

**BRIEFS**

**How fat is a cow?**

SYDNEY, July 10: How fat is a cow? That's an important question for Australian farmers who have to tailor the fat content of their cattle to satisfy the tastes of the market.

In the past farmers have used experience, knowledge of cattle genetics and plain luck in deciding when to slaughter. But a new ultrasonic scanner developed by scientists at Australia's Commonwealth Scientific and Industrial Research Organisation (CSIRO) takes away the guesswork, said CSIRO radiophysics division spokesman Andrew Jane, reports Reuter.

**No SAARC decision on trade exhibition**

COLOMBO, July 10: South Asian foreign ministers ended a meeting here Thursday without a final agreement on a Japanese proposal to set up a trade exhibition and a regional development fund, officials here said.

Tokyo had offered to open a trade center in Osaka to allow the seven-nation South Asian Association for Regional Cooperation (SAARC) to exhibit their countries, products and services and also create a development fund, Sri Lankan Foreign Ministry officials said, reports AFP.

**Green signal to draft trade accord**

COLOMBO, July 10: Foreign ministers of South Asian countries yesterday gave a green signal for drafting of an agreement on a preferential trading agreement to boost regional trade. The SAARC Council of Ministers which concluded its two-day session yesterday directed the Inter-Governmental Group (IGG) scheduled to meet in Kathmandu shortly to proceed expeditiously to draft a SAARC Preferential Trading Agreement (SAPTA), reports PTI.

**20,000-yr-old teeth found in China**

CHANGCHUN, July 10: Fossils of some teeth of a mammoth dating back to over 20,000 years ago have recently been found in Jilin province in north east China. This is the second discovery of the kind in the province. The first was unearthed in 1984. The extinct mammoth was a large kind of elephant. Chinese archaeologists say that the new discovery of the mammoth fossils will provide an important basis for research of the paleontology and geology in the area, reports Xinhua.

**Shenzhen reputation on booming economy**

BEIJING, July 10: Shenzhen, southern China's economic boomtown, has found a new way to turn bright ideas into hard cash — auction them off. The city's researchers and inventors will auction more than 300 of their best research result in electronics, bio-engineering, chemistry and micro-electronics, the China Daily newspaper reported on Thursday. The report did not say who would get the proceeds from next month's city-run sale. It said foreigners would not be allowed to participate.

Shenzhen, the cradle of China's economic reforms, has built its reputation on a booming economy and readiness to heed the calls of senior leader Deng Xiaoping's to "be bold and think of new ideas," reports AP.

**Earthquake damages houses in Calif**

BIG BEAR LAKE, (Calif), July 10: In what has become an unnerving routine, residents Thursday cleaned up from an earthquake aftershock that knocked houses off foundations, started fires and injured at least 16 people. "I can't walk through my house because of all the broken things on the floor," Pat Lee said. "The pots and things, I didn't lose in the first earthquake, I lost in this one."

The Wednesday earthquake struck at 6:43 p.m. (0143 GMT Thursday) and measured between 5.3 and 5.4 on the Richter scale, seismologists said. A 4.1 quake that struck at 8:29 p.m. Thursday (0129 GMT Friday) four miles (six kilometers) east of Big Bear Lake caused no damage or injuries, reports AP.

**Chinese girl breaks heart record**

HONG KONG, July 10: A peasant girl who received a new heart in March has broken China's record for surviving a transplant operation, an official report said Friday. The China News Service said Li Hongmei, 16, of China's northernmost province, Heilongjiang, "peacefully spent" her 110th day Thursday since the operation in Beijing's Anzhen Hospital on March 20, reports AP.

# Regulators order closure of biggest Saudi bank branch in New York

NEW YORK, July 10: Federal regulators ordered the New York branch of Saudi Arabia's biggest bank to close, charging the bank was involved in the ever-widening BCCI scandal, reports AP.

The National Commercial Bank of Saudi Arabia on Thursday angrily protested the move, accusing the Federal Reserve Board and the Comptroller of the Currency of using it as a scapegoat in the BCCI scandal.

