV which causes AIDS is almost certainly spreading silently, its deadly tentacles sowing the seeds of death in every corner of our nation already mired in war. The alarming thing . . . is we can hardly even guess how fast this HIV is spreading among our people."

MICHEL CAMDESSUS, former managing director of the International Monetary Fund, will join the Vatican Council on debt relief for developing nations, the Vatican announced on Aug. 7. Camdessus's unpaid activity will involve meetings at the Pontifical Council for Justice and Peace, which will convene a conference on debt in December in Rome.

BRITISH farms have been hit with an epidemic of swine fever, and the Netherlands, Belgium, and Spain banned the import of pigs from British farms after the outbreak was discovered in early August. The disease is highly contagious and fatal to pigs, but not communicable to humans.

Construction of more and better railways in this region is vital, as the current infrastructure is inadequate.

Two stages of rail construction are planned: For the next ten years, main rail lines linking the western regions with central and eastern China, and railways between regional economic centers in the west are to be constructed, to build the main structure of the western railway network. From 2010 on, rail lines in the west will be extended, including to the west and south across China's borders. At the same time, large-scale technological renovation and equipment improvement will be undertaken.

In the northwest, the main west-east lines will be constructed or improved, including the Lianyungang-Alataw line (the Eurasian Land-Bridge), the feeder line of the Baoji-Lanzhou Railway, and the Xi'an-Nanjing Railway. In the southwest, railways from Shanghai to Kunming, Yunnan Province, and to Chengdu, Sichuan Province, will be extended. Feeder lines of the Zhuzhou-Liupanshui and Kunming-Zhanyi railways and the Suining-Chongqing and Chongqing-Huaihua lines will be built. A railway from Nanjing to Chongqing, along the Yangtze River, will be constructed, and another from Taiyuan in Shanxi province to Zhongwei in Ningxia, in the northwest.

Eco-Fascism

Thailand Protects Farms from Environmentalism

Deputy Secretary General of the Science Ministry Office Wanee Samphanrak stated that Thailand will only accept any international treaty on the environment, which would not adversely affect its agricultural sector. *The Nation* reported on Aug. 4.

This is in response to measures suggested by the developed countries at the 1997 Climate Control Convention in Kyoto, Japan, which stated that emissions of methane gases from rice fields should be reduced and maintained at an exact level.

Wanee said, "Thailand will accept only a win-win solution and not an option which would help the global environment, but

cause the Thai people to suffer." He said that the statistics released on methane gas emissions by rice fields are an exaggeration, and that Thailand's estimates are considerably lower than those of the West.

Petroleum

Record Earnings, But Firms Will Not Invest

American oil companies made record earnings in the second quarter, but are not planning to make new investments in production, *Oil & Gas* journal reported in early August. "But, even as their cash flows improved, producers have been hesitant to increase their spending levels, especially as oil and gas prices began to pull back from previous peaks near the end of the quarter."

For example, ExxonMobil Corp. cashed in on both its megamerger and the run-up of oil and gas prices, to double its earnings to a record \$4.2 billion, up from \$1.9 billion during the same period in 1999. On Aug. 1, ExxonMobil Chairman Lee Raymond said, "Our early success is a tribute to our employees." But, company officials say they may now eliminate 3,000 more jobs on top of the previously announced 15% workforce reduction by the end of 2002.

Chevron Corp. more than tripled its second quarter earnings to \$1.1 billion from \$350 million a year ago. Other second quarter earnings among integrated oil companies for 2000 vs. 1999, in millions of dollars, included: Amerada Hess Corp., 202 vs. 77; BP, 3,610 vs. 1,367; Coastal Corp., 127.6 vs. 93.2; Conoco, Inc., 456 vs. 114; Phillips, 442 vs. 68; Texaco Inc., 625 vs. 273; Unocal Corp., 264 vs. 9; USX-Marathon Group, 367 vs. 134.

Despite growing demand in a tight market, refiners are keeping supplies tight. "Gasoline and distillate inventories remain low despite good margins because demand is good and because U.S. refiners as a group are running at less-than-full capacity today to avoid building inventories that may be worth less tomorrow," said Jean Gaulin, CEO of Ultramar Diamond Shamrock Corp.