UN owes Fiji

US\$ 19.6 million SUVA (Fiji), June 25: The United Nations owes Fiji about 19.6 million dollar for UN peace-keeping services in the middle East, a government

ports Reuter. "The arrears could have ac cumulated because some nations had failed to pay their contribution to the United Nations," Reatu Jone Radrodro, Permanent Secretary for Home Affairs told reporters Thurs-

spokesman said Thursday, re-

Good harvest in North China

JI VAAN, June 25: North China provinces have suffered from severe dry spells for several successive years, and yet most places have still achieved good grain harvests, reports

Xinhua. This is largely attributed to the bounty of the Yellow river, which has now become the lifeline for local farm production and cities.

Chen Xiande, Deputy Director of the Yellow River Water Conservancy Committee (YRWCC), said at present over half of the Yellow river water is being used for beneficial purposes, the highest rate among all the large rivers in the coun-

French farmers continue protest

PARIS, June 25: Frustrated by their failed attempt to blockade Paris, militant farmers disrupted road and rail traffic Wednesday in towns around France, reports AP.

"We will not give up," said a statement from the Rural Coordination, the farmers' group which tried to blockade Paris on Tuesday. "We will continue our objective, the abandoning of agricultural reforms which would eliminate French and European farmers," said Rural Coordination President Jacques Laigneau.

Bush for private industrial planning

NEW YORK, June 25: President George Bush, stressing that the US economy is on the mend, says the government should not be involved in industrial planning, reports Reuter.

"I happen to think the economy is better than most of the people in America think," he said in an interview with the New York Times pub lished Thursday.

"We saw polls something last week 60 per cent of the people think the economy is getting worse ... the economy AP. is getting better.

Moscow doubles transport fares

MOSCOW, June 25: Moscow doubled public transport fares on Wednesday, increasing the cost of a ride on the city's un derground system to one rouble (about one US cent), Itar-Tass news agency said, reports Reuter.

"The government of the capital has not managed to assign funds form its meagre budget for a transport subsidy and therefore the transport fare is now one rouble," it said

Talks on coffee price starts

LONDON, June 25 : Coffee producing and consuming countries on Wednesday began formal negotiations on a new agreement to stabilize world prices, reports AP.

Procedural difficulties had prevented progress during the first two days of this week's meeting at the International Coffee Organization's head quarters.

Nepali customs seizes 10 kg gold

KATHMANDU, June 25 Nepali customs have seized 10.23 kilograms (22.5 pounds) of gold from a South Korean on his arrival here from Hong Kong by Royal Nepal Airlines, senior customs official said here Wednesday, reports AFP.

"A little over 10.22 kilograms of contraband gold was found by the customs officials hidden in a cotton belt tied around his waist," the official

Vietnam reports record harvest

HANOI, June 25: Vietnam's spring rice harvest produced a record nine million tonnes of paddy due mainly to technical innovation, the official Vietnam News Agency (VNA) said Tuesday, reports AFP.

The total was three million tonnes or 50 per cent larger than last spring's with VNA reporting that farmers in southern Vietnam reaped 5.5 million tonnes of unshucked rice and in the north 3.5 million tonnes.

G7 to be blamed if GATT talks fail

BRUSSELS, June 25 Australia said the G7 nations would be solely to blame if they failed to break a deadlock in stalled GATT world trade talks at their July summit, reports Reuter.

"It would be criminal (and) it will be at their peril if they throw away six years of talks,' Australian Trade Minister John Kerin said in an interview relayed from Sydney.

The warning comes before weekend talks among the Cairns Group of 14 farming nations, chaired by Australia, and the July 6-8 Group of Seven (G7) industrial nations summit in Munich.

"This can only be resolved at a political level and that means the G7," Kerin told a group of Brussels based reporters.

German Chancellor Helmut Kohl's official spokesman said Wednesday the G7 nations were not planning any special steps at their meeting to try to get a breakthrough in the 108nation world trade talks under the auspices of the General Agreement on Tariffs and Trade (GATT)

The Uruguay Round GATT

talks, which seek to establish rules on open trading, have been declared 'totally and utterly blocked' by senior GATT source, mainly because of a farm trade row between the US and the European

Community. Kerin said GATT members had spent six years trying to agree rules on fair trade, but the only way of getting to the finishing line was if world leaders could make the additional political plunge needed to resolve an impasse in talks at a technical level.

