

BRIEFS

UNICEF to provide Nepal \$25m grant
KATMANDU, Aug 22: The United Nations International Children's Emergency Fund (UNICEF) will provide a 25 million dollar grant to Nepal for the welfare of women and children, the Finance Ministry said Friday. An agreement for the grant was signed Friday by Finance Secretary Thakur Nath Pant and Habib Hamman, the UNICEF representative in Nepal, reports AP.

Japan to aid Pak flood victims
TOKYO, Aug 22: Japan will donate 200,000 dollar in emergency aid for flood victims in Pakistan, the Foreign Ministry said Friday. More than 100 people were reported killed and 320,000 homes destroyed in floods caused by monsoon rains from mid-July, in the province of Sindh in south-eastern Pakistan, reports AP.

Russia expects 103m tonnes grain
MOSCOW, Aug 22: Russia's grain harvest is forecast at 103 million tonnes in 1992, President Boris Yeltsin said. The 1991 grain harvest was 89.1 million tonnes. "US experts say the harvest will be 98 million tonnes, we say it will be 103 million," Yeltsin told a news conference. Previous forecasts have put the 1992 grain harvest at about 98 million tonnes, although some predictions said the harvest could be as low as 93 million, reports Reuter.

India concerned at pepper price fall
NEW DELHI, Aug 22: India voiced concern Friday at a steep fall in international pepper prices and urged fellow pepper-growers to work jointly to reverse the decline, the Press Trust of India (PTI) said. P J Kurien, the Minister of State for Commerce, said the price of a pound (0.45 kilo) of pepper had fallen from two dollar in 1987-88 to 50 cent, making the commodity "uneconomical and unattractive" to growers, PTI said, reports AFP.

UN extends talks on relief in Iraq
BAGHDAD, Aug 22: A UN envoy extended negotiations today on a new pact to allow UN relief operations in Iraq after talks with Deputy Prime Minister Tariq Aziz. Asked about his three-and-a-half hours meeting with Aziz on Friday morning, Jan Eliasson told reporters: "unfortunately I cannot tell you about the outcome because the talks are continuing. I cannot go into detail on the substance of the talks at this sensitive stage," he said. "I am always hopeful but it is a difficult situation," reports Reuter.

Russia makes payment for wheat
MOSCOW, Aug 22: Russia on Friday paid the first instalment on a 55 million dollar debt to Canadian wheat exporters who had cut off deliveries because of late payments, officials said. Russia's Finance Ministry transferred the money to the Canadian Wheat Board through Vnesheconombank, or the Bank for Foreign Economic Relations, said Oleg Klimov, head of the Export-Import joint stock foreign trade company, reports AP.

India's oil import bill goes up
CALCUTTA, Aug 22: The oil import bill has gone up to 4273.40 crore rupee accounting for over 25 per cent of the total imports during the first quarter of 1992-93, according to official sources. Quoting petroleum and natural gas ministry, data sources said that in June it itself an amount of 1624 crore rupee was spent on the import of crude oil and petroleum products, reports PTI.

Protest against bank's action
PRAGUE, Aug 22: A bank drew a sharp diplomatic protest Friday after hiring private security to seal off the premises of the Russian Information Office, the official CSK news agency reported. The move by the Czech National Savings Bank was motivated by a long-standing dispute about the use of the former Communist Party building in downtown Prague, reports AP.

Gold rises in Hong Kong
HONG KONG, Aug 22: Gold in Hong Kong rose 11 US cent an ounce on Saturday to close at US 338.05 dollar, compared to Friday's US 337.94 dollar. The US dollar closed Saturday at 7.7325 Hong Kong dollar, compared to Friday's 7.7400, reports AP.

Asia ponders over possibility of own trade bloc

TOKYO, Aug 22: Faced with the likelihood of united trade groups on two continents, Asian economic leaders are wondering if the time has finally arrived to form a trade bloc of their own, reports Reuter.

Though far from unanimous, many in Asia are starting to see a regional trade group as an inevitable consequence of the formation of the North American Free Trade Agreement (NAFTA) and the opening of borders in the European Community (EC).

NAFTA is going to heighten interest in Asia for bringing down trade barriers, said a senior Japanese government official.

But many throughout the region wonder what form an Asian group would take, and say it would probably lack the political muscle to take on other blocs on major dis-

puted.

