

A contrast of 'haves' and 'have-nots'

WASHINGTON, Jan 24: The conference on aiding the newly independent republics of the former Soviet Union testified to two things about the "have" countries of the world compared with the "have-nots," reports AP.

All representatives were light-skinned and the people sitting in the seats of authority were almost all male.

Officials of the 47 nations and seven international organisations spent a day and a half here to coordinate assistance to the Soviet people.

At the close of the conference, all marched crisply on to the stage of a State Department auditorium and took their assigned seats in front of 54 flags, placed in alphabetical order, behind them.

The scene before the assembled media was striking: no blacks and but two women; the representatives of France and Sweden.

The "have" countries, based on the turnout here, are overwhelmingly European. They include some allies of the former Soviet Union, some oil exporting countries and some newly industrialised countries from Asia. All three North American countries took part as did three from South America. No African or Caribbean countries were present.

Among "have" countries, English was clearly the language of choice. About a dozen participants spoke and only two used their native tongues: the German and Bulgarian representatives.

For more than an hour, Secretary of State James A. Baker and his colleagues spoke of the need for a coordinated response to the newly independent republics of what was once the Soviet Union — the need for food, shelter, technical assistance, energy and medical supplies.

The only light moment occurred when a reporter from Bulgaria stood at a microphone and asked the representative of his government for an interview after the conference. The request was granted.

Capitalism in Hong Kong to be allowed for 100 yrs

HONG KONG, Jan 24: Chinese leader Deng Xiaoping says China will maintain Hong Kong's free-wheeling capitalist system for 100 years following the British colony's reversion to Chinese rule in 1997, a report said Friday, reports AP.

The Chinese-language Hong Kong Economic Times quoted an unidentified source as saying Deng reaffirmed Beijing's commitment to guarantee the territory a "high degree of autonomy" for 50 years after the July 1, 1997 takeover date.

"I have said before that once Hong Kong returns to the motherland, the capitalist system will be maintained for 50 years. The way I see it now, that guarantee won't change for 100 years," the newspaper quoted Deng as saying.

Deng made the remarks in the southern Chinese city of Shenzhen, the booming special economic zone across the border from Hong Kong.

Taiwanese don't want US cigarettes

TAIPEI (Taiwan), Jan 24: About 30 health workers and lawmakers demonstrated outside the US Mission Thursday in support of a proposal to ban American cigarette ads, which they say are seducing teenagers into smoking, reports AP.

The government proposal could take effect as early as this week.

"We want our American friends to know that they can sell us more automobiles or blue jeans but not harmful cigarettes," said David Yen, President of John Tung Foundation, a health organisation.

Customs tariff suspended

Yeltsin allows unrestricted import, foreign investment

MOSCOW, Jan 24: President Boris Yeltsin on Thursday suspended all import restrictions and declared Russia open to foreign investment, reports Reuter.

A government resolution said customs tariffs were suspended with effect from January 15. A new customs regime would be drawn up with a view to introducing on April 1.

He told a 47-nation conference on aid to Russia and other members of the new Commonwealth of Independent States (CIS) that partnership with foreign firms was one of the main planks of economic progress.

"Russia is open to foreign entrepreneurship. The necessary legal guarantees for the investment of capital, business activity and the export of profits are being created in the republic," Yeltsin said in a message to the Washington meeting.

The economic crisis sweeping the former Soviet Union

helped bring down the government of Estonia, smallest and northern most of the three Baltic republics.

Prime Minister Edgar Savisaar announced his resignation on Thursday after losing support in the faction-ridden parliament over his strategy for tackling the crisis.

A new threat to the future harmony of the CIS appeared on Thursday with a decision by the Russian parliament to review the legality of the 1954 handover of the Crimean peninsula to Ukraine.

The decision was certain to set off alarm bells in Ukraine, which is extremely sensitive about Russian influence after centuries of domination from Moscow and has clashed with Moscow repeatedly since the Soviet Union broke up last month.

Yeltsin told Russian television that his radical economic reforms, including the liberalisation of prices three weeks ago, were going ahead but with certain "deviations."

He acknowledged his government's failure to take adequate measures to protect students, pensioners and other needy people.

"We have not lived through such a difficult situation since the Great Patriotic War (World War II)," he said. "But the government is still optimistic. It still has people's trust."

