

BRIEFS

Relief workers in hands of thugs MOGADISHU, Oct 12: Relief agencies trying to feed Somalia's starving millions say they must submit to extortion at the hands of thugs in this lawless land in order to do their lifesaving work. One private aid official, speaking on condition of anonymity, said the extortionists can be individuals or groups. "Both enforce with the gun," he said. "You pay off—or you pay. The United Nations Children's Fund, or UNICEF, warns newly arrived employees to beware of the organization's own guards at its residence compound, four rented two-story villas. A month ago, the UNICEF manager of the residence compound was accosted by the guards in a pay dispute and forced up against the wall. As he stood there, one of the guards sprayed the wall around him with bullets from an AK-47 assault rifle, reports AP.

Promise to speed up economic reforms BUCHAREST, Romania, Oct 12: Incumbent Ion Iliescu battled to hold onto the presidency Sunday in a runoff election pitting the former Communist against a challenger who promises to speed democratic and economic reform. Polls opened at 6 am (0400 GMT) and most were to close at 9 pm (1900 GMT). State radio said about 15 per cent of the 16.5 million electorate voted in the first four hours, slightly below the participation level of the Sept. 27 general elections. Voting in his posh Primaverii district, Iliescu said he is "convincing that beyond the confrontations in the electoral campaign we can find a common language to discuss, in depth this time, the problems facing Romanian society." Challenger Emil Constantinescu, the 53-year-old dean of Bucharest University, promises more capitalism and an end to Communist holdovers in government, reports AP.

Mubarak to talk bilateral issues CAIRO, Oct 12: Egyptian President Hosni Mubarak for the United Arab Emirates (UAE) will take his first tour that will take him to China, North Korea, Russia and Poland, airport sources said. Mubarak is expected to spend a few hours in Abu Dhabi for talks with UAE President Sheikh Zaid bin Sultan Al-Nahyan on Arab and international issues before flying to China. Foreign Minister Amr Moussa, who accompanied Mubarak, told reporters Mubarak would discuss bilateral issues and the Middle East peace process with the leaders of the five countries, reports Reuter.

Illegal donation worth \$4m TOKYO, Oct 12: Dozens of Japanese rallied Sunday to demand that Japan's most powerful politician resign from Parliament, and a newspaper said its poll showed that a number of his fellow party members also wanted him out. It was the latest indication of public outrage against Shin Kanemaru, who has acknowledged receiving about 4 million dollars in illegal donations from a mob-tainted trucking executive but managed to avoid questioning by paying a 1,660 fine without going to court. The recent demonstrations have been unusual in that Japanese long have accepted a certain amount of under-the-table financing as unsavory, but unavoidable for politicians to meet election campaign expenses and a certain amount of expected gift-giving in home districts. In Kanemaru's hometown of Kofu, 110 kilometers (66 miles) northwest of Tokyo, more than 40 people rallied in front of the railway station, shouting, "Kanemaru, resign." Their poster carried such slogans as "The people will do what prosecutors and opposition parties have not done," reports AP.

\$17m IDB loan for Morocco MANAMA, Oct 12: The Islamic Development Bank (IDB) said it would extend a 17 million US dollar loan to Morocco to finance the import of crude oil from an IDB member state under an agreement signed in Jeddah. The 46-member IDB was set up in 1975 to promote trade exchanges between Islamic states. In compliance with Islamic Sharia law which bans usury, the IDB does not take interest on the credit extended to its members, reports Reuter.

