

Fume free fun car!

STUTTGART (Germany). Mar 3: Was this the automotive future? A parking lot in Stuttgart, where some of the world's biggest gasoline-engined cars are built, hummed electrically as a slew of battery-powered cars showed off their zip, reports AP.

They were ordinary-looking or exotic, big or small, with four wheels or three, built with traditional auto money or chocolate profits.

The new runner in the electric car stakes owes its existence to a German candy fortune. Alfred Ritter, 36, has his name on a half-billion Ritter Sport chocolate bars sold each year. Now money from that popular German candy brand is helping launch the EL Sport.

It is aimed at California's future requirement for zero-emission cars, and the backers are looking over their shoulder at the formidable Japanese auto-makers and their research into electric cars.

"The electric car will only succeed if it's fun for people to drive. The EL Sport has the stuff to be a darling of the public," Ritter said.

The yellow prototype EL Sport shown here on Feb 12 is 2.7 metres (8 feet 11 inches) long, weighs 600 kilograms (1,320 pounds), and has the egg shape favored by designers of futuristic cars. It can carry four people and two cases of beer as fast as 120 kilometers (75 miles) per hour as far as 200 kilometers (120 miles). Its power comes from a zinc-bromide battery that takes five hours to charge.

Ritter and his engineer partners said they will build 50 to 100 of them this year at the former Simson motorcycle plant in eastern Germany. They want a big partner to go into mass production.

The EL Sport will join a host of concepts for electric cars, all hampered by the lack of a light, durable battery that competes with the price of a gasoline engine. Most proposed solutions have flopped, like the battery-assisted, pedal-powered tricycle brought out in 1985 by the British inventor Sir Clive Sinclair.

At the news conference launching EL Sport, a Daimler-Benz researcher, Dietrich Sahn, challenged the battery. Mercedes believes no battery approaches the goal of a four-year life, he said, and replacing it would mean high operating costs overall.

"You'd do better taking a taxi," he said.

Those at the news conference went to an empty parking lot near Mercedes and Daimler streets — Mercedes-Benz is headquartered in Stuttgart — to ride in the EL Sport.

Unexpectedly present was a red Mercedes 190 with "Zero Emissions, Electric Research Vehicle" written on its sides. There also were two Danish-made Mini-ELs. Three E-Mobils, which result from a German-Swiss-Hungarian combo, buzzed around the asphalt looking like Fiats made in the old East Bloc.

Ritter had a crack at driving the Mercedes. "It's like a three-ton truck," he said with disdain, then piloted the EL Sport to show how it does a nimble U-turn and zips smartly up to city traffic speeds.

The prototype, however, was noisier inside than expected. Its plastic body rattled. The instruments and single windshield wiper didn't work. But it will offer clever parcel compartments in the door that can be lifted out and a truck that pulls out like a drawer. Design options could make it a small van for workers like telephone installers; it could pull a little trailer and be a bakery truck.

With production of 100 a year, it would cost about 60,000 marks (38,000 dollar). Mass production could cut the price in half. Critics at the news conference said it was aimed only at the rich — perhaps a second car for people who could buy the 166,000-mark (104,000 dollar) Mercedes 560 displayed in the same building.

Joint business forum to be launched

EC team arrives in India today to discuss investment issues

NEW DELHI, Mar 3: The Foreign Ministers of Portugal and Holland and a senior British bureaucrat are scheduled to arrive here Wednesday for official talks aimed at cementing ties between the European Community and India, reports AP.

British Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs Mark Lennox-Boyd, Portuguese Minister of External Affairs Joao De Deus Pinheiro and Dutch Minister of Foreign Affairs Hans Van Den Broek will hold talks with their counterparts in New Delhi.

On their arrival March 4 an India-EC business forum will be launched to build a platform for discussions on European investments in India, a Community statement said, referring to Delhi's measures to open the economy to foreign investment.

The arrival of the three EC leaders will conclude with a two-day official visit to India by European Commissioner Abel

Matutes, who will also hold talks with Solanki, the state minister.

Matutes, who also holds responsibility for the EC's relations with Asia and Latin America, was coming at the invitations of Solanki, officials said.

"During the two-day official visit the two sides will discuss EC-India relations, multilateral issues and international affairs," the EC press release said.

The last high-level talks between India and the EC were held here in 1989 with follow-up discussions a year later in Brussels.

