

BRIEFS

Australia to focus on employment

SYDNEY, July 9: Australia's jobless rate hit a post-World War II record of 11.1 per cent in June, prompting Treasurer John Dawkins to declare Thursday his August budget would focus on improving employment prospects. Dawkins described the unemployment data as "of very great concern to the government" and said the economy needed to grow by three per cent as quickly as possible to help create jobs, reports AFP.

OECD hopeful about French economy

PARIS, July 9: The Organization for Economic Co-operation and Development (OECD) expects a gradual firming of the French economy as of mid-year, it says in a study released here on Thursday.

But it adds that French Gross Domestic Product (GDP) is not expected to return to its potential growth rate of around 2.75 per cent a year until around the middle of next year. GDP will rise by two per cent this year and 2.6 per cent next year, reports AFP.

Poland reports \$644m trade surplus

WARSAW, July 9: Poland turned in a 644-million-dollar trade surplus in the first four months of the year, the Foreign Trade Ministry said Wednesday. A statement said the result was due to the devaluation of the Polish currency, the zloty, in February. From January to April, Polish exports amounted to more than 4.5 billion dollars, while imports were worth 3.9 billion dollars, reports AFP.

Mongolia's economic crisis worsens

ULAN BATOR, July 9: Mongolia's economic crisis sharpened in the first half of 1992 as the country grappled with crippling shortages and runaway inflation following the break-down of its old communist system. Official figures obtained on Thursday showed Mongolia's industrial output fell by 23.7 per cent during the first six months of this year against the same period in 1991, largely because of disruptions in electricity production and shortages of raw materials, reports Reuters.

Two US oil companies announce job cuts

CHICAGO, July 9: Adding to a massive wave of recent US corporate layoffs, two major oil companies said on Wednesday they were cutting 9,600 jobs because of the tough economic times and a need to consolidate. Amoco Corp, the fifth-largest US oil company, said it will eliminate 8,500 jobs from its workforce of 54,120 employees in the next 18 months, and Los Angeles-based Unocal Corp announced plans to cut 1,100 jobs, reports Reuters.

Indians bring in 22 tonnes of gold

NEW DELHI, July 9: Expatriate Indians have brought more than 22 tonnes of gold into India in the last three months after the government allowed its import, Junior Finance Minister Rameshwar Thakur said. "We have set a target of 35 tonnes for the entire 1992/93 (April/March)," Thakur told journalists. "We will far exceed it. Gold is flowing into this country," he said, reports Reuters.

BCCI scandal hits financial markets

NEW YORK, July 9: For the first time a sharp disturbance in major financial markets has been linked to the Bank of Credit and Commerce International scandal, several investigators in the case said Wednesday. Silver prices plunged on Tuesday in selling some analysts link to the resignation of a leading Saudi Arabian banker indicted in the BCCI affair. Silver's fall spilled into the oil market, and lower oil prices figured into the 44-point drop in the Dow Jones industrial average on Tuesday, reports AP.

Hussein meets Saddam's aide

AMMAN, July 9: King Hussein met Wednesday with a long-time aide to Iraqi President Saddam Hussein, apparently to discuss growing US pressure to deploy UN observers in Jordan to ensure no contraband is smuggled into Iraq. The King and Iraqi Vice President Taha Yassin Ramadan "exchanged views on latest developments related to Jordan and Iraq" during a 90-minute session, a senior Jordanian official said. He declined to elaborate. An Iraqi diplomat said Hussein and Ramadan "discussed the determination of both countries to protect their dignity and sovereignty and to face conspiracies directed against them," reports AP.

\$170m fine levied for breaking Fed law US judge freezes Saudi banker's assets

NEW YORK, July 9: A federal judge on Wednesday froze the US assets of a former Saudi Arabian banker indicted in the BCCI scandal and the Federal Reserve Board revealed it is seeking a 170 million dollar fine from Sheikh Khalid bin Mahfouz, reports AP.

US District Judge Kimba Wood of Manhattan signed an order that prevents Sheikh Khalid from removing any property or assets from the United States.

He was indicted last week by a Manhattan grand jury on charges he and an associate sought to defraud BCCI depositors of more than 300 million dollars.

Sheikh Khalid resigned Tuesday as Chief Operating Officer of the National Commercial Bank of Saudi Arabia, that country's largest bank. He said he plans to devote his time to fighting his increasingly complex legal matters in the United States.

AFP reports from Washington: The Federal Reserve said Wednesday it had slapped a 170-million-dollar fine on a Saudi banker for his role in acquiring a US bank for the disgraced Bank of Credit and Commerce International, reports AFP.