Third World nations deeper in debt

LONDON: In 1982, they owed 328 billion US dollar to commercial banks. They have repaid that and more over the last ten years and still Third World nations find themselves even deeper in debt now than they were in 1982. "The debt crisis has never been about the Third World debtors' ability to repay", says Ed Mayo, Director of the Independent New Economics Foundation here. "It has always been about credit worthiness so that more loans can be made and another debt crisis happens five years down the line." As a result, credit-worthy developing nations have been taking one loan after another to repay old debts. Coupled with high interest rates, this has pushed up the ratchet of what indebted nations owe. Comparing the 1982 debt figure to the estimated 356 billion US dollar Third World countries now owe, Mayo said: "Over ten years, Third World countries have paid back more than they originally owed." In the first half of 1992, Midland Bank alone made 38 million pound (about 73 million US dollar) in interest from its Third World debtors — over a third of total profits. Lloyd's Bank with 3.2 billion pound (6.2 billion US dollar), and Midland now part of Hong Kong and Shanghai Bank — with 3.3 billion pound (6.4 billion US dollar), are major Third World creditors while Natwest and Barclays together are owed 1.2 billion pound (2.3 billion US dollar) by the Third

World. All four banks have reduced their exposure to debts developing countries over the past ten years. In recent times, however, Chile, Uruguay and Mexico have all emerged as eligible candidates for fresh loans. Ironically, the current debt

crisis was triggered in 1982 by Mexico, when that country threatened to default in its debt repayment to commercial banks. Immediately thereafter creditors have been much more cautious in loan arrangements. But with Latin American states having successfully adjusted to International Monetary Fund (IMF) programmes, the outlook is changing. "Latin American

countries have made a lot of progress," said David Lubin, a sovereign debt expert with Midland Bank. By swapping Mexican bonds for the less valued US bonds, Lloyd's Bank managed to reduce its exposure to Mexican debt from 515 million pound (990 million US dollar) last year to only 38 million pound (73 million US dollar) today. The deal was brokered by the IMF. Lloyd's suffered a national loss in the exchange — but the US taxpayer will also share in a part of that loss down the line at the time of the predicted fall of US treasury bonds in 2019. "It's now our intention to walk away from Third World debt," said a spokesperson for

Lloyd's Bank. "The only way we are going to get our money, and for problem countries to improve their credit rating, is through debt restructuring." Midland Bank too believes in restructuring Third World debt and is not afraid to sell debt on the secondary market. It has also exchanged debt for



used their policy of getting out of Third World debt as quickly as possible. Only 0.2 per cent of Natwest loans are now owed by the Third World, compared to 6.4 per cent for Lloyd's. "Natwest decided to trash Third World debt," said Lubin. "But history may prove Lloyd's right." Commenting on the decision by some banks to dump Third World debt, while others have relied on IMF adjustment programmes, Mayo acknowledged that while structural adjustment has in some cases been successful, it has come "at a cost to the environment and the poor." International charity organisations have been making exactly that point in stepping up their campaigns for debt relief. Two years ago, the then British Chancellor of the Exchequer, John Major, proposed cancelling — at a stroke of a pen — two-thirds of the debt owed by the world's poorest countries. But charity groups like Christian Aid say the provisions of the Trinidad Terms — named after the Caribbean island where Major, now the British prime minister, made the proposal 1990 — in reality will only wipe off one per cent of developing countries' debt. Overall, it is estimated that the Third World owes 1.4 trillion US dollar to international lending institutions and governments. Said Mayo: "Debt is a major structural blockage in the world economy. Debt here and in the Third World is a by-product of the system, like pollution." — IPS bulletin

shares (equity) in Third World companies — so-called debt/equity swaps. Late last year, Midland swapped part of Argentina's debt for shares in the country's privatised telephone corporation "Entel". Altogether in Latin America, the bank has made 252 million pound (480 million US dollar) of bond for swap investments. But Natwest, and to a lesser extent Barclays, have contin-

