

Rs 600 cr of State Bank used to cause artificial boom, then crash

Fraud on stock market shakes India's Rajya Sabha

NEW DELHI, Apr 30: Members in the Rajya Sabha agitating over the crash in the share market Wednesday demanded a probe into the alleged fraud committed on the stock market by one broker leading to the "artificial and speculative" boom and the subsequent crash, reports PTI.

The government itself was found in a piquant situation when the deputy leader of the Congress-I N K P Salve attacked it for its inertia and said if he would have been the Finance Minister he would have "gone home".

Raising the issue during the zero hours several opposition members said they had forewarned the government that

the recent policies would lead to an "economic catastrophe" and yet the government had not taken any preventive measures to protect the genuine investors.

Gurudas Das Gupta of CPI who raised the issue first said the boom in the share market was artificial and it was brought about by one leading broker utilising Rs 600 crore of State Bank of India for speculative purposes.

AFP adds: Panic selling sent prices down on India's volatile stock market for a second day running with Bombay's Blue-Chip Index falling nearly six per cent.

With brokers scrambling to sell short, the Bombay Sensex

shed 222.48 to close at 3,674.41 points, though late institutional buying buffered the fall on other exchanges.

Trend-setting Bombay accounts for 70 per cent of the combined turnover of India's 20 stock exchanges, energised in recent weeks by the Congress (I) government's plans to liberalise the economy.

Finance Minister Manmohan Singh, architect of the reforms, cut short his presence at a cabinet meeting to tell parliament he would investigate the sell-off and issue a statement "as soon as possible".

The Sensex had lost a dizzying 570 points on Tuesday, the

first day of trading after a week-long boycott by brokers resisting government attempts to regulate them.

Reuter from New Delhi says: India's commerce Secretary A V Ganesan said India's exports are expected to grow gradually to 20 per cent of Gross Domestic Product (GDP) from 13 to 14 per cent currently.

Exports in 1992/93 are forecast to rise to 20 billion dollar from 18 billion dollar the year before, while imports climb to 24 billion dollar from 20 billion dollar, he said.

The (trade) deficit of four billion dollar a year will have to remain for a few years before we even up in 1995/96 and hopefully post a small surplus

in 1996/97," Ganesan said. He described as "one of the gross under-performances of the Indian economy" the fact that India's foreign trade accounts for a mere 0.50 per cent of total world trade.

Ganesan said this was because of the long preoccupation of Indian industry and foreign investors with the country's domestic market of 850 million people.

The new (economic) policies are designed to remove the bias against exports and make exports more attractive than selling in the domestic market," Ganesan said.

India's tiny share of world trade makes it unable to influ-

ence multilateral trade talks or the emergence of potential regional trading blocs, the Federation of Indian Chambers of Commerce and Industry (FICCI) said in a recent report.

FICCI said Indian trade was undergoing significant structural changes, with more emphasis on high value-added exports such as leather goods, engineering products, ready-made garments, chemicals and electronics.

It said there was a shift towards dollar-denominated trade and away from rupee trade with the former Soviet republics and Eastern Europe, which New Delhi is trying to reduce.

Business confidence on increase in France

PARIS, Apr 30: Business confidence is increasing in France after last year's record low growth, the Insee Statistics Bureau said here Wednesday, reports AFP.

Favourable expectations for the next three months equalled unfavourable expectations among industry directors, after remaining negative since October 1990, Insee said in a quarterly report.

Increased confidence was especially marked in the car and transport sector (plus 15 per cent, compared to minus 43 per cent in January) and in the consumer goods sector (plus three per cent, compared to minus nine).

French businessmen were also bullish on the chances of increased exports.

Their reaction to the past three months (February to April) was also more positive.

Production costs overall were up by 0.2 per cent in the first quarter of the year, while prices of manufactured goods was up by 0.3 per cent, mainly because of higher car prices.

Economic growth had registered 1.2 per cent in France last year, the lowest growth since 1984, the Insee also said in another report out Wednesday.

Duty-free status for some items withdrawn

India one of worst violators of American patents and copyrights, accuses White House

WASHINGTON, Apr 30: The Bush administration on Wednesday accused Taiwan, India and Thailand of being among the worst violators of American patents and copyrights and warned of retaliation if protection is not provided, reports AP.

The statement marked the second straight year that India and Thailand were targeted by the administration for intensive negotiations over alleged piracy of copyrights and patents.

The White House took special action against India, re-imposing import duties that had been suspended on some of its imports, in retaliation for what the US government considers violations of US intellectual property rights.

US Trade Representative Carla Hills, in making the more general announcement, said that every year American companies lose 60 billion dollar in royalties on products from movies and computer software to pharmaceuticals.

"Improved protection for intellectual property is one of the Bush administration's top trade priorities," Hills said. "We are firmly committed to achieving satisfactory results in these countries and we are prepared to take every step that will move us towards that goal."

Hills also identified Norway and the 12 governments of the European Community as discriminating against US business in government procurement. The statements could result in US retaliation if the disputes are not resolved.

By placing Taiwan, India and Thailand on the "Special 301" list, the US government in effect told them it would begin within 30 days an investigation of intellectual property actions that could result in retaliation, including sharply higher US tariffs on their exports.

The announcement described Taiwan as "a center for copyright piracy and trademark counterfeiting of US products." It said the US government "is concerned about the overall protection accorded pharmaceuticals and their patent provisions" in India and Thailand.

Both India and Thailand first were included on the list in 1991.

Despite "substantial commitments" to protect materials including books, videos, sound recordings and software, the Indian actions have been inadequate, the US government said.

Enforcement of Thailand's law protecting US film, sound recording and software industries remains ineffective, it added.

Hills also said Egypt, Hungary, Korea, the

Philippines, Poland and Thailand have been added to a "priority watch list" that already included Australia, Brazil and the European Community. That means her office will continue negotiating with those countries before initiating more serious action.

Twenty-two countries were included on the US "special

watch list" of those whose actions are considered less serious. They were Argentina, Canada, Chile, China, Colombia, Cyprus, Ecuador, El Salvador, Germany, Greece, Guatemala, Indonesia, Italy, Japan, New Zealand, Pakistan, Paraguay, Peru, Spain, Saudi Arabia, the United Arab Emirates and Venezuela.

Some penalties imposed

Meanwhile USIS from Washington adds: The United States has suspended duty-free treatment on imports of some Indian products in retaliation for violation of intellectual property rights.

President Bush announced April 29 that India would no longer receive preferential tariff treatment for certain chemicals and pharmaceutical and related products under the US Generalized System of Preferences (GSP).

The action goes into effect in mid-May, 15 days after it is published in the federal register.

This was meant to be a "sting shot," US Trade Representative Carla Hills told reporters following Bush's announcement. She said that it will affect a relatively small amount of trade -- about 60 million dollar in Indian exports to the United States.

Last year, India exported some 524 million dollar in duty free goods to the United States, including 34 million dollar in chemicals and pharmaceuticals. It total exports to the United States totalled about 3,200 million dollar.

Indian law prohibits patents for any substances intended for use or capable of being used as a food, medicine or drug. It also fails to protect biotechnological inventions, methods of agriculture and horticulture and processes for treatment of humans, animals and plants.

Islamic scholars to debate trading in bonds, shares

JEDDAH, Apr 30: Islamic scholars from around the world will be tackling the thorny issue of whether trading in bonds and shares is condoned by the Muslim faith when they meet here next month, reports AP.

The rulings by the conference, to be attended by more than 150 Islamic scholars, economists, scientists and physicians, are only guiding and not binding principles.

But they will be closely watched by Islamic countries as they could affect the lives of the world's one billion estimated Muslims.

The shares issue has come under the spotlight in Saudi Arabia lately as the government, with King Fahd's public blessing, is encouraging the private sector to play a more active role in the economy.

The shares market is booming in Saudi Arabia despite rulings and repeated warnings by some fanatic Saudi

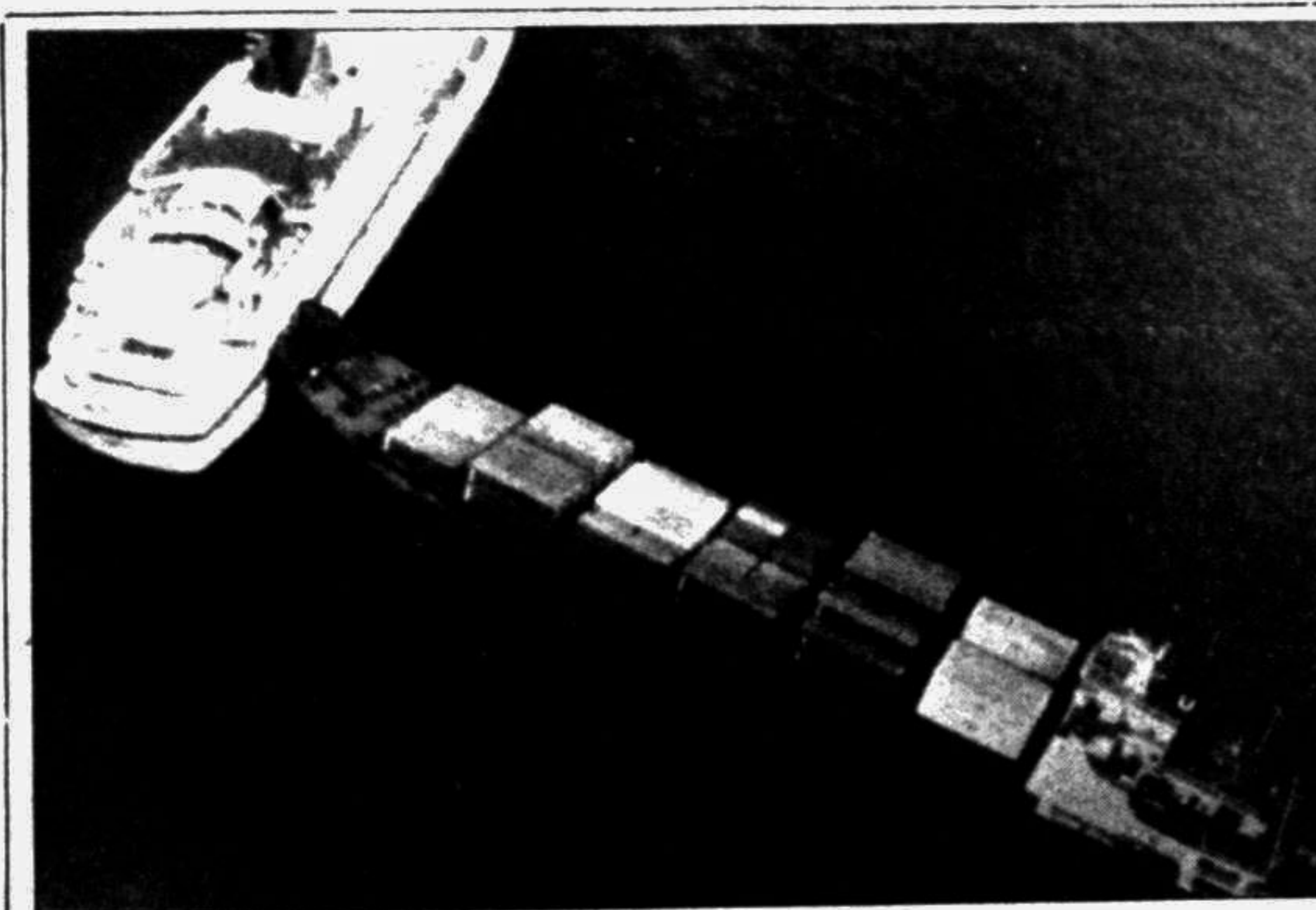
scholars that it is against Islam.

The Saudi monarch, speaking from the heart of the Muslim holy cities of Makkah and Madina late last year, said the government was now putting to public subscription more and more of its huge projects. He lauded the merits of profit-making from shares.

The conference May 9-14 is the seventh for the Islamic Fiqah (legislation) Academy, an affiliate of the 46-member Organisation of the Islamic Conference. Both are based in Jeddah.

Among other issues that will be discussed are mortgage contracts and instalment sales, said Academy Secretary-General Dr Mohammed al-Habib ibn al-Khoja.

Khoja, a renowned scholar who was the grand mufti of Tunisia, said the session also will discuss secularism, test-babics, artificial insemination, euthanasia and other topics.



COLLISION AT SEA: Greek freighter Instant Glory (r) had its bow rammed into the German passenger ship Europa, some 180 nautical miles east of Hong Kong on Wednesday. The two vessels remained locked together, but there was no immediate danger of either sinking. One crew member was slightly injured in the collision. — AFP photo

Indian plant develops special steel

DURGAPUR, Apr 30: The Alloy Steel Plant (ASP) has developed a critical grade of special steel, internationally known as X-42, the Executive Director of the ASP, C R Srinivasan said, reports PTI.

The special steel produced by the plant which till date had to be imported, could now meet the demand of the Gas Authority of India Ltd (GAIL), Srinivasan said and added that the steel slabs were rolled to coils and then welded in pipes in the Bokela, Steel Plant (RSP).

He said that the ASP had already despatched about 60,000 tonnes of slabs to the RSP for converting it into pipes and added that the first consignment had already been sent to the GAIL by the RSP.

Gold price down to 6-yr low

LONDON, Apr 30: The gold price continued its decline on the London market Wednesday, where it was fixed at 334.75 dollar an ounce, its lowest level since April 1986, reports AFP.

It closed Tuesday at 337. Andrew Smith of UBS Phillips and Drew described the development as a "slow erosion rather than a big fall", tending to rule out any corrective recovery, as dealers did not consider the market "oversold".

The gold price, which began the year at just over 350 dollar an ounce, has fallen by some four per cent since then. Smith said the market had suffered from consistent sales in several quarters, usually unidentified.

Pak foreign reserve hits 2-yr high

KARACHI, Apr 30: Pakistan's foreign reserves, which have been continuously rising for the past seven weeks, reached 619 million dollar, the highest in two years, reports Reuter.

The State (central) Bank of Pakistan said the reserves rose to 619 million dollar in the week ended April 23, compared with 609 million dollar a week earlier.

On a monthly basis, the reserves were calculated at 547 million dollar in March, compared with 384 million dollar in February and 164 million dollar in the same month a year ago.

The reserves rose following higher exports. In addition to the reserves, the central bank said it had gold coin and bullion worth 686 million dollar.

India to have highest population by 2025

NEW DELHI, Apr 30: India could become the world's most populous nation, overtaking China, by the year 2025, a United Nations official said on Wednesday, reports Reuter.

India would have population of more than 1.4 billion by the year 2025 or 2030 from 853 million currently, United Nations Population Fund (UNFPA) Representative Erling Dessau said releasing the UNFPA's annual report in New Delhi.

Medium growth projection shows India overtaking China by 2025 or 2030 as the world's most populous country with a population of over 1.4 billion people, Dessau said.

Based on medium growth projections, China's population was expected to be below 1.4 billion at that date, he said.

According to figures I have been working on I am sure India will overtake China by 2025.

The report projected China's population in 2025 at 1.5 billion according to high growth calculations, but did not take into account its stringent population control policies. China's current population is 1.16 billion.

The requirements for feeding, housing, clothing and gainful employment by 2025 are nothing less than staggering, Dessau told a news conference.

India's progress in improving the quality of life had been slower than might have been expected, the report said. Dessau said about 350 million people in India were living in absolute poverty, more than its population at the time of independence in 1947.

It may be important to speak about these problems. But it is indeed crucial to engage in action, he said.

The report highlighted achievements of the southern state of Kerala in development, in contrast to the five large states in the north where 40 per cent of India's people live.

Where Kerala has matched the human resource development of the very best performers among developing countries, the five northern states have been among the worst. And the place of women is central to the difference, the report said.

The world population in mid-1992 would be 5.48 billion and would reach six billion in 1998, the report said.

Faster population growth threatens world ecology

LONDON, Apr 30: The world's population is growing even faster than had recently been thought and pressure on resources threatens economic and ecological catastrophe, a United Nations report said Wednesday, reports Reuter.

Nafis Sadik, Executive Director of the New York-based UN Population Fund (UNFPA), described this gloomy scenario as "the nightmare of the 1990s."

If governments fail to create sustainable development "we risk the future of humanity."

Releasing UNFPA's annual survey on world population trends at a London news conference, Sadik said the first crisis was that the world's population was growing faster than ever before and with it the proportion of people classified as very poor.

Secondly, human consumption of the world's resources was also growing faster than ever before and without regard to long term effects, she said.

Together these two crises threaten both local and global environments," Sadik, from Pakistan, said.

"And they heighten the possibility of future economic and ecological catastrophe, the nightmare of the 1990s."

The annual report, entitled "The State of World Population, 1992" revised upwards its near and long-term population projections. It said the world's population would reach six billion in 1998 -- two years earlier than previously estimated -- from a current population of 5.48 billion.

"Annual additions to world population in the next decade will average 97 million, the highest in history," it said. "Nearly all of this population growth will be in Africa, Asia and Latin America. Over half will be in Africa and South Asia."

In the long-term, the report said the world's population would nearly double to 10 billion by the year 2050.

AP adds: Nafis Sadik said key summit documents barely mention population growth and she understood the Roman Catholic Church was involved in blocking inclusion of family planning.

"Unless you really deal with population, you can forget about environment or about development," she said.

A Vatican spokesman could not immediately be reached for comment. On Tuesday, Cardinal Renato Martino told Vatican Radio the Holy See's delegation to Rio, which he heads, "has negotiated and obtained the use of expressions that take into consideration the liberty, dignity and conscience of the human person."

He said, "the church doesn't propose procreation at all costs, ... What the church is opposed to is the imposition of demographic policies and means of limiting birth contrary to the liberty, dignity and conscience of persons."

Record 3.8 m visited Japan in '91: A record 3.8 million foreigners visited Japan in 1991, 10 per cent more than the year before, the Justice Ministry said Wednesday, reports Reuter from Tokyo.

The ministry gave no details of nationalities but said most of the visitors were tourists or business executives.

The number of Japanese going abroad dropped three per cent to 16 million in 1991, the first decline in 11 years, the ministry said.

Charles calls for fund to save plants: A global network of botanical gardens supported by Britain's Prince Charles appealed Wednesday to the worldwide business community to help raise one million pound to help save endangered wild plants, reports AP from London.

Charles appealed to business leaders to support the group's drive for one million pounds to extend the work of the projects.

3 paintings stolen from Lvov: Two bandits detonated a smoke bomb, stole three 19th century paintings from Ukraine's Lvov Picture Gallery and killed two employees during their getaway Wednesday, a news agency reported, says AP from Moscow.

The thieves were in the Polish art section when an explosive device went off, enveloping the hall in heavy smoke and causing a commotion, the ITAR-Tass news agency said. They then cut from their frames paintings by Arthur Grotger and Yan Mateiko.

UK to celebrate EC presidency: Britain will host a nationwide arts festival with nearly 700 events to celebrate its "presidency this year of the European Community, officials said Wednesday night, reports AP from London.

"No other member of the community has marked its presidency, and its commitment to Europe, on the scale by Prime Minister John Major to provide 'something for everyone in all parts of the country and that everyone should have an opportunity to try something new to a wider their horizons."

Cows threaten survival of human race, says researcher!

By Bernd Debusmann of Reuter

WASHINGTON, Apr 30: America's 40 billion US dollar beef industry is springing to the defence of the cow against charges that it threatens the survival of the human race.

As anti-cow militants see it, bovine belches and flatulence contribute to global warming, and cow dung is poisoning the world's lakes and rivers. Directly or indirectly, the placid animal is being blamed for shrinking rain forests, spreading deserts and Third World hunger.

This once-sacred animal of bygone years has taken on a pestilence guise, swarming over the great land masses of Europe, the Americas, Africa and Australia like hoofed locusts," says Jeremy Rifkin, who heads a campaign to cut world beef consumption by 50 per cent over the next eight years.

"Cattle... are a threat to the survival of our species," according to Rifkin.

He argues that grain fed to cows to meet demand for beef in affluent western countries would otherwise go to the starving people of the Third World.

Launched in mid-April, the cut-the-beef campaign has been named "Beyond Beef" after the title of a newly published book by Rifkin in which he argues the case against cows.

The offensive against the world's estimated 1.3 billion "hoofed locusts" is scheduled to move into high gear in May with a series of television and radio commercials meant to spoil the American appetite for beef in all its forms, including hamburgers.

Rifkin's crusade, backed by six environmental groups, has stung American cattlemen into a determined counterattack. They formed an alliance of 13 industry groups, known as the Food Facts Coalition, and enlisted a small army of experts to rebut the main anti-cow arguments.

At stake are billion of dollars generated by an industry already hit by changes in US eating habits that have led to a 30-per cent decline in per capita beef consumption over the past 15 years because of popular concern over fat in the diet.

One advertisement of the National Cattlemen's Association published in major newspapers a week after the start of the Beyond Beef movement showed a pensive-looking cow and her calf under the headline "Mother Nature's Recycling Machine."

Far from destroying the environment, the advert insisted, cows were helping to protect it. "Like mowing a lawn or pruning a tree, cattle grazing promotes plant vigour and diversity."

Agricultural scientists critical of the anti-beef campaign have dismissed some of its arguments as outright spurious, others as distorted.

Take global warming. "The effects of cow flatulence on the atmosphere have been greatly ex-

aggerated, according to Cornell University's Duane Chapman and Thomas Drennan.

"The methane (gas) emitted by one cow in a year has the same effect on global warming as the fuel burned to power a single 75-watt light bulb."

Rifkin blames cows for 12 per cent of all the methane — a "Greenhouse gas" that contributes to global warming — released into the atmosphere. "Cattle... are transforming the atmosphere into a wasteland of deadly gases," he says in his book.

Its dire warning prompted one critic, Dennis Avery of the Indiana-based Hudson Institute, to call Rifkin "The Stephen King of food Horror Tales."

But agricultural scientists agree that methane produced by cows ranks third on the list of methane gas sources in the world, behind wetlands and rice paddies but before the burning of vegetation and gas drilling.

And there is relatively little dispute over the anti-cow campaigners' contention that huge tracts of rain forest in central America, Mexico and Brazil have been destroyed to make room for cattle pastures.

According to Rifkin, each hamburger made from beef imported from Central America required destroying six square yards (metres) of

jungle for pasture. US demand for beef increased the number of cattle in the region by 80 per cent between the mid-1960s to the mid 1980s.

In the Amazon, tension between rubber tappers and ranchers intent on hacking down the rain forest for cattle pasture led to the 1987 murder of Chico Mendes, the rubber tapper who turned into a martyr of the environmental movement.

With the environment a top concern the world over, cattlemen fear that the anti-cow campaign will touch emotional buttons even if some of its arguments fail to stand up to scientific scrutiny.

The beef industry sees parallels between the anti-cow campaign of today and the 1989 scare over alar, a pesticide used by apple growers. Environmentalists said at the time alar might cause cancer.

That claim caused near-panic, cost the apple industry millions of dollar and forced the company making the pesticide to withdraw it from the market although the allegations made against it were never substantiated.

Rifkin predicts that the campaign he leads will turn cows into a hot topic despite beyond beef's relatively small — one million dollar a year — budget.

"Within...two years, he said recently, "the environmental questions of food and livestock will be a central issue for every major environmental group in the world."