The US central bank accuses Sheikh Khalid bin Mahfouz of violating federal banking law in 1986 by acquiring 28.7 per cent of the Dutch Antilles-based parent company of First American Bank shares, the Washington area's biggest bank.

The fine was the largest the Fed has levied on an individual. It is seeking 200 million dollar from BCCI. The Federal Reserve also levied a six million dollar fine on Haroon Kahlon, a leading associate of Khalid.

Both Khalid and Kahlon were indicted last week by a grand jury in New York for allegedly defrauding BCCI depositors of more than 300 million dollars.

Khalid, whose net worth is estimated at about one billion dollars, resigned Tuesday as Chief Operating Officer of the National Commercial Bank of Saudi Arabia, that country's largest bank with 21.9 billion dollar in assets.

The Saudi banker issued statement Wednesday saying he had not broken any US laws and calling the Federal Reserve's action "unwarranted and ill-advised."

He said cooperating with investigators made him a con-

venient target and charged that the allegations were "based on forged documents and the actions of others."

"I welcome the opportunity to combat these false charges," he said.

In New York, meanwhile, a federal judge froze Khalid's assets in the United States, barring the 44-year-old Sheikh from removing any of his assets or property from the country.

Assistant US attorney Beth Kaswan said she did not have an estimate of the Sheikh's assets in the United States, but said the court order covered a Manhattan penthouse.

Khalid owns millions of dollar worth of property in New York, Florida and Texas, New York District Attorney Robert Morgenthau said last week when the grand jury indictment was handed up.

The court order also covers the Sheikh's 4.9 per cent stake in MCorp, a failed Texas banking company.

The Pakistani-founded BCCI, once the developing world's largest bank, was shut down by banking regulators across the globe last year amid charges of fraud and money laundering.

US House threatens trade sanctions on Japan

WASHINGTON, July 9: The House of Representatives voted Wednesday to impose trade sanctions on Japan if its car companies fail to abide by a promise to buy more US-made auto parts, reports AFP.

The bill, sponsored by democratic lawmakers from heavily industrialized states, could freeze Japanese car imports at their current voluntary ceiling of 1.65 million cars a year.

The White House has threatened to veto the legislation.

"The good jobs are slipping away," said representative Sander Levin of Michigan — home to the country's three main automakers Ford, Chrysler and General Motors.

He pointed to the loss of 300,000 jobs from the US auto industry in the past year.

"The time has come to stop saying things are better when they are worse," Levin said.

Japan's biggest automakers promised to increase their purchases and use of US car parts during a January visit by President George Bush and several top American auto executives to Tokyo.

Republican opponents of the trade bill called it a case of election-year Japan-bashing by protectionists that would drive up the price of cars for consumers.

"American families cannot afford to pay the bill for another Detroit-sponsored round of protectionism," said representative Phill Crane, a Republican from Illinois.

The bill revives a previous law that allowed the US administration to single out countries with barriers to US imports and impose trade sanctions on them, including higher tariffs and stricter quotas on their goods.

The legislation would also make permanent the voluntary quota on Japanese car imports into this country and would require Japanese cars assembled in the United States to include at least 70 per cent US-made parts by 1994.

Japanese cars produced at US plants currently are assembled from about 50 per cent domestic parts.

If Japan failed to comply with either aspect of the legislation, new tariffs and quotas could be imposed on their automobiles.

Since late May, the gov-

Dhaka stresses urgent implementation of action plan for LDCs

UNITED NATION (New York), July 9: Bangladesh strongly supports the view that domestic policies in the developing countries must be accompanied with long-term external support and international cooperation for significant reduction of poverty and its eventual elimination, reports BSS.

Addressing a substantive session of the Economic and Social Commission (Ecosoc) here yesterday afternoon, Ambassador Humayun Kabir, leader of the Bangladesh Delegation and Permanent Representative to the United Nations, drew the attention of the world body to the extremely precarious and vulnerable situation of the Least Developed Countries (LDCs). He stressed the need for implementation of the new plan of action for the LDCs, adopted in Paris conference in 1990, on an urgent basis.

He said peace and security are closely linked with economic and social development and urged all concerned to give the cause of development priority attention. The UN is now in a unique position to assume a leadership role not only in the maintenance of peace and security but also in economic and social development and environment related

issues, he added.

The Bangladesh Permanent Representative said, although many priority programmes, including eradication of poverty and hunger, human development, decreasing population growth and greater use of new and renewable energy sources for sustainable development, were high in the agenda of developing countries, these could not be implemented due to serious resource and technological constraints.