AP adds: Yeltsin on Thursday blasted the unprofitable farms and enterprises of the former Soviet Union and took measures to speed up privatisation of the economy.

A senior official said bread consumption is up because of shortages of other foods, and that Russia plans to import nearly 10 million tons of grain in the first quarter of the year. Yeltsin signed a decree allowing individuals to buy and sell goods without special permission and eliminating customs duties on imported goods. Russian television reported.

Yeltsin, who has promised to sign a decree March 1 to

privatise most state-owned farmland, denied that he was trying to get rid of the collective farms that under decades of communist rule fed the Soviet people.

He said if these farms "show profits, let them work."

"But we have 2,600 loss-making enterprises, and their future has to be decided within the first quarter," Yeltsin told a meeting of the Russian government.

"There will be no more subsidies — don't you hope for it," he warned. "This loophole must be closed."

Yeltsin said privatisation of farmland was proceeding slowly and that only one-third of Russia's land is being used. In some places, individual farmers are not being accepted, he said.

The prices of some goods rose as much as 1,000 per cent. Basic goods like bread and milk remain controlled, but there have still been widespread shortages, especially of dairy products.

GATT can help environment, says Dunkel

BANGKOK, Jan 24: Sustained economic development and protection of the environment are compatible goals, and GATT can play a major role in advancing both, the GATT chief said Thursday, reports AP.

Arthur Dunkel, Director General of the General Agreement on Tariffs and Trade, spoke on the opening day of a conference on development and the environment. The meeting was organised by the International Herald Tribune and the Thailand Development Research Institute Foundation.

Leading environmentalists, government ministers, bankers and industrialists are attending the meeting, considered a forerunner to the Earth Summit '92 to be held in Rio de Janeiro in June.

"Promoting efficient, rational resource use that respects environmental priorities can only improve one's position in the competition game," Dunkel said.

In Eastern and Central Europe, he said, decades of central economic planning in which environmental considerations were ignored have created some of the most industrially polluted areas of the world.

CIS gets \$8 b food aid pledge

WASHINGTON, Jan 24: Worldwide commitments of food assistance to the former Soviet Union amount to about eight billion dollars but efforts should be increased to get that food delivered, said Canada's External Affairs Minister, reports Reuter.

At a news briefing on Progress in the International Conference on Aid for the Commonwealth of Independent States, Barbara McDougall called international pledges for around eight billion dollars in food credit lines and donations "fairly generous" and said there is "much in the pipeline."

But McDougall, a co-chairwoman of the conference's Task Force on Food Aid, said "the existing humanitarian and credit commitments (must) be delivered."

Britain and Germany were other co-chairs of the Food Task Force.

AP adds: Forty-seven nations have begun a massive effort to help millions of needy people in the former Soviet Union with humanitarian shipments of food, medicine

and other supplies, reports AP. US Air Force planes will airlift supplies to the 12 former republics with 54 sorties beginning Feb. 10. The shipments will include 17.4 million kilograms of rations left over from the Gulf War, enough for 16 million meals.

The 47 countries agreed to send representatives to Minsk, the capital of Belarus, next week to brief leaders of the former Soviet republics on the progress made toward sending them aid.

"I think its fair to say that we truly have a global effort," Baker said at Thursday's close of a two-day conference. He called the aid just the start of a continuing effort to intensify and coordinate a global response to this emergency."

Russian UN Ambassador Yuli Vorontsov, who is Russian President Boris Yeltsin's top foreign policy adviser, said Thursday in New York that the aid "will be received very positively, but people will be interested in how soon that aid is going to come, because it is needed now, this winter."

Concern over Abu Dhabi move

Court upholds BCCI plea agreement

NEW YORK, Jan 24: A federal judge Thursday upheld a plea agreement between Bank of Credit and Commerce International and federal regulators, saying he didn't want to interfere with a settlement of racketeering charges against the bank, reports AP.

US District Judge John F. Keenan refused a request from BCCI's unsecured creditors to issue a temporary restraining order that would halt forfeiture of 550 million dollar of BCCI's assets.

"This court will not sanction any interference in this global resolution of all the controversy involving BCCI in the United States," Keenan wrote in his opinion.

The decision clears obstacles for final approval of the plea agreement on Friday by US District Judge Joyce Hens Green in Washington.

But an attorney for insurance underwriters Lloyd's of London, a BCCI creditor, said on Wednesday that if unsuccessful before Judge Keenan, he planned to file an emergency appeal with the 2nd US Circuit Court of Appeals in New York.

