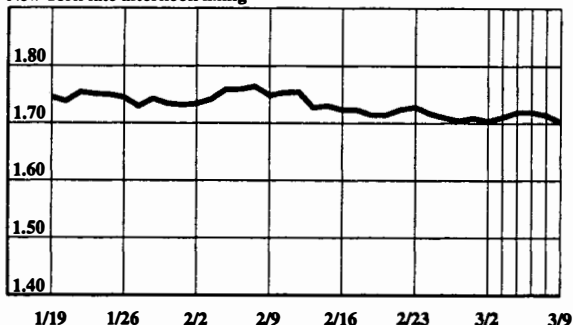


Currency Rates

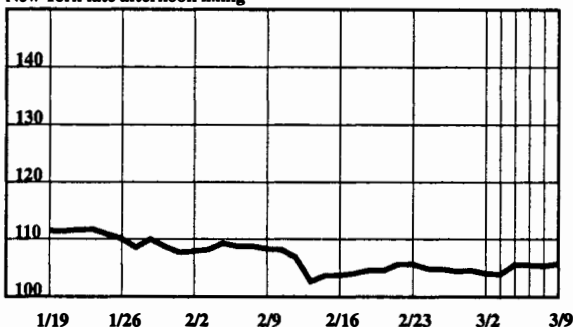
The dollar in deutschmarks

New York late afternoon fixing



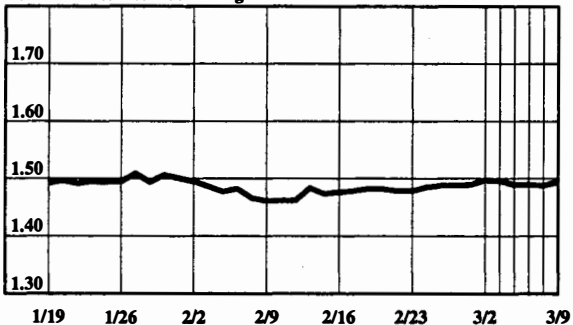
The dollar in yen

New York late afternoon fixing



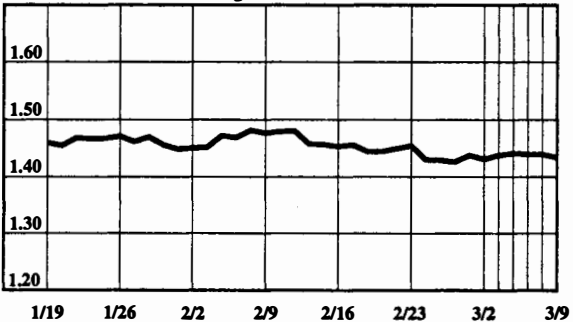
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Plight of China's coolie labor worsens

by Michael Billington

The annual flood of unemployed peasants into mainland China's coastal cities, which peaks after the Spring Festival of the Chinese New Year, has again presented the world with the reality behind the China boom: Without the continual "blind flow" of about 200 million desperate peasants into starvation-wage jobs, the inevitable bursting of the worldwide speculative financial bubble would come sooner rather than later. Jeffrey Sachs, the Harvard economist who is sponsored by mega-speculator George Soros and his colleagues, and whose "shock therapy" has driven Russia and its neighbors into economic disaster and civil war, offered the following analysis of why China has been "successful" while Russia has not: "Tens of millions of impoverished peasants . . . are happy to work long days at 15¢ per hour producing Radio Shack alarm clocks, since the alternative back on the farms is even more desperate."

Yet, those who are advising the People's Republic of China government on economic policy from Hongkong, London, and New York, and who are running an increasing portion of the economy themselves, are complaining that wages are still too high! The Hongkong and Shanghai Banking Corp.'s economist Benny Chiu opined to the *Asian Wall Street Journal* that "abundant labor really should have meant lower wages." Productivity, he complained, has barely changed over the boom years, since the growth has come from increasing the scale of production rather than the technological level of production. His solution to the productivity problem is not to increase the technology, but to lay off millions of workers.

30 million jobs will be lost

The chief economist for Lehman Brothers in Asia, Miron Mushkat, told the *Journal* that if China "restructures" state sector industry as it is being told to do, as many as 30 million industrial workers (this is about one-fourth of the entire industrial work force) will lose their jobs *this year*. Goldman Sachs chief economist Jan C. Lee added that this restructuring will *not* lead to an expansion of production, but rather to a contraction. The Wall Street investment firms Lehman Brothers and Goldman Sachs have been in the forefront of the New York investment banks, which are funneling billions of dollars of U.S. mutual funds, pension