WASHINGTON, Oct 26: **BCCI** made large loans to Gary Hart's presidential bid in 1984, BCCI ex-official Abdur Sakhia told the Kerry Subcommittee of the Senate Tuesday, reports PTI.

He confirmed that BCCl also made loans to former Atlanta Mayor Andrew Young that were later forgiven.

He also said that Price Waterhouse, the accounting firm of BCCI, received a 600,000 Dollar loan from BCCI. He called BCCI, which has been sole auditor since 1987 (earlier it shared auditing responsibilities with another company), completely negligent, incompetent and possibly corrupt and an accomplice in the fraud.

was emphatic that Washington lawyers Clark Clifford and Robert Altman who headed the First American Bankshares "must have known" that the bank was owned by BCCI. (Both Clifford

and Altman have denied of any knowledge of BCCI's secret ownership of First American. National Bank of Georgia and Independence Bank of Encino, California.)

He described a July 1988 meeting at the Washington offices of BCCI's US lawyers, Clifford and Warnke, at which Clifford, according to Sakhia, had joked to one of Sakhia's BCCI colleagues, "Welcome abroad. We will tell you more

AP adds from New York : Investor Ghatth Pharaon has issued his first detailed defense in the BCCl scandal flatly denying that he acted as BCCI's front man in the United

Pharaon, an international investor with connections to the Saudi royal family, has kept a low profile since July, when the bank was seized and the Federal Reserve charged he played a central role in BCCI's infiltration of the US banking

His formal defense was filed this week in federal district court in Manhattan and carlier this month with the Federal Reserve.

In July, the Fed charged Pharaon and eight others with helping BCCI secretly acquire shares in First American Bankshares Inc., Washington's largest banking company; National Bank of Georgia in Atlanta; and Cen Trust Savings Bank in Miami.

A separate Fed order charges Pharaon helped BCCI acquire a majority stake in Independence Bank of Encino,

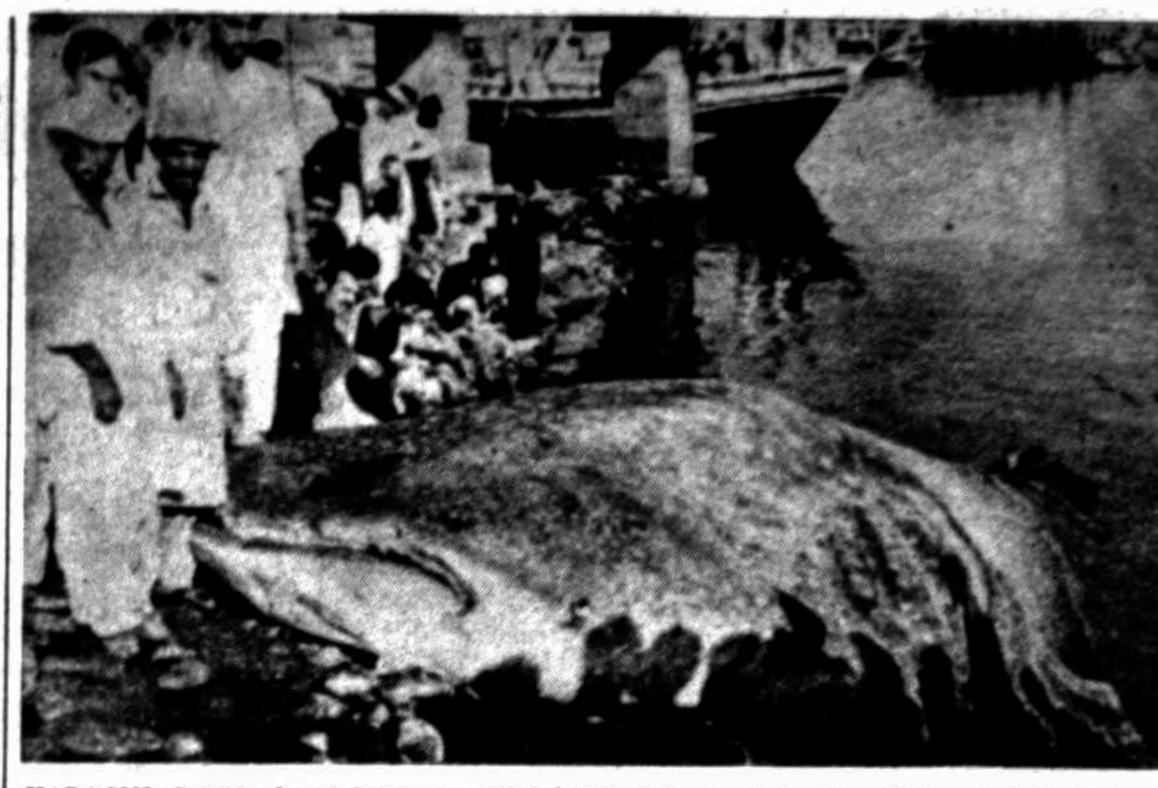
The Fed wants to ban Pharaon from the US banking industry. In September, the Fed sought a 37 million Dollars civil fine against Pharaon and received a federal court order restricting sale and operation of his US businesses.

