

BRIEFS

US leading chicken producer
WASHINGTON, Sept 7: The United States was the world's leading producer of chicken in 1991, accounting for about 30 per cent of the total, the Department of Agriculture said Thursday. China was in second place, with Asia as a whole accounting for 20 per cent of world production of chicken meat, reports AFP.

Japanese corporate confidence slumps
TOKYO, Sept 7: A key Bank of Japan (BOJ) report due out on Friday is all but certain to show that Japanese corporate confidence slumped in August, but the central bank is unlikely to be pressured into a sudden interest rate cut, economists said. "It's going to be terrible, but every body knows that, including the BOJ, and I don't expect it to have much effect on policy," said Robert Feldman at Salomon Brothers Asia, reports Reuter.

Pak sugar output increases
LAHORE (Pakistan), Sept 7: Pakistan, a major sugar importer until a few months ago, is now self-sufficient and may start to export surplus production, industry officials say. "We are reshuffling our strategy, Abbas Zia, a sugar importer and wholesaler at Pakistan's biggest market in Karachi, said at the weekend. Pakistan expects production to hit 2.6 million tonnes in fiscal 1992/93 (July/June), compared with 2.3 million in 1991/92, reports Reuter.

Australian jobless to hit new peak
SYDNEY, Sept 7: Australia's latest jobless figures are due for release this week with analysts fearing the unemployment rate will hit a new peak of 11.5 per cent. They say that such a result would increase pressure on the government, following last week's announcement of the July current account deficit, rising foreign debt and rising interest rates from at least one major bank. Unemployment stood at 11 per cent for July, slightly down from the last record level of 11.1 per cent for June, reports AFP.

Airbus selling deal blocked
FARNBOROUGH (England), Sept 7: Airbus industries has tentative pacts to sell various Chinese airlines six A330 and six A300-600 passenger aircraft, but the deals are blocked because of political problems, official said on Sunday. Airbus Managing Director Jean Pierson told a news conference the European Aircraft Consortium had signed memoranda for the sales amounting to around 1.5 billion US dollar and hoped to conclude them by the end of the year, reports Reuter.

China plans to boost steel output
TOKYO, Sept 7: China plans to build and integrate steelworks with annual output of some 10 million tons on its southern coast, it was reported here Sunday. The project is part of China's plan to boost its annual steel output to 100 million to 120 million tonnes by 2000 from the 1991 level of 70 million tonnes to stimulate economic growth, the economic newspaper Nihow Keizai said, reports AFP.

US unemployment may be worse
WASHINGTON, Sept 7: Unemployment may be even worse in September than it was last month when tens of thousands of Americans lost their jobs, controversial White House Budget Director Richard Darman conceded on Sunday. Under fire himself as a principal architect of policies that have failed to ignite a vigorous recovery, Darman agreed with questioners on ABC television that conditions may worsen, reports Reuter.

Openness on scam issue urged
NEW DELHI, Sept 7: The Editors Guild of India has urged the Speaker of the Lok Sabha and the Chairman of the joint parliamentary committee investigating the securities scam to throw the committees proceedings open to the press. This will not only be in keeping with the global trend towards greater openness, characterised by live telecasting of parliament sessions in several countries, but will enhance the credibility of the probe itself, the Editors Guild of India said in a press statement Sunday, reports PTL.

Bulgaria views communist regime's aid to Third World as crime

GENEVA: Bulgaria, an economy in transition and a country moving from 'People's Democracy' to Western-style democracy, appears to have made development aid and trade credits to Third World countries and implementing of UN recommendations on aid, retroactively, a crime.

Andrej Lukanov, the former Prime Minister of Bulgaria under communist rule, was arrested in early July and, according to published press reports in Western media, charged with 'misappropriating' state funds and 'mismanaging' the economy.

The letter (of 1 July) sent by the Procureur-General (the Attorney-General) of Bulgaria to the Bulgarian Parliament listing the charges against Lukanov claims that he (and others in the government of those days) granted aid and trade credits to developing countries and thus wasted Bulgarian funds and resources.

A French translation of the Procureur-General's letter (and Lukanov's reply in the National Assembly) has been made available here and, on

the face of it, makes strange reading.

In the letter, the Procureur-General informed the National Assembly that during the period 1986-90, the Bulgarian government headed by Prime Minister O Atanasov had adopted some 27 decisions concerning the grant of aid to developing countries for an overall amount of 34.59 million dollar.

