

Carter shocked

NEW YORK, Aug 9: Former President Carter said he considered Agha Hasan Abedi a friend who joined his humanitarian projects and knew nothing of the growing scandal involving the founder of the Bank of Credit and Commerce International, reports AP.

"I have obviously been shocked and disturbed" about the BCCI scandal, Carter told ABC's "Nightline" in an interview televised Thursday.

He said he met Abedi in 1982 or 1983 when he came to his house in Plains, Ga. Carter said the two men were friends and worked together on projects to help the Third World's poor.

"His relationship with us was, I want to do something practical to help people who are suffering, and we will help you," Carter said.

The two met a dozen times in two years during the '80s, according to Nightline.

Abedi contributed more than \$8 million to Carter causes, such as a campaign to eliminate the guinea worm disease in Asia and Africa.

Carter said he never asked for a briefing about the developing bank scandal nor did he receive one.

Abedi, 69, a Pakistan resident, is under indictment on fraud charges in New York.

BCCI has been accused of widespread fraud, laundering of drug profits and international arms trafficking. The Luxembourg-based bank's operations were shut down worldwide last month after British investigators discovered the magnitude of its alleged criminal activities.

Bush may sign law to curb foreign takeovers

WASHINGTON, Aug 9: President Bush is expected to sign a bill giving him power to stop the foreign take-over of an American company if he finds that the take-over would hurt US security, reports AP.

The bill would make permanent what was known as the Exon-Florio law, which expired last October. It bore the names of Sen. J. James Exon and Rep. James J. Florio, who has since become governor of New Jersey.

"At a time when the defense budget is declining and American weapons production will likely be reduced, it is absolutely critical that America maintains an industrial and technological base which can be mobilized in the time of national need, Exon told the Senate last Friday.

"The Exon-Florio law gives the President the power to assure that American industrial and technological strength is not lost to foreign takeovers, mergers or acquisitions."

The Senate approved the measure the same day as part of the Defense Production Act, in a rush to adjourn for the rest of the summer.

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WASHINGTON, Aug 9: A distress sale of raw jute may occur if immediate measures were not taken to arrest the fall in the prices of raw jute, according to the Jute Balers Association (JBA), reports PTI.

The price of raw jute was falling fast over the last few days, JBA sources said that and added that prices of the low-grade lower Assam jute, particularly, were falling below the minimum support price.

The sources said that to check the falling tendency of raw jute price, compulsory buying of raw jute should be introduced immediately.

Distress sale of raw jute likely in India

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Mitsui gets \$60 m order from India

TOKYO, Aug 9: Mitsui and Co. Ltd said Thursday it had received a 60 million dollar order from an Indian steel concern to build what it claimed to be the world's largest steel plant using the direct reduction method, reports AP.

Mitsui officials said Midrex Corp of the United States, a wholly-owned subsidiary of Japan's Kobe Steel Ltd, would deliver the plant to India's Ispat Group.

The plant, to be built on the outskirts of Bombay, will have an annual production capacity of one million tonnes when it starts full operation around mid-1994, they said.

India denies BCCI link in money laundering

NEW DELHI, Aug 9: The Indian government on Wednesday denied that the Bombay branch of the Bank of Credit and Commerce International (BCCI) was involved in bribery and laundering money, prompting opposition members of Parliament to walk out in protest, reports Reuters.

Members were furious after Finance Minister Manmohan Singh said there was no definite information about alleged payments by BCCI to Indian politicians and militant organizations.

"Nothing that impinges on the security of the country has come to the notice of the government. However, the government is fully alert about this aspect of the matter. Singh said before leaving the Lower House as opposition members shouted questions.

The government is hiding information. Why did he (Singh) go? He had something to hide," said Somnath

Chattarjee, a member of the Communist Party of India (Marxist).

Call him back several members screamed as the Speaker of the House, Shivraj Patil failed to pacify them.

Or, Monday, the opposition demanded a statement in response to charges by a private investigator that Indian industrialists and government officials used BCCI to take money out of the country illegally and to evade taxes.