"What is needed is a dose of political courage," he said.

He reiterated earlier calls on the EC to make a move that could resolve a transatlantic dispute over how far the 12 EC nations should go in reforming their costly Common Agricultural Policy (CAP)

Kohl trying to break deadlock

Reuter adds from Bonn German Chancellor Helmut Kohl is trying hard to break a deadlock in GATT world trade talks before the Group of Seven (G7) industrialised

states meet in Munich next month, his spokesman said on Wednesday

Dieter Vogel, asked if Kohl was planning any new initiatives to solve a dispute over agricultural subsidies before the July 6-8 summit, said the Chancellor was in contact with the US government and the European Community (EC) commission.

Vogel said other EC leaders were also trying to bring about a solution, but "the Chancellor is perhaps more strongly involved than others." 'Very serious attempts will

be made to find a political solution of these issues before the summit," Vogel told a news conference. If the efforts fail, the G7 leaders would probably discuss

GATT briefly in Munich and

instruct their ministers to

keep talking, he said. He said GATT would not dominate the summit and questioned whether the G7 leaders were the right people to solve highly technical issues such as subsidies.

There is not going to be an agriculture poker game between the EC and the United

States in Munich," he said.

GATT Director General Arthur Dunkel on Wednesday called for a push by world leaders to make a political breakthrough to end the deadlock and was confident agreement could be reached.

Disputes between the EC and the United States over farm subsidies were blocking all progress in the talks, which began in 1986 and were due to be concluded in Brussels in December 1990, Dunkel said.

Kohl, this year's G7 host, has often called for a GATT deal before the summit so trade feuds would not overshadow the talks meant to focus on world economic growth, ecological cooperation and aid to the former Soviet

Britain pushes to make progress

Another report from London says: Britain said on Wednesday it was pushing hard to make progress in the stalled GATT world trade talks and if necessary would press the issuc at July's Munich Summit of the Group of Seven (G7) major industrial nations.

The so-called Uruguay Round of talks under the Geneva-based trade watchdog, the General Agreement on Tariffs and Trade, are seen as a key to global economic growth

in the next decade. A senior government official said the talks would be discussed at a dinner for European Community heads of government meeting later this week at an EC summit in Lisbon.

Prime Minister John Major and EC commission president Jacques Delors talked about them at length at a meeting in London on Tuesday evening.

"We are pushing very hard" for progress in GATT, the official said. "If it is not resolved by then (the Lisbon Summit) we will have to keep pushing at the Munich Summit." The British official gave no

details of Major's talks with Delors on GATT. But he said the two had a "good workmanlike discussion" on the Lisbon agenda and issues likely to dominate Britain's six-month EC presidency from July 1.

An earlier AP report adds French Trade and Industry Minister Domingue Strauss-

Kahn expressed doubts Wednesday that the deadlocked GATT negotiations can be

resolved before US presidential elections in November. Negotiators in the five-year Uruguay Round will continue to work on various, technical issues in the meantime. Strauss-Kahn said during a presentation of French trade

figures. France, rocked by two weeks of protests by farmers who claim the cuts will put them out of business, will be reluctant to make further cuts.

Strauss-Kahn said that France showed a foreign trade surplus of 5.6 billion franc (one billion dollar) from January through April and expects the balance to be at 'near equilibrium" for 1992.

In 1991, the French trade deficit narrowed to 30 billion franc from 50 billion franc (5.7 billion dollar to 9.5 billion dollar) in 1990.

Strauss-Kahn said that the improvement in France's trade balance is mostly the result of improved industrial performance, not a general perception that it is due to exports of Airbus airplanes.

LONDON, June 25 : The

Asian Development Bank (ADB)

will start lending in US dollar

from July 1, ADB Treasure

Tomoo Hayakawa said, reports

(funds in) mixed currencies.

but some countries like to bor-

"At the moment we provide

EC labour talks

Britain opposes to 48-hour workweek

LUXEMBOURG, June 25: Britain told its European Community partners Wednesday it would not accept an ECmandated, maximum 48-hour workweek - a measure London sees as EC meddling in its affairs, reports AP.

But an EC draft law which would have standardized working hours, annual vacation and other labor conditions was finally shelved not over British intransigence, but over French and German disagreements on how the workweek should be calculated and who should determine exceptions to the rule.