AFP from London adds: Creditors of the Bank of

Commerce and Credit International are voicing concern that a deal proposed by its majority shareholder, the Emirate of Abu Dhabi, and the accounting firm liquidating BCCI, Touche Ross, may allow Abu Dhabi to evade some of its liability.

Sources close to the association representing depositors said on Thursday that these fears have already been voiced by the Central Bank of Luxembourg, where BCCI was based.

The Central Bank, in a deposition filed when BCCI was put in liquidation on January 3, said the agreement involved the "abandon of very large debts by the majority shareholder."

Under the agreement to be submitted to courts in Britain and Luxembourg, the Emirate would evade responsibility for paying 3.3 billion dollar in promissory notes and would be able to share the proceeds of the sale of BCCI's assets with Touche Ross before creditors are paid.

In exchange, Abu Dhabi, which owns 77.4 per cent of BCCI's capital, would pay 2.2 billion dollar toward reimbursing debts arising from the bank's collapse last July.

ASEAN ministers agree on free trade zone

SINGAPORE, Jan 24: The Association of South East Asian Nations (ASEAN) has reached broad agreement to turn the booming region into a free trade zone, ASEAN ministers meeting ahead of a landmark summit said, reports Reuter.

But they sidestepped a controversial Malaysian proposal for an East Asian economic forum and hammered out differences over whether to involve countries outside their region in a key treaty which binds the six nations to peace.

The economic ministers agreed on a framework agreement for ASEAN economic cooperation and for a Common Effective Preferential Tariff (CEPT) scheme as a first step towards building an ASEAN Free Trade Area (AFTA) in 15 years.

Economic ministers have reached broad agreement on free trade and CEPT. Ministers talked in a positive tone at the

meeting," an ASEAN official said after a closed plenary session.

The foreign and economic ministers of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand were meeting before leaders of the six countries gather for ASEAN's fourth summit since its formation in 1967.

The free trade area, proposed by Thailand, will be put into effect through the preferential tariff proposed by Indonesia and designed to reduce the differences in tariffs for individual products on a phased-in sector basis.

ASEAN officials indicated the CEPT would initially include about 20 product sectors but members would be allowed to choose when and how to implement the tariff cuts.

"It looks like a little under 20 items will be included in CEPT," Philippine Secretary of Trade and Industry Peter

Garrucho said after a generally smooth 90-minute meeting.

Conference sources said the foreign ministers had a rougher passage, with differences persisting between Indonesia and Malaysia over a Malaysian proposal for an East Asian economic caucus.

"We are looking forward to a language to satisfy all sides," Philippine Foreign Minister Raul Manglapus told reporters after a meeting lasting nearly four hours.

The United States has opposed the economic caucus, saying it is exclusive and could be protectionist but Malaysia says it is necessary to give Asian nations more powerful voice as potential trade blocs form elsewhere.

ASEAN sources said Indonesia still disagreed with Malaysia over the proposal and wanted to refine it further.

ASEAN ministers discussed plans for Vietnam and Laos to accede to a 1971 Southeast

Asia treaty of amity and cooperation as a first step towards admitting them to the ranks of the staunchly anti-communist grouping.

"The treaty itself will more or less be confined to Southeast Asian countries. If other countries like to give recognition and support we will welcome that," Thai Foreign Minister Arsa Sarasin said.

AFP further adds: Malaysia on Thursday played down a controversy over the East Asia Economic Caucus (EAEC) saying that the Association of Southeast Asian Nations (ASEAN) has reached an agreement on the EAEC that was satisfactory to all parties.

In a later development, the ASEAN decided Friday that further study was needed on Malaysia's proposal for an East Asia Economic Caucus. Philippines Foreign Secretary Raul Manglapus said.

Miyazawa reiterates frantic call to Japanese to help Americans

TOKYO, Jan 24: In the face of spiralling trade tensions, Prime Minister Kiichi Miyazawa pledged anew in a major policy address Friday to increase imports and asked his countrymen to help America overcome its economic woes, reports AP.

Miyazawa's nationally televised speech, which opened the new session of Parliament, strongly praised the United States for providing "good-hearted support" that allowed Japan to flourish after its World War II defeat.

"Yet today the United States faces some problems of its own, and it behooves Japan to make every effort to cooperate with the United States as it works to overcome these problems," he said.

