

BRIEFS

**Poverty in US records sharp rise**  
WASHINGTON, Sept 3: Government figures due to be released Thursday on the number of Americans living in poverty will show a sharp increase from last year due to the lingering recession, an analyst said. The 1991 Census Bureau poverty and income figures will depict the state of the nation in the second year of the economic downturn. In 1990, there were 33.6 million Americans living in poverty, up about 50,000 from the previous year. More than one American in seven had income below the federal poverty line -- 13,359 dollar a year for a family of four, reports AP.

**Riyadh keen to help Bosnian economy**  
JAKARTTA, Sept 3: Saudi Arabia wants to give Bosnia-Herzegovina financial aid to revive its economy and provide shelter for Muslim and other refugees fleeing attacks by Serbs, Bosnia's Foreign Minister said.  
Harris Silajdzic said he had met Saudi Foreign Minister Prince Saud al-Faisal, who was "very forthcoming." The ministers are attending the Non-Aligned Movement Summit in Jakarta, reports Reuters.

**Russia seeks additional US loan**  
WASHINGTON, Sept 3: Russia is seeking from the United States an additional one billion dollar in loan guarantees to buy grain, meat, milk products and other food, a top Russian agricultural official said on Wednesday. Leonid Cheshinsky, Chairman of Russia's state committee on grain products, said his cash-strapped country needs the credits to help cover its food needs through December. It would use about 800 million dollar to buy grains, and 200 million dollar to buy meat, milk and other food, he said, reports Reuters.

**China's bid to raise oil output**  
BEIJING, Sept 3: The Chinese government will open to foreigners untapped oil reserves in the eastern part of the country in a bid to accelerate exploration. The China Daily said Tuesday. International bids will be taken both for newly discovered reserves and for areas surrounding existing oil fields, the official English-language newspaper said, reports AP.

**S. Korea's economy to slow down**  
SEOUL, Sept 3: South Korea's economy will grow at a slower pace in the second half of the year amid flagging investment and dwindling consumption, a state-invested think tank forecast Wednesday. The Korea Development Institute (KDI) said Gross National Product (GNP) would grow 7.1 per cent in the second half and 6.9 per cent for the year, down from 8.4 per cent last year, says AP.

**No deal on Russian, US grain trade**  
WASHINGTON, Sept 3: A Russian delegation met with Agriculture Department officials on Tuesday to negotiate a purchase of US grain, but no deal was reached immediately. Leonid Cheshinsky, Chairman of Russia's state committee on grain products, said the hour-long discussion was useful, but details were not worked out and other talks would be held later in the week, reports AP.

**Saudi bank to raise paid in capital**  
MANAMA, Sept 3: Saudi Arabia's (Al-Jazira Bank) plans to quadruple its paid in capital to 400 million riyal (107 million dollar) from 100 million riyal, bankers said. They said the Jeddah-based bank would issue three million shares nominally priced at 100 riyal each plus a premium of 150 riyal to help boost its financial base and expand operations in the Kingdom, says Reuters.

**Indian goldmine faces closure**  
NEW DELHI, Sept 3: India's public sector Bharat Gold Mines Ltd. could face closure after a sharp drop in the yield of three mines it manages, the Press Trust of India (PTI) reported Wednesday. The company, incorporated in 1972 ran up losses of 1.1 billion rupee (37.3 million dollar) in the last three years, spending double the value of the metal it extracted, government sources were quoted as saying, says AP.

# Mahathir blasts US for trying to block Asian-only trade group

JAKARTA, Sept 3: Malaysian Prime Minister Mahathir Mohamad said an economic grouping linking the Americas and Asia could turn into a tool for rich nations and attacked Washington for trying to block an Asian-only group, reports Reuters.  
"We are still very worried that APEC might not serve the purpose of this region that it might be used by the more powerful nations for their own interest," he told a news conference.  
APEC, or the Asia-Pacific Economic Cooperation grouping, was originally proposed by former Australian Prime Minister Bob Hawke.  
The forum links North America with the booming Asia-Pacific region.  
The US backs APEC but has sharply criticised Malaysia's