"Today's precipitous action by the (Federal Reserve) and the (Comptroller) is a manifestation of their sheer frustration at having failed in the past to detect the frauds of BCCI," the bank said.

The Comptroller of the Currency, an arm of the Treasury Department, late Wednesday ordered NCB's New York branch to stop doing any new business and to shut down within 30 days.

The order came a day after the Federal Reserve Board revealed it was seeking a 170-million dollar fine against Sheikh Khalid bin Mahfouz. The

Fed accused Sheikh Khalid and National Commercial Bank of secretly buying a stake in First American Bankshares, a large Washington DC bank, with the help of BCCI.

Bank of Credit and Commerce International, seized last year by regulators worldwide, engaged in one of history's most complex banking scams, regulators say. It laundered profits from cocaine dealers, helped broker clandestine arms deals and was the preferred banker for Manuel Noriega and terrorist Abu Nidal, regulators said.

Sheikh Khalid, 44, was a major investor in BCCI and served as a bank director between 1986 and 1989. He stepped down as NCB's chief operating officer Tuesday.

His resignation came less than a week after Manhattan grand jury indicted him on charges of scheming with Haroon Kahlon, NCB's deputy general manager, to defraud BCCI depositors of 300 million dollars. A federal judge in New York later froze Sheikh Khalid's US assets.

The shutdown of NCB's Park Avenue branch, which employs 98 people and has assets exceeding 400 million dollars, is a politically sensitive move, several attorneys involved in the BCCI case said.

National Commercial Bank, owned by the Mahfouz family, is Saudi Arabia's largest bank and claims to be the largest in the Middle East, with assets of 21.9 billion dollars. It is considered to be the bank for the Saudi royal family.

However, a State Department spokesman said the branch's shutdown hasn't affected US-Saudi relations.

The Comptroller's office was disturbed by the serious charges made by the Fed and New York district attorney Robert Morgenthau against NCB and Sheikh Khalid, spokeswoman Leonora Cross said. The agency's concerns were heightened by the lack of current financial information from NCB's New York branch.

Those factors combined, "it was in the best interest of the integrity of the US banking system for us to issue the

order" forcing liquidation of the NCB branch in New York, Cross said.

The Comptroller's office said NCB is cooperating in a plan to voluntarily liquidate its branch in a fashion to protect depositors.

The New York office, which opened Sept 1, 1983, reported deposits of 139.18 million dollars at March 31, 1992, the Comptroller's office said. None of the deposits were federally insured and the branch's closure doesn't pose any risk to the US bank insurance fund, Cross said.

The Fed charged Sheikh Khalid and NCB violated US banking regulations by failing to report his acquisition of 28.7 per cent of Credit and Commerce American Holdings. That's a holding company created so BCCI could gain control of First American Bankshares, the bank once chaired by former Defense Secretary Clark Clifford.

The Fed also charged Sheikh Khalid and Kahlon assisted BCCI's efforts to conceal its

activities from regulators and to file false reports. Court documents allege Sheikh Khalid realized a personal gain of 120.2 million dollars when he ordered NCB and companies he controlled to sell their stock in BCCI and CCAH.

In Jeddah, Saudi Arabia, National Commercial Bank angrily criticized the actions of US bank regulators.

"The curious timing of the announcements clearly indicates that they were the result of political pressure following last week's announcement by the New York district attorney," the bank said.

NCB described the charges "as being devoid of any substance" and said it "at no time owned or bought any shares of Credit and Commerce American Holdings."