In this connection Kabir quoted from the policy statement of Bangladesh Finance Minister M Saifur Rahman while presenting the budget at the current session of the parliament on June 18 and said various reform measures for structural adjustment like more efficient public resource management, creation of a competitive market economic environment through sustained deregulation and liberalisation, enhancement of operational efficiency of the public sector enterprises, procedural improvements in the area of public investment and utilisation of foreign aid were undertaken by the present Bangladesh government.

He expressed the hope that the UN would take a leading role in this field.

Delhi tries to end week long truck strike

NEW DELHI, July 9: India's Federal Government has appealed in the Supreme Court for the withdrawal of a freight tax levied by state governments to try to end a week-long truckers strike that has paralysed the economy, news reports said, according to Reuters.

The Federal Government said in the Supreme Court that the tax was "unreasonable," the Economic Times newspaper reported. The move supported a petition filed by a truckers union to declare the taxes illegal.

The Court will rule on Thursday (today) on whether to stay the levy until the case is decided.

More than one million truck operators across the country have been on strike since July 1, saying they will not return to work until the tax is withdrawn.

Prime Minister PV Narasimha Rao scheduled to meet the Chief Ministers of nine state government soon to request them to lift the levies.

Last week, the federal government withdrew the taxes from the country's seven union territories, which are administered by New Delhi. But the truckers have said they will not call off the strike until the taxes are withdrawn all over the country.

The strike has hit key sectors of the economy and has pushed up the price of food and vegetables.

US Democrats push to shift unspent aid

WASHINGTON, July 9: Democrats in the US House of Representatives began pushing Wednesday to shift hundreds of millions of unspent dollar from foreign aid and domestic programmes to road building and other transportation projects, setting up a new election-year battle with President Bush, reports AP.

The measure, which the House will debate on Thursday, drew an immediate veto threat from the Bush administration. It complained that the proposal would spend dollar that would otherwise go to reduce the deficit.

"It could slow recovery and threaten job creation," the White House's Office of Management and Budget wrote to congressional leaders.

Corruption scandal paralyzes Brazil

SAO PAULO (Brazil), July 9: The growing political scandal that threatens to engulf the administration of President Fernando Collor de Mello has paralyzed Brazil's economy, business leaders said Wednesday, reports AP.

The country is being held hostage by a completely abnormal situation," said a manifesto signed by more than 50 business associations from around Brazil.

The 12-point manifesto, which was being delivered Wednesday night to Economy Minister Marcello Marques Moreira, said that unless the "political crisis is administered with serenity and lucidity, the country's future could be jeopardised."

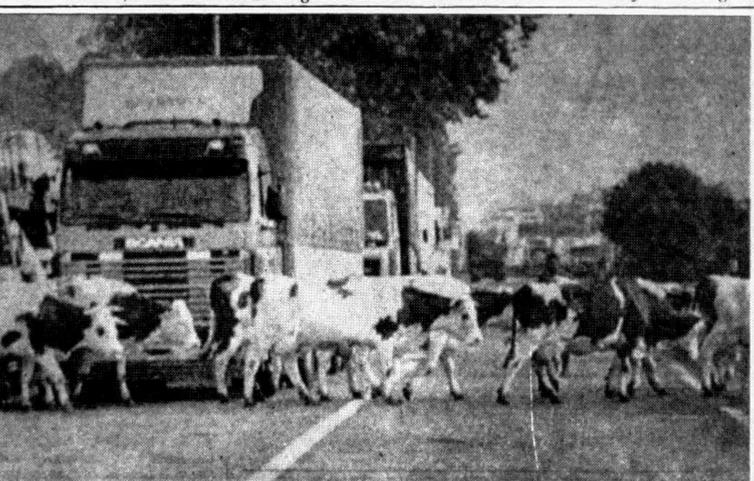
The congressional commission is also looking into published reports

ernment has been bombarded by charges of corruption and influence peddling.

Congress is investigating charges that Paulo Cesar Farias, a wealthy businessman and treasurer of Collor's 1989 presidential campaign, received millions of dollars in illegal political contributions and kickbacks from companies that received lucrative government contracts.

The allegations have been partly confirmed by former government officials. Some of them have said Collor knew of Farias's illegal activities and did nothing to stop him. Others have said Farias was Collor's front man.