The idea of an Asian group was given a lift by the tentative NAFTA agreement last week, but major obstacles remain. Especially in Tokyo where the notion of participating in a trade group has long been viewed as signing a pact with the devil.

The strongest voices for a regional trade group come from the more vulnerable trade nations of South-East Asia. Malaysian Prime Minister Mahathir Mohamad has proposed an East Asian Economic Caucus (EAEC) aimed against emerging rival trade blocs.

We are worried about the matter, and for sure a free trade area like NAFTA will mean that our goods will not be able to compete with goods from the US and Canada that are made in Mexico, Mahathir said.

NAFTA and the EC are both

promoting the notion that overall economic conditions improve when trade barriers are removed.

"Economic regional integration is a trend. It should be beneficial for enlarging trade, so we could expect some favourable impact," said Hiroyuki Wakabayashi, director of overseas research at the Japan External Trade Organisation (JETRO).

But not all in Tokyo are convinced, officials at the Ministry of International Trade and Industry have repeatedly said they are reluctant to join an Asian trade association for fear such a move would only lead other groups to respond by stiffening barriers to trade.

Many in private industry here also doubt if Asia, an area much larger than North America or Europe, could ever be brought together un-

der one roof. I personally think an Asian trade group will be difficult. We do not even share any common borders, said Hajime Ohta, director of international economy affairs at Keidanren, Japan's most powerful business lobby.

For now, Japanese government officials said they are unwilling to change their stance on an Asian trade bloc with details of the NAFTA agreement still up in the air.

But some private analysts figure that if Tokyo is getting the short end of the NAFTA pact, trade policy leaders here would quickly give an Asian bloc a more serious look.

Still, many analysts here doubt Asia would be able to throw its weight around in the international community because it sells significantly more outside the region than it buys.

Stocks plunge in New York

NEW YORK, Aug 22: The stock market ended sharply lower Friday after heavy selling linked to computerised trading on a monthly options expiration day erased an early rally, reports AP.

After rallying about 19 points in early trading, the Dow turned sharply lower on several waves of programme selling that began at around noon (1600 GMT), traders said.

The stock market selling intensified as the dollar slipped to a new post-World War II low against the German mark, despite central bank intervention to support the faltering US currency.

With a decline in the greenback, the value of dollar-denominated assets such as stocks also falls and makes them less attractive to foreign investors.

Another factor contributing to the market's slide was that stock and index options expired Friday.

Bush's policy to raise inequality: Clinton

DETROIT, Aug 22: Democratic presidential candidate Bill Clinton said President Bush's policies would lead to greater economic inequality in the United States and that the White House had "stubbornly refused to do what it takes," reports Reuter.

Clinton, speaking to the National Association of Black Journalists, gave a hint of what campaign aides said would be a major rebuttal to Bush's broadside Thursday in which the president belittled the Arkansas governor's ideas as "Elvis economics."

Clinton brushed aside questions from pool reporters about Bush's across-the-board tax cut proposal, saying only: "wait for the Detroit economic club," his later speaking engagement.

A Clinton aide said of the two speeches: "this one is good. That one is big."

But Clinton, in a far more stern delivery than his cus-



"They will then reinvest in our economy and create all kinds of jobs, create all kinds of opportunities, and we'll be just fine," he said. "Yes we'll have a little more inequality but we'll give a lot of opportunities for that inequality."



Two Muslim POWs sit in a barrack in the Manjaca Prisoner of War Camp near Banja Luka, Bosnia-Herzegovina Aug 20. There are approximately 3,500 POWs currently being held in this camp run by Serbs. — AFP/UNB photo

ROK plans to raise budget by 14.5 pc

SEOUL, Aug 22: South Korea plans to increase its budget in calendar 1993 to 38 trillion won, up 14.5 per cent from the original 1992 budget of 33.2 trillion won, an Economic Planning Board (EPB) official said, reports Reuter.

He quoted EPB Minister Choi Kak-Kyu as saying the 1993 budget would concentrate on boosting infrastructure, technology, and farm and fisheries development.

The new budget would take effect from January 1, 1993. Government officials had earlier proposed a 13 per cent increase to 37.5 trillion won while ruling Democratic Liberal Party (DLP) members had pressed for a 15 per cent rise to 38.3 trillion won.