During the period cited, the

by Chakravarthi Raghavan
Afghanistan, Angola, Yemen and others. An annex to the letter lists other countries which were given the aid and trade credits: Tanzania, Morocco, Algeria, Mozambique, Nigeria, Mongolia, North Korea, Ghana, Egypt and Ethiopia. Another annex lists about 90 former Ministers and high officials.

All these decisions of the

Under Bulgaria's new Western-style democracy, development aid and trade credits to Third World countries given by the previous (Communist) government now seem to be classified as a criminal waste of resources.

letter says, Lukanov was a member of the government headed by Atanasov and was the Deputy Prime Minister. (Atanasov was arrested in May, originally on other charges and according to reports is still under custody).

The Procureur-General's letter mentions as recipients of the aid Nicaragua, Cuba, Laos, Kampuchea, Vietnam,

government, the Procureur-General charges, 'have had an extraordinary negative influence on the economy of the country, taking into account its own potential, resources and export possibilities, and have led objectively to the incapability to serve its external financial obligations.'

In the light of the above, Bulgaria's highest law officer

concluded that crimes of 'misappropriating state funds and the mismanagement of the economy' had been committed, and that 'the above crimes have been committed by Andrej Lukanov, together with other persons.'

The Procureur-General, on the basis of his charges, requested the National Assembly to unseat Lukanov as a member of Parliament, and permit his arrest. The requests were allowed by a majority vote of 130 to 102.

Noting that the only 'fact' in the letter was that he was the Deputy Prime Minister during the relevant period, Lukanov in defending himself in the National Assembly has underlined that the aid provided to the developing countries was not only justified on grounds of solidarity, but was in accord with internationally accepted policies and strategies by which the 'developed' countries were asked to help the developing countries. Aid was provided among others for humanitarian purposes, including the famine in Ethiopia in 1988.

The credits provided were a well-accepted way of financing trade and very often the only way to sell products abroad. The credits had been in the best interests of Bulgaria.

During the period 1980-89, Bulgaria sold products and services to the developing countries worth 19 billion dollar and imported from the developing world nine billion dollar worth of goods and services. How can we say that the balance is negative for Bulgaria, Lukanov asked the Assembly.

In fact as a result of economic cooperation for 10 years with these countries, we gained 10 billion dollar.

Lukanov questioned the view that the credits would never be repaid and suggested that the 'insolvency' of the countries was not evident. Lukanov is a well-known figure in the United Nations Conference on Trade and Development (UNCTAD) circles as a prominent delegate to several of the meetings in the 1970s and early 1980s, and was a former President of the Trade and Development Board.

Arab states lost \$ 620b in Gulf War

ABU DHABI, Sept 7: Arab nations sustained a loss of 620 billion dollar because of the Iraqi invasion of Kuwait and subsequent Gulf War, according to a draft analysis released Sunday, reports AP.

The summary of the Arab economic report for 1992 was made available at an Arab financial gathering here.

The report is the leading economic reference for the Arab world and is prepared jointly by the Arab League, the Arab Monetary Fund, the Arab Fund for Economic and Social Development and the Organization of Arab Petroleum Exporting Countries.

It incorporates data for all 21 members of the Arab League, including the Palestine Liberation Organization (PLO).

The aggregate loss of 620 billion dollar into account infrastructure damage, set-backs to economic development and defense outlays, the report said.

Destruction of infrastructure — which include offices, factories, roads and telecommunications systems — translated into a loss of 160 billion dollar for Kuwait and 190 billion dollar for Iraq, the report

said. It said development was sharply set back in Kuwait and Iraq and, to a lesser degree, in some neighbouring countries. It estimated the total at 185 billion dollar but gave no breakdown.

The report put Arab government spending for Operation Desert Shield and Operation Desert Storm at 84 billion dollar.

It gave no breakdown, but the bulk of the defence expenses were paid by Saudi Arabia, Kuwait and the United Arab Emirates.

Iraq invaded neighbouring Kuwait on Aug 2, 1990. Kuwait was liberated on Feb 26, 1991, and Desert Storm ended two days later.

The report also blamed the Gulf crisis for a sharp slowdown in growth in the Arab world.