Pharaon is one of the few

figures in the BCCI case to step forward and fight the allegations against him. Other prominent figures, such as **BCCI** founder Agha Hasan Abedi and former chief executive Swalch Nagvi, have not filed formal responses to the Fed's charges.

Pharaon admits he acquired a majority share in National Bank of Georgia in 1978, but disputed allegations he trans ferred shares to BCCI. Pharaon had no knowledge of a lobbying effort to change a Georgia law that cleared the way for First American Bankshares to buy National Bank of Georgia at a what investigators say was a profit to Pharaon.

Concerning the Independence Bank deal, Pharaon denied that he helped BCCI and its subsidiary, International Credit and Investment Company (Overseas) Ltd., acquire con trol of 85 per cent of the small California bank.



KARACHI, Oct 25: Local fisherman Allahdad (2nd l) stands beside a 25 tons blind whale at the Karachi fish harbour. Allahdad netted the colossus. - AFP/UNB photo

BCCI affiliate

pleads not guilty NEW YORK, Oct 26 International Credit and Investment Co Holdings, an entity of Bank of Credit and Commerce International (BCCI) pleaded not guilty today in New York state court on charges it was used to hide stolen money, reports Reuter.

New York Attorney Paul Rooney entered the not guilty pleas for the corporation, but he would not comment further, ICIC was served with indictment papers in the Cayman Islands.

Unlike BCCI and its others affiliates including ICIC Overseas, ICIC Holdings is not currently in liquidation proceedings.

According to court papers, ICIC Overseas was a separate entity from ICIC Holdings. ICIC Overseas was established in Grand Cayman as a bank and was used to conceal BCC! liabilities and to create false assets, prosecutors allege.

Depositors hold world confce in London

LONDON, Oct 26 Depositors in the collapsed Bank of Credit and Commercial International (BCCI) met here Friday to plan a worldwide campaign aimed at recovering losses estimated at upto It billion Pounds (18.8 billion Dollars), reports AFP.

The meeting which is being coordinated by the BCCI Depositors Protection Association, is the first international gathering of individuals who lost out when BCCI was closed down by regulatory authorities in July amid allegations of multi billion Pound

Association Chairman Adil Elias said there was particular concern among depositors about US regulators attempts to impose fines on BCCI.

These fines and penalties will come out of the assets of the bank which ought to be distributed to creditors, he

Since its formation in Britain where the British Asian Community was strongly represented in BCCI's 40,000 account holders and 1,200 staff, the Association has had membership inquiries from places including Hong Kong. China, Zimbabwe, France and the Virgin Islands.

On Thursday a group of depositors met with British Foreign Office Minister Douglas Hurd ahead of his November 5 visit to the United Arab Emirates.

S African Airways to resume flights to America

JOHANNESBURG, Oct 26: South African Airways announced late Friday that it would resume flights to the United States from November 3 after a special permit was approved in Washington, reports AFP.

The airline's last flight to the US took place almost exactly five years ago, on November 9, 1986, at which time sanctions were imposed on South Africa and SAA was banned from landing in the US sanctions were lifted in July by President George Bush in recognition of the reforms carried out by South African President.Frederik De Klerk.

SAA spokesman Leon Fls said the airline will introduce two flights a week between Johannesburg and New York for the month of November. From December, a third flight will be introduced.

SAA Chief Executive Gert Van Der Veer said the airline welcomed the presumption of flights to the US and was confident the route would be lucrative and commercially viable for SAA.

ROK, Japan plead to save rice market

GENEVA, Oct 26 : Japan and South Korea have joined forces to stop what for them would be the unthinkable happening at GATT trade talks in Geneva-a prising open of their rice markets by a new global trade pact, reports Reuter.

With a deadline for agreement set by GATT Chief Arthur Dunkel just a week away, the two countries have been been waging a last-ditch campaign for rice to be excluded from the final detail.