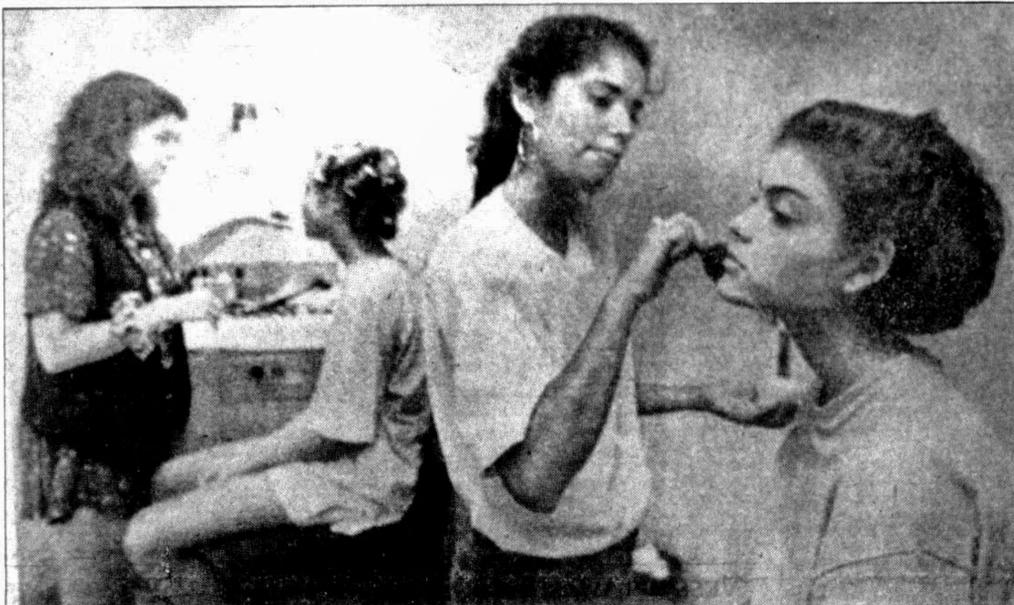
Reuter adds: Khalid Bin Mahfouz, who resigned earlier in the week as chief operating officer of Saudi Arabia's National Commercial Bank, said in a statement that the US Federal Reserve Board's imposition of a US 170-million dollar fine against him for alleged

US banking law violations is "unwarranted and ill-advised."

In the statement, he said "the ill-founded allegations made against me are based on forged documents and the actions of others. Further, they are based on unreliable, and possibly even compromised, statements." He said, "I welcome the opportunity to combat these false charges."

Khalid said in the statement "far from violating any laws, at all times, I acted on advice and with the assistance of respected legal counsel to ensure that I complied with US laws and regulations in regard to my investments in BCCI (BCCI Holdings SA) and First American (First American Bankshares Inc)."

He said he has cooperated fully with all authorities, but his candour and cooperation have made him a "convenient, though mistaken, target." Khalid was indicted last week by a New York state grand jury for allegedly defrauding BCCI of up to 300 million US dollar and other offences.



BEVERLY HILLS (California): Model Luciana Curtis (R), 15, from Sao Paulo, Brazil has her face made up on July 9 as she prepares to compete with \$ 35 other young women from around the world in the Supermodel of the World Contest. The final selections for supermodel will be made on July 16. In the background is Swiss model Jocelyn Brogle. —AFP photo

## Xinhua portrays Yeltsin as a beggar

BEIJING, July 10: China's state news agency Xinhua today portrayed Russian President Boris Yeltsin as a beggar thrown "a small carrot" at the Group of Seven (G-7) summit, reports AFP.

"Russian President Boris Yeltsin begged and pleaded for money when he met leaders of the Group of Seven industrialized nations in Munich," the agency said in a news analysis.

"A small carrot was offered by the G-7 that was 'too small to fill Russia's bottomless pit,'" Xinhua said.

The unflattering mixed metaphor reflects the Beijing authorities' thinly veiled distance for Yeltsin. Officials here frequently contrast Russia's economic difficulties with China's relatively successful reforms.

The G-7 leaders Wednesday promised Yeltsin debt rescheduling talks and one billion dollar in ready cash.

"It is no doubt the G-7 set tough conditions for granting aid to Russia," Xinhua said, adding both the G-7 leaders and Yeltsin were shy to men-

tion these conditions.

The news agency also described the G-7 summit as a whole, saying observers "are left with little doubt that lingering economic woes across the developed world would not readily respond to a few stop-gap measures."

"Few would like to be con-founded by the pomp of the summit, an opportune occasion for putting up a show of unity and strength among the world's leading industrial powers," it said.

The Chinese Foreign Ministry said Thursday the Munich meeting had failed to take steps to improve north-south relations by lightening the third world's debt burden.