ued their policy of getting out of Third World debt as quickly as possible. Only 0.2 per cent of Natwest loans are now owed by the Third World, compared to 6.4 per cent for Lloyd's. "Natwest decided to trash Third World debt," said Lubin. "But history may prove Lloyd's right." Commenting on the decision by some banks to dump Third World debt, while others have relied on IMF adjustment programmes, Mayo acknowledged that while structural adjustment has in some cases been successful, it has come "at a cost to the environment and the poor." International charity organisations have been making exactly that point in stepping up their campaigns for debt relief. Two years ago, the then British Chancellor of the Exchequer, John Major, proposed cancelling — at a stroke of a pen — two-thirds of the debt owed by the world's poorest countries. But charity groups like Christian Aid say the provisions of the Trinidad Terms — named after the Caribbean island where Major, now the British prime minister, made the proposal 1990 — in reality will only wipe off one per cent of developing countries' debt. Overall, it is estimated that the Third World owes 1.4 trillion US dollar to international lending institutions and governments. Said Mayo: "Debt is a major structural blockage in the world economy. Debt here and in the Third World is a by-product of the system, like pollution." — IPS bulletin

France to block GATT deal unless US makes key concessions

BRUSSELS, Oct 12: Senior US and European Community officials began a last-ditch effort here Sunday at compromise in GATT world trade talks, but France has threatened to block a deal unless Washington makes key concessions, reports AP. The discussions, expected to continue, were focusing on high subsidies paid by the EC to European farmers, which the United States considers an unfair obstacle to free trade and competition for export

markets. The farm subsidies quarrel has been the main obstacle in more than six years of talks to reach a new trade agreement in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). The GATT talks, which started in 1986, aim at removing barriers to trade in agriculture, textiles and services such as banking, telecommunications and transport. An agreement would strengthen rules governing free trade. GATT officials say it would

add about 200 billion dollar to world trade and help many countries crawl out of slow growth and economic recession. "But agriculture is the big sticking point. Everything depends on whether each side can go home and claim victory. It will be difficult to pull off," one diplomat said. He added that agreement on farm subsidies could also bring the rest of GATT's 107 members to accept a new liberal trading regime. Japan, for

example, might agree to begin accepting rice imports. Failure to reach agreement by the end of the year could lead to growing trade protectionism and outright trade wars between rival blocs, mainly between the EC, the United States and Japan. It could also leave France isolated within the EC, which is already battling through an identity crisis caused by currency instability and rows over the ratification of the controversial Maastricht union treaty.

Police urge court to seize Collor's assets

RIO DE JANEIRO, Oct 12: Police investigators have asked Brazil's supreme court to order the seizure of the assets of suspended President Fernando Collor de Mello, who is facing an impeachment trial in the senate, reports said Saturday, says AFP. The daily Jornal do Brasil said police investigator Paulo Lacerda had requested the seizure of assets of Collor and six other persons implicated in an influence-peddling scheme. Officials did not confirm or deny the reports. Lacerda directed investigations against Paulo Cesar Farias, Collor's former campaign chairman who is the central figure in the corruption scandal. Collor was suspended for 180 days last month as a result of the impeachment voted by the chamber of deputies. His trial is pending before the senate. Criminal charges against Collor will be judged by the supreme court independently of the impeachment trial.

Stocks, free market pricing in China

BEIJING, Oct 12: Here is a look at some of the key reforms implemented as part of China's economic liberalisation, reports AP. STOCK MARKETS: In 1990, China opened stock markets in Shanghai and Shenzhen that now list a total of about three dozen shares, including A-shares sold to Chinese and B-shares sold to foreigners for hard currency. The B-share issues began this year, the first stock sales to foreigners since the 1949 Communist revolution. Dozens more companies are waiting for listings and officials plan slow expansion. Reforms are planned in the way new stocks are issued following a riot in Shenzhen in August by angry would-be investors. REAL ESTATE: China's Communist government still refuses to sell land, but allows land rentals for 40- to 70-year terms. Competition among Chinese and foreign land development companies seeking to build shopping malls and office centers has pushed up lease prices and led to speculation that some officials fear is draining away funds from other investments.