There've been a lot of those guys in town, said one western negotiator on Thursday,"They must be getting worried," last week Dunkel, Director-General Agreement on Tariffs and Trade received a delegation of South Korean legislators and a group of Japanese farmers both lobbying against rice im-

This week the farmers came from Japan and the legislators from South Korean which is also sending its Deputy Agriculture Minister to Geneva next week.

GENEVA, Oct 26 : World

trade talks, still stymied on

cutting farm subsidies, have

made great strides in negotia-

tions to liberalise the rich

trade in services, trade offi-

clearly making at lot of

progress at the moment, one

the Uruguay Round of negotia-

tions under the General

Agreement on Tariffs and

Trade (GATT) are trying to

conclude a framework agree-

ment by November so as to

have in accord ready for sign-

succeed, but developments in

the services and agriculture

sectors have seen the negotiat-

ing mood turn relatively opti-

round has been on a dispute

between the United States and

other farm exporters on one

hand, seeing deep cuts in agri-

cultural subsidies and farm

MOSCOW, Oct 26 : Soviet

officials said foreign companies

were responding to offers to

help reverse a slump in oil

production that could wipe out

exports just as the country's

state-run oil export agency

falls into private hands, re-

firms had tendered competi-

tive bids for rights to exploit

the offshore Sakhalin fields in

the country's far east, the lat-

est prize for Western oil ex-

being considered, said Igor

Gavrilov, a member of the in-

terim Soviet government,

news agency that other prof-

itable offers had been received.

with companies including US

oil gaint Exxon Corp, but it was

Gavrilov told the Interfax

He said he had held talks

without naming them.

Two or three companies are

Soviet officials said the

ports Reuter.

pertise.

Most of the focus in the

mistic, the official said.

It is not certain they will

ing early next year.

This is one area that is

The 108 nations involved in

cials said, reports Reuter.

The reason for the visits is clear. After next week's deadline Dunkel has promised a document giving the broad lines of a final agreement to end five years of negotiations in GATT's Uruguay Round. Negotiations would then continue on the details until a new

pact was ready early next year. Trade sources say, that if Dunkel's document is as expected than Japan and South Korea will have last their battle to preserve their closed

rice markets. The main objection for both countries is concept called tarification, under which trade barriers are replaced by customs duties which are then progressively reduced.

The United States, which first came up with the concept three years ago is backing the idea of tarification without exception to do away with trade barriers on all farm

GATT negotiators turn optimistic

import barriers, and the

European Community, Japan

and South Korea on the other.

Argentina, which depend on

farm exports for their liveli-

hood, have made it clear that

the entire round- started in

Uruguay in 1986 — will fail if

the farming issue is not settled

resolved, but diplomats point

to encouraging indications that

France and Germany — until

now the bulwark in resisting

major change in the EC's

costly common agricultural

policy - may permit an

The farm question is being

dealt with on a bilateral basis

in discreet meetings outside

Geneva between the EC and

the US but it has not stopped

substantial work being made

on services, one of the other

For the first time negotia-

tors are trying to put services

Foreigners to help Soviet oil industry

not clear if they were inter-

eral areas where international

companies are showing inter-

Sakhalin is only one of sev-

Bobil Corp, is studying pro-

jects western Siberia's Tyumen

region, while Chevron Corp

has been linked to a joint ven-

ture to develop Kazakhstan's

Progress will be watched

closely by the oil export agency

Soyuznestexport, which is

faced with the prospect of

having nothing to sell as it be-

comes a private firm con-

trolled by the existing man-

cided this week to become a

private Russian company

named Nafta Moskva, but the

decision still has to be ap-

proved by the republication

Soyuznestexport said it de-

agement and staff.

government.

difficult areas.

ested in Sakhalin.

Tengiz field.

agreement on subsidy cuts.

That dispute has still to be

to their satisfaction.

Countries like Australia and

But Japan where the rice farmers lobby wields great po-

litical power-and South Korea both refuse to countenance tarification on rice, even if they are allowed to impose. Prohibitive rates of duty to start with.

The idea is not acceptable to Japan in principle, a Japanese trade source said. It is unthinkable, and politically impossible for any Japanese Prime Minister or Government to consider the idea of tarification without exception.

In South Korea, where 50 per cent of agricultural income is derived from rice and where 80 per cent of farmers are involved in growing it liberalization is just as sensitive an is-

The parliamentary delegation that visited Dunkel on Wednesday came to deliver a resolution from the South Korean National Assembly saying that liberalization of their rice market was unacceptable.