The investigator Michael Hershman told NBC television news last week that tens of millions of Dollars were diverted from India to BCCI accounts in the United States, Britain and elsewhere by Indian businessmen and aides to assassinated former Prime Minister Rajiv Gandhi.

Gandhi's Finance Minister at the time, V P Singh, hired Hershman's firm Fairfax in 1985-1986 to investigate allegations of money laundering and tax evasion by Indian busi-

nessmen.

But Gandhi's Congress Party returned to power after an inconclusive election completed in June, commanding only a minority of votes in the deeply divided Lower House.

Indian newspaper have published reports from Washington alleging that BCCI was being used by India's old for Pakistan for arms purchases using foreign exchange obtained by Indians for traveling abroad.

Manmohan Singh denied the reports in his statement. He said four BCCI employees were arrested in 1986 after it was found that the bank released foreign exchange against bogus signatures.

The Finance Ministry which investigated the foreign exchange irregularities by the bank "was not in possession of any evidence regarding use of such money for buying arms, he said.

Singh said the assets of BCCI's branch in Bombay were more than its liabilities and deposits there were safe.

AFP from London adds: Bank of England officials told a British MP Thursday that it would not be taking part in early negotiations on a rescue package for the BCCI.

After meeting with officials Labour parliamentarian Keith Vaz said, "I am extremely disappointed. The Bank of England are not prepared to get involved in any negotiations until they have had firm proposals from the majority shareholder and the provisional liquidator."

Vaz who has emerged as a spokesman for staff and account holders at the bank said he was astonished by the attitude displayed by the bank.

Last week, the High Court in London postponed the winding-up of BCCI for four months following an offer by the bank's 77 per cent owner, the Emir of Abu Dhabi, to provide 50 million (\$4 million Dollars) for interim compensation to account holders in Britain, opening the way of a potential rescue plan.

Death threats to top BCCI official

WASHINGTON, Aug 9: Mashur Rahman, a top official of BCCI London with his wife and children, told a Senate subcommittee here that he and his family had received several death threats if he would break his silence on BCCI's affairs, reports PTI.

Rahman, whose father was former went to what was the Calcutta High Court and whose family went to what was then East Pakistan on partition, was formerly the Chief Financial Officer of BCCI.

He, however, explained that only Agha Hasan Abedi and three or four of his top aides knew the full picture and others were kept in the dark the bank's affairs.

The sub committee is headed by Senator John Kerry.

Rahman complained that he had interdicted by a judge in England from speaking out and

even his lawyers were advising him to be silent.

Rahman, whose salary at BCCI London was 220,000 Dollars a year, described graphically how one of the executives threatened him that if he went public with what he knew about the bank, he would shoot Rahman as he had shot a man one in Multan.

AFP from London adds: A charity foundation set up by the head of the BCCI group was used to pass on profits, untaxed because of its charity status, to other, noncharitable, projects, the Guardian newspaper said today.

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Beware of foreign swindlers, Yeltsin warns oil cos

MOSCOW, Aug 9: Russian Federation President Boris N. Yeltsin, who has championed foreign investment to help the Soviet economy, warned budding Soviet oil companies Thursday to beware of foreign swindlers, reports said, reports AP.

Yeltsin made the comment on the last day of four-day trip to Tyumen, the oil-rich Siberian region where outdated equipment, low prices and poor work conditions have slashed oil exports and cut desperately needed profits.

Yeltsin wants to boost production in the state-run energy industries in Russia, most of which would be turned over to his government under a deal struck with Soviet President Mikhail S. Gorbachev last

spring.

Yeltsin offered Thursday to take over control of the state-run oil and gas industries from the central government and to give workers more control over their operation.

But he mixed the promises of new freedom with a warning, saying information from the KGB showed that some foreign investors "are swindling" their Soviet partners in Tyumen, according to the Russian government-run Russian Information Agency.

Yeltsin said Soviet companies sometimes establish contact with "completely unproven" firms that often comprise just one person. After concluding a contract, the foreign partner takes money and is never heard from again.

the agency quoted Yeltsin as saying.

He gave no names. It was Yeltsin's first public comment on the reports.