proposal to form a group only for Asians—the East Asian Economic Caucus (EAEC)—saying it was too exclusive and could turn into a trade bloc of its own.  
Mahathir has said Asian needs the EAEC as the European Community moves towards economic and monetary union, and with the recent ratification of the North American Free Trade Agreement (NAFTA) between the US, Canada and Mexico.  
"We don't understand this because they have just formed NAFTA which is a trade bloc, pure and simple," said Mahathir, who is attending the Non-Aligned Movement summit in Jakarta.  
"We are just trying to form a forum where we can voice our fears and may be take a common stand with regards to world trade. But we are literally not allowed to," he said.  
Mahathir has accused the United States of pressuring its Asian trading partners, in particular Japan, to avoid backing the EAEC.  
**Trading environment criticised**  
PTI adds: Leaders of most Non-Aligned countries criticised the present trading environment, which they felt had turned the developing countries into economic slaves of the rich and developed north.  
They made a strong plea that NAM should renew its efforts to strengthen economic cooperation among the development countries as well with the advanced nations.  
Malaysian Prime Minister Mahathir Mohammad said the independence of nations to

decide on their own policies has been effectively curtailed. New concepts such as intellectual property, local contents, free trade arrangements and selective discriminatory taxes restrict world trade and slow down the economic growth in many countries," he said.  
Zimbabwe's President Robert Gabriel Mugabe while noting the inequitable structures and economic imbalances between the north and the south and the uncertainties of the international economic environment, urged NAM to renew the North-South dialogue.  
He said, "only through strengthened South-South co-operation can we increase our influence and effectiveness as we seek to revive the North-South dialogues." In connection with this, he supported Pakistan Prime Minister Nawaz Sharif's suggestion that the standing ministerial committee for economic cooperation be reactivated.  
An earlier Xinhua reports from Kuala Lumpur adds: Malaysia's central bank will make Bilateral Payment Arrangements (BPAs) with as many countries as is necessary to strengthen trade relations with developing countries, said the bank's deputy governor Lin See-Yan.  
The bank has so far signed 14 BPAs with the central banks of Venezuela, Mexico, Chile, Peru in Latin America, Algeria, Sudan, Nigeria, Mozambique, Botswana and Zimbabwe in Africa, Romania in eastern Europe, Iran, Pakistan and Fiji in Asia and Oceania, he told a symposium here Wednesday.  
A similar accord is to be sealed with Seychelles this month and another one is expected to be signed with Vietnam possibly this year, he added.  
The BPAs includes revolving credit facility and palm oil credit and payments arrangements, he said in his paper on PBA-A South-South initiative.  
He said the BPAs has contributed to the increase of trade with developing countries with the total volume of trade with Chile, Mexico and Peru rising from 126 million US dollar in 1990 to 263 million US dollar in 1991, a surge of 108 per cent.  
Trade between Malaysia and these nations is anticipated to increase further this year, he added.

## To protect forests India bans timber use in public buildings

NEW DELHI, Sept 3: India's government has banned the use of timber in public buildings to protect the rapid depletion of forests, Urban Development Minister Sheila Kaul said here, reports AP.  
In an announcement Tuesday the Minister said efforts would be made to unearth a "viable alternative" to timber in construction work.  
India's forest cover is estimated at a dangerously low 10 per cent, or 32 million hectares (788 million acres), falling from 22 per cent 45 years ago. Timber traders fell hundreds of thousands of trees every year, often illegally.

## Bush raises wheat subsidies, warns EC

HUMBOLDT, South Dakota, Sept 3: President George Bush announced Wednesday that the United States would sharply increase US wheat subsidies to compete with the European Community, which it accuses of unfair competition, reports AP.  
Bush asked the agricultural department to subsidise the sale of 30 million tonnes of wheat to 28 countries between now and June 1993, which would sharply accelerate the US export enhancement programme, the White House said.  
The subsidies, on top of 914 million dollar in subsidies since June, would total 1.1 billion dollar on sales worth three billion dollar, said a senior US official, who called the move a very aggressive action.  
Bush said it would be the largest quantity of US wheat ever exported at once under the Export Enhancement Programme (EEP).  
We want free trade but we must insist on fair trade, Bush said. In a world of open trade the US would be the premier supplier of wheat to world markets, and that's why we are committed to reducing subsidies worldwide.  
My announcement today should leave no doubt, with heavy EC subsidies continuing this EEP programme is vital and we will use it as necessary, he said. I'm putting foreign governments on notice right here today in South Dakota.  
According to the White