The Arab economy grew an average of three per cent a year from 1986-88, and 5 per cent in 1989. But gross national product, which is a measure of the value of all goods and services produced, contracted 1.2 per cent in 1990 and seven per cent in 1991, the report said.

India may liberalise silver import

NEW DELHI, Sept 7: India, encouraged by the success of its liberalised gold import scheme, is considering doing the same with silver, the Press Trust of India (PTI) said Sunday.

PTI quoted Finance Ministry sources as saying a decision should be made within a few days on the plan, with economists arguing that it too would be a surefire success because of the high price of silver in India, where it is almost double the international price.

Since the gold import scheme was introduced, non-resident Indians brought in more than 42 tonnes of the metal in the first five months, netting 33 million dollar in duty, the agency said.

PTI said silver tableware and jewellery makers were solidly behind the plan, and had argued that they were being driven out of the market by producers such as Thailand and Italy.

General Motors plant returns to full output

DETROIT, Sept 7: General Motors Corp's metal stamping plant in Lordstown, Ohio, returned to full production on Sunday after a nine-day strike that labour experts view as a crucial victory for the United Auto Workers Union, reports Reuter.

Overwhelming approval for a tentative pact, by UAW local 1714's 2,300 members on Saturday, cleared the way for more than 50,000 GM workers at nine assembly plants and several other components plants to begin returning to work.

At least 13,000 of those workers are expected back on the job by Tuesday. The remainder are expected back by the end of the week as GM resumes assembly operations.

"Our goal is to get our plants back up and running as soon as possible," said Linda Cook, a spokeswoman for the world's biggest carmaker. "There are car sales we're missing out on."

The Lordstown workers, who went on strike over job-security grievances, not only hobbled much of GM's production capacity but also gained for the UAW a bigger voice in GM plans for huge job cuts over the next three years.

Industry and labour analysts say the Lordstown settlement, which deepens GM from closing a tool and die shop and preserves other jobs, may limit the car giant's ability to make cuts.



GANG OF NINE: Portrait gallery of the nine Japanese top billionaires who want to 'buy' the United States. The 'poorest' of them is said to be 'richer' than the 'richest' billionaire of the US. — Star TV photo

Washington blames Bonn for plight of dollar

WASHINGTON, Sept 7: The United States blamed the plight of the beleaguered dollar party on German economic policy on Sunday and insisted international confidence in the US economy is high reports Reuter.

White House Budget Director Richard Darman said on ABC television the interest rate policies of the Bundesbank, the German central bank, had contributed to weakness in the dollar by keeping German interest rates high.

"I wouldn't expect a flight from the dollar," Darman said.

"I think basic confidence in the strength of the US economy, which with all of its problems is still the number one economy in the world, will avoid that."

But he added "the policies of the Bundesbank are contributing to the current problems."

Bundesbank President Helmut Schlesinger said in Britain the US government had acquiesced to the dollar's fall.

The German central bank sought to use a tight monetary policy to keep inflation in check in the aftermath of

German unification.

But the policy made the Bundesbank a target of criticism among industrialised nations, including Britain and Italy, which have seen their currencies slide as a result.

The dollar's sharp fall in value against the German mark has made it more difficult for US policymakers to use cheaper credit to boost the economy for fear of aggravating the currency's slide.

The US central bank, the Federal Reserve, lowered short-term interest rates on Friday by putting more money

GCC fail to align currencies

ABU DHABI, Sept 7: Central bank governors from six Gulf Arab states failed to agree on aligning their currencies at a meeting here Sunday, a senior Gulf Cooperation Council (GCC) official said, reports AFP.

Abdullah al-Guwazi, Assistant Secretary General for economic affairs, said the alignment plan included linking the six national currencies to the Special Drawing Rights (SDR), a unit used by the International Monetary Fund

(IMF).

"There are differences in views about a common peg of GCC currencies but there is a strong desire to reach an acceptable formula," he told reporters after the meeting of bank governors from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).

"The problem will be discussed at a joint meeting of governors and finance ministers on October 8 in Riyadh.

We hope they will reach a decision, at least on a time-frame for implementing this plan."

Except Kuwait, whose dinar is linked to a basket of currencies, GCC currencies are tied to the US dollar.

Alignment of these currencies has been under discussion since the six Gulf nations signed an economic accord a year after setting up their defence and economic bloc in 1981.

Taiwan's exports hit record

TAIPEI, Sept 7: Taiwan's exports hit a single-month high of 7.31 billion US dollar in August, the highest recorded figure for many years, finance officials said Sunday, reports AFP.