Western negotiations said the visits to Dunkel were unlikely to have made any differ-

under free-trade rules, in a

General Agreement on Trade

in Services (GATT), which is

proving far more complicated

than an agreement on trade in

in services - from banking and

telecommunications to con-

struction and travel - to have

been 800 billion Dollars last

year. There's the potential for

a huge growth of trade in ser-

An Asian diplomat specialis-

But he said work in what

may be the most important

area - each nation's commit-

ments to liberalise it service

markets - was being held up

by talks about framework and

expected to be the most

favoured nation (MFN) in a

particular service to all

Uruguay Round members if it

Soviet oil production is

forecast this year at about 500

million tonnes, well down on

the previous year's 570 million

and a government official told

the daily Komsomolskaya

Pravda on Thursday that ex-

ports might halt in 1992. Interfax said Soyuzneftex-

port would export about 80

million tonnes of oil and oil

products in 1991, roughly 90

per cent of total Soviet exports

and about half of last year's

Yevgeny Altunin, head of a

planning body responsible for

western Siberia's oil and gas

industry, told the daily news-

paper Komsomolskaya Pravda

that oil extraction in Tyumen,

the largest Soviet oil field, had

falled sharply in the last three

to backward technology, poor

infrastructure and lack of pro-

duction incentives.

The decline is due largely

opens it up to any members.

A key clause in the GATS is

ing in the services negotiations

said, every day from early

morning till late evening peo-

vices, a GATT source said.

ple are meeting.

basic concepts.

GATT estimates the trade

goods.

riches!

Rags to

BEIJING, Oct 26: The prosperous southern city of Guangzhou has become the va grant capital of China with 28,000 beggars at last count the Economic Reference News said today, reports AFP.

Beggars in the city, who came from all over the coun try, numbered 28,000 last year and many were growing rich from plying the streets, the newspaper said in a critical report. The figure represented a sharp increase from 17,000 several years ago.

In a survey of 7,000 beggars in Guangzhou, 88 per cen were healthy enough to perform labor, the newspaper said. A majority came from well-off families and only a small number had resorted to begging out of true poverty.

The report cited as an ex ample a man named Let who went to Guangzhou from nearby Hunan province in 1979. Three years later, he return as the villages riches man and built a comfortable new house from the proceeds of begging.

Following his example, 90 per cent of the peasants in the village went to Guangzhou to beg and half of them have now built houses, the newspaper

The report casts light on vagrancy, a problem that should in theory be an anomaly in a communist society. It also shows the growing wealth gap between the countryside and the cities and between the in

land and coastal provinces. Guangzhou, previously known as Canton, has led China's 12-year-old policy of opening to the outside world profiting from its close proximity to Hong Kong.

Indonesia to import rice now

JAKARTA, Oct 26 Indonesia, a self-sufficient rice producer for almost seven years, will import 6,00,000 tons next month to offset a projected 2.33 per cent fall in production this year, press reports said here Saturday, reports AFP...

"We are forced to import considering that domestic rice production will fall by 2.33 per cent," the Bisnis Indonesia Daily quoted head of the na tional logistic agency (Bulog) Bustanil Arifin as saying.

Arifin said that between November and February, the country would import a total of 6,00,000 tons, with Thailand supplying 4,00,000 tons, India, 1,75, 000 tons and China 25,000.

He said the imported rice was priced at between 250 and 285 Dollars a ton and the fund to purchase them would be obtained from soft bank credits. Arifin cited figures from the

Central Bureau of Statistics which showed that rice production this year was projected to fall to 44.70 million tons of unhusked rice from last year's 45.70 million tons.

\$2.2 b IMF loan for **India likely**

NEW DELIII, Oct 26: The International Monetary Fund (IMF) will approve a 2.2 billion Dollars standby loan to India on October 31 and release the first tranche the following day. Indian Finance Minister Manmohan Singh said, reports Reuter.

Indian news agencies quoted Singh as saying the IMF executive board would meet in Washington on that date and approve the stand by loan. He did not say how big the

first tranche would be, but Indian officials say they expect it to be about 800 million Singh made his comments

after meeting visiting IMF Managing Director Michel Camdessus, who was quoted as saying he was "fully satisfied" with the discussions. India wants to transform

the stand-by loan into a threeyear "extended fund facility" after the next budget is presented, probably in February.