A gift from Defence Department

NEW YORK, Aug 22: A man expecting a workers compensation cheque instead opened a government envelope to find a 2.3 million dollar cheque from the Defence Department, reports AP.

The cheque was intended to pay for work on a classified project at Grumman Aerospace Corp, but an employee put the wrong address on the envelope, a Navy spokeswoman told the Daily News.

Nina and Victor Quijano received the cheque Wednesday in their post office box in the Long Island community of Farmingdale.

Quijano was expecting a workers compensation cheque for a shoulder injury that has kept him out of work since January, so he opened the envelope without noticing it wasn't addressed to him.

The post office box was his, but he didn't know the addressee, Janet Cassford, or the name of the sender, Fred H Saunders. The return address was a post office box in Arlington, Va.

Quijano showed the cheque to his wife, who called a friend at Grumman. The friend told her that Janet Cassford worked in the company's special assignment division in Farmingdale post office.

The head of security at Grumman called several times to arrange a time to pick up the cheque but Mrs Quijano said she refused, saying she would only turn it over to a government official.

US preparing for trade war with China

WASHINGTON, Aug 22: Washington is giving China until a month before the US presidential election to remove trade barriers against US products or face prohibitive tariffs on nearly four billion dollar in exports to the United States, reports AP.

Deputy US Trade Representative Michael H Moskov announced a list of Chinese products that would be subjected to tariffs equal to 100 per cent of their value instead of the current four to five per cent.

"No one wants a trade war," Moskov said Friday. But he added that the US government "is prepared to move forward if agreement is not reached by Oct 10."

The list includes agricultural products, footwear, silk apparel, leather goods, minerals, industrial hardware and electronics goods that came to 3.9 billion dollar in US imports from China last year.

China, a major supplier of US footwear, exported 19 billion dollar in goods to the United States in 1991, producing a 12.7 billion dollar trade surplus for the Beijing government. For the first six months of 1992, China's trade surplus with the United States totalled 7.2 billion dollar.

"If China is to continue to enjoy full access to US markets, then it must play by the rules of the international community and allow access to its markets," Trade Representative Carla Hills said in a statement.

"To do less will not only jeopardize its access to our market, it will fall far short of what GATT (the General Agreement on Tariffs and Trade) will demand of China as a ticket for membership," she said.

President Bush has repeat-

edly vetoed legislation passed by Congress to condition China's continued access to US markets upon the Beijing government lowering barriers to American products and improving its human rights record.

China is eager to join GATT as an affirmation of its expanding role in world trade. But members of the international trade organization have said they wanted more evidence of Chinese economic reform.

Moskov said negotiations will continue in Beijing in mid-September and move to Washington later that month if there is any progress. But the issues "must be resolved by the Oct 10 deadline" to avoid the "prohibitive tariffs," he said.

Three days of talks in Beijing ended Friday. "We resolved some relatively minor problems and framed the issues better than before," said

assistant US trade representative Ira Wolf. He would not elaborate.

The US government used the same tactic earlier to persuade China to end the illegal copying of American-made products ranging from blue jeans to computer programmes. The Chinese agreed to US demands just before a Jan 17 deadline.

The current dispute is far broader and covers a wide range of practices that the United States says restrict access to China's markets. They include quotas, bans, complicated licensing requirements and secret trade rules.

Moskov said the import list would be published Wednesday in the Federal Register. The trade representative's office then will accept comment on the contents and hold three days of hearings starting Sept 23 before developing its final list.

Bid to keep prices firm Indian tea industry urges govt credit to Russia

CALCUTTA, Aug 22: India's tea industry has urged the government to give its biggest customer, Russia, a 20 million dollar line of credit to keep buying tea and help prices firm up, reports AFP.

The request this week came as Russian buyers prepared to pull out of tea auctions here and in northeast India after exhausting a 32 million dollar technical credit allotted to them by New Delhi for tea purchases.

Sources, in the Indian tea board said Friday the Russians bought very little at auctions

this week, prompting a price slide and posing prospects of a further plunge when the withdrawal from the market in the days ahead.

They cited fears that small tea gardens would shut down and workers lose their jobs as a result, adding that unless the Indian government extends a fresh tranche of credit the Russians would be unable to buy more tea.