The figure was 18.7 per cent up on August 1991, and six per cent up on last month, said Yang Ts Ai-Yuan, the Finance Minister's Director of Statistics, attributing the rise to increased exports of textiles, electronic machinery and information products.

He added that he expected the export boom to continue in September.

August also saw an increase in imports, up 9.7 per cent on August 1991 at 6.21 billion dollar, though down 500 million dollar from July in the first decline in the past seven months.

Each Kuwaiti deportee to Iraq will receive \$7,500

BAGHDAD, Sept 7: President Saddam Hussein has decided to provide financial aid and jobs for people deported by Kuwait to Iraq after the Gulf War, a senior official reported Saturday, reports AP.

The Governor of the southern port of Basra, General Latif Mahal Hmood, said Hussein had recently instructed the Iraqi authorities to deploy all necessary efforts to ease the sufferings of these people.

He was referring to long-time Arab residents of Kuwait expelled from the emirate during the Gulf crisis and who are known as Bidoons or those without a nationality.

Each deportee will be able to receive, upon his request, the sum of 2,500 dinar (about 7,500 dollar at the official exchange rate) from the Iraqi authorities, Hmood said.

Last November, Baghdad said that Kuwait had deported to Iraq more than 80,000 Bidoons over four and a half months to Iraq, where they had been settled in camps at the border town of Safwan.

Most of the Bidoons are Palestinians, many of whom were suspected by Kuwait of collaborating with the Iraqi forces who occupied the emirate from August 1990 until they were driven out by a US-led coalition in February 1991.

India's GDP records less than 2 pc growth in 1991-92

NEW DELHI, Sept 7: The growth of India's real Gross Domestic Product (GDP) dropped dramatically in 1991-92, falling below two per cent for the first time in 11 years, according to a central bank report released Sunday, reports AP.

The Press Trust of India (PTI) quoted the reserve Bank of India annual report as saying however that an improvement was expected in the current April-March fiscal year when GDP growth is expected to spur to 3.5 per cent.

No exact GDP growth rate figure was given for 1991-92 — the year in which India faced virtual bankruptcy, clamped tight import bans on all commodities, introduced crash economic reforms and saw its credit rating lowered.

But the report said it was

expected to fall below two per cent when final figures were in for the year, which was characterised by a one per cent fall in agricultural production and stagnation in industrial output.

In the 1980s India's ODP growth hovered consistently around the 5.5 to 5.6 per cent mark, and in 1990-91 it stood at 5.6 per cent.

A plunge in the industrial growth rate after a decade of hovering around eight per cent helped bring down GDP, the report said, blaming devaluation of the rupee, government spending curbs and the tough import compression measures.

However indications were that a good monsoon would see an improvement in agricultural production and that the industrial production growth rate would pick up to a modest five per cent in 1992-93, it said.

Downward wage spiral for US white-collar

WASHINGTON Sept 7: The wages of college-educated, white-collar workers and women are in a downward spiral, according to a new study released Sunday, reports AP.

Between 1987 and 1991 the inflation-adjusted wages of college-educated workers fell 3.1 per cent, with male college-educated workers experiencing a steeper 4.4 per cent decline, said the study by the non-profit Economic Policy Institute.

Overall, white-collar salaries fell by 4.4 per cent, said the study, "The State of Working America."

A 5.5 per cent wage gain registered by female workers in the 1980s has eroded by 2.8 per cent since 1989, it added.

"Unfortunately, this Labour Day we find that the economy is failing to maintain high wages for nearly all American workers," economist Lawrence Mishel said in a statement accompanying the report, which Mishel co-authored with Jared Bernstein.

The two economists said wage setbacks for white-collar workers and the college educated marked the end of a 1980s boom in finance, retailing, banking and real estate. Mishel and Bernstein said that the recent recession bore a distinctly white-collar stamp: a greater rise in unemployment among white-collar workers than among their blue-collar counterparts.

And they said declines in income were most severe among upper-middle-class families.

But their study also found that the sharpest wage reductions were in entry level jobs for workers without a college degree.

It said that nearly three quarters of all young workers without college degrees face a job market providing far lower wages than what comparably educated young people enjoyed in the 1970s.