Indian officials say they would be seeking about 2.2 billion Dollars in each of the three years to keep up the momentum of radical economic reforms and maintain depleted foreign currency re-

Dollar, gold ease in NY

NEW YORK, Oct 26: The Dollars eased in quiet trading Friday, as gold prices also lost ground, reports AFP.

Gold prices slipped 1.20 Dollars from Thursday's close to finish the session at 360,90 Dollars per ounce.

The US currency was traded at 131.42 Yen, slightly higher than a day earlier, when it was traded at 131.30.

S Arabia to spend \$17b on British weapons The contract, which was in

LONDON, Oct 26: Saudi Arabia is about to complete a deal to spend 10 billion Pounds (17 billion Dollars) on British military equipment, the Times newspaper reported on Friday, reports AFP.

The contract reported on

The contract would probably be announced before the end of the year, Saudi Arabia's ambassador to the United States, Prince Bandar Ben Sultan, said in an interview.

But he did not confirm the paper's estimate of the value of the deal.

Saudi Arabia intended to spend the amounts needed for security, the ambassador said.

Expressing full support for the Middle East conference to be held later this month in Madrid, he said that if no peace agreement were signed, if tension continued and if there were no plan pointing to regional stability, Saudi Arabia might double or even triple its military spending.

the last stage of detailed negotiation, was for five years and was likely to include an order for 48 new torpedo fighter aircraft, already in use with the Saudi Arabian forces, and 60 Hawk helicopters manufactured by British Acrospace possibly in collaboration with other European companies

The order would also involve 40 Westland helicopters, six minc-sweepers and an unspecified number of air-to-air missiles.

The agreement would probably also include British participation in the construction of a | guest. new air base.

The newspaper noted that the orders would come at welcome moment for British Acrospace, which is experie-

neing financial difficulties. It would follow on from the so-called "Al-Yamamah" contract signed between Britain and Saudi Arabia in 1973 and believed to be worth 20 billion Pounds (34 billion Dollars).

Chinese official assures Major of opening economy further

LONDON, Oct 26: Chinese Vice-Premier Zou Jiahua met Prime Minister John Major at the end of a visit to Britain which he used to assure the West that China is serious about deep economic restructuring and opening up to the world, reports Reuter.

Major and Zou, leading the highest-level Chinese delegation to Britain in five years, discussed British investment in China and other commercial and trade issues, a British official said.

The two also discussed Hong Kong, due to revert to Chinese control in 1997, and human rights in China. Major raised his concern about Chinese political prisoners, the officials said.

Major handed a list of political prisoners to Chinese leaders during a visit to China in September.

Zou, who holds the economic portfolio in his government, used a series of meetings with British government officials and business leaders this week to press home his message that China's economic reforms would continue.

"I would like to reaffirm explicitly and firmly - that China's policy of reform and opening to the outside will remain unchanged," he told the Royal Institute for International Affairs in a speech yesterday.

"We will further deepen our reforms and open still wider to the outside world," said Zou, Head of the State Planning Commission and a possible successor to hardline Premier Li Peng.

you have to come early in the morning, otherwise there is nothing," the saleswoman in one shop said.

There is one place, however, where the stalls are piled high with everything you could possibly wish to buy the city's central market. The problem

Trapes from Central Asia are priced at 50 Roubles (30 20 Roubles (12 Dollars), a fortune for the average Soviet worker whose take-home pay is around 300 Roubles (180

Canada allows Indian traders to make rupee payments

BANGALORE, Oct 26 Commodity importers from Canada would be permitted to make payments in Rupees, the Canadian High Commissioner to India, John Paynter, announced today, reports PTI.

Addressing members of the confederation of engineering industry here, they said details of the commodity basket programme were being jointly worked out by the Indian and Canadian government. The proceeds of this programme would be utilised to provide low cost funding for projects aided by the Canadian International Development Agency (CIDA), they added.

The Canadian government and the private sector were also interested in investing in the power sector in India specially since the key irritants in the electricity supply act pertaining to private sector and foreign investment had been removed. However, they would like to see the Indian private sector's reaction to these changes before making any investment decisions, he

India rules out further devaluation

LONDON, Oct 26 : The Minister of State for Finance. Rameshwar Thakur, today dismissed speculations about further devaluation of the Indian Rupee and ruled out any major adjustment of the Rupee in relation to other currencies in the near future, reports

Speaking at function organised by the State Bank of India, UK to launch Development Bonds-Sterling series. For the benefit of the non-resident Indians in Britain, Thakur said the government was not contemplating any further devaluation.