The congressional commission is also looking into published reports



SAINT REMY (France): Cows crossing a national highway early July 8. The road is blocked by some 3000 trucks as drivers continue their protest against the points based licensing system. — AFP photo

G-7 to extend ESAF for 1 yr

MUNICH (Germany) July 9: The Group of Seven nations have agreed to extend for one year the International Monetary Fund's soft loan facility to the world's poorest countries, French government spokesman Jean Musitelli said, reports Reuters.

Musitelli also told reporters the G-7 had agreed to a case-by-case plan to reduce the debt of richer developing nations, including the Congo, Cameroon and the Ivory Coast.

Musitelli said the decision to reduce the debt of these countries had been taken after

French President Francois Mitterrand raised the issue in a letter to German Chancellor Helmut Kohl before this week's summit in Munich.

French officials said debt reduction of about 40 to 50 per cent could be envisaged for these three debtor nations.

There had been worries ahead of the summit, voiced especially by France, that a focus at this week's Munich Summit on helping the reconstruction of the newly democratic eastern European nations meant poorer African nations would be neglected.

Musitelli said the one-year extension of the IMF's so-called Enhanced Structural Adjustment Facility, ESAF, would only be first stage.

The IMF would be requested to transform the extension into a permanent facility, he said.

British officials said the IMF had been asked to review the future of ESAF, whose funds run out towards the end of this year.

A report was likely to be discussed at the Fund's annual meeting in Washington this autumn.

G-7 summit spelt disappointment for German Chancellor

MUNICH (Germany), July 9: Chancellor Helmut Kohl, host to this year's G-7 summit, was glum and evasive after it failed to chalk up decisive progress on projects he championed, reports Reuters.

Kohl, sorely in need of an international success to offset his sinking popularity at home, looked let down after other industrial giants did not go long with his pet projects like GATT and safe Soviet-made nuclear plants.

At his final press conference, he also had to defend the Munich police's ironfisted tactics that marred the glittering summit scenario and threatened to become a domestic scandal.

"I haven't been looking at this in terms of reports about German successes," he said defensively when asked what progress he could report on his agenda of key summit topics.

Before the summit, Kohl hoped for a breakthrough in GATT world trade talks to help his export-oriented economy and major fund to refurbish shaky Soviet-made atomic plants.

In the end, the elusive GATT agreement was officially put off until the end of 1992.

The nuclear safety plan turned out to be more modest than planned after the United States and Japan objected. It did not mention the 700

million US dollar experts say the old communist world urgently needs to avert another Chernobyl disaster.

As if to compound his problems, Russian President Boris Yeltsin said the West vastly underestimated the nuclear problem and put its overall cost at 40 billion US dollar.

In the success column, Kohl saw the summit pledge more aid to Russia — a key issue given Bonn's worries about stability there — and avoided what could have been a wave of criticism over Germany's high interest rates.

This summit's popularity is suffering badly from the all too obvious contrast

Kuala Lumpur defends its tough anti-drug policy

PERTH (Australia) July 9: Malaysian Minister for International Trade and Industry Rafidah Aziz has urged Australians to try to understand neighbouring countries and has defended her country's tough line on drug smuggler, reports AFP.

"Never try to impose your values on them no matter how good or how right you think your values are," Rafidah said here Wednesday night. She was one of the speakers at a conference, called Outside Images of Australia, at Curtin University.

"If Australians judge Malaysia by the negative media reporting, then we can't be much to you."

"Our country has been described as a police state and a dictatorship. Our people have even been called barbarians". She said Malaysian laws were a product of Malaysian values, cultures and norms, and were subject to the Malaysian environment.

"So if you come to Malaysia and traffic in drugs we will subject you to our laws. Of course, we do not try drug traffickers in kangaroo courts. The due process of the law is meticulously adhered to."

"And we treat everybody the same way, be they Malaysians, Australians or British."

Fortune's list of biggest companies

NEW YORK, July 9: Here are the biggest companies in the world ranked by industry, as compiled by Fortune magazine in its annual Global 500 list, according to AP.

