

BRIEFS

Dollar down, stocks up in Tokyo

TOKYO, Oct 7: The US dollar declined in morning trading Wednesday, against the Japanese yen, while share prices on the Tokyo Stock Exchange rose slightly. At late morning the dollar was changing hands at 119.57 yen, down 0.22 yen from Tuesday's close and below its overnight finish at 119.70 yen in New York, reports AP.

22 Chinese given jail terms

TAIPEI, Oct 7: A Taiwan court Tuesday gave five Chinese policemen and 17 crew members jail terms ranging from six to 14 months for possessing firearms and smuggling cigarettes onto the island, officials said. The Penghu district court found the 22 guilty of smuggling and ordered that three Chinese policemen found with AK-47 rifles be sentenced to 14 months in jail, and two unarmed policemen be jail for eight months, a court official said, reports AP.

Stocks mixed in NY

NEW YORK, Oct 7: Stock prices were little changed Tuesday as the market stabilised after a wild plunge in the previous session. The trading was much less hectic than Monday's session, when the Dow fell 104 points in the first two hours on concerns about the domestic and European economic outlook. The index later recovered most of the loss to close down 21.61 points for the day reports AP.

UK new car sale falls in September

LONDON, Oct 7: British new car sales fell again in September, signalling more problems for the already hard-pressed domestic car industry, trade sources said on Tuesday. A total of 121,823 new cars were sold in the month, down four per cent on the low figure achieved in the same month last year, the society of motor manufacturers and traders said, reports AP.

Public ownership contradictory

BEIJING, Oct 7: Public ownership, hallmark of the socialist economy, is not incompatible with a market driven economy, according to noted Chinese economist Wu Jinglian. In an exclusive interview with Xinhua, he said that many disputes have arisen on the issue during the reform of the state-owned enterprises, reports Xinhua.

Taiwan's trade surplus falls

TAIPEI, Oct 7: Taiwan's foreign trade surplus stood at 7.43 billion US dollar in the first nine months of 1992 a 22.8 per cent decline on the same period last year, the finance ministry said. Foreign trade from January to September increased 10.4 per cent over the same period last year to 113.77 billion dollar the ministry said, adding exports in the period advanced 7.6 per cent to 60.6 billion dollar and imports rose 13.8 per cent to 53.17 billion dollar, reports AP.

UK consumers cut spending

LONDON, Oct 7: British consumers are cutting spending to pay off their debts, official figures showed on Monday, with British consumer credit falling 30 million pounds (50 million dollar) in August. The fall in consumer credit followed a rise of 78 million pounds in July, the figures from the Central Statistical Office (CSO) showed, reports AP.

Weak demand for base metals

LONDON, Oct 7: Weak demand for base metals from major economies will flatten prices for the rest of this year. Billion-Euro Metals Ltd predicted in a market survey released Monday. "Given the poor demand outlook we do not expect copper price to stage a major break-out on the upside in the final quarter and indeed further downward pressure may emerge," the survey said, reports AP.

Major, Kohl to meet ahead of special EC summit

BONN, Oct 7: German Chancellor Helmut Kohl and British Prime Minister John Major plan to meet before a special European Community summit in Birmingham next week, Kohl's spokesman said, reports Reuter.

"It is foreseen that the Chancellor and Prime Minister meet but I cannot tell you today when or where," spokesman Dieter Vogel told reporters.

But he said the talks were to take place before the Birmingham summit on October 16, called to find ways of restoring public support for the Maastricht Treaty on EC monetary and political unity.

British and German finance officials have traded accusations since Britain pulled sterling out of the ERM two weeks ago after a sustained assault by international speculators forcing an effective devaluation. The new tension threatened to derail efforts by EC

leaders to shore up the beleaguered treaty ahead of the summit.

Major currently holds the rotating EC presidency and called the emergency summit after French voters last month only narrowly approved Maastricht in a referendum. AFP reports from Luxembourg: The European Community is stepping up efforts to persuade sceptical citizens that deeper EC integration under the Maastricht union treaty means less rather than more government.

British diplomats will this week be shuttling among community leaders looking for ideas about how to curb the power of EC bureaucrats so that Europeans will feel less hostile to the controversial treaty.

It provides essentially for economic convergence leading to a single currency, plus closer cooperation in foreign policy, security and other areas which could end in a federal-

type government.

But the treaty has run into intense public opposition in several countries. Their leaders are now trying to show that it will be less intrusive in daily life than generally believed, particularly if the bureaucrats are restrained.