The initiative for the Sterling series of India development bonds was taken by the high commissioner for India LM Singhvi in the wake of representation from different organisations in the country when the State Bank of India came out with only US Dollar denominated bonds to attract foreign exchange deposits.

Course on postal management begins at Rajshahi

RAJSHAIII, Oct 26 : A twoweek long course for additional PMG and GM level officers on "Higher Postal Management" began at Rajshahi Postal Academy today, reports UNB.

Director General Bangladesh Postal Department Mohiuddin Ahmed formally inaugurated the course as chief The chief guest exhorted

the trainees to abide by the cardinal principles of cordiality, punctuality and discipline in carrying out their duties. Mohiuddin gave the assurance to eliminate the rampant mismanagement and others

problems confronting the department. The function was also addressed among others by Course Director Ahmadur Rashid and General Manager West Zone Postal Life

Giasuddin Ahmed presided. Natore Sugar Mills begins crushing Nov 8

Principal of the Academy

Insurance AK Khalil Ahmad.

Natore Sugar Mills (NTSM) will commence sugarcane crushing for 1991-92 crushing season from Nov. 8, Friday, All seasonal workers and employees of NTSM have been advised to report for their seasonal duties on receipt of the revised coll-notice issued to them, says a press release of BSFIC issued in Dhaka on

US GNP data shows strength

WASHINGTON, Oct 26 Government and private economists agree the nation's economy showed a burst of strength in July through September after a year of recession but worry that its vigour is fading fast, reports Reuter.

The Commerce Department is scheduled to publish thirdquarter GNP, or Gross National Product, figures on Tuesday, Oct 29.

The Bush administration this week predicted a thirdquarter expansion in goods and services output at about a 2 per cent annual rate, a little lower than its earlier predic-Private forecasters' esti-

mates range from about a 2 per cent annual rate of growth to Dollars) a kilo and tomatocs at as much as 3.4 per cent mainly based on a brief spurt of consumer buying back in the spring and early summer and on less selling out of inventories,

Soviet Union fears food riots as winter begins The agency also reported los (3.3 pounds) a month, and Deliveries are often late beshortages of practically everysmall amount of preserved that with the sugar beet harcosts two Roubles (1.2 Dollars) cause of lack of trucks to bring thing, with a queue of hunsausage and cream. vest over, some 2.6 million dreds of people stamping their

MOSCOW, Oct 26: The Soviet grain and potato harvests are far lower than last year, according to figures released here Thursday, adding to concern over supplies this winter with sugar riots already reported in the Moscow suburbs, reports AFP.

With the harvest almost over, some 156 million tons of grain have been reaped, 61.8 million tons or almost 30 per cent less than last year, the Tass, news agency reported Thursday, blaming the drop on lower crop yield.

The potato yield was also down by some 25 per cent,

tons of sugar had been refined, but there is little sign of it so far in Moscow stores.

"You have to queue eight hours for sugar, and often when you get to the shop there is nothing left, so they give you a number and tell you to come back tomorrow, and so it goes on," one trate shopper said.

"It's shameful to make people stand and wait like animals," said a pensioner who formed part of a queue of some 300 people outside a baker's selling sugar. Sugar is rationed to 1.5 kia kilo (2.2 pounds). There have already been "sugar riots" last week in the

Moscow suburb of Perovo, according to the widely-read Moskovski Komsomolets newspaper, which warned that this type of incident 'is coming closer and closer to the centre of town. It described clashes with police when shops tried to

close with people refusing to leave without their sugar. "People flock to buy at bakers (where sugar is sold) and there is no guarantee somebody won't be killed," the report added.

goods into the capital, and it is "easier to obtain details on the Soviet Union's gold reserves than on the level of sugar stocks in Moscow," it said. Some 10,000 Muscovites demonstrated outside the

walls of the Kremlin on Wednesday to demand wage increases to combat falling standards of living. Unions say that with inflation running at 12 to 15 per cent a month a single person now needs 521 Roubles a

month to live on, compared something to buy. with 205 Roubles at the beginning of the year. The capital is now facing

snowfalls of winter and all too common sight. Several hundred were gathered Wednesday awaiting the opening of a vodka store, many of them carrying several empty bags "just in case" they found

anything to buy.

People grumble, but they stay in line because they do not want to miss their turn when it comes, in case there will be In other shops in the cen-

tre of the city the shelves are virtually empty except for a

"If you want eggs or milk feet under the first light

is the prices.

Dollars) a month.