But New Delhi was reluctant to come up with more funds because Russia had not kept its part of the February 1992 credit agreement under which it was to export petroleum products worth 32 million dollar in return, the sources said.

International buyers, meanwhile, are sitting on the fence waiting for the Russians to drop out so they can move in when prices fall, they said.

Tea is India's biggest export commodity, earning more than 600 million dollar annually.

The crisis posed by the potential Russian pullout came at a time when exports had already been expected to slump as a result of falling demand from other independent republics of the erstwhile Soviet Union.

"Trade blocs don't threaten GATT"

RIO DE JANEIRO, Aug 22: Regional trade blocs do not threaten multilateral accords which can coexist and even reinforce each other, said Arthur Dunkel, Director-General of the General Agreement on Tariffs and Trade (GATT), reports Reuter.

"I do not believe it is coincidental that the Uruguay Round (of trade talks) has been paralleled by such widespread initiatives for closer regional cooperation," Dunkel told a seminar here on Hemispheric integration.

"The GATT provides the ground rules for multilateral trade, but it also sets the route to be taken by GATT members once they decide to enter into regional agreements," he said.

"It can be highly misleading to regard regionalism as a rival or alternative to multilateralism."

He dismissed threats to pursue regionalism exclusively as rhetoric which could be "a useful auxiliary weapon in the final stages of a major trade negotiation like the Uruguay Round."

Moves by former republics of the Soviet Union and successor states of Yugoslavia to seek GATT membership should be taken as a vote of confidence in the multilateral system.

He also noted that for a number of countries membership in GATT was a first step towards closer regional integration.

In reference to regional initiatives in the Western Hemisphere Dunkel said: "what strikes me is that their effective implementation has

been linked to the introduction of drastic reforms in the economic and trade policy fields by the member governments concerned."

These reforms have been welcomed by GATT. Dunkel said that Mercosur, a common market being formed by Brazil, Argentina, Uruguay and Paraguay as well as the North American Free Trade Accord (NAFTA), would be examined closely by GATT.

Multilateral rules are vital for regional groups, he said.

"In the absence of multilateral rules to guide the trade policies of regional groupings, those policies will tend to respond predominantly to the interest of the most powerful members, to the probable disadvantage of smaller or weaker members," Dunkel said.

Regional integration also should not threaten third parties.

"The normal GATT institutions and procedures... are there to ensure that any non-member which feels its GATT rights are being infringed by the operation of the regional arrangement can bring the matter up and seek redress," he said.

It can make good sense for governments to pursue both types of trade objectives, Dunkel said.

"In a regional context, among like-minded neighbouring countries, it can sometimes be easier to solve problems than in a larger, global context," he said.

"On the other hand, some issues cannot be tackled effectively in a regional framework."

Yeltsin predicts improved Russian economy next year

MOSCOW, Aug 22: President Boris Yeltsin said the Russian economy would improve next year and his reformist government's main priority was privatisation, reports Reuter.

"It is difficult to say that we have crossed the Rubicon; that there will be no large-scale discontent... the most important thing is to live through this year and in 1993 life will become easier for all of us," he said.

Yeltsin told a news conference prices had been rising more slowly than wages for three months in a row, but unemployment was bound to rise.

One year after the failed coup that led to the break-up of the Soviet Union, he said, "I am confident that we will live normally through August and September."

"October will be very difficult, because unfortunately, political games will start again," he said. In stage two of the privatisation programme in October Russia's 150 million people will each be given vouchers that can be exchanged for shares.

"Privatisation is the number one problem" Yeltsin said, adding that "it would be dishonest to the Russian people to say that we will get by without unemployment, but I would

say that it will not be on the scale of western countries," he said. Yeltsin stressed his personal commitment to privatisation.

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millions of property owners," he said.

The Russian leader said he was building his own dacha (country house) at his own expense. He condemned the Soviet practice of granting state-owned dachas to senior officials.

"There is no such thing in the civilised world," he said.

Yeltsin defended his government's decision to start market-oriented reforms in January with price liberalisation before privatising state enterprises.

Critics say this led to inflation. Yeltsin said prices rose 343 per cent in January but month-on-month inflation tapered off to 10 per cent in July.



Activists move to save exploited young weavers

NEW DELHI, Aug 22: Some five hundred kms south-east of the Indian capital is 'dollar land', a sobriquet coined by the local people for the country's carpet-weaving heartland, reports IPS.