A half-dozen foreign companies have established joint venture companies under the Soviet Union's perestroika reforms in recent years to help extract and market Soviet oil.

Sporadic reports of corruption and swindles have appeared in the Soviet press, but no major companies have been named.

Strident attacks have appeared in the Moscow press accusing US-based Chevron Oil Corp of doing a "dirty deal" at the oil fields in the rich Tengiz field in Soviet Kazakhstan.

China's economy recovering

WASHINGTON, Aug 9: China's economy is recovering strongly from the decline that followed the crackdown on the movement for democracy, the Central Intelligence Agency says, reports AP.

The world's most populous country "is emerging from its austerity-induced economic slump with strong, if uneven, industrial growth," the CIA told Congress in a report, dated July 1991 and released to the public by the agency this week.

After the Tiananmen Square massacre in June of 1989, China's industrial growth plummeted to zero at the start of 1990, but soared to an annual rate of 14.2 per cent by the end of last year, said the CIA.

In other countries, 4 per cent or 5 per cent a year is considered strong growth.

Unlike neighbours Japan,

South Korea and Taiwan, which are cutting their trade surpluses, China has "turned its economy outward," combining a tight lid on imports with an 18 per cent increase in exports, the agency said.

The shift reversed a 1989 trade deficit. In 1990, China sold a record 8.7 billion Dollars worth of goods more than it bought, the report noted.

The CIA said China could achieve at least 10 per cent export growth a year over the next decade — though at a cost of rising inflation and increasing resentment from the United States and other countries facing growing trade deficits with China.

The United States is China's biggest market. The burgeoning US trade deficit with China has figured in the debate over President Bush's decision to continue the lowest available

tariffs, known as most-favoured-nation, or MFN status, for Chinese imports.

The US trade deficit with China hit 10.4 billion Dollars last year, a 67 per cent increase over the previous year, according to the Commerce Department.

Both houses of Congress voted to impose strict conditions on MFN renewal, but the Senate's July 23 vote fell short of the two-thirds margin needed to override a veto threatened by Bush. The president argues that cutting trade would hurt US business and consumers while isolating China and making it more difficult to encourage human rights and movement toward a market economy.

While East European countries were abandoning Communist economies, Chinese leaders showed "little appetite for reform in the style"

Depositors besiege Hong Kong Citibank branches

HONG KONG, Aug 9: Hong Kong bank depositors, frightened by the BCCI scandal, besieged Citibank branches on Thursday to withdraw their money despite assurances that rumours of trouble at America's biggest bank were absurd, reports Reuters.

Depositors ranging from young businessmen to grandmothers crammed several Citibank branches across the British colony, spilling on to pavements where curious on-lookers added to the chaos.

This isn't a crisis matter it's a silly overreaction, said Steve Baker, Citibank's Country Corporate Officer for Hong

Kong, even if it takes till late at night will give you all the cash you want.

Hong Kong has been gripped by near hysteria since the government closed Bank of Credit and Commerce Hong Kong (BCCHK) after authorities worldwide shut down its parent BCCI amid allegations of widespread fraud.

Some BCCHK depositors have begun a hunger strike to demand a government bailout. Two other banks, both Arab-controlled like BCCI, suffered brief runs last month.

Citibank and the Hong Kong government branded the ru-

mours, triggered by remarks by a US Congressman as ridiculous.

Their assurances that money was safe with Citibank failed to halt a short but sharp slide on the stock market and fell on deaf ears among some customers.

A 25-year-old woman queuing at a branch in the central business district said she was removing her money because of the BCCHK case, which cost many Hong Kong people much of their savings.

Citibank may be the biggest bank in the United States but BCCI was also a worldwide bank she said.

S Africa can develop 15 new gold mines

JOHANNESBURG, Aug 9: South Africa, the world's leading gold supplier, could develop 15 new mines if the industry overcomes financial and technical challenges, minerals and Energy Affairs Minister George Bartlett said today, reports Reuters.

Bartlett, speaking at a launch of mine safety campaign, said the new mines could be developed at an estimated cost of 45 billion Rand (15.8 billion Dollars) in 1991 prices.