Portugal currently holds the revolving EC presidency and is to be succeeded by Britain. Holland was the previous President.

US wheat sale to India slated

AP from Washington adds: Agriculture Secretary Edward Madigan is coming under fire from Congress for his decision

against selling subsidized US wheat to India.

Madigan said he decided against a sale through the Export Enhancement Program because of the potential furor it might create in Congress, due to India's statement that it would be giving rice to Cuba.

Although India later said it would hold up the gift, Madigan said he was still opposed to the wheat sale.

"I'm not going to get into the political ticket of subsidizing an export into a country that is in turn giving an agricultural commodity to Cuba," he said.

"I am just not going to do that and let Congress kick me all over Washington D C for doing it, when it violates the original intent of the programme anyway."

Under the Export Enhancement Programme, US grain traders get a bonus to sell US farm products at a lower price in a traditional US market threatened by competition.

But Madigan's decision has at least one member of Congress bristling.

"What now becomes of our agricultural trading relations with China and Mexico, just to name two countries selling to the Cuban government, who also buy huge amounts of US commodities under the EEP and export credit guarantee programmes?" said Rep. Dan Glickman in a letter to Madigan.

Lawmakers have long complained about the influence over EEP sales wielded by the State Department and the National Security Council.

"From your statement it seems the administration's policy to keep separate agricultural export programme decisions from foreign policy decisions is no longer a covert falsehood, but an overt one," Glickman said.

Glickman said the farm community "now finds itself entrapped in a triangle more concerned about cold war politics and foreign policy than economic recovery."

Long lines, empty shelves erode Mongolians' faith on reformers

HASHAAT, Mongolia, Mar 3: Fur-clad herdsmen lined up patiently in the town's lone store, waiting for their ration of a pound (half kilo) of Afghan raisins per family. It was the only fruit they expected to see this winter, reports AP.

In the capital, Ulan Bator, 350 kilometers to the east across Mongolia's frozen steppe, 50 people waited in the central department store for a milk delivery they were not sure would come.

"I've been in lines the whole day and couldn't buy anything," said Maama, a 54-year-old woman. Like most Mongolians, she uses just one name.

All across Mongolia one hears the same winter's tale: long lines, rising prices, near-empty shelves. It has shaken Mongolians' faith in the multi-party government they elected in 1990 to replace a 70-year-old Communist dictatorship.

Mongolia, with a population of more than 2 million, occupies 1.5 million square kilometers (605,000 square miles).

The new government, full of young reformers, was supposed to propel this slow-paced Central Asian nation between Russia and China into the 20th century. Capitalism and foreign investment were prescribed to revive the inf-

fluent state-run economy. Instead, the economy shuddered and collapsed.

Mongolia's woes are like those suffered by other socialist countries trying to adopt capitalist ways without fully understanding them. But its plight is made worse by its near-total dependence on Soviet trade and aid, now virtually stopped.

Everything is in short supply, even Mongolian specialties such as meat and dairy products.

Tempers are short and crime is up. So is nostalgia for the old system, stagnant but safe.

Sugar, cooking oil and butter used to be available as rations, but now can be found only on the black market at prices out of most people's reach.

State-owned herds of sheep and cows have been redistributed to individual rural families, and they are hoarding their new wealth. The government, desperate for meat to sell in the cities, is slaughtering horses and camels.

Food and loans have come from abroad, and 168 million dollar in aid is pledged for 1992.

Iran, Nigeria yet to conform with new OPEC quotas

NICOSIA, March 3: Iran and Nigeria have given "no concrete indication" of lowering oil production in line with an OPEC agreement last month of firm up prices. A report published here said Monday the Middle East Economic Survey (MEES), a specialist publication, said the two countries had yet to advise customers of a "cut in liftings" and the Nigerian government had given no instructions to producers on cutting output, reports AP.

MEES estimated production in Nigeria at 1.9 million barrels per day (BPD) and that of Iran at 3.4 million BPD, although Tehran says it produces 3.6 million BPD.

The Organisation of the Petroleum Exporting Countries (OPEC) in Geneva set levels that were about 200,000 BPD less than Iran produces currently and 125,000 BPD less for Nigeria.

Britons pay high price for their favourite drink

LONDON, Mar 3: The British government is investigating allegations that Britons are being overcharged for their traditional favourite drink, the cup of tea, reports Reuter.