HOUSING: The government, trying to ease its decades-old public housing burden, is raising rents slightly, selling publicly owned apartments, and offering home loans and other incentives for buyers. Public response has been sluggish. LABOUR: Officials pledged this would be the year when state-owned companies mired in debt would take bold steps to cut bloated work forces and fire inefficient employees. But officials are vague about how many workers have been laid off as part of government attempts to break the "iron rice bowl," or lifetime employment. One obstacle — China does not have a nationwide unemployment insurance system. Some disgruntled laid-off workers have attacked their bosses or sabotaged production. PRICES: The government is gradually dismantling the old system of controlled prices and subsidies so that prices for goods and services reflect actual costs. The government has slashed subsidies for eggs, sugar, milk, toothpaste, coal and other items and recently announced plans to free prices of hundreds of raw materials and industrial inputs.

HOUSING: The government, trying to ease its decades-old public housing burden, is raising rents slightly, selling publicly owned apartments, and offering home loans and other incentives for buyers. Public response has been sluggish. LABOUR: Officials pledged this would be the year when state-owned companies mired in debt would take bold steps to cut bloated work forces and fire inefficient employees. But officials are vague about how many workers have been laid off as part of government attempts to break the "iron rice bowl," or lifetime employment. One obstacle — China does not have a nationwide unemployment insurance system. Some disgruntled laid-off workers have attacked their bosses or sabotaged production. PRICES: The government is gradually dismantling the old system of controlled prices and subsidies so that prices for goods and services reflect actual costs. The government has slashed subsidies for eggs, sugar, milk, toothpaste, coal and other items and recently announced plans to free prices of hundreds of raw materials and industrial inputs.

HOUSING: The government, trying to ease its decades-old public housing burden, is raising rents slightly, selling publicly owned apartments, and offering home loans and other incentives for buyers. Public response has been sluggish. LABOUR: Officials pledged this would be the year when state-owned companies mired in debt would take bold steps to cut bloated work forces and fire inefficient employees. But officials are vague about how many workers have been laid off as part of government attempts to break the "iron rice bowl," or lifetime employment. One obstacle — China does not have a nationwide unemployment insurance system. Some disgruntled laid-off workers have attacked their bosses or sabotaged production. PRICES: The government is gradually dismantling the old system of controlled prices and subsidies so that prices for goods and services reflect actual costs. The government has slashed subsidies for eggs, sugar, milk, toothpaste, coal and other items and recently announced plans to free prices of hundreds of raw materials and industrial inputs.

Bahrain-based Kuwait Asia Bank to be closed down

MANAMA, Oct 12: Kuwait Asia Bank, a Bahrain-based offshore banking unit (OBU), is liquidating its assets and will close down within two years, a bank official said on Sunday, reports Reuter. "The bank is in liquidation as of yesterday, (Sunday)," acting General Manager John Bonnici told Reuter. Bahrain's ministry of commerce and the Bahrain Monetary Agency (BMA) have to ratify the shareholders' decision, he said. Bonnici said shareholders of the bank, owned mainly by Kuwaiti firms, had decided to wind down the bank within two years but the step was "flexible." Shareholders held a crucial meeting in Bahrain on Sunday to decide on its future after its assets shrunk to 49 million dollar at end-September 1992 from 77 million dollar at the end of 1991.

CP embraces Deng's economic reforms

BEIJING, Oct 12: The Chinese Communist Party on Monday embraced supreme leader Deng Xiaoping's capitalist-style reforms as the lone road to survival, but failed to address corruption and other potentially fatal problems, reports AP. The Communists, convening the 14th party congress in their 71-year history, strictly adhered to Deng's refusal to couple economic reforms with democratisation, ignoring past experience that people demand greater freedoms as they become richer. "We must not tolerate liberalism or any defiance of organisation and discipline," General Secretary Jiang Zemin said in

his keynote address, intended to be a policy road map for the next five years. Jiang's address, delivered before about 2,000 delegