Another step in support of Greenhouse theory

SYDNEY, May 16: Increases in deep-sea water temperatures, causing higher sea levels, have been reported for the first time in the Southern Hemisphere, Australian oceanographers said Thursday, reports Reuter.

"It is a step in confirming climatic change and supports the general 'Greenhouse' theory of warmer oceans and higher sea levels," said Dr John Church of the Commonwealth Scientific and Industrial Research Organisation which carried out the study.

"Countries in this part of the world have a reason to be concerned about rising sea levels now that there is evidence of climatic change.

Maldivian President Maumoon Abdul Gayoom said in an interview on Tuesday that rising sea levels could cover 80 per cent of the small coral islands which make up his nation.

The President said small low-lying countries hoped next month's UN Earth Summit in Brazil would endorse proposed environmental control projects.

The Maldives, a group of 1,190 small coral islands lying close to Sri Lanka and India, rise only about two metres (six feet) above sea level.

Church, who headed the study, said temperatures had risen about 0.03 to 0.04 degrees Celsius over the past 22 years at depths of up to five km (3 .13 miles).

"We had predicted some change in the water surface temperature but not at these deeper depths," told Reuter.

The research body said the temperature rise had changed the density of water and resulted in a calculated sea level rise in the Tasman Sea of two to three cm (0.8 to 1.2 inches) due to thermal expansion over the period.

"It is the first time that there has been confirmation of rising sea levels in the Southern Hemisphere, as studies have already proved the rise in sea levels in the Northern Hemisphere," Church said.

Mountains also threatened !

Meanwhile, another despatch from Strassbourg (France) says that the world's mountains are being threatened by people, environmentalists said Thursday.

"Mountains look eternal, but appearances are deceptive," said Peter Stone, spokesman on behalf of an appeal to the Earth Summit in Rio de Janeiro next month.

Swiss scientist Rudi Hoegger told a news conference hosted by the European Parliament that the Himalayas, the world's highest mountains, had the most dramatic scares of overuses.

Government policies there had forced farmers to destroy forests. When they did that, they destroyed sources of drinking water and fodder, so they could not longer keep cattle. They then lost manure that would normally fertilise crops.

A move seen as a response to US trade ban

India plans to sell rice to Cuba

NEW DELHI, May 16: India has decided to sell 10,000 tonnes of rice sought by Cuba, in a move seen as a response to a US trade ban on an Indian space agency, a newspaper said Saturday, reports AFP.

New Delhi would give the rice on deferred payment basis as desired by Havana, after dithering for weeks on the Cuban request, the Economic Times said in a front-page report.

Indian officials were not available for comment. A Cuban diplomat said he had not seen the report.

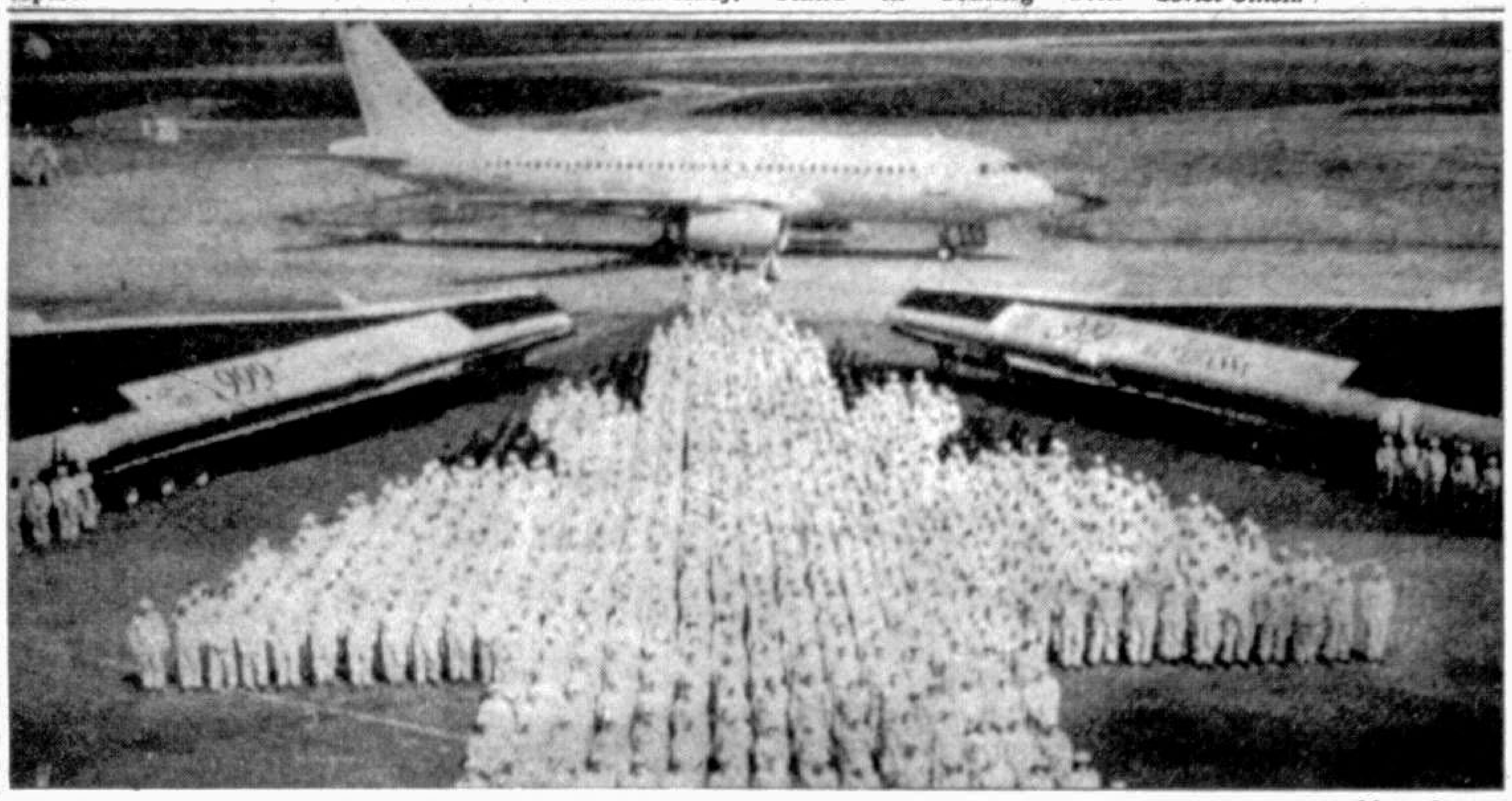
The Times did not say when the decision was taken or when the rice would begin moving to Cuba, which asked for rice and wheat in February from New Delhi on deferred payment because it could not pay with cash or barter.

But India dithered, saying it needed to make a credit study, triggering criticism from the opposition that it was under pressure from Washington, which was said to be refusing to sell what to New Delhi in protest.

"The (latest) decision ... against the express wishes of members of the Bush administration is expected to satisfy political parties here which have been urging the government to take a firm stand in dealing with Washington," the Times said.

The Daily suggested that the decision might have been influenced by the two-year ban announced by the United States May 11 on the Indian Space Research Organisation for seeking Russian rocket technology.

The move drew widespread condemnation in India, which has been seeking to improve its relations with the United states since the breakup of the Soviet Union.



PROUD CELEBRATION: Employees of British Aerospace celebrating delivery of the 1000th wing for Airbus on May 13 at Chester (England). — AFP photo by Jean Pierre Muller.

Scholars call to set up Islamic commodities and currency markets

JEDDAH (Saudi Arabia), May 16 : Muslim scholars ruled against dealing in share options and called for the creation of Islamic-style commodities and currency markets, reports Reuter.

After a six-day meeting, some 120 scholars from around the world deferred action on such thorny issues as trading on the futures markets and owning credit cards.

They met to define Islam's attitude towards Western-dominated financial institutions.

Western-style banking and financial dealings pose a dilemma to the Muslim world, especially in conservative countries such as Saudi Arabia where charging interest is viewed as usury.

The theologians from 32 countries were taking part in the seventh session of the Islamic Fiqh (jurisprudence) Academy, an affiliate of the Jeddah-based Organisation of Islamic Conference.

They ruled Muslims should not own shares and bonds in companies whose "main purpose is illegal, practise usury or engage in production of unlawful products and trade in them."

Islam bans the consumption and sale of alcohol and bars dealing with companies owned by individuals or governments seen as enemies.

"There is a need for an Islamic market for commodities and currencies on the basis of legal dealings," their communique said, describing it as an alternative to the western-style market.

It did not say how such a market could be set up, but called for a "comprehensive" study on how to apply Islamic regulations once it was operating.

The Academy's Secretary General Sheikh Mohammed-al-Habid Bin-al-Khoja, a Tunisian, said last month the decision of the theologians would serve to guide Muslims although it would not be binding.

The communique said trading in share options was banned under Islamic sharia (law) because it did not "involve money, benefits or financial rights that could be redeemed."

They delayed a decision on Islam's attitude towards credit cards, preference rights and rights issues.

Dealings in shares options based on financial indices such as Wall Street's Dow Jones or London's Financial Times-Stock Exchange (FTSE) 100 were "not acceptable because they are pure gambling and selling something imaginary that could not exist," the statement said.

It said the scholars would tackle issues such as the treatment of women by male doctors or vice versa, medial use of alcohol and "spiritual treatment."

Paris to give up most of its shares in Total SA

PARIS, May 16: The government said Friday that it will reduce its holdings in Total SA, the state-controlled oil company, from 34 per cent to 15 per cent, reports AP.

The government said it has not decided when to sell and that the date would be determined by market conditions.

"This significant reduction in the state's share is justified by the changes in the oil environment which are substantially different from the conditions that motivated the significant state stake in Total's capital in the 1920s," the Finance Ministry statement said.

It noted that with the 19 per cent divestiture there will be "two large French oil companies with a strong international presence, one public and one private."

Societe Nationale Elf Aquitaine will remain under government control.

A Total spokeswoman, who declined to be named, said that of the 19 per cent to be sold, seven per cent consists of non-voting investment certificates that holders can exchange for voting shares in a swap. The swap would offer four certificates for three shares.

The remaining 12 per cent to be sold would presumably be placed on the market.

The spokeswoman provided no other details and no one could be reached late Friday at the Finance Ministry for comment.

Of the 15 per cent that will remain in the public sector, the government said it intends to keep only five per cent as a direct stake. It was not immediately clear how the government would distribute the remaining 10 per cent.

The announcement followed recent statements by government officials, including Finance Minister Michel Sapin, that France intends to reduce its stake in corporations.

'Security more important than development'

Pakistan can't meet donors' demand for cut in military spending : Aziz

ISLAMABAD, May 16 : Finance Minister Sartaj Aziz said security concerns did not permit Pakistan to make defence budget cuts demanded by aid donors, reports Reuter.

"Our security is more important than other development," he told a news conference a day after presenting to parliament the national budget for fiscal 1992/93 beginning on July 1.

The budget gives 82.15 billion rupee (3.26 billion US dollar) to defence, which is about 8.4 per cent more than in the previous year.

Aziz said there was real increase if inflation, a halt to US military aid and the cost of pensions were considered.

Pakistan says defence will remain its top priority so long as it feels militarily threatened by traditional foe India, with which it has fought three wars since the two countries gained independence from Britain in 1947.

In the New Indian budget represented in February, defence spending went up by seven per cent to 175 billion rupee, but it meant a cut in real terms for the second consecutive year because of a double-figure inflation and devaluation of the Indian currency by about 20 per cent against the dollar.

Pakistan has calculated its rate at 9.57 per cent for three quarters of the fiscal 1991/92 until March and its rupee has depreciated by about 6.02 per cent in the past one year.

Aziz said US military aid, suspended since October 1990 over a nuclear row, was about 10 per cent of Pakistan's total defence spending and another 10 per cent of the defence budget went to pensions to retired soldiers.

"So in real terms the defence spendings have not increased," he said.

He said tensions had ended on Pakistan's western border with Afghanistan, where pro-Pakistan guerillas have taken power from a collapsed former communist government.

Despite security concerns, Pakistan has allocated 14.8 billion rupee for social development programmes, compared with 6.8 billion rupee allocated in 1991/92 budget, he said.

He defended the government decision against extending income tax to agriculture, saying that farmers were already paying several other taxes, including export duty on cotton.

He said on Thursday the budget deficit would not exceed 65 billion rupee.

McDonald's incurs anti-US wrath

TAIPEI (Taiwan), May 16 : Police on Saturday arrested a man who allegedly planted bombs at three McDonald's restaurants, apparently as an anti-American protest. One policeman was killed in the explosions, reports AP.

Chen Hsi-chieh, 28, was arrested at dawn in a friend's home in the Taipei suburb of Chungho a day after emerging from 12 days of hiding in a mountain in central Taiwan, police said.

About 40 policemen, acting on a tip, surrounded the sleeping Chen, said Chuang Hai-Tai, Director of National Police Administration.

Chen, who learned how to make bombs during his two-year compulsory military service, later confessed that he was responsible for the McDonald's bombings, Chuang said.

Chuang said police were investigating whether Chen had any accomplices.

Pan Je-min, who allowed Chen to stay at his home, told reporters Chen had developed an anti-American sentiment and was dissatisfied with many social injustices.

American culture and consumer products are popular in Taiwan. But in recent years, there have been a few small-scale protests against Washington for exerting pressure on Taiwan to reduce its huge trade surplus with the United States.

On April 28, a bomb exploded in a men's room at a McDonald's restaurant in Taipei, killing a policemen who was trying to defuse it.

Another bomb exploded in a second McDonald's outlet in Taipei the next day, seriously injuring a restaurant employee. A bomb at a third restaurant was defused.

The fast-food chain closed all 57 of its Taiwan outlets following the incidents, but has since reopened most of them under tightened security.

McDonald's had offered a reward of 880,000 dollar anyone who could provide clues to the explosions.

Power crisis cripples Philippine economy

MANILA, May 16 : Finance Secretary (minister) Jesus Estanislao said a new Philippine government would have to take urgent steps to resolve a power crisis and press forward with liberal economic reforms, reports Reuter.

It must take tough steps to push through the reforms to revive the sagging economy and open it up further, Estanislao told a Manila news conference.

Crippling power shortages lasting for up to six hours have threatened prospects in the Philippines for economic recovery in 1992 after the economy failed to grow last year.

Breakdowns of ageing generators and the failure to build new power plants have led to sever electricity shortages.

President Corazon Aquino scrapped a proposed nuclear power plant in 1986 and failed to replace its 600-megawatt capacity at a time of rising demand in the Philippines for power.

Businessmen and investors have generally seen either former defence chief Fidel Ramos or ex-judge Miriam Santiago— both front runners in the presidential race —as good for business.

Estanislao urged the two leading contenders to ensure that international economic relations with the country's major partners are kept at a healthy level. "That is very critical. I think we've sent the proper vibes. But whatever credibility we have has to be brought to a much higher level," he said.

The government's decision to abolish a controversial 50 per cent import levy has hurt the government's commitment to reform among donor countries and its international creditors.

He conceded that the largely peaceful voting would provide a boost to the economy while sending Manila share prices to their highest level for the year.

Estanislao predicted that growth may exceed earlier projections of around 300 per cent for the year in real Gross National Product, against zero for 1991.

Strike may cripple German industry

BONN, May 16: Regional wage talks between German metal workers and employers are foundering and the industry could soon be crippled by national strike action, according to negotiators, reports Reuter.

Employers in regional wage talks have no plans to improve their pay offer in an 11th hour meeting scheduled for Saturday with the powerful engineering union IG Metal, the Stuttgarter Nachrichten newspaper said Saturday.

"Employers in the metal industry in North Baden-North Wuerttemberg do not want to alter their 3.3 per cent offer in Saturday's round of talks in Karlsruhe," it quoted employers" negotiator Dieter Hundt as saying.

The four-million-strong national union wants at least six per cent and its leaders will meet on Monday to decide whether to call a ballot for a fullstrike.

The union is confident members will opt for strike action, plunging a Germany's key engineering sector into a crippling strike by May 25.

Hundt the region's chief negotiator, urged the employers and IG Metal Union officials to work to avoid a strike.

The talks relate to some 700,000 regional metal workers in North-Baden-North Wuerttemberg, the region which in the past has set the trend for sector pay settlements throughout Western Germany.

Several other regions, including Hesse and Bavaria, have already officially declared to IG Metal's main board that talks have broken down.

Employers signalled earlier this week they might change their offer when Hans-Joachim Gottschol, President of the Employers Organisation Gesamtemetall, said they would definitely offer more than 3.3 per cent.

Swiss to vote on IMF, WB membership today

BERN (Switzerland), May 16 : The Swiss go to the polls this weekend to vote on guns, sex and money, reports AP.

The referendum Sunday on membership in the International Monetary Fund and the World Bank has big implications for the neutral Alpine country's role in world politics.

Switzerland formally asked to join the IMF and World Bank in 1990 but opponents gathered enough signatures to demand a referendum.

The Swiss vote several times a year in referendums, often to challenge government policies. About a third of the 4.5 million eligible voters turn out, so well-organized opponents can defeat measures generally backed by less committed citizens.

The World Bank-IMF issue has provoked passionate opposition. The government has the support of all major political parties, industry and labour, but the outcome is anyone's guess.

Approval would cement Switzerland's informal links with the two institutions and signal that voters back the government's moves toward joining the European Community and the United Nations.

A no vote would keep the wealthy capitalist country in the lonely "observer" ranks with isolationist communist nations such as Cuba and North Korea.

Opponents say the IMF implements US led policies that have made developing countries poorer and rich nations richer. Right-wingers say membership will cost Switzerland 6.6 billion dollar

EC states closer to farm policy reform

BOURGES, France, May 16: European Community members are now in a position to agree before long on drastic reform of the Common Agricultural Policy (CAP), a senior EC official said, reports Reuter.

"The time for a decision is close. The different points of view have come quite a bit closer lately, " Guy Legras, the Director of the EC's Agriculture Division, told French farmers.

The 12 members have been discussing for over a year EC Commission proposals for sweeping reform of the CAP, shifting its focus from price support to direct aid to farmers and including severe price cuts.

At a meeting of the French Federation of Oilseed Producers (FOP), Legras urged EC ministers to decide on CAP reform by the end of June, if not at next week's farm minister's council.

"Next week's council will be long. I'm not sure it will be decisive, but in any case this business must be completed by the end of June, in other words in good time for the next season," he said.

Legras said he had seen no reasonable alternative proposal to the EC Commission's draft reform package.

The EC Commission earlier said it was opposed to a compromise put forward at a meeting of EC farm ministers last month by Portugal, which holds the rotating EC presidency.

Portugal's plan includes milder cuts in EC grain prices, and Legras said this was one issue on which the Commission could not afford to be flexible.

"After having followed this debate for over a year I have seen nobody propose any credible alternative likely to be agreed by all the (EC) ministers," Legras said.

" We can't afford to fail yet again on Cap reform, " he said.

New economic empire dubbed 'Greater China' emerging

CANTON (China), May 16: A new economic empire is rising on the Pacific rim, reports Reuter.

It has been dubbed "Greater China," is one of the fastest—growing areas on earth and offers western companies an investment gold mine.

Until a few years ago, it existed only in the dreams of China's ageing leaders -- an economic bloc embracing Hong Kong and Taiwan, and chunks of the southern Chinese coast that face two of the "Little Dragons" of Asia.

Faster than was thought possible, the dream is becoming reality. No where is that more obvious than in Canton, the booming capital of Guangdong province.

Ancient bonds of language, family and culture link this Chinese-speaking business empire that has transcended politics and borders in a search for profits.

Hong Kong is a British colony on China's coast and the island of Taiwan has been ruled by the anti-communist nationalist government since 1949.