The strategy is to be crafted at a leadership summit in Birmingham, England, on October 16 aimed at patching up the community after opposition to the Maastricht Treaty plunged it into financial and political crisis.

But on Monday which indicated that the community's leaders are having a hard time convincing each other, led alone their voters, that more union means less government.

EC ministers favour early GATT accord

Another report adds: European Community trade ministers expressed their willingness here on Tuesday to reach a settlement in world trade talks, but they remained

divided on how far to compromise.

EC officials said that the ministers gave a clear political signal that they wanted a breakthrough in difficult talks with the United States over subsidies paid to European farmers.

The EC subsidies are the chief stumbling block in more than six years of talks to reach a settlement in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

German Economic Minister Jürgen Moellmann warned that the EC would never gain able to reach a settlement on such good terms as were currently on offer.

But French Trade Minister Dominique Strauss-Kahn said there was no point in rushing to an unsatisfactory agreement. The aim is to get a settlement of substance, and not get hung up on a timetable, he said.

The British presidency of the EC issued a statement saying that agreement was close.

1150 US banks face insolvency

WASHINGTON, Oct 7: Nearly 1,150 US banks are insolvent and about 1,500 others with a total of more than one trillion dollar in assets are in trouble from shaky loans according to a study by two economists, reports AP.

Among the troubled banks — essentially in California, Florida, New York, Washington and the northeast — are 14 of the nation's 57 leading financial institutions like Citicorp and Chase Manhattan, according to the study published here Monday and entitled "Banking on the Brink: The troubled future of American finance."

The evidence gathered by Roger Vaughan, a consultant and former Citibank economist and Edward Hill and Economics Professor at Cleveland State University in Ohio is more pessimistic than that presented by the Federal Deposit Insurance Corp. (FDIC), which guarantees the deposits of some 12,000 banks and 1,500 holding companies with a combined total of 3.4 trillion dollar in assets.

According to the study, the immediate closure or merger of insolvent banks would cost the FDIC 45 to 59 billion dollar. But if those actions are delayed until after the November 3 elections as is likely, the cost will soar to 75 to 95 billion dollar.

Those amounts would overstrain the banking industry's ability to repay the Federally-backed loans and would mean that "some form of taxpayer bailout for the bank insurance system is virtually certain", the economists wrote.

BCCI hearing resumes in Luxembourg today

LUXEMBOURG, Oct 7: A hearing into the collapsed Bank of Credit and Commerce International (BCCI) will resume in Luxembourg tomorrow Thursday amid a war of words between the Bank of England and a US senator about the BOE's role in the affair, reports Reuter.

The new hearing follows a ballot of BCCI creditors on a worldwide compensation plan.

The ballot which was ordered by Luxembourg judge Maryse Welter in July, showed 93 per cent acceptance for the plan BCCI liquidators Touche Ross said last week. Lawyers said the judge was expected to review recent developments and announce the date for her judgement probably within one month.

BCCI was closed down in July 1991 on charges of massive fraud. It was headquartered in Luxembourg but most of its banking operations were elsewhere including the UK.

Earlier in October a report by US Senator John Kerry alleged the Bank of England and BCCI's former auditors price waterhouse knew some 15 months before the bank's closure of its criminal activities but had covered these up and allowed it to operate.

The BOE said last week the allegations were "wholly without foundation."

Luxembourg has a key role in the final clearance of the compensation plan, which is backed by the Sheikh of Abu Dhabi, BCCI's majority shareholders and the bank's liquidators.

The ballot showed more than 93 per cent were in favour of pooling of assets of BCCI SA and (BCCI overseas) and for a cash contribution from Abu Dhabi.

Under the terms of the settlement Abu Dhabi will inject an initial dollar 1.7 billion in cash which with the proceeds of the bank's liquidation would pay back 30 to 40 per cent of creditors' losses.

Australia accuses US of subsidised wheat sale to India

CANBERRA, Oct 7: The United States was accused by Australia of engaging in a vote-buying exercise in its latest sale of subsidised wheat to India, reports AP.

The accusation by Primary Industries Minister Simon Crean among others followed news Tuesday of another US foray into Asian grain markets under its controversial Export Enhancement Programme (EEP).

A decision by New Delhi to buy one million tonnes of subsidised US wheat revealed here Tuesday follows sales to Pakistan under the same scheme last month which angered Australian farmers.

The latest sale is part of a one billion US dollar expansion of EEP announced by President George Bush last month.

Officials however were relaxed Tuesday about news of the latest sale which they said was another vote-buying exercise by the embattled

President.

Crean said there was no evidence to support US claims the sale was designed to head off European inroads into the Indian market. In effect this meant the Americans were "cutting their own throat" without getting any significant benefits.

He told journalists the latest announcement was a by-product of domestic politicking in the final weeks of the US presidential race.

"You've really got to ask yourself what the motive is, what the intention is," said Crean. "And you can only come to the conclusion it's for domestic political purposes."

He also criticised the Bush administration for sending the wrong signals to world markets.

However, Crean said he did not believe the latest deal would affect the success of negotiations for a new Australian wheat contract with India not its profitability.

France against textile concession to 3rd World

LUXEMBOURG, Oct 7: France tried unsuccessfully here Tuesday to block an EC decision to offer textile producers mainly from the Third World a slight increase in export quotas to the community, reports AP.

French Foreign Trade Minister Dominique Strauss-Kahn said that the European textile industry was in decline and "this is not the right time" to make concessions.

Diplomats said the ministers agreed to give the EC's executive European Commission a mandate to negotiate a small increase of around three per cent in imports of textiles and clothing from the producing countries.

A Multi-Fibre Accord (MFA) on the textile trade between the EC and about 25 textile exporters, particularly Hong Kong, Taiwan and China, expires on December 31. The MFA agreement was

renewed in July 1991 for 17 months pending a general trade agreement under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

The MFA must now be extended again by December 31 if the community is to avoid a flood of unregulated imports from the Third World.

The European Commission said it would be negotiating with the textile exporters this month.

Diplomats said Spain, Italy, Portugal and Greece were pressing for minimum concessions.

But Strauss-Kahn told journalists that the European industry had lost 140,000 jobs last year and should not raise its import quotas at all.

The EC has in the past negotiated import quotas on behalf of its individual members. These will fall away when the EC launches its internal market on January.



WASHINGTON: Pro-life activist Dan Martino (L) confronts pro-choice demonstrators Oct 6 in front of the Supreme Court. The court, which is divided over women's right to abortion, is tackling a dispute about abortion clinic blockades Oct 6. —AFP/UNB photo

Famine-hit Sudan exports food to Iraq, African countries

WASHINGTON, Oct 7: At a time when as estimated 7.2 million of its citizens face severe food shortages, the government of Sudan is provoking indignation among some officials by exporting beef to Iraq and grains to other African countries, reports AP.

The State Department on Tuesday urged Sudanese authorities to reassess their decision to export a reported 20,000 tons of beef to Iraq, one of the few countries on friendly terms with the Muslim-led government in Khartoum.

"We think the government of Sudan should reconsider its transaction in light of the needs of its own people," department spokesman Richard Boucher said.

Other officials, speaking on condition of anonymity, said Sudan was exporting grains to neighbouring countries even as the United States and other donor nations attempted to prevent mass starvation in the country through large-scale shipments of corn and sorghum.

The officials described the Sudanese grain harvest as

unusually good this year but said many Sudanese have yet to reap the benefits.

"For one reason or another, the Sudanese government has decided to export rather than to feed its own people," one official said.

The United States contributed 75,000 metric tons of food over the past year at a cost of almost 30 million, the officials said.

Despite a two-year UN economic embargo against Iraq, shipments of food are permitted because of humanitarian considerations.

NAFTA leaders meet on accord initialing ceremony

WASHINGTON, Oct 7: The leaders of Mexico, Canada, and the United States met Wednesday (October 7) in San Antonio, Texas, to witness the initialing of the North American Free Trade Agreement (NAFTA) and discuss how to get it approved and implemented quickly, reports USIS.

The meeting of President Bush with Mexican President Carlos Salinas de Gortari and Canadian Prime Minister Brian Mulroney "is a significant one... the first summit of the three heads of state" since the NAFTA negotiations began 16 months ago, according to a senior administration official. "The primary purpose is not

the initialing," he said. "It is an occasion for the three heads of government to talk about how to achieve ratification and implementation [of NAFTA] on an expeditious timetable — a timetable that would allow us to reap the benefits of this agreement by January 1, 1994." That is the date the agreement is supposed to take effect.

US for trade with Australian states

An AP report says: A US official suggested on Tuesday that work should start next spring on freer trade accords between this country and five Pacific areas: Australia, Hong Kong, New Zealand, Singapore

and Taiwan, reports AP.

A multilateral deal would be better than separate ones, said Franklin Lavin, Deputy Assistant Secretary of Commerce for East Asia.