The meeting of EC labour and social affairs ministers ended shortly before midnight when ministers decided to refer the two sticking points to technical groups charged with finding a solution before the end of the year.

British officials had been cautiously claiming victory after their demands for the right of British workers to volunteer to work more than 48 hours per week and on Sunday had been met.

Stocks rebound while dollar remain weak in Tokyo

TOKYO, June 25: Prices on the Tokyo Stock Exchange rebounded Thursday after a morning setback, while the US dollar remained weak against the Japanese yen, reports AP.

The 225-issue Nikkei Stock Average gained 290.05 points, or 1.83 per cent, to end at 16,143.72 after losing more than 100 points in early trading. On Wednesday, the average fell 253.32 points, or 1.57 per cent.

The Tokyo Stock Price Index of all issues listed on the first section rose 15.13 points, or 1.23 per cent, closing at 1.248.50. The TOPIX shed 13.84 points, or 1.10 per cent the day before.

The dollar closed at 126.62 yen, down 0.41 yen from Wednesday and above its New York close at 126.45.

Dollar loses against major currencies

NEW YORK, June 25: The US dollar lost ground again on world currency markets Wednesday, depressed by fresh economic data that called into question the strength of the US economic recovery, reports

Gold prices were mostly lower. On the New York Commodity Exchange, gold bullion for current delivery settled at 342.80 dollar a troy ounce, off 1.70 dollar from Tuesday. Republic National Bank said gold fell 1.45 dollar an ounce to a late bid price of 342.65 dollar.

The dollar tumbled on a report showing new orders for "big ticket" manufactured goods fell an unexpectedly sharp 2.4 per cent in May the steepest drop since December - underscoring the uneven nature of the economic

Most observers had anticipated an advance of between 0.3 per cent and 0.9 per cent which would have been the third consecutive rise in

The dollar really needed to see some good economic reports," said Mike Faust, an analyst with MMS International "And when we didn't see it, it set the stage for some pretty solid dollar losses."

BEIJING, June 25: Taxi

drivers, entrepreneurs and the

unemployed are flocking to

China's first stock market

school, where after 10 weeks

of instruction they still con-

lottery tickets, writes AP.

many a naive investor.

sider shares to be like winning

after four decades of commu-

nism and prices are rising ge-

ometrically, but economists say

the bubble could burst on some

issues. There is concern the

get-rich-quick fever could ruin

make me rich," said Zhang Lin,

a student at the school in his

30s who has never held a

steady job and is unemployed.

given a one-hour lecture on

common stock manipulation

tactics and the perils to the

small investor. But his warn-

ings seemed to have fallen on

rushing to classes and book-

stores to learn about stock

markets, alien institutions

from capitalist societies that

are suddenly in favour with

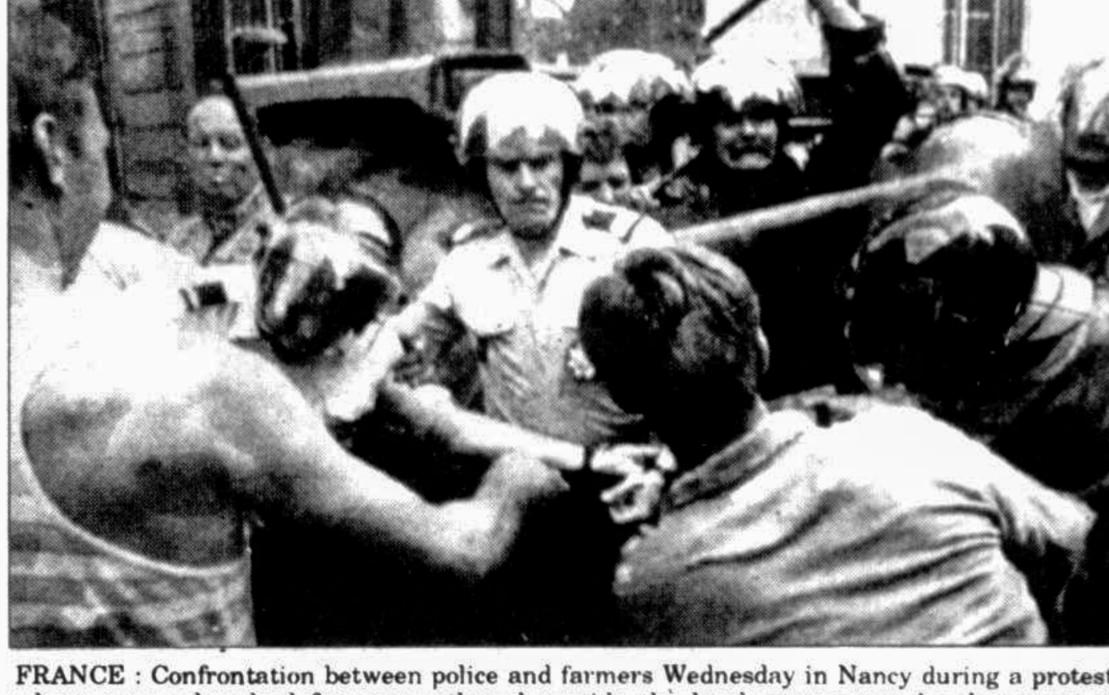
China's socialist leaders.