Separately, they already have formidable clout, shaping investment, trade and travel flows in Asia. Now their economies are converging on the southern Chinese mainland where they are pouring investment into a common future.

Hong Kong has pumped 23 billion dollar into China over the past decade, almost all into Guangdong. Up to 5.0 billion dollar more has come from Taiwan, despite a nationalist ban on direct trade and investment with China.

For Western companies, the opportunities are enormous. Expansion into southern China has given Hong Kong and Taiwan breathing space to build modern infrastructure and develop their service and high-technology industries.

Taiwan's plans for infrastructure spending dwarf the rebuilding of Kuwait. Hong Kong is handing out contracts for a new airport, at 14 billion one of the largest civil engineering projects in history.

The biggest plum is south China itself, now one of the world's largest manufacturing bases that is building everything from power stations to highways and ports.

Canton is about to invite tenders for a billion dollar underground rail project, and government investment in a string of other big-ticket items in Guangdong is budgeted at 7.0 billion over the next four years alone.

"Greater China" is the product of economic reforms pushed by Chinese paramount leader Deng Xiaoping since 1978.

Its borders are indistinct, although it probably has a population of 50 million and because its economies are so closely linked it is hard to measure its total output.

A jet could circle the area in three hours or so, flying over the skyscrapers of Hong Kong's financial centre, the grimy cities of industrial Taiwan and the rice fields of south China-- an almost inexhaustible manufacturing hinterland.

Deng has made China a safe haven for the vast fortunes amassed by Chinese businessmen in Asia. He has brought together some of the world's sharpest entrepreneurs in their greatest challenge -- to develop their motherland.

Starting from south China, they are revitalising China's creaking socialist economy.

Some 60 per cent of all foreign investment in China is from Hong Kong. About 90 per cent of that money has gone into Guangdong, making it China's richest province and the largest net contributor to government coffers.

Much of Taiwan's investment has also gone into the province, and some has gone to Fujian province, a short hop across the Taiwan strait.

Canton is the meeting pot for "Greater China."

Chinese businessmen who flock to this city speak the same language, share a liking for Italian shoes and French brandly, and whether they meet here -- or in Hong Kong or Taipei - - mix business and pleasure in Karoke bars and discos.

They are part of a virtually irresistible economic force.

After almost three decades of high-speed growth, Hong Kong and Taiwan hit a wall of rising labour costs, soaring land prices and environmental damage.

About one third of Hong Kong's manufacturing industry shifted across the border to Guangdong. Taiwan's light industry scattered more evenly to other low-cost of it channeled through Hong Kong.

Hong Kong now plays "shop front" to Guangdong's "factory floor." In 1997 they will be joined politically when Britain hands back its last major colony to China.

Taiwan's nationalist government is holding out. Its hatred for Beijing -- matched only by the enthusiasm of its businessmen for the China market -- is the last major obstacle to a fully integrated "Greater China."

Business briefs

India, Cyprus sign cooperation accord: Cyprus and India, saying economic ties have lagged behind political relations, signed a protocol on Friday laying the framework for closer cooperation, reports Reuter from Nicosia.

"Despite the extremely close political relations between India and Cyprus, there is still much that can be done to promote mutual economic cooperation," India's Minister of Commerce P Chidambaram said after the signing ceremony.

Former NYSE President dead: G. Keith Funston, who as New York Stock Exchange President in the 1950s and '60s encouraged millions of Americans to buy their first shares of stock, died Friday. He was 81, reports AP from New York.

Funston, of Sanibel Island, Fla, was planning to attend weekend events marking the NYSE's 200th anniversary when he died at his summer home in Greenwich, Conn, said his lawyer, Philip Drake. He died in his sleep of a heart attack.

Polish PM sees recovery signs: Prime Minister Jan Olszewski on Friday said his Cabinet's anti-recession policy has brought the first signs of economic recovery, reports AP from Warsaw, Poland.

Addressing a news conference, Olszewski said some economic indicators for April showed increase in industrial production, lower inflation rate and high surplus of the nation's balance of payments.