Ninety per cent of India's famed handmade carpets are woven between Mirzapur and Bhadohi in northern Uttar Pradesh state.

But the fable ends and the nightmare begins as soon as one realises the handsome rugs come from the painstaking work of 200,000 child weavers who activists say live in bondage as they perform their jobs.

South Asia's handmade carpet industry thrives on child labour — already declared illegal by the region's governments.

Despite a mass of legal safeguards in India, Pakistan and Nepal, activists say nearly a million nimble-fingered children are employed by rug manufacturers under deplorable conditions. They say the situation is tolerated by cash-strapped governments who choose to focus at the profits brought in by the industry.

The manufacturers rake in millions of dollar every year, but the child weavers, the industry's backbone, are paid absurdly low wages for a 12-hour workday.

In mid-July, activists from the region's

carpet-exporting nations were in New Delhi to work out a joint strategy to force their governments to protect poor children.

Grouped under the umbrella of the South Asian Coalition on Child Servitude (SACC), they plan to raise the plight of the young weavers at a meeting of the UN human rights commission in Geneva later this year.

The SACC will also appeal to the International Labour Organisation (ILO) and the United Nations Children's Fund (UNICEF) to pressure their countries to abolish child labour.

And activists are stepping up a campaign in countries that import South Asian handmade carpets to boycott the product.

Says Shasan Ullah Khan of Pakistan's Bonded Labour Liberation Front (BLLF): "We don't think there is a single Pakistani carpet that is made without the labour of children. By buying carpets from South Asia, western countries are supporting child exploitation in the region."

The arguments is convincing, and has already persuaded German buyers to think twice before buying carpets from India where carpet exports have slumped by over 25 per cent. Germany is India's biggest buyer.

While some activists would like to see a 'not

made by children' label on carpets to guide foreign buyers, the BLLF wants a total boycott.

Alarmed manufacturers last year assured Indian activists spearheading the campaign that all child weavers would be set free by March 1992. The deadline has now been extended to September.

"If they do not fulfil their agreement with us," warns activist Kailash Sathyarthi, "we will be forced to give a total boycott call of Indian carpets."

Over the last decade, the activists have freed about 10,000 child weavers in the Mirzapur-Bhadohi belt. From impoverished homes, some child workers were sold by parents to middlemen who control the carpet trade for big contractors — for a measly US 200 dollar.

Still others were working to pay off debts taken by families decades ago that may never be repaid for generations. "Every (south Asian) carpet necessarily involves a violation of children's human rights," says Khan.

In the Pakistani cities of Karachi and Hyderabad, studies show 20 per cent of child weavers die before the age of 12. Many of these deaths are traced to overwork and diseases like tuberculosis and cancer.

Activists say sexual abuse, especially of girls,

is also widespread.

With 500,000 child weavers, Pakistan's carpet industry employs the largest number of children in the region. Khan says even state-owned carpet units hire children, some as young as four, for roughly US four dollar a month.

Pakistan earns about US 200 million dollar each year from carpet exports, while neighbouring India's total exports last year reached US 300 million dollar.

Says Khan: "The child labourers are the... real foreign exchange earners but they don't have milk, toys, books, clothes, shoes and shelter."

Manufacturers argue that children are hired only because there is a lack of adult workers. But activists like Sathyarthi dismiss the claim, noting that some 10,000 persons from the Mirzapur-Bhadohi belt migrate annually in search of work.

The South Asian coalition crusading against child labour in the carpet industry is also working to stop the migration of young weavers from one country to another. It is believed more than 20,000 Nepalese children are working carpet looms in India.

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The President said state orders for the military-industrial complex were being cut by 68 per cent this year. In some cases, the best tanks in the world were being manufactured only to be taken across the street and melted down at another factory. Russia is trying hard to dismantle the huge Soviet military machine and divert resources to the civilian sector. Munitions plants in Yeltsin's native ural mountains are slowly being converted to produce equipment for the ailing energy sector.

Yeltsin has faced mounting pressure from conservative industrial managers to water down radical reforms approved by the International Monetary Fund (IMF).

Russian parliament Chairman Ruslan Khasbulatov said in an interview published by the Rosstya newspaper on Friday that plans "forced on Russia by the IMF were unacceptable in principle."