

BRIEFS

Uprating helps raise electricity supply

NEW DELHI, Oct 6: Additional electricity of about 2,000 MW could be generated at the existing Indian hydro projects with the help of the innovative technology developed for upgrading the performance of the obsolete and old hydro projects. Bharatiya Heavy Electrify Limited, which has developed the new technology, claimed that with minor modifications in the design of the turbine and insulation technique, country could be improved by 10 per cent, reports Xinhua.

Another 50,000-job loss expected in UK

LONDON, Oct 6: Britain's building industry is likely to lose another 50,000 jobs this year, having lost more than 400,000 jobs in the three years up to June 1992, the Building Employers Confederation said here. The confederation said, a study showed that the level of building work fell sharply in the third quarter of 1992 and new inquiries for work had slowed up, reports AFP.

8000 US mechanics go on strike

WASHINGTON, Oct 6: Some 8,000 mechanics and utility workers at Usair staged a strike Monday forcing the carrier to cut 60 per cent of its 2,600 daily flights. Workers walked off their jobs at 7 AM after a last ditch all night bargaining session in the year-long contract talks between Usair and the International Association of Machinists (IAM) failed to hammer out a new accord, reports Xinhua.

UK economy survey paints grim picture

LONDON, Oct 6: A business survey published here on Monday painted a grim picture of the British economy with home orders sharply down, exports falling and confidence at a new low. According to the West Midlands Chambers of Commerce survey, gathered shortly before the sterling crisis and covering nearly 700 businesses, showed more job losses expected while turnover and profitability had slumped, reports AFP.

Demand for steel to fall worldwide

TOKYO, Oct 6: The short and medium term prospects for the world's steel markets are gloomy, Lenhard Holschuh, General Secretary of the International Iron and Steel Institute (IISI) said here Monday. Given the more world economic climate steel demand will not rise in 1992 and is unlikely to show much improvement in 1993, said Holschuh, here for the IISI's 26th annual conference, reports AFP.

Dollar up in Tokyo

TOKYO, Oct 6: The US dollar opened higher against the Japanese yen on Tuesday, as share prices on the Tokyo Stock Exchange slipped. The dollar started trading at 119.90 yen, up 0.65 yen from Monday's 119.25-yen close. The dollar's finish Monday was the lowest in Tokyo since the post-World War II exchange rate system was established in the late 1940s, reports AP.

Dollar, gold up in New York

NEW YORK, Oct 6: The US dollar rose against most major currencies Monday on a day when the various stock markets dipped and swayed. Gold prices rose. On the New York Commodity Exchange, gold bullion for current delivery rose 2.40 dollar to 350.50 dollar. Republic National Bank of New York quoted a late bid price of 350.50, dollar up 2.25 dollar.

Stocks plunge in New York

NEW YORK, Oct 6: Stock prices plunged dramatically Monday on concerns about the American economy, but prices recovered most of the lost ground late in the session. The Dow Jones average of 30 industrials fell by about 105 points in morning trading. Most of that loss was wiped away when bargain hunters emerged and bought shares at depressed prices, analysts said, reports AP.

Iraq ready to pay war reparation

BAGHDAD, Oct 6: Deputy Prime Minister Tareq Aziz said Iraq was prepared to pay war reparations and cover the costs of UN inspection teams supervising the destruction of Iraqi weapon systems, reports Reuter.

But Aziz reiterated in a newspaper interview that Iraq rejected the conditions attached to UN Security Council resolutions allowing it to resume oil sales under UN supervision. "Iraq, basically, has not objected to the idea of selling oil to meet the necessary humanitarian and civilian needs and has not objected to the Security Council's resolution to deduct a high percentage... for the so-called reparations fund and UN costs," Aziz said in the interview with Al-Thawra, newspaper of the ruling Baath Party.

But, commenting on a recent UN resolution to seize frozen Iraqi oil assets and money, he said Iraq would reject any humiliating conditions that infringe its national

sovereignty.

"Iraq has rejected the biased and vicious political aims under which resolutions 706 and 712 were passed," Aziz said.