The Office of Fair Trading (OFT), Britain's competition watchdog, will look into why the price of tea in the shops has risen in line with inflation in the past two years, even though the wholesale cost of tea leaves has fallen by 17 per cent.

There are clearly questions the OFT should be asking, including whether leading companies are profiteering," Britain's Consumers' Association said on Monday.

The Tea Council, which represents the industry, denied the consumer was getting a raw deal.

"A large percentage of the shop price of tea is the cost of packaging. There are also the costs of distribution and promotion," said Ilydd Lewis, the council's chief executive.

Battle to preserve environment may cost \$600b

UNITED NATIONS, March 3: Protecting the Earth and relieving it of the stress that population and development impose on it could cost the developed world as much as 600 billion dollar, a top UN environment negotiator said Monday, reports Reuter.

In addition, poor nations will need 125 billion dollar in aid, 70 billion dollar more than it receives now, and still will have to find "four to five times" that amount themselves.

"Very little of the saving of the Earth comes cheap or free," said Maurice Strong, Secretary General of a world conference on the environment.

Strong, a Canadian, was speaking as negotiators from more than 165 nations convened a five-week session here to draft documents for the Earth Summit, formally the UN Conference on Environment and Development, be

held in Rio de Janeiro, Brazil, in June.

He said financing is the single most difficult issue facing the negotiators.

"We will need every moment of (those) five weeks," he said. "The issues are difficult, complex (and) many of them are unresolved."

The session opened with Strong telling delegates that although the task facing them is formidable, he believes it will end in success.

"I know it is attainable," he said.

Strong told a packed conference chamber which included environment ministers from Britain, Portugal and Senegal, among others, that 120 reports for consideration had been received from individual nations.

There are also more than 1,000 environmental and business groups working with the delegates.

A key document under discussion is the so-called Agenda 21, a broad programme of actions to be taken by world governments on issues including poverty, health, population, toxic waste, the atmosphere and desertification.

Strong said at a news conference that meeting all the proposals contained so far in Agenda 21 would cost developed nations from two to three per cent of their Gross National Product (GNP) or between 400 billion and 600 billion dollar.

Strong said that the developing world would need some 125 billion dollar from the industrialised world, 70 billion dollar more than it already gets each year, and have to provide four or five times the 125 billion dollar itself.

"I realise, of course, that it will be extremely difficult both for the developing and donor

countries to reach these levels in the short term," he told delegates.

He added, however, that the 125 billion dollar is less than one per cent of the GNP's of principal donor nations and "compares with some one trillion dollar being devoted to military expenditures."

He called for "Earth increments" in monies for the developing world as the World Bank undertakes a replenishment of development funds next year.

Strong suggested that much of the energy and finance spent on developing conventional defence could now be channelled into environmental defence.

At least 60 and as many as 100 heads of state are expected to attend the Rio summit and sign an Earth charter, which is also due to be drafted here over the next five weeks.

Special committee to discuss Abe affair

Diet resumes budget debate

TOKYO, Mar 3: Japan's parliament resumed budget debates after the opposition ended its latest, two-day boycott over demands to summon a scandal-tainted legislator, reports Reuter.

A spokesman for the ruling Liberal Democratic Party (LDP) said it now looked likely that the 1992/1993 state budget would clear the lower house of the Diet by mid-March, more than two weeks later than originally scheduled.

Opposition parties have stalled budget hearings for a total of 16 days in the past month to force allies of Prime Minister Kichi Miyazawa to testify on their links to a political payoff scandal.

Former Prime Minister Zenko Suzuki and ex-State Minister June Shiozaki denied any wrongdoing when they finally testified at the Diet last

week. The Socialists and other opposition parties want ex-Cabinet Minister Fumio Abe, charged last month with soliciting and accepting bribes from a land developer, to appear as a star witness under oath.

The LDP had been rejecting the opposition demand, saying this might jeopardise court proceedings. The opposition, which denies any intent to hold the budget hostage, agreed to resume debate after the LDP promised to set up a special political reform committee to discuss the Abe affair and other issues.

"We cannot clearly say whether there might be further delays in the budget because controversy over the defence budget might lead to another boycott," said Seiroku Kajiyama, Chairman of the LDP's Diet Affairs Committee.