"If a country is committed to open markets for goods and services, if a country is committed to removing barriers to intellectual property, then we can begin discussions," he said. Lavin said the five countries should be the "first tier" for negotiations, since they are the most likely to meet those conditions. But he told questioners that the United States is also open to free trade accords with Japan and others.

Indian art enters open market amid murmurs of discontent

NEW DELHI, Oct 7: Indian art enters the open-market era this week when Sotheby's of London makes its debut here amid a whiff of controversy, putting 522 antiques and contemporary works under the hammer, writes AFP.

Sotheby's local collaborator BK Modi reckons immense potential exists for selling and buying art in the public market place in India, where it so far has been limited to private deals between affluent collectors.

The planned twice-yearly sales by Sotheby's India the first of which will be staged here Thursday and Friday for Indians as well as foreigners, aims to tap that hidden potential the industrialist said.

"Art can be bought and sold just shares in the stock market," he told journalists at an exhibition where Sotheby's gave a preview of what is up for grabs.

Indians, he said are ready to treat art as an investment.

But as the auction date approached, controversy was raising its head with murmurs of discontent being heard from critics who ques-

tioned the decision to allow foreigners to bid. "It is like giving them a key to ravage our priceless heritage," J. P. Sihare, former director of the National Gallery of Modern Art, said in remarks to the Pioneer newspaper.

"The entire budget of the Department of Culture is not enough to buy a great master's work and we are staging an open auction to part with what little we have" he was quoted as saying.

India's heritage laws bar works of art more than 100 years old from leaving its shores but Sihare told the daily it was too early for the auction to take place.

"Our art pieces have not been fully catalogued as yet. Our antiquity laws are sloppy and not adhered to" said Sihare who on Monday was alling, advised two days' rest and unavailable for direct comment.

Sotheby's which will rake in 10 per cent of what the auction will raise, counter such arguments by dwelling on the advantages that its entry will offer art lovers in India.

"Buyers get a five-year guarantee and if what they purchase turns out to be a forgery they will receive their money back" said Julian

Thompson head of the auction house's Asia division.

"The seller can be sure he gets a reasonable price and the buyer knows he will be paying a fair price" Thompson said.

In addition, international collectors will pay in precious foreign exchange and a Sotheby's press handout said "the availability of works of art at auction will encourage the formation of collections by individuals who may eventually... donate or bequeath their collections to the nations."

Art on offer at the auction ranges from an 11th century figure of the dancing Shiva, the Hindu god of destruction to cigarette cases and watches bought by Indians on European sojourns in the 19th and early 20th centuries.

The bronze Shiva, one of 62 pieces being sold by shipping magnate Sumati Morarjee, has a catalogue price tag of eight million rupee (266,000 dollar) while a French timepiece shaped like a battleship is set at 110,000 rupee (3,666 dollar).

Village Group, a canvass by Paris — trained Indian artist Amrita Shergill (1913-1941) de-

pecting a rural scene is tagged at 1.2 million rupee (40,000 dollar).

Modern artist M F Hussain's works are expected to fetch a million rupee (33,333 dollar) a piece.

Victorian and Edwardian pictures brought to India by rich princes and landowners include seven by 19th-century classical revivalist John Godward. His work "Bath of Venus" is valued at three million rupee (100,000 dollar).

Modi estimated the catalogued value of the entire collection at about 90 million rupee (three million dollar) but was tight-lipped when asked how much he expected the auction to raise.

He was confident the sale would evoke an enthusiastic response.

But opponents were keeping fingers crossed.

"If nobody comes forward it will be a joke said Anis Feroq, present director of the National Gallery of Modern Art which has an annual budget of three million rupee (100,000 dollar). "It will be an insult for Indian art."

Photo show to raise fund for Chinese kids

TAIPEI, Oct 7: Taiwan and China will hold a photo exhibition on both sides of the Taiwan Strait to raise funds for Chinese children too poor to go to school, a sponsor here said Tuesday, reports AP.

The exhibition titled "Engineering of Hope" will be held in Beijing and Taipei from Thursday to October 17 with some 40 photographs depicting the poverty and miserable living conditions suffered by children from 12 Chinese provinces, a spokesman said.

Spokesman Chen Chun-Mu, representing the China Time Weekly the major sponsor of all the works are by JIA Hailong Secretary General of Beijing-based Panoramas Photography Society.

"Unfortunately we can't bid for anything because we don't have the money," he told AFP.