Resolution 706 and 712 allow Iraq to sell oil worth 1.6 billion US dollar to buy food and other humanitarian supplies for distribution inside Iraq under strict UN control. Iraq turned down that offer as inadequate, and last month proposed selling oil worth 4 billion US dollar over a period of six months.

Aziz quoted Foreign Minister Mohammed Saeed Al-Sahaf, who made the offer, as saying Baghdad was ready to "resume negotiations over oil sales in Vienna to reach a reasonable solution that combines elements of the Iraqi proposal and UN interests."

Iraq also agreed to resume talks on UN activities in Iraq with UN Emergency Relief Coordinator Jan Eliasson, he added.

Those talks reached deadlock in August when Iraq

refused to let the UN post guards and relief workers in the south of the country, where the western allies have imposed a ban on flights by Iraqi aircraft.

Iraqi Finance Minister Ahmed Hussein Al-Samarai said on Sunday Iraq would press on with its own offer of a partial resumption of Iraqi oil exports.

"Iraq is determined to follow up its project, submitted to the UN Secretary General, for permission to sell oil worth 4 billion US dollar over a period of six months, extendable to six months more," Samarai said.

"The acceptance of this proposal and the conduct of negotiations on how to implement it would provide necessities for the Iraqi people from the north to the south," he added.

The value of the Iraqi dinar slumped on Sunday on news that Iraqi assets could be seized. It fell on the black market from 23 to the dollar to almost 35.

AFP adds: UN sanctions and war damage caused Iraq's oil industry losses of 43.8 billion dollar from August 1990 until May 1992, the Oil Ministry reported Monday.

The loss includes the cost of damage caused during the Gulf War by allied bombing and forgone revenue from lost exports of 500 million barrels of crude oil, a ministry sources said in a statement in the Jumbhuria newspaper.

As a result, the source said, Iraq oil losses stood at 13.7 billion dinars (43.8 billion dollar) at the official exchange rate.

The Iraqi Oil Ministry recently said that oil installations suffered six billion dollar in damage during the Gulf War.

Iraq has faced an international trade embargo since its invasion of Kuwait in August 1990.

Iraq's OPEC production quota before the invasion was 3.14 million barrels of crude oil a day, mainly exported through Saudi Arabia and Turkey.

Yangon eager to boost trade ties with Manila

MANILA, Oct 6: Myanmar expects to boost trade ties with the Philippines as part of plans to explore new markets, the Finance Minister of Yangon's military government said Monday, reports AFP.

"We came here to look at the possibility of enhancing trade and cooperation," Planning and Finance Minister Brigadier-General David Abel told reporters.

He said his delegation, which also includes recently-appointed Trade Minister Major General Tun Kyi and Brigadier-General Lun Maung of the Prime Minister's office wanted to "see what we can buy in the Philippines as part of our efforts to diversify our markets."

The three arrived here over the weekend and held talks with trade department officials here Monday.

Total two-way trade amounted to 982 million dollar in 1991 with Yangon enjoying a 674 million dollar surplus.

Philippine Economic Planning Minister Cielito Habito said he hoped the visit would lead to a much greater international trade between the Philippines and Myanmar.

Lankan next year budget deficit will be lower

COLOMBO, Oct 6: Sri Lanka's budget deficit next year will be lower than in 1992, according to finance ministry estimates, says Reuter.

The figures to be presented in parliament on Tuesday, show a deficit of 66 billion rupee (1.5 billion dollar) next year, compared to estimated 67 billion (1.5 billion dollar) this year.

Expenditure has been estimated at 167.3 billion rupee (3.8 billion dollar) compared to projected 156.6 billion rupee (3.5 billion dollar). Revenue is higher at 101.3 billion rupee (3.5 billion dollar) than estimated 87 billion (two billion dollar) in 1992.

Defence spending, to pay for the continuing war against Tamil separatist rebels is unchanged at 15 billion rupee (340 million dollar).

Prime minister Dingir Banda Wijetunga, who is also Finance Minister, will tell parliament next month how he intends to finance spending.

827-pound pumpkin

WASHINGTON, Oct 6: Joel Holland, a 43-year-old fire fighter, has grown a 827-pound pumpkin, the largest of its kind in the world, the Associated Press reported today, says Xinhua.