MFN status for China: Bush vetoes Congress decision

WASHINGTON, Mar 3: President Bush on Monday vetoed an attempt by Congress to impose conditions on trade relations with China, saying it would weaken Beijing's ties with the West and result in further repression, reports AP.

It was Bush's 26th veto. He has won every veto-override battle with Congress, and seems assured of prevailing again, given the margin of the bill's passage in the Senate. To override his veto would take a two-thirds majority in both house of Congress.

The measure he vetoed would require "substantial progress" by China in human rights, trade and limiting the spread of weapons before most-favoured-nation trade status could be renewed. That trade status expires in June.

The showdown was led up by Senate Democratic leaders partly as an election-year attempt to highlight what has

been an unpopular administration policy.

In the face of calls for tougher action, Bush has stuck with a policy of patience with China's hardline leaders, even after the bloody crackdown on pro-democracy demonstrators.

The trade-conditions measure was approved by the Senate on Feb 25 by a vote of 59-39, well short of the two-thirds needed to override a veto. The House approved the bill 409-21 last November. The House will vote first on the override.

In his veto message, Bush said he shares the goals set out in the bill.

"Upholding the sanctity of human rights, controlling the spread of weapons of mass destruction and free and fair trade are issues of vital concern," the president said. "My objection lies strictly with the methods proposed to achieve these aims."

"There is no doubt in my

mind that if we present China's leaders with an ultimatum on MFN, the result will be weakened ties to the West and further repression," Bush said. "The end result will not be progress on human rights, arms control or trade."

Bush said the United States should work for change in China through dialogue and diplomacy.

Contending his policy was paying dividends, Bush said China had agreed recently to protect US intellectual property rights, abide by guidelines for control of missile technology, accede to the Nuclear Nonproliferation Treaty by April and to discuss human rights concerns.

White House Press Secretary Marlin Fitzwater said China has made improvements on human rights "although clearly not as much as we would like. There still are human rights violations and problems which are particularly disturbing to us."

EC fails to solve GATT dispute, misses deadline

BRUSSELS (Belgium), Mar 3: The European Community missed a key deadline in the Uruguay Round of world trade talks Monday when it failed to resolve differences on the EC's negotiating position, reports AP.

In a meeting of Trade Ministers, Germany and France again clashed over how

flexible the Community should be in the talks that aim to broaden the scope of world trade rules in 15 separate areas.

German Economics Minister Jurgen Moelleman continued to pressure reluctant EC members, led by France, for greater flexibility, especially in the controversial

area of farm reform.

"The hour of truth is approaching, and some countries will soon have to put their cards on the table," Moelleman said.

He said ministers postponed addressing their real differences Monday.

French Farm Minister Louis Mermaz, meanwhile, saw

broad support for France's rigid stance, claiming eight of the 12 EC members as allies.

He said France, a big grain exporter, would maintain its opposition to limits on how much subsidised grain the Community could export.

"The French-German axis is solid and we will not capitulate," Mermaz said.

At issue is how to cut subsidies to EC farmers which the United States and other agricultural exporters say distort world trade. The dispute has stalled progress in other areas of the Uruguay Round talks that began in 1986.

The EC Trade Ministers agreed to delay for a few days

their response to a compromise proposal meant to revive the blocked talks, held within the 108-nation General Agreement on Tariffs and Trade.

The EC was to submit its position in Geneva Monday, a deadline set by SATT Director General Arthur Dunkel.

Senate may okay \$15b defence budget cut

WASHINGTON, Mar 3: A 15 billion dollar cut in the US defence budget, proposed by a prominent member of the House of Representatives, is gaining ground in Congress, making American generals nervous, reports Reuter.

The cut for the fiscal year that begins in October is about twice what President George Bush wants but is backed by house leaders and passed the House Budget Committee last Thursday with little opposition.

It is likely to pass the full house this week and a number of Senators, including Senate Democratic leader George Mitchell, hope it will pass the entire Congress.

Senate Armed Services Committee Chairman Sam Nunn is likely to support a lower cut. But he has given no indication whether he will indeed try to apply the brakes and reduce the cut in the budget Congress is to pass in the next few weeks.

"This train is leaving the station Nunn is not on it," said a Senate aide who supports the 15 billion dollar reduction that would set Pentagon spending at 273 billion dollar for the 1993 financial year, which begins on October 1.

The cut was first proposed by House Armed Services Committee Chairman Les Aspin as the start of a 91 billion dollar cut over five years.