House, European governments subsidise wheat exports at about 125 dollar per tonne, while the United States subsidises at 40 dollar per tonne.  
Five countries will benefit from the US export programme for the first time — South Africa, India, Pakistan, Poland and Romania.  
Bush made the announcement during a campaign visit to a farm in Humboldt, in rural South Dakota, where he addressed a partisan crowd of 200 farmers.  
In addition, the White House announced Wednesday that Bush was releasing 755 million dollar to offset losses suffered by US farmers as a result of bad weather, notably in hurricane-ravaged Florida and Louisiana.  
A senior US official said

Here are the countries and amounts of wheat available under the Export Enhancement Programme (EEP) initiative announced Wednesday by President Bush. Figures are in thousand metric tons.

Country	Amount	Country	Amount
WC Africa	1,000	Morocco	1,000
Algeria	1,750	Norway	150
Bangladesh	700	Pakistan	800
Bahrain	25	Philippines	1,200
Brazil	500	Poland	400
China	7,000	Romania	500
Cyprus	50	S. Africa	400
E. Europe	140	Sri Lanka	500
Egypt	3,500	Trinidad	
India	1,500	Tobago	125
Jordan	600	Tunisia	300
Kenya	100	U.S.S.R.	5,500
Kuwait	150	Venezuela	400
Lebanon	160	Yemen	600
Malta	50	Total	29,100

pneumonia and South Dakota that's going to get might sick, he said.  
The US official said Washington had no intention of a starting a trade war with the EC but felt obliged to compensate for distortions in trade in the absence of agreement in the current round of talks under the General Agreement on Tariffs and Trade (GATT).  
But he said the announcement Bush made Wednesday during a campaign stop in South Dakota "would have been better placed for the industry if it had been a month or two ago."

## Private school in Red China

BEIJING, Sept 3: An educator in northeast China's Heilongjiang province has opened the first private school in China since the Communist revolution in 1949, an official report said Thursday, says AP.  
The state-run Xinhua News Agency said Wang Zhichao, who used to be vice president of a public high school in the city of Shuangcheng, 900 kilometres (550 miles) northeast of Beijing, invested 227,000 yuan (41,950 dollar) to establish the school.  
Xinhua said Wang hired 32 teachers, including many retired from the public school and rented classrooms from a local secondary school.  
The school charges 3,300 yuan (610 dollar) for three years of study. The average urban worker would have to invest nearly half of his or her monthly wage to pay that tuition, but the school has promised refunds if at least 40 per cent of its students are not accepted into colleges.  
After the Communists took control, Chinese relied on the state for all social services, including education which was strictly controlled by the government.  
But in keeping with its recent policy of implementing market-style economic reforms, the central government has been encouraging private entrepreneurs and businessmen to enter previously closed fields.

## World economy to stage weak recovery, says IMF

WASHINGTON, Sept 3: The International Monetary Fund expects the world economy to stage a weak, uneven recovery next year and is urging rich nations to tackle the long-festering problems hindering growth, Monetary sources said on Wednesday, reports Reuters.  
The fund, a report discussed by its Policy-Making Board, forecasts that economic growth in the industrial world will pick up to 3.2 per cent next year from 1.8 per cent in 1992. "The recovery will be weak and uneven," said one monetary source, who declined to be identified.  
The report, which will be formally released after this month before the annual meeting here of the IMF and World Bank, lays the blame for the anemic recovery to the economic excesses of the 1980s, including the big US budget deficit.  
The big US budget deficit is a case in point. The tax rises and spending cuts that the IMF is advocating to reduce and eventually eliminate the deficit would tend to slow growth in the near term.  
But the Fund argues that such action is necessary for the long-term economic health of the United States because it would free up scarce resources for use by the private sector and lower interest rates.  
The United States is not the only country suffering from what one monetary source called the "policy mistakes" of the 1980s. Japan's financial system has been crippled by the steep drop in property and stock prices that has followed the asset price boom of the 1980s.  
Europe's economy is also struggling. Germany's policy mix of high interest rates and bloated budget deficit is holding back growth throughout Europe, Monetary sources said.