He added, however: "Unless the gold price improves considerably and costs are kept at acceptable levels it will be very difficult to raise capital for new gold mine ventures."

Existing producers in South Africa, which mined 605 tonnes last year, faced the same constraint in respect of capital spending, Bartlett said.

Major challenges were a need to contain costs while the world gold prices was static, to improve productivity, and to achieve a streamlined, cost-effective industry, he said.

Improved safety would help, especially at the mine face where a high proportion of deaths was caused by rockfalls and rock-bursts.

Focus on Dholaikhal - II

Lack of service facilities hits small units

Lack of service facilities and absence of proper marketing of products are affecting the productivity of the small or micro industries in Dholaikhal industrial belt.

There is no unit at Dholaikhal having complete facilities for tempering, heat treatment of metals, metal testing, aligning and casting. The industries in the belt have limited capital. They can not afford maintain themselves separate service facilities at their units.

Small entrepreneurs in the area told the Daily Star that metallurgy units were essential for improved quality products. They said most units have to depend on the "guesswork" of the "experts" to decide whether the metal content of a product is upto standard.

A modern heat treatment unit is essential for proper tempering of metal, they stressed. In the absence of such facilities, industries have to wait for long to have their

jobs done by the few available units providing such facilities. This delays the delivery of products, the sources said.

The small engineering units face a challenging situation to operate profitably. Disruption of power supply also hits the profitability of the units. The power tariff is also high. The entrepreneurs complained. "It is essential to supply us power at flat rate round the clock," they said.

About the subcontracting system which was introduced in 1989, the industrial sources in Dholaikhal said the units started supplying spare parts to different government sectors.

The sectors which take products from Dholaikhal are: Bangladesh Sugar Corporation, Bangladesh Chemical Industries Corporation, Bangladesh Steel Mills Corporation, Bangladesh Biman, Bangladesh Inland Water Transport Corporation and Authority (BIWTC and

BIWTA). Forest Industries Development Corporation and Bangladesh Railway (Eastern Zone).

These sectors buy spares worth about Taka 320 crore every year. They claimed that 90 per cent of these imported spares can be produced in Dholaikhal. But the bulk buyers in the public sector are still reluctant to procure goods locally, they said. The cost of raw materials increased by about 30 per cent in last two weeks.

The sources pointed out the price of MS sheet rose to Taka 32,000.00 per metric ton from Taka 20,000.00. The rise in prices of raw materials has hit the industries.

Most sectors which buy spares from the units in Dholaikhal often place "ridiculous" offers under subcontracting system making the later ineffective in operation.

In this context, Sharif Engineering, an unit at Dholaikhal, cited the example of a purchase tender by Bangladesh Railway. In response to railway's tender, the unit supplied its sample of steam trap to the authority in 1988. The sample worked well for about three years. After much consideration, Railway at last placed the final order for one single piece of steam trap at the rate of about Taka 1500.

The owner of the unit said he had to spend more as "different cost" to get the order. After this incident, he became frustrated with subcontracting system.

Another example of harassment of the small engineering units by the bulk purchasers in the public sector under the subcontracting system was cited by Rahman Engineering. The unit got the order for supply of spares for Tangjan barrage regulator in '89. It quoted the lowest rate for the same at Taka 3,57,185.



This is how milkmen are extracting butter from milk at a slum in the city. The white liquid flowing out of the hand machine will be sold as 'ghol'.

Share prices on Tokyo stocks fall

TOKYO, Aug 9: Share prices on the Tokyo Stock Exchange fell in thin trading Thursday, while the US Dollar closed lower against the Japanese Yen, reports AP.

The 225-issue Nikkei Stock Average fell 208.56 points, or 0.88 per cent, closing at 23,482.46. On Wednesday, the average gained 226.06 points, or 0.96 per cent, after a four-day decline.

Volume on the market's first section was estimated at 180 million shares, up from Wednesday's 170 million shares.

The Dollar closed at 135.45 yen, down 0.55 Yen from Wednesday's close and also below its overnight New York finish at 136.00 Yen. After opening at 135.72 Yen, it ranged between 135.35 Yen and 135.77 Yen.