The Beijing leadership believes that, following the collapse of European communism, the developed western countries have stepped up their alleged peaceful evolution plot to gradually overthrow China's socialist system.

The G-7 group's — the United States, Japan, Germany, France, Britain, Italy and Canada.

## East Asian group to work with GATT

SYDNEY, July 10: Malaysia's proposed East Asian economic caucus is not an exclusive trading bloc to shut out the world and will work within GATT, said Dato' Seri Rafidah Aziz, Malaysia's Minister for International Trade and Industry, reports Reuter.

The group would "enhance intra-regional trade and economic links — all within the global trade parameters as prescribed by GATT (General Agreement on Tariffs and Trade)," she told a meeting of the Asia-Australia Institute.

But first, East Asian nations

must talk to each other about trade, which is what the caucus, proposed last year by Malaysian Prime Minister Mahathir Mohammad, will help do.

"East Asian countries have benefited so much from an open multilateral trading system they would reject any exclusive arrangement that shuts out the rest of the world," she said.

The West would have to acknowledge the emerging economic power of the region. Japan, Hong Kong, Taiwan, Korea, Singapore, Malaysia,

Indonesia and China are among the world's biggest exporters, accounting for 17.5 per cent of world trade in 1990.

"They will as a group increasingly impact on international trade and global investment," she said. "East Asia can indeed be a viable region, one that will by the end of the decade surpass the dynamism of Europe and the Americas."

Dato' said Japan's economic power would not be a problem "so long as Japan remains... devoid of political ulterior motives."

The minister, who is lead-

ing a trade mission to Australia, said the country should shed its Eurocentric bias and work to prove its credentials as an Asian nation. "Australia should in fact look North... to where the nucleus of the Pacific rim is, and that's ASEAN (the Association of South East Asian Nations)."

Dato' said economic growth is the world's new credo. "That means the re-alignment of alliances and the developing of new ones to cater for the economic realities rather than purely ideological and traditional linkages."

## China's economic growth marks higher

BEIJING, July 10: China's economy moved into high gear in the first six months of 1992, with Gross National Product (GNP) surging by an estimated 10 per cent over the same period last year, the official People's Daily said on Friday, reports Reuter.

Industrial production, consumer spending, overseas trade and domestic investment all shot higher. Economists predicted the growth spurt would continue.

Mindful of fears the high growth rate may mean China is courting another dangerous episode of overheating, the People's Daily described the overall economic situation as "prosperity amid stability."

The newspaper attributed China's high growth rates, which outstrip even the gov-

ernment's increased estimates, to senior leader Deng Xiaoping's call in January for faster economic reform. The call launched a wave of spending and production across the country.

"After comrade Deng Xiaoping's speech was released, every locality is grasping the opportunity to broaden and deepen their economic reforms," it said.

"The economic situation during the first half of the year showed these characteristics: high, fast, booming and lively," the newspaper said.

Preliminary statistics show China's industrial production increased by 10 per cent over the first six months of this year. Retail sales rose by 14 per cent.

Investment in fixed assets

was described as "the highest level in recent years", although no figure was given. The summer grain harvest was also forecast to be a record-breaker.

Powered by thriving exports and a new thirst for imports, China's total trade grew sharply in the first half of 1992 to hit a total 68.67 billion dollar, official statistics showed.

Customs figures showed that China exported goods worth a total of 35.61 billion dollar between January and June, a rise of 17.3 per cent over the same period in 1991.

Imports logged even faster growth, hitting 33.06 billion dollar in the first half of 1992, a 23.4 per cent jump over 1991.

In an indication that the government believes it has in-

flation well under control, the People's Daily said market retail prices were basically stable, while commodity prices rose by about five per cent over the first six months of 1992.

The high economic figures were recorded despite the government's original reluctance to push for quick growth.

China's GNP growth rate averaged about nine per cent in the go-go years of the mid-1980s, leading to a surge of inflation that was one reason for failed pro-democracy protests in 1989. GNP growth was seven per cent in 1991.

In a humiliating reversal, he was forced to amend his report to allow for the possibility of higher growth rates in some areas.

## Indian parliamentary panel to probe bank scam

NEW DELHI, July 10: Indian Prime Minister P V Narasimha Rao, pledging to get to the bottom of a huge securities fraud, announced Thursday that a parliamentary panel would probe the 1.2 billion dollar scam, reports AFP.

"I would like to assure this august house that my desire and purpose remain as they have been so far — to unravel the truth," the 71-year-old Premier told parliament, seeking to defuse an opposition campaign against his government.

Rao said he had held talks with all opposition leaders and found consensus on the need for a joint parliamentary panel to probe the scam, which involved the siphoning of huge sums of money from the government bond market to stocks.

After MPs thumped their desks in approval, he requested Speaker Shivraj Patil to name a panel of MPs to hold a "comprehensive inquiry."

Rao, however, said the parliamentary probe would not affect detective work into the bank scam by the Central Bureau of Investigation, which has arrested 25 suspects and filed charges before a Bombay special court.

Opposition parties cutting across political lines have demanded a parliamentary probe into the scam, which surfaced in April with revelation that brokers and bankers had colluded to divert funds to stocks

and has shaken banks, ended a stock market boom and eroded investor confidence.

A central bank inquiry has found that at least 1.2 billion dollar was "misappropriated" in illegal securities-shares transactions, and named top stock broker Harshad "big bull" Mehta as the mastermind.

Rao said the scam, India's biggest financial scandal, had caused great anxiety to me and the country at large.

"The ramifications of this matter have to be thoroughly probed and effective measures taken so that the basic integrity of the financial institutions of the country is not jeopardised," he said.

He also underlined the necessity to ensure economic reforms undertaken by his year-old government were not "inhibited" by the scandal.

The announcement of the parliamentary probe came a day after Finance Minister Manmohan Singh unveiled plans to set up a "bureau of frauds" to monitor banks and financial institutions, and to open a "model stock exchange" in Bombay.

The moves appeared designed to snatch back the initiative from the opposition, which is using the bank scam as ammunition in a no-confidence motion it has brought against the government in parliament.

In parliament's upper house Thursday, a short-duration debate got underway on the scandal.

## Japan adopts plan to cut annual working hours

TOKYO, July 10: Japan Friday adopted a new five-year labour and employment plan aimed at cutting annual working hours by about 10 per cent to 1,800 by the end of fiscal 1996 ending March 1997, government official said, reports AFP.

The programme calls for a provision of the current labour standards law to reduce regulated weekly working hours from 44 to 40.

To make up for a loss of income because of shorter working hours, the government will consider raising the minimum premium for overtime work, which I currently fixed at 25 per cent, official said.

The government will urge employers to raise the minimum retirement age to 60 by the end of the fiscal 1993 starting in April.

Many of Japanese enterprises set the retirement age at 60 but a large number of medium — and small firms fix it in late 50s.

A Japanese worked an average 2,008 hours in fiscal 1991 that ended March, about 50 hours more than annual working hours of Britain and 500 hours more than that of Germany.

## Dollar falls against major currencies

LONDON, July 10: The US dollar fell against other major currencies Friday in early European trading. Gold prices were higher, reports AP.

In Tokyo, the dollar closed at 125.78 yen, up 1.18 yen from Thursday's close. Later in London, the dollar was quoted at a lower rate of 125.65 yen.

Other dollar rates at mid-morning compared with late Thursday:

- 1.5055 German marks, down from 1.5165
- 1.3665 Swiss francs, down from 1.3720
- 5.0792 French francs, down from 5.1130
- 1.7065 Dutch guilders, down from 1.7095
- 1,140.50 Italian lire, down from 1,147.25
- 1.1900 Canadian dollars, down from 1.1933

In London, the British pound was quoted at 1.9105 dollar, up from 1.8960 dollar late Thursday.

London's major bullion dealers fixed a recommended gold price of 348.75 dollar per ounce at mid-morning, up from 347.75 dollar bid per ounce late Thursday.