- The industry category is followed by the top company, home country and 1991 sales.
- Aerospace: Boeing, United States, 29.31 billion dollar;
- Apparel: Levi Strauss Associates, United States, 4.90 billion dollar;
- Beverages: PepsiCo, United States, 19.77 billion dollar;
- Building Materials: Saint-Gobain, France, 13.31 billion dollar;
- Chemicals: DuPont, United States, 38.03 billion dollar;
- Computers, Office Equipment: International Business Machines, United States, 65.39 billion dollar;
- Electronics, Electrical Equipment: General Electric, United States, 60.24 billion dollar;
- Food: Philip Morris, United States, 48.11 billion dollar;
- Forest Products: International Paper, United States, 12.70 billion dollar;
- Furniture: Johnson Controls, United States, 4.57 billion dollar;
- Industrial and Farm Equipment: ABB Asea Brown Boveri, Switzerland, 28.88 billion dollar;
- Jewelry, Watches: Seiko, Japan, 3.07 billion dollar;
- Metal Products: Pechiney, France, 13.20 billion dollar;
- Metals: IRI, Italy, 64.10 billion dollar;
- Mining, Crude-Oil Production: Ruhrkohle, Germany, 14.90 billion dollar;
- Motor Vehicles and Parts: General Motors, United States, 123.78 billion dollar;
- Petroleum Refining: Royal Dutch-Shell Group, Britain-Netherlands, 103.84 billion dollar;
- Pharmaceuticals: Johnson and Johnson, United States, 12.45 billion dollar;
- Publishing, Printing: Bertelsmann, Germany, 9.10 billion dollar;
- Rubber and Plastic Products: Bridgestone, Japan, 13.23 billion dollar;
- Scientific and Photo Equipment: Eastman Kodak, United States, 19.65 billion dollar;
- Soaps, Cosmetics: Procter and Gamble, United States, 27.41 billion dollar;

Israeli monopoly in diamond trade goes

JERUSALEM, July 9: Israel, the world's biggest cut diamond centre, is moving into the uncut market by turning the Tel Aviv diamond exchange into a free trade zone, reports AFP.

The move, which was put into operation on July 1, is aimed at drawing buyers and sellers who can repatriate profits in foreign currency free of taxation, exchange spokesman Moshe Behagahon said.

Foreigners will no longer have to use an Israeli intermediary to do business. Until last week, uncut stones had to be imported by Israeli professionals and cut in one of the hundreds of small workshops spread throughout the Ramat Gan suburb around

the exchange.

"We are now going to take on the other centres dealing in uncut diamonds such as Antwerp in Belgium without any handicaps," Behagahon said.

The Chairman of the exchange Moshe Schnitzer told AFP that the free trade zone would enable the Russians to open a centre in Ramat Gan selling rough diamonds, which could be followed by African countries.

Russia is the world's big producer of quality diamonds. "Russians will for example sell their uncut stones in Israel to Americans who will then cut them in the United States without having to go through a European centre," Schnitzer

said.

The move will also allow Israeli dealers to buy brought-diamonds more cheaply.

Last year Israel imported uncut stones worth 2.5 billion dollar and exported cut stones worth nearly three billion dollar.

Until now Israel merchants bought nearly half of their stones in London from the Anglo-South Africans Giants De Beers, who control the world diamond market, and the other half on the open market, mainly in Antwerp.

The operation comes at a time when the world market is in recession.

"Sales remain very weak, even if there are slight signs of an upturn in the United States, the main importing country," he explained.

"On the other hand, in Japan we are still far from the end of the tunnel."

Israel's cut diamond exports were worth 1.3 billion dollar in the first half of this year, up six per cent on 1991. "But the increase is deceptive," Schnitzer said, "because at the start of last year sales fell due to the Gulf War. In fact the market is stagnant and we hope for an improvement at the end of 1992 and to get us over the three billion dollar barrier for annual exports."

Treasure hunters make lucky strike

MONTEVIDEO July 9: High-tech tools got them very close, but without luck and a seagull's unwelcome visit, treasure hunters might never have found two sunken Spanish ships lost for two centuries, reports AP.

Divers led by Ruben Collado were searching the shallow, rocky River Plate estuary in 1985 for the wreck of the Nuestra Senora de Loreto when the gull relieved itself on one of the divers' boats.

"It was so mad he threw the pole into the water," Collado said, referring to the long rod used to probe for sunken hulls. "He hit wood. It was the Loreto."

Collado's divers were in the murky water a few miles (kilometers) away, securing a cable around a cannon he could barely see, when he touched something small, smooth and round. It was a gold coin.

That confirmed the final resting place of the Preciado, a galleon sunk by pirates in 1792 after it set out for Spain with nearly 200 tons of gold and silver, almost all of it coins.

"If it were not for that diver, today we'd have that sixth cannon and nothing else," Collado, a cheerful, 55-year-old Argentine with an engineering background, said in an interview.

Two months ago, another of

Collado's divers were in the murky water a few miles (kilometers) away, securing a cable around a cannon he could barely see, when he touched something small, smooth and round. It was a gold coin.

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