For example, they showed that in inflation-adjusted dollar a male high school graduate earned 26.5 per cent less in 1991 than the wage earned by a 1979 graduate.

Among other findings:

- Incomes of the top one per cent of families grew 62.9 per cent in the decade of the '80s while the incomes of the bottom 60 per cent of families declined.
- Recent tax policies created even more of an income gap by reducing the tax rates on the top one per cent by 4.9 per cent, thus providing an additional 27,000 dollar in after-tax income.
- In the 1980s the wages of low-income workers fell 15.9 per cent for men and 6.8 per cent for women.

European Union accord generates more discord than unity

BRUSSELS, Sept 7: The European Union accord was supposed to bring Western Europe closer together and lay ground-work for a superpower that, one day, would rival the United States.

Instead, it has become a cause of division, a symbol of Europe's inability to set aside national differences and yield sovereignty to a central administration, writes AP.

Leaders of the 12 European Community members negotiated the agreement in secret last December in the Dutch town of Maastricht. It would create a political, economic and monetary union with a single currency and common foreign policy by 1999.

France is the accord's next — perhaps final — testing ground. A French referendum Sept 20 is seen as a make-or-break vote.

A "no" in France, long a leader in the European unity drive, would kill the accord. Opinion surveys show voters almost evenly divided.

Greece.

All 12 EC nations must ratify the treaty, which is intended to take effect next year.

A defeat of the accord would not scuttle community plans, under a separate agreement, to create a single market of 379 million people on Jan 1, 1993. The nations have promised to drop restrictions on the internal flow of money, people, goods and services.

Maastricht agreement proponents say it provides the groundwork for Europe to become an economic and political superpower.

In France, President Francois Mitterrand appeared Thursday in his first televised debate in four years to appeal for voter support.

Mitterrand said the treaty would enable Europe to battle economically against "the Japanese offensive." He also said the European central bank the treaty envisions would be subordinate to policy decided by EC heads of state.

Unhappiness with the accord has spread throughout the trading bloc.

Some, mindful of past European wars, fear Maastricht will create a Germany-dominated union. French interest rates already are heavily influenced by German monetary policy.

Chancellor Helmut Kohl of Germany, praising Franco-German friendship during the televised debate, dismissed claims that the accord would

create a "German Europe" and said each country would preserve its identity and culture.

The Maastricht agreement would give the EC a greater voice in education, public health and other social policies of member nations. Opponents foresee an expanded bureaucracy meddling in citizens everyday lives.

To dampen those concerns, EC leaders have promised to limit powers of the community's executive agency in Brussels to matters that cannot be dealt with by national and local governments.

Members disagree over economic and monetary policies at a time of recession.

Germany, paying the hefty costs of reunification, has kept interest rates high, hurting other European currencies. The British pound and Italian lira have taken a drubbing in currency markets.

Many Germans, proud of their strong mark, oppose plans to scrap it for a single European money.

EC nations vowed last year to resolve the crisis in Yugoslavia. They failed in their first diplomatic test, partly because of varying national interests.

"It appears that the EC isn't able to do anything" about Yugoslavia, said Jan Rood of the Clingendael Institute for International Affairs in

the Netherlands, and "that contributes to the opposition" to the treaty.

Germany, angering some of its partners, recognised Croatia's independence before other EC nations.

Mitterrand caught other EC leaders by surprise when he flew to the besieged Bosnian capital of Sarajevo hours after a summit devoted largely to Yugoslavia.

His government also has shown more willingness than others to send troops to Bosnia-Herzegovina to help escort relief supplies to the war-ravaged population.

Germany refuses to send soldiers, saying its constitution prohibits deployment of forces outside the 16-nation North Atlantic Treaty Organization.

Britain, mindful of its troubles in Northern Ireland, does not want to get deeply involved in the fighting. It finally promised soldiers to protect aid convoys.

French 'non' will kill Maastricht Treaty: Major

LONDON, Sept 7: British Prime Minister John Major said Monday that a French "no vote" in the September 20 referendum would kill the Maastricht Treaty on European political and economic union, reports AP.

Speaking to the EC presidency conference here entitled "Europe and the World After 1992," he said, "without the consent of all 12 member states the Maastricht Treaty cannot proceed. It would be dead."

But he said Maastricht was part of a bigger agenda and Britain as EC president also had among other things to complete the single market by the end of the year, strengthen links with eastern and central Europe and prepare for Community enlargement.