Holland's pumpkin is 11 pound heavier than the current record listed in the Guinness Book of World Records an 816-pound pumpkin grown in 1990 by Bob Gancarz in New Jersey.

At a world pumpkin confederation, worldwide in California Saturday, the fire battalion chief from Puyallup of Washington won a total of 7,500 dollar in prize money for his mammoth pumpkin. He says love, water, super seeds, warm weather and plenty of chicken manure helped him grow the whopping pumper. During its peak growing period, his record pumpkin grew more than 22 pounds a day, Holland says.

"Basically, it's a five month project, and you have to determine every day what the pumpkin needs," says Holland.

Holland also won first place for the largest squash, which tipped the scale at 608 pounds.

Clinton unlikely to follow protectionist trade policy if elected president

TOKYO, Oct 6: Democratic presidential candidate Bill Clinton is unlikely to implement protectionist trade policies if he is elected in November, said David Hale, chief economist at Kemper Financial Service, reports Reuter.

Much would depend on whom Clinton appointed to key trade positions, but there is little reason for other nations to be worried just yet, Hale told a news conference.

"The good news for Japan is that the people close to Clinton are not protectionist," added Hale, who said he had advised Clinton on economic matters.

Clinton has internationalist leanings, as shown by his support for the North American Free Trade Agreement (NAFTA), he said.

Clinton spoke in favour of NAFTA on Sunday, though he stopped short of a wholehearted endorsement, saying the agreement must be accompanied by better safeguards for US workers, more environmental protection and a comprehensive economic strategy.

Japanese officials have viewed a possible democratic administration with some worry, fearing the party will not be as dedicated to free

trade as the Republican Party. Hale said Clinton would be unlikely to adopt protectionist policies even against China.



whose human rights record he has criticised.

Hale said he expected Clinton would take a more active role in the economy than Bush, resorting to fiscal pumping that could increase the federal deficit.

Hale warned that Clinton would likely raise taxes including on foreign firms operating in the US "if NAFTA is approved. I would tell any foreign company to go to Mexico," he said.

India to import US wheat

WASHINGTON, Oct 6: India is to import 9.82,750 metric tonnes of US wheat in the current financial year, reports PTI.

A three-member delegation from the Food Ministry, the government of India, successfully concluded discussions with the US Department of Agriculture (USDA) regarding import of about one million tonnes of US wheat under the Export Enhancement Programme during 1992-93" according to an Indian Embassy, Commerce Wing press release issued last evening.

Following the discussions tenders were invited from 24

leading grain exporting companies registered with USDA on October 1, 1992 and "on the basis of the bids received by the USDA, export of 9,82,750 metric tonnes of wheat to India for shipment during October 1992-March 1993 has been approved" it said.

The average EEP (Export Enhancement Programme) bonus allowed by USDA on these exports is US dollar 33.45 per metric tonne. The net export price for the October-December period 1992 will be 110.50 dollar per metric tonne on for Gulf ports basis.

Iran seeks Caspian Sea belt common market

TEHRAN, Oct 6: Iran seeks a common market for the 250 million people in states bordering the Caspian Sea, Foreign Minister Ali Akbar Velayati said here Sunday at the start of talks on setting up a new regional organisation, reports AFP.

Experts from Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan were holding a two-day meeting to prepare the statutes of the Caspian Sea Cooperation Council, a concept raised last February in Tehran.

The five countries aim to cooperate on oil, natural gas, shipping, Caspian ports, marine research, the environ-

ment and culture.

"The Caspian sea, as model of solidarity between the peoples of the littoral states, can contribute to economic prosperity, security, stability and peace in the region," said Velayati.

He stressed that Iran had high hopes of setting up a common market for the 250 million inhabitants of the five Caspian countries.

The draft statutes are to be forwarded to a meeting of foreign ministers expected to convene in the Iranian capital in mid-October and later to a summit at the formal launch of the cooperation council.

Libya calls UN to lift sanctions

UNITED NATIONS, Oct 6: Libya's foreign minister on Monday appealed to the United Nations to lift economic sanctions on his country, saying they had killed hundreds of Libyans and cost the economy over two billion dollar, reports AP.