Chinese nationwide are

"I'm counting on this to

The instructor had just

Share trading has exploded



FRANCE: Confrontation between police and farmers Wednesday in Nancy during a protest where over a hundred farmers gathered outside the local government headquarters of Meurthe et Moselle. French farmers are protesting the changes to subsidies brought about by the European Common Agricultural Policy (CAP) - AFP photo

Russia to get \$ 1b IMF loan

WASHINGTON, June 25 Russia, scrambling for Western assistance to prop up its ailing economy, will soon receive an initial one billion dollar loan from the International Monetary Fund (IMF), and Bush Administration, sources said

Wednesday, reports AP. The money most likely will be approved within the next 10 days even though Russia has yet to receive full approval from the IMF for its economic reform programme, officials

Both IMF and Bush Admin istration officials said Russia and the international lending agency were exploring ways to speed up the delivery of Western assistance given the urgent plight of the Russian economy.

Normally, a country is not allowed to borrow until the IMF has given approval of its plans to foster a free-market economy.

However, negotiations between Russia and the IMF have hit snags with Russian officials complaining that the IMF has been making excessive demands and has failed to recognise the unique problems Russia faces as it tries to introduce democratic government at the same time it is reforming its economy.

In an effort to overcome the negotiating delays, both sides are looking at a little-used IMF provision that allows a country

Many newspapers, includ-

ing the Communist Party pa-

per, the People's Daily, have

started running series explain-

Any book with the word

"stocks" in the title is a sure

bestseller. Beijing's largest

bookstore sold out 1,000

ing the Stock Market" in just a

failed to purge many Chinese

of the notion that stocks are a

quick and safe route to riches.

investment is protected be-

cause China is a Communist

country. One man who lost

money on the Shanghai stock

market recently was so

shocked and depressed that

Xiaoping declared in January

that stocks could help China

develop and were good, Sun

Puqin saw a money-making

ment at the Finance and Eco-

nomics College in Beijing,

joined forces with a friend and

out a tiny ad in a newspaper

Sun, who teaches invest-

When senior leader Deng

he committed suicide.

opportunity.

But all the information has

Many wrongly believe that

copies of "183 Tricks of Play-

ing stocks and bonds.

few hours.

to draw down up to 25 per cent of its allotted borrowing resources without a fully approved IMF reform pro-

This does not mean that Russia can forego meeting certain IMF conditions, but the requirements will be less than for an IMF stand by arrangement, the term used to describe a reform programme that has full IMF blessings.

Administration officials said this approach had been employed in the past for coun tries such as India, Venezuela and Chile.

A senior Treasury Department official, who briefed reporters on condition that his name not be used, conceded that there were risks that Russia might lessen pressure to implement needed reforms once it receives the first one billion dollar.

But he said, "I think it is very important to indicate to them that we think they are moving in the right direction. They know that if they take the first one billion and don't do anything, they are not going to get the rest." IMF Managing Director

Michel Camdessus has said that with a full IMF programme Russia could expect to receive four billion dollar in financial assistance from the IMF as part of a larger 24 billion dollar Western aid pack-

mysteries of the market.