## "Royal" in real sense

LONDON, July 10: The British Parliament's top financial investigator, Sir John Bourn, is powerless to query the level of the Royal Family's income until the year 2000, parliamentary sources revealed on Thursday night, reports AFP.

Several MPs have been pressing for an investigation into whether the 9.8 million pound (18 million dollar) a year income granted to the Royal Family for 10 years from last year, under the civil list, represented "value for money" to British taxpayers.

Bourn has since discovered that he is powerless to order an investigation, and that future spending under the civil list is likely to be kept secret until the year 2001, the Guardian reported Friday.

Under the 10-year deal, the Royal Family are guaranteed a 7.5 per cent annual pay rise.

Meanwhile, the Crown Estate, part of Queen Elizabeth II's hereditary possessions, reported a 12 per cent increase in its revenue surplus for the year to march 31, to 113.7 million pound (216 million dollar) from 106.5 million pound (202 million dollar) the previous year, the Crown Estate commissioners said Thursday.

The Crown Estate includes 105,000 hectares (more than 250,000 acres) of agricultural land and property in Britain.

# G-7 leaders now thinking of holding economic summit every year

MUNICH (Germany), July 10: After the disappointments of Munich, it is perhaps no wonder senior officials from the Group of Seven (G-7) industrial powers have started to think out loud about the wisdom of holding an economic summit every year, reports Reuter.

"It would be better to have fewer meetings, more discussions," a British official said.

Certainly the three day summit in Munich gave little hope to the millions of unemployed in the industrial world while businessmen worried about the speed of economic growth next year, can not have been very reassured.

The communique that the leaders of the United States, Japan, Germany, France, Britain, Italy and Canada issued Thursday was a call for confidence.

"We are committed, through coordinated and individual actions, to build confidence for investors, savers and consumers: Confidence that hard work will lead to a better quality of life, confidence that investments will be profitable, confidence that savings will be rewarded and that price stability will not be put at risk," the G-7 said.

But apart from the initiative the Group showed in approv-

ing aid to Russia, the G-7 failed to win widespread confidence.

The group failed to break the logjam in the marathon Uruguay Round of GATT trade negotiations.

The talks, which began in 1986, are deadlocked mainly by a disagreement between the United States and Europe over the scope of cuts in farm subsidies.

No one disagreed that slashing subsidies and opening markets would give a shot in the arm to world trade, spurring growth and creating jobs — exactly the sort of confidence-building measures the G-7 said were vital.

But free trade carries high political risks.

Although the long-term benefits are substantial, the short-term fall-out of protests by farmers and workers who see their jobs endangered can spell electoral trouble.

President George Bush and President Francois Mitterrand — one facing re-election in November, the other a referendum on the EC's Maastricht Treaty in September — seemed to decide it was a risk not worth taking. The efforts of British Prime Minister John Major to broker a compromise were futile.

Major, evidently disappointed, called a GATT deal a

very great prize and vowed as the EC's current President to work for a successful conclusion by the end of the year.

Beyond well-meaning generalities on the need for low inflation and smaller budget deficits, the G-7 did not come up with anything new on macro-economic policies either.

The most German Chancellor Helmut Kohl could offer was a glimmer of hope that the Bundesbank's punishingly high interest rates would some day come down.

Because fiscal and monetary policies look increasingly set in stone, G-7 leaders placed more emphasis than in past

summits on the need for deep-seated structural measures so their economies can react more rapidly to technological change.

"We will strengthen employment opportunities through better training, education, and enhanced mobility," the G-7's communique said. "We will strengthen the basis for long-term growth through improvements in infrastructure and greater attention to research and development."

Economies, like super-tankers, do not turn round on a penny. Sound economic management comes down to nuts-and-bolts issues such as job-training rather than to

dramatic initiatives.

But the summit jamboree whips up hopes, dashed year after year, that seven men in three short days can find the elixir for growth.

"Over the years that original format has tended to change, they have become more elaborate, more formal, better prepared, but also I think engendering higher expectations," Major said.

Dashed hopes sap confidence, which is perhaps the best reason why some believe the G-7 should consider reverting to the informal fireside chats that marked the first summits in the mid-1970s.