Oil exports were down 44 per cent, said Ibrahim al-Bishari, Libya's foreign minister.

"My country would like from this rostrum to call upon this international organization and the Security Council, out of respect for the principles of justice, to lift the sanctions," al-Bishari said.

The Security Council clamped air travel, arms and diplomatic sanctions on Libya effective April 15 for refusing

to surrender two suspects in the bombing of Pan Am flight 103 over Lockerbie, Scotland, which killed 270 people in December 1988.

Two Libyans suspected of planting the bomb are wanted by the United States and Britain.

The United Nations also ordered the punishment for Libya's failure to help in investigating four other Libyans suspected of killing 171 people in the bombing of a French jetliner over Africa a year later.

Al-Bishari, in his speech to the General Assembly, said the air travel ban had caused the deaths of "a great number" of children and pregnant women who died in labour due to shortages of medicines. He did not give exact figures.



BASRA (Iraq) : Shi'ite women carry their belongings on a pantoon bridge in the marshlands region, southern Iraq on October 3. The Iraqi army keeps a strong military presence in this Shi'ite-populated region. — AFP/UNB Photo

EC battling to patch up unity

LUXEMBOURG, Oct 6: European Community foreign ministers were battling to patch up a facade of EC unity here amid turbulence around the Maastricht union treaty, currency uncertainty and strained Anglo-German relations, reports AFP.

Diplomats said the ministers would be trying to deflect public attention from the crisis by curbing the powers of the EC's controversial central executive, the European Commission.

The meeting's chairman, British Foreign Secretary Douglas Hurd, said on his arrival at the meeting "We should show that the community is not just a mechanism for interfering in people's daily lives."

Hurd said there would be no decisions on the three flashpoints, speaking on behalf of the EC's British presidency, he said the ministers were preparing for an emergency leadership summit in Birmingham, England, on October 16.

They were working on a

summit declaration likely to pledge that European union held no threat to national identity and that no decisions would be taken at EC level that could not be dealt with better by national authorities.

But the community is split between countries such as Belgium, Italy and Spain which support a stronger federal executive, and others like Britain and Germany which want the executive's teeth blunted.

Britain, traditionally unenthusiastic about greater federation in the EC, has been accused by some of its partners of taking a lukewarm approach to the Maastricht Treaty.

Diplomats said their biggest task was to dispel predictions of a "two-speed Europe" with Germany, France, Belgium, the Netherlands and Luxembourg leaving their economically weaker partners behind.

Finance Ministers not to be invited

A Reuter report says: EC finance ministers will not be invited to next week's special

summit in Birmingham so as not to create unrealistic expectations of immediate decisions, British Prime Minister John Major has said.

In a letter to European Commission President Jacques Delors, however, Major said there would have to be some discussion of the situation on the foreign exchange markets and the state of the European Monetary System at the October 16 meeting.

EC to welcome new members

AFP adds from Luxembourg: European Community foreign ministers meeting here welcomed the prospects of Austria and Sweden joining the community, and said work on enlargement negotiations was continuing.

The commission is expected to produce similar reports on applications for membership from Finland next month, and from Switzerland by the year-end. The two countries applied for membership this year.

World output may grow by 0.7 pc

UNITED NATIONS, Oct 6: World output appears to be growing by only 0.7 per cent in 1992 after a decrease of 0.5 per cent in 1991, according to a UN report published today, reports Xinhua.

The report, which updated the assessment of world economy by the economic and social council in June, said that the figure now was a somewhat slower rate than projected a year earlier.

The report noted that a recovery is expected in 1993, but it would be weaker than at the same stage of earlier recoveries in recent times.

Statistics by the department showed that world out-

put per capita was declining for the second year in a row and was expected to increase only marginally next year.

According to the report, the growth of world output per capita this year will be negative one per cent against last year's negative 2.2 per cent.

Analysing the reasons for the slow growth, the report said it was the result of two major trends: the barely growing for the developed market economies and the sharp fall of production in several of the economies in transition in eastern Europe and the former Soviet Union.

Commenting on developing countries, it said that their

growth has improved somewhat on average, but with wide difference among countries.