Presiding over the Parliament session was House Speaker Yoshio Sakuruchi, the lawmaker who caused a fire-storm of protest in the United States with his reported comments that many American workers were lazy and illiterate.

Also exacerbating trade tension this week was a Los Angeles county decision to withdraw a 122 million dollar contract from a wholly owned US subsidiary of Sumitomo the giant Japanese trading firm. Critics of the contract said too

many American jobs were going overseas.

The Foreign Ministry issued a statement Friday expressing concern about the contract cancellation but stopped short of criticizing the country government.

"Generally speaking if such a reversal becomes common I think the Japanese business community will be embarrassed," said ministry spokesman Masamichi Hanabusa.

Miyazawa steered clear of urging compassion for the United States, as he did before President Bush's Tokyo summit. Those remarks had caused anger among some US businessmen who said they needed open markets — not sympathy — from the Japanese.

The prime minister promised that Japan, which has a huge, chronic trade surplus with the United States, would "seek to further promote imports with a close eye on our current account balance."

In a small chip at the 38 billion dollar trade gap, parliament announced Thursday that it was buying two big Buicks.

Miyazawa also listed his priorities for the new session, including passage of a bill that would allow Japanese troops to participate in United Nations peacekeeping. But a political

scandal is expected to delay his legislative program and may even threaten the survival of his administration.

During the broadcast of the speech, the camera briefly showed the empty seat of lawmaker Fumio Abe, a political ally of Miyazawa who was arrested this month in connection with bribery allegations.

Although Miyazawa himself has not been linked to the scandal, opposition lawmakers are expected to make the Abe case a major issue in the Parliament session.

Miyazawa apologized "that such an incident has even taken place" and acknowledged an "urgent need for reforming political financing and the electoral system."



Faizur Rahman Chowdhury, Joint Secretary, ERD and Dr K H Schottyssek, German Ambassador signing an agreement Thursday on food grant to Bangladesh.

Iran urges UAE, S Arabia for more oil cut

TEHRAN, Jan 24: A leading Iranian newspaper with close ties to the government Thursday called on Saudi Arabia and the United Arab Emirates (UAE) to make additional cuts in their crude oil output, reports AFP.

The Tehran Times also dismissed the idea that Arab oil producers by limiting reductions to control oil prices, could help the struggling US economy.

It would be a great mistake on the part of some countries such as Saudi Arabia (to think) that the US a sick economy could be saved from its present recession by keeping down oil prices," said the English-language paper.

"There is no reason for the oil producing nations who belong generally to the third world and are characterised by weak economies to pay for the cost of economic recession in the USA."

Indian dams, nuclear plants to cause catastrophe?

NEW DELHI, Jan 24: In quest of power for industrial development and more food for its 850 million people, India is building nuclear plants and huge dams in areas subject to severe earthquakes, reports AP.

The government insists it has taken every precaution, and that nuclear and hydro plants are the best course for a nation without other sources of energy. Critics say the stage has been set for disaster.

"There are at least 14 killer dams which are coming up," said ND Jayal, Director the Indian National Trust for Art and Cultural Heritage, a private organisation. "This is nothing but inviting a catastrophe."

Atomic Energy Commission, responds: "Our plants are as safe as they can be. It is foolish to think that... our safety perception is any less than that of the Western nations."

Most of India's electricity is generated by dam projects and only 2.5 per cent comes from nuclear plants. India has seven nuclear power reactors in operation, with two more expected to be on line by March.

"We do not have much fossil fuel, said Ramamohan Rao, chief government spokesman. "Our coal reserve is limited. We have no option but to go for hydroelectricity."

An earthquake that killed about 800 people in October shook the Himalayan foothills around the 1.56 billion dollar Tehri dam project and the

Narora nuclear power plant. Narora is just 130 kilometers east of New Delhi.

Government officials reported no damage at the Tehri project, which is five years from completion, or to the partly operational Narora plant, but critics say the quake was a warning.

"We should not be lulled into a false sense of security just because there have been no major earthquakes of a magnitude higher than 8 on the Richter Scale in the Himalayan frontier area," said Harsh Gupta, an earthquake specialist. In an interview with The Statesman newspaper.

The San Francisco earthquake of 1906, which occurred before the Richter Scale was devised, has been

estimated at 8.3. The October temblor measured 6.1.