On the stock exchange, the Nikkei index was up 116.33 points, or 0.49 per cent, at the end of the morning session, but fell back in the afternoon

Share prices on Tokyo stocks fall

on index-linked selling, securities dealers said.

Harunori Nagain, a trader with Yamatane Securities Co, said the stock market in early session was boosted by the Yen's strength against the Dollar and expectations that lower interest rates might be on the way in the United States.

Nagai said, however, the market as a whole was in a wait-and-see mood as investors continued to watch the ongoing parliamentary session, which is mainly focusing on Japan's financial scandals.

In the major stock scandal, paybacks for investment losses by brokerages to their large clients infuriated smaller in-

vestors who were not compensated. Such compensation is not illegal unless promised in advance, but violated a Finance Ministry directive issued two years ago.

Meanwhile, sentiment toward the Dollar remained bearish because of speculation that interest rates in the United States might move lower, a currency dealer said.

The Dollar is generally hurt by lower rates because they tend to make-Dollar denominated investments less valuable. The Dollar was sold after the Federal Reserve Board reduced the federal fund rate on Tuesday in a step to stimulate the US economy and prevent a slip into recession.

Manila going all-out to get Taiwan's aid

TAIPEI, Aug 9: The Philippines is trying hard to win economic assistance from Taiwan despite the risk of offending China, Taiwan's diplomatic arch-enemy, sources said on Thursday, reports Reuters.

Several members of the Philippine cabinet are visiting Taiwan to seek loans, attract Taiwanese investment and ask the island to hire Filipino workers, the sources said.

Philippine Secretary of Labour Ruben Torres, Secretary of Economic Planning Cayetano Paderna and Undersecretary of Trade and Industry Lilia Bautista were due to arrive in Taiwan on Thursday, a spokesman for the China Trust Business Group said.

They will woo Taiwanese investment and seek trade opportunities during a four-day meeting of Philippine and Taiwanese businessmen starting on Friday, the spokesman said. China Trust, a private

Manila going all-out to get Taiwan's aid

group, is sponsoring the meeting.

Philippine Finance Secretary Jesus Estanislao and Central Bank Governor Jose Cuisia are now in Taiwan to ask for low-interest loans from Taipei's Overseas Economic Cooperation and Development Fund, a source familiar with their visit said.

President Corazon Aquino, her country economy battered by political instability and natural disasters, suggested in June that Manila might obtain aid from Taipei.

"The number of Philippine cabinet members now visiting Taiwan is unprecedented" since Manila switched diplomatic recognition from Taipei to Beijing in 1975, said the source, who asked not to be unidentified.

The visits are politically sensitive because China, which claims sovereignty over Taiwan, has warned the Philippines several times in the past few years not to have official contacts with the island.

In the most recent case, Beijing criticised Manila for signing a fisheries agreement with Taipei last month and told the Philippines to halt talks with Taiwan.

Philippine Immigration Commissioner Andrea Domingo, also in Taiwan, met Council of Labour Affairs officials on Wednesday and discussed the possibility of signing an agreement on the hiring of Filipino labourers, a council spokesman said.

Depositors invade HK Standard Chartered Bank

HONG KONG, Aug 9: Thousands of panicking depositors invaded Standard Chartered Bank, a pillar of the Hong Kong establishment, today and the government said it suspected a conspiracy orchestrated by disgruntled BCCI depositors, reports Reuters.

Just as a run on local branches of US giant City Bank on Thursday was subsiding, rumours surged through the colony that British-based Standard Chartered had lost its banking licence.

Crowds besieged Standard Chartered branches throughout Hong Kong, desperate to retrieve their savings.

They wanted to avoid the fate of depositors in the local subsidiary of the Bank of Credit and Commerce International (BCCI), which the government closed after allegations of massive fraud at the parent bank.

"I was just passing on my lunch break and I saw the queue," said one young man, waiting to withdraw his life's savings of 50,000 dollars (6,400 US).

"I don't want to be the last person to try and get my money out because I may not get any."

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