"There has been some modest improvement in Latin America most of the economies of South and East Asia continue to show strong growth, and China has been growing faster than 1991," the report said, adding that African economies, particularly south of Sahara, were seeing no improvement in their already weak average growth rates and the human toll of drought and civil conflicts was mounting.

"All in all, the terms of trade are moving against the developing countries", the report noted.

Once model Swedish way of life is now under threat

STOCKHOLM, Oct 6: The Swedish way of life was once the envy of the world — industrial harmony, growing prosperity, full employment, women's advancement and generous welfare benefits, even paid time off work to look after sick children.

But the unique Swedish system is under threat, writes Reuter.

Last week the pressure of a financial crisis forced politicians reluctantly to agree to cut some 40 billion crown (seven billion) dollar a year from the budget.

"It all depends how you define it, but the Swedish model, as it is known, was dead and buried long ago, though it still evokes interest abroad. The corpse still breathes, said Christian Bratt of the employers confederation SAF.

The welfare society may have suffered death by a thousand cuts but Sweden still looks after its citizens better than most other countries.

"I do not think for one minute we are moving away from our all-embracing system. The basic principles are still intact said Sven Nelander, an economist with the blue-collar trade union confederation LO.

The Social Democrats, who pioneered

Sweden's welfare society and promoted the "Folkhemmet" (people's home) idea of everybody under one roof campaigned as recently as last September on a platform that Swedes had never had it so good.

Television commercials showed a Swedish father spending his parental leave in Berlin a single woman on lengthy holiday in Paris, and an elderly woman drawing a generous pension. The message in every case was that Sweden is unique.

What became known as "the Swedish model" started with a 1938 pact on collective bargaining between employes and unions, signed at the Baltic Sea resort of Saltsjobaden.

Social democratic government levied exceedingly high taxes to weave a safety net so secure that workers did not feel threatened by industrial restructuring, which in turn gave Sweden a strong competitive edge.

Trade unions were powerful but disciplined and responsible, ensuring 30 years of growth.

But after student disturbances in 1968 resentment against what was seen as a too corporatist, paternalistic society began to set in.

Swedes are now wondering how much of

the old model remains.

The centre-right government and Social Democratic opposition agreed to cut pensions sickness and injury benefits in an effort to bring order to state finances.

Starting next January, for instance, Swedes who report sick from work will for the first time lose the first day's pay. At the same time they will pay higher taxes on petrol and tobacco, receive smaller housing subsidies and lose a promised increase in child benefit.

The most revolutionary cut will eventually scrap sickness and injury payments from the state insurance system, making employers and workers jointly responsible.

Prime Minister Carl Bildt said that if unchecked, the vast amount spent on welfare would cause a permanent deficit in the state budget and eventually bankrupt Sweden.

"We are obliged to pay yesterday's bills," he said.

"This was a huge retreat," said Leif Hogerson, a sociologist and retired civil servant, after the budget cuts were announced.

"We are turning the clock back 50 years. The system we are burying was based on

universal suffrage, and what is proposed to take its place will create a two-thirds society — only those who are employed will be fully insured," he said.

Apart from the notorious Adalen Massacre in 1931 when five people were shot dead during a sawmill dispute in northern Sweden, labour relations have been marked by agreement rather than conflict.

"We never had the dark, stanic mills of the early industrial revolution that sharpened labour relations in Britain, for instance," said SAF's Bratt.

"We know how to get along together. For instance, a Swedish boss would not dream of buying a new truck without first consulting the driver."

Employers, trade unions and civil servants say that despite the cuts, the Swedish model survives through a non-confrontational approach to work and paternalistic interest in the workforce.

Politicians from the European Community (EC), which Sweden has applied to join, say the 12-nation grouping needs the Swedes because of their progressive views on society.

Chinese agency individuals in US indicted for massive fraud

NEW YORK, Oct 6: A Chinese government agency and individuals in the United States and China were accused in a federal criminal indictment Monday of evading quotas set to protect the US textile and clothing industries, reports AP.

Robert Van Etten, special agent in charge of US Customs in New York, said he could recall no similar instance of an indictment of a foreign government agency.

"This is significant. I don't think it's been done before," he said.

The indictment resulted from a 17-month investigation touched off in part by complaints from the US textile and clothing industries