In its latest report on nuclear power, the government said construction at Narora was delayed so designs could be modified for greater safety.

Critics question the ability to enforce strict safety rules in a country where police routinely ignore traffic violations, hundreds of people die every year from drinking illegal liquor and fireworks factories regularly explode.

Eyewitness, an independent magazine, suggested in September that radiation may have leaked at a nuclear power plant in Rajasthan, a western state. It published photographs of people with physical deformities in villages around the plant, and asked whether they

could have been caused by leaks.

The 17-old plant has been shut down more than 250 times for unexplained reasons and a government report admitted there was at least one leak. In 1981. The plant was closed for the next four years.

On July 29, 1991, a flash flood struck a hydroelectric project in the eastern state of Orissa, killing 65 workmen. The next day, a river embankment broke in Maharashtra state, 966 kilometers away, and at least 100 people were killed.

Failure to follow safety procedures or heed warnings was given as the reason for disaster in both cases.

India has a poor record for dam safety. At least 2,000 peo-

ple have died in accidents caused by dam failures in the past 25 years.

Environmentalists say building ever larger dams invites disaster, and focus on two examples: Tehri and the Narmada project in central India.

Tehri will be the largest hydroelectric plant in south Asia when it is completed. A rupture could flood two cities with a total population of 300,000.

Narmada's four major and 3,000 smaller dams are also in a quake-prone zone.

A booklet published by Jayal's private opposition group quoted SC Verma, former chairman of the project, as saying the Narmada valley "is not at all stable."

Business briefs

Plea to ground A-320: France's pilots and technicians union on Thursday urged the nation's largest domestic airline to ground its Airbus A-320 aircraft until investigators find out why one of the planes crashed, killing 87 people, reports AP from Paris.

It was the third crash since 1988 of the highly sophisticated, computer-guided plane, and questions have been raised about its computer system. Officials have refused to speculate on what caused the Air Inter plane to crash Monday on approach to Strasbourg airport at the end of a flight from Lyon. Nine people survived, including two children.

UN-Iraq talks Feb 5-7: UN officials plan to hold talks from Feb. 5-7 in Vienna with Iraqi officials about possible Iraqi oil sales, the United Nations announced Thursday, reports AP from UN. UN spokesman Francois Gultiani gave no further details about the planned talks.

Iran to sell oil to Turkmenistan: Iran said on Thursday it planned to export crude oil to Turkmenistan and was ready to buy gas and diesel fuel from the former Soviet republic, reports Reuter from Nicosia.

Foreign Minister Ali Akbar Valayati, quoted by the Iranian News Agency (IRNA) said Oil Minister Gholamreza Aqazadeh would lead a delegation to Ukraine next week as part of efforts to expand oil and gas cooperation with former Soviet republics.

Manila gets nod to recover fund: The Philippine government has won another court victory in its efforts to recover nearly six million dollar from Saudi businessman Adnan Khashoggi, reports AP from New York.

But collecting on the 3-year-old judgment against the former billionaire arms dealer was not expected to be easy, said attorney Fred Sherman, representing the Philippine government-owned National Development Co. He said Khashoggi's remaining US assets include his 20 million dollar Manhattan condominium and its contents.

Baker to meet Shoval: US Secretary of State James A. Baker has asked to see Israeli Ambassador Zalman Shoval on Friday to discuss Israeli requests for 10 billion dollar in loan guarantees to resettle immigrants in the Jewish state, reports AP from Washington.

Bush has indicated he will link US approval to a slowdown or halt in settlement construction in the occupied West Bank and Gaza Strip, an issue which has threatened progress in Middle East peace talks.

Argentina seeks debt cut: The government will seek to slash its foreign commercial bank debt by nearly 40 per cent in debt rescheduling talks that begin next week in New York, according to a report published Thursday, reports AP from Buenos Aires.

The government also wants to secure new interest rates, now at their lowest level in years, and stretch payments out over 30 years, the newspaper La Nacion said, citing unnamed Economy Ministry sources.

Chilean peso revalued: The Central Bank effective Thursday ordered a 5 per cent reduction in the value of the so-called "agreement dollar," which is used in all official international currency operations, reports AP from Santiago.

The exchange rate dropped from 395.53 peso to 375.75 peso per dollar. The Bank did not immediately explain the reasons for the surprise move, which was seen as a 5 per cent revaluation of the Chilean peso.