Europe needs a new definition after Soviet collapse

BRUSSELS, Mar 3: The break-up of the Soviet Union is forcing the European Community to address the basic question of "what is Europe and where does it end?" writes Reuter.

When Kazakhstan announced on Saturday it wanted to join the EC, it dramatised the magnetic pull exerted by the Community on a dynamic part of the globe.

External Relations Commissioner Frans Andriessen, who received the request on a visit to the Kazakh capital Alma-Ata, told President Nursultan Nazarbayev that the EC's founding treaty restricted membership to European countries only.

When Nazarbayev asked how this problem could be overcome, Andriessen laughed and

said, "it seems to me difficult to change the map."

The Commissioner then advised Kazakhstan to settle for close working links with the EC because it would be a long time before it could fulfil economic and political conditions for membership.

With Scandinavian and East European countries already queuing up to join the Community of 12 nations working in nine official languages, some officials fear the EC already risks diluting itself into a weak mini-United Nations.

"The Community just can't say no any more" said one official who recalled the veto that France used to keep Britain out of the EC under the late President Charles de Gaulle. But the EC, under US

pressure, has tried not to differentiate too much between the nations of the Commonwealth of Independent States in developing relations with the EC for fear of alienating Russia itself or the group of mainly Muslim Central Asian countries.

Commission officials stress the need to offer new countries the same basic framework agreement for future cooperation — avoiding a hierarchy of accords that would delineate an inner circle of states physically closer to Brussels.

British Foreign Secretary Douglas Hurd has said EC membership eligibility for Russia, which has a Pacific coast, is a long-term question but "a door that we would not be justified in slamming."

"There can be no firm definition of where Europe ends," said another British official. "It's a matter of culture and history as well as geography. But the further you go east of the Urals the position becomes much less clear."

Ex-Soviet, Muslim belt countries have already been accepted with little debate within the conference on security and cooperation in Europe.

In the Caucasus, Azerbaijan's President Gasan Gasanov has said his country is both European and Asian.

Andriessen said after his tour of four CIS countries last week that the EC was naturally inclined to concentrate on countries like Belarus, Ukraine and the Baltic states. "But in terms of geopolitical strategy it would be of very

high interest for the EC to strengthen forces of stabilisation in Central Asia," he said.

In Kazakhstan and Uzbekistan, some of the leaders Andriessen met threatened to look elsewhere for political or investment partners if the EC did not meet their demands.

In those two countries at least, Andriessen's group was relieved to hear little mention of Iran in this connection. Kazakh officials said Islamic fundamentalism held little appeal for their Muslims despite a revival of religion, but warned that this could change if economic collapse brought desperation.

Uzbek Prime Minister Abdulkhachim Mutalov said his country could use Turkey, with which it shared a common

language and culture, as a bridge to Europe.

EC officials would like to see the example of Turkey, a predominantly Islamic nation that is western-oriented and secularly ruled, take hold in the ex-Soviet Muslim belt.

But Turkey itself is a frustrating applicant for EC membership.

Ankara could take advantage of its strategic position to intensify pressure on the EC to let it join.

EC officials said one idea could be to give aid to Central Asian countries that could be spent on importing Turkish goods and know-how.

But others said it was uncertain how Moscow would react to western attempts to build Turkish influence in their former empire.

Business briefs

Pakistan sells half of state firms: Pakistan has privatised nearly half the 101 state enterprises put up for sale last September, Finance Minister Sartaj Aziz said, reports Reuter from Islamabad.

Speaking at a privatisation seminar, Aziz said the government had so far sold 45 of its mostly loss-making industries and two of the five commercial banks.

\$30b budget for US intelligence: The US administration has proposed a 30-billion-dollar budget for next year's intelligence operations, close to spending levels at the height of the Cold War, according to sources inside and outside the government, reports AP from Washington.

Members of Congress have criticised President George Bush's budget proposal arguing that the Central Intelligence Agency (CIA) and other espionage operations should be cut back now that the Soviet Union has been dismantled.

Kuwait to replace overseas assets: The head of the Kuwait Investment Authority said the government planned to buy assets abroad to replace those it sold during the Iraqi occupation, reports Reuter from Kuwait.

"We will replace what we lost in the investment, part of which was liquidated to meet the needs of the state during the occupation," Abdulla Qabandi told Saw Al-Kuwait daily in an interview published here.