## Afghanistan may become another Somalia: UN

ISLAMABAD, Sept 3: A senior United Nations official warned Wednesday that Afghanistan will become another Somalia this winter unless the international community finally heeds appeals for emergency aid, reports AP.  
The official voiced pessimism about a quick response, however.  
"I don't want to be cynical, but there's no money coming in because enough people haven't died yet," said Richard Castrodale, head of the UN office in Pakistan that coordinates aid to Afghanistan.  
"It wasn't until there were lots of dead bodies in Somalia that assistance was given and come winter you are going to have another Somalia (in Afghanistan). Then we'll have a response," he said.  
Bitter feuding among rival rebel factions that took power from the crumbling Communist regime last April has also handicapped UN attempts to get a greater share of the steadily shrinking foreign aid.  
For nearly a month, Government forces and dissident rebels have waged a deadly artillery battle, raining thousands of rockets on the capital, killing at least 1,800 people, mostly civilians.  
Residents said the assault by fundamentalist Hezb-e-Islami rebels was in effect nearly 14 years of war. An estimated 500,000 people have fled the capital, becoming refugees in their own country.

## NAM struggles for common strategy on debt burden

JAKARTA, Sept 3: Third World countries are struggling at the Non-Aligned summit to find a common strategy to get the industrialised nations to lift their crushing debt burden, reports Reuters.  
"I don't think we can find a solution... it is very difficult," Indonesian Senior Economics Minister Radius Prawiro told reporters when asked whether the Movement's different regions would agree on a common strategy on external debt.  
Development countries' foreign debt is estimated to total more than 1.3 US dollar trillion.  
Delegates to the economic discussion at the summit, which started on Tuesday, said difficulties arose because creditors to Latin America were mainly commercial banks while those to Asia were international financial institutions. Africa was sinking under a mix of both.  
They said the Latin Americans pursued separate deals to solve their main commercial debts, the better-off Asian countries wanted their levels of concessional aid from the international financial institutions to be enhanced and the

Africans wanted write-offs.  
Radius said Indonesia, whose foreign debt is more than 70 US billion dollar, suggested setting up a high level inter-governmental forum to help countries negotiate terms with creditors on their debt.  
The differences have become more difficult to resolve because of widespread resentment in the Third World over the substantial loan write-offs by commercial banks to Mexico and Brazil and by creditor clubs to Egypt and Poland last year.  
India and Indonesia are among the low-income countries which have large external debts and crumbling debt.

## Dunkel faces resistance from ROK over farm market opening

SEOUL, Sept 3: Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), faced strong resistance from South Korea Thursday regarding farm market opening, reports AP.  
Dunkel arrived Seoul Wednesday to meet with President Roh Tae-woo and other government officials to seek South Korea's cooperation in world talks for reduced trade barriers.  
In a meeting on Thursday, however, Foreign Minister Lee Sang-ock told Dunkel the Korean government is against the market opening of rice.



NO ONE IS TOO YOUNG TO BE A TARGET: Children pose Sept 2 after being rescued from a gang of kidnappers who smuggle Pakistani kids to the neighbouring Gulf regions as jockeys in camel races. The children were believed to have been kidnapped from Rahimyar Khan district in southern Punjab province. — AFP/UNB photo

## Top GCC bankers' meet to study regional integrity

ABU DHABI, Sept 3: Central bank governors from the Gulf Cooperation Council (GCC) will meet in the United Arab Emirates (UAE) on Sunday to study proposals aimed at reducing barriers to regional integration, reports Reuters.  
"All of these issues have been discussed before," a GCC official told Reuters by telephone from Riyadh. "The problem is there is no agreement."  
The official, who declined to be named, said central bank governors would discuss aligning exchange rates of Gulf currencies and setting up a system to guarantee deposits in national banks.  
The talks would also cover proposals to allow banks in the region to open branches in all GCC member states — Saudi Arabia, Oman, UAE, Qatar, Bahrain and Kuwait.  
"These issues will be the main pillars of the common Gulf market stipulated by the economic accord," Abdullah al-Quwaz, GCC Assistant Secretary-General for Economic Affairs told the Qatar news agency this week.  
Saudi Arabia and Kuwait forbid branches of foreign banks. Kuwait says it needs to restore order to its banking system before permitting foreign owned branches.

# Akio Morita — septuagenarian Sony chief who plays with toys

TOKYO, Sept 30: Akio Morita, the head of consumer electronics giant Sony Corp, likes nothing better than to take home new toys and play with them over the weekend, reports AP.  
Those "toys" include things like the Data Discman, a CD player for books; a camcorder; and a "geostationary positioning device" that gives one's location anywhere in the world.  
Nearly half a century after Morita reinvented the radio and made Sony a household name, the snow-haired, outspoken executive is still fascinated by new products and ideas.  
"If you go through life convinced that your way is always best, all the new ideas in the world will pass you by," he wrote in his 1986 autobiography, "Made in Japan."  
The 72-year-old Morita is especially critical of his compatriots.

The Japanese, he said, must give up their highly successful, though rigid, business style or risk losing the foreign markets that have enriched them.  
Morita's suggestion that Japanese corporations start paying employees more, improve shareholders' benefits and lengthen product cycles—in short, start acting like Western companies—has drawn scowls from bureaucrats and kudos from some of his colleagues.  
Despite Morita's high profile, Sony is so secretive that it's difficult to determine whether he's bringing such changes even to his own company.  
Boris Petersik, electronics analyst at Barclays de Zoete Wedd Securities, says Morita's campaign for a less ominous Japan may be yet another savvy business strategy.  
Still, he said Japanese businesses need to team up

with foreign firms to stay on the cutting edge of technology. "These guys have to open up more, it's their only chance."  
The eldest son in a wealthy family that brewed sake, or rice wine, for 15 generations, Morita was groomed from childhood to take over his family's business.  
But his love for electrical engineering — he grew up with the latest technology of the 20s and 30s in his home—proved too strong.  
In 1946, just after World War II, he pooled 500 dollar, with engineer Masaru Ibuka and founded Sony in the third floor of a bombed-out Tokyo department store.  
The company's first product, an electric rice cooker, was a failure. But four years later it got its big break.  
Sony bought the rights to an American invention called the transistor and used it in ways its originators never imagine — in radios. Sony won a reputation for innovation with radios so small they fit in one's pockets.  
In the 1960s, Sony transformed video tape recorders, also an American invention, from huge machines run with vacuum tubes to compact transistorised models. When it adapted those machines for home use a decade later, it helped create the VCR.  
In the 1980s, Sony shrunk its audio tape recorders, attached earphones, and wired the world for sound with the Walkman.  
Today, its light-weight camcorders make video taping easy and tiny Watchman VCRs allow for movie watching on the run.  
Sony was one of the first Japanese firms to successfully tackle world markets, with two-thirds of its sales and much of its production now overseas.  
Sony began manufacturing in the United States in the 1970s, long before the 1980s wave of investment there.  
The 1987 buy out of CBS Records and bold acquisition of Columbia Pictures in 1989 left it well stocked with the software that analysts say it needs to keep its edge in electronic entertainment.  
As entrepreneurs, Morita and Ibuka made up their own rules as they competed with business families that once dominated the economy.  
Despite his country's phenomenal formality, Morita has little patience with pretension. "I do not like to have my managers think they are a special breed of people elected by God to lead stupid people to do miraculous things."  
Sony is now the top pick of Japanese college graduates.  
Tanned and energetic, Morita battles a permanent case of trans-Pacific jetlag with weekly tennis in the summer and skiing in the winter. He took up water skiing just eight years ago.  
"The only thing I cannot beat is a bad cold," he said jokingly.  
An inveterate salesman, Morita handed out sales brochures and showed off at a recent news briefing a 800 dollar "Scopman" digital recorder with audio tapes the size of a postage stamp.  
Morita seems addicted to the role of gadfly.  
He has long harangued American executives for taking fat salaries and air-conditioned offices while workers sweated in the factories.  
He caused a stir in 1989 by co-authoring "The Japan That Can Say No" with conservative politician Shintaro Ishihara. Morita warned that the United States must revitalize its electronics industry by investing more in research and development.  
But Morita also is disarmingly ready to confess his own mistakes: The beta-max videotape format that no other company uses and a decision not to get into the personal computer market, among them.  
He has turned daily business over to other Sony executives, but keeps in touch by taking new products home.  
"Basically, I like new products," Morita recently told a visiting group of American high school students.  
"He LOVES new products", a member of his staff whispered.  
Each year, Morita invites several dozen American students to Japan to experience the country for themselves.  
Even optimistic, he recently counseled them on his own philosophy. "For a venture business, all you need is your brain."