Hundreds of applicants

The 120 students who

showed up at their Wanlong

Securities School, set up in a

school building that was vacant

eventually registered for the

three-month, six-hour-a-week

course range in age from the

20s to 60s. They are private

entrepreneurs, government of-

ficials, factory workers, taxi

drivers and jobless. Tuition is

180 yuan (33 dollar), about the

average monthly wage for a

think about these things. But

after what Deng Xiaoping said,

we have greater faith," said a

55-year-old pharmacist who

refused to give his name, be-

traying a fear that some offi-

cials still might consider

and other would-be investors

is that, in this country where

savings accounts bear low in-

terest, demand far exceeds

reported that nearly one-fifth

The People's Daily recently

The main problem for him

stocks unacceptable.

supply.

"In the past, we didn't dare

Beijing worker.

Stock market school in Red China

at night.

age announced in April. An IMF source, who also spoke on condition of anonymity, said an IMF negotiating team was returning to Moscow on Thursday with the goal of wrapping up initial discussions on that country's efforts to switch to a market based economy.

The source said that as soon as those discussions were completed Camdessus would recommend that the agency's 22-member executive board immediately approve the one billion dollar advance while negotiations continued on the full IMF programme.

He said all of this was expected to be completed before the world's seven richest industrial countries meet on July 6-8 for their annual economic summit

The IMF source said Wednesday that the United States was one of several countries pressing for quick agreement, but he disputed published reports that the IMF was significantly softening its reform demands in an effort to speed up the approval process.

A top official of the Russian government indicated that the initial one billion dollar advance loan would assist the country in the difficult step of making the Russian currency the rouble, fully convertible into other currencies.

or other securities.

But only a few dozen stocks

are listed on China's 18-

month-old markets in Shang-

hai and Shenzhen. When a new

stock is about to be issued, the

government holds a lottery and

those who win are allowed to

and office co-workers in Bei-

turns travelling to the two ci-

ties to stand in long lines and

20 per cent of investors make

money on most of the world's

enough money, don't be too

Sun told his class that only

"If you think you've made

Still, it's hard to take his

warnings seriously when some

stocks that appeared just five

months ago on the Shanghai

market already have increased

great, I still want to try it,

"Even if the dangers are

buy the "lottery tickets."

"Sell," he advised.

stock markets.

tenfold in value.

said the pharmacist.

greedy."

jing pool their savings and take

College students, relatives

offering night classes in the of China's 1.13 billion people

Two more arrested over Indian bond scam

NEW DELHI, June 25 : In dian detectives arrested two more top brokers Wednesday in an ongoing crackdown over a billion-dollar securities fraud the Press Trust of India (PTI) said, reports AFP.

Central Bureau of Investigation (CBI) officers took into custody Hiten Dalal and JP Gandhi, leading Bombay Stock Exchange brokers, bringing to seven the number of suspects held in raids since late Tues day, PTI said.

Brokers Bhupendra Dalal and AD Narottam, Anil Narichania, Assistant General Manager of the Canbank Mutual Fund, and two officials of the liquidated Bank of Karad had been picked up Tuesday.

Another suspect in the bond scam, broker T B Ruia was undergoing treatment for a slipped disc at a Bombay hospital.

The seven suspects, whose arrest brought to 18 the number held in the scam unearthed in April, were expected to be produced later Wednesday before a special judge in the western port city,

India's commercial hub. CBI detectives Tuesday raided 22 places in Bombay and the nearby town of Karad in connection with investigations into the scam, in which huge amounts of public funds were allegedly siphoned into stocks by a nexus of bankers

and brokers, I'll said.
A central bank probe has estimated that 30 billion rupee (one billion dollar) were di verted from government secu rities managed by the banks for brokers to play the stock market in India's biggest financial scandal.

Detectives have named Harshad Mehta, 38, a leading bull operator responsible for an unprecedented stock market boom that has now ended, as mastermind of the fraud, which has shaken Indian stock markets and banks.

Errata: The photo published in page 6 on Wednesday's issue by mistake had a wrong caption. The caption should read: Five of the six former stock exchange officials, accused of corruption showing V-sign outside Hong Kong High Court after a jury returned to a not guilty verdict after more than 40 hours of deliberations. (AFP photo)

Smokers may sue producers said they planned to buy stocks for health

WASHINGTON, June 25 The US Supreme Court ruled on Wednesday that smokers may sue for damages under state injury laws, a decision that could have a major finan cial impact on the tobacco industry, reports Reuter.

hazards

By a resounding 7-2 vote, the High Court, in the most important business case of its term, rejected the industry's sweeping argument that the cigarette health warning law, adopted in 1965 and amended in 1969, shields cigarette companies from such lawsuits.

be pleased with the compli-

cated ruling.

The tobacco industry alpolicies. ready faces about 50 lawsuits across the country seeking millions of dollars in damages. Even more lawsuits could

now be filed alleging that the industry fraudulently con spired to conceal the health Qian said. hazards of smoking. Both sides found reasons to

the key Japanese government bond yields 5.4 per cent and Swiss bonds around seven per "If we use lending windows in US dollar, probably our bor-

row in US dollar, "Hayakawa rowing operations might be told a business conference. more flexible", he added. The ADB currently lends in a basket of low-yielding currencies, a common practice among multi-national financial

he said.

ABD to start lending

in US dollar

institutions. Its basket consists mainly of Swiss franc and yen, Hayakawa told Reuters.

"For those countries with yen or Swiss franc income there's no problem," he said. "But given foreign exchange risks, some of our clients have been requesting dollar loans even though interest rates would be higher."

The yield on the benchmark US treasury bond is currently about 7.8 per cent while

Swapping its interest payments into dollar would be much easier for the ADB than swapping into the yen or franc,

The dollar swap market is by far the most liquid of all the currency sectors. ADB is planning to borrow 3.1 billion US dollar this year, more than doubling the 1991 figure of 1.3 US billion dollar.

It borrowed 800 million US

dollar in 1990 and 600 million

US dollar in 1989.

Nepal takes first step to reform economy

KATHMANDU, June 25: Nepal has offered three state industries to private entrepreneurs as a first step in its economic liberalisation plans. Finance Ministry sources said,

reports Reuter. They said Finance Minister Mahesh Acharya on Tuesday summoned members of major opposition parties and briefed them on government plans to sell the three Chinese-built public sector industries in the

first phase of privatisation. They said 14 businessmen, including an Indian, were interested in the paper factory, brick and tiles factory, and leather and shoes manufacturing unit.

However, the socialist govcrnment's far left opponents have already criticised the Two of the three factories

on offer were losing money, with the paper unit showing a small profit, the sources said. Nepal's public sector controls 62 enterprises, about half

of them in manufacturing and

the rest in trading and ser-Official sources said the government planned to privatise most of the industries and save in the social service sec-

based consultancy firm was commissioned to prepare the brief to deregulate Nepal's largely state-controlled econ-They said the firm Deloitte

They said a New Zealand-

Ross Tohmahtsu will also scrutinise the buyers' bids before the government takes any decision to sell the three fac-The study to deregulate

Nepal's economy was financed

by the World Bank, the United Nations Development Programme, and the International Labour Organisation, the sources said.

They said the government hoped to save 12 to 15 per cent of its budget outlay through its privatisation plans.

.The ruling Nepali Congress party of Prime Minister Girija Prasad Koirala, which has traditionally supported socialism, said the move will not compromise the party's ideology.

However, the Unified Marxist and Leninist Party leader Bharat Mohan Adhikary said "everything should have been above board. Such a great emphasis is being laid on privatisation as if this is the panacca of all ills.

Socialism: China, former USSR differ

SYDNEY, June 25: China and the former Soviet Union differ greatly in the socialism they pursued, the visiting Chinese Foreign Minister Qian Qichen said here, reports Xin-

Delivering a speech at the Asia-Australia Institute of the University of New South Wales, Qian said that the prediction by some people that China would be the next to collapse after the disintegration of the Soviet Union results from a lack of basic knowledge and

understanding of the facts. He made a comparison between the former Soviet Union and China in respect of diplomatic, economic and ethnic

The former Soviet Union, pursuing hegemonism, was engaged in the arms race and frequent military invasion of its neighbours or resorted to threat of force against them,

This presented a sharp contrast to the independent foreign policy of peace that China followed, he said.

For its economic development, the former Soviet Union practised a highly centralised planned system at home and formed the self-seclusive COMECON with East European countries abroad, Qian said, which led to a long-term stagnation in its industrial and agricultural production and steady deterioration of people's livelihood.

He said that China adopted appropriate measures and adjusted its economic strategy in light of its conditions although it once took a round about course in the economic development. "Over the past 14 years in particular we focused on economic development, accelerated the reform and opening-up process and scored remarkable achievements."

In contrast Qian said, China instituted the policy of national equality, unity and mutual assistance and adopted the policy of regional autonomy in areas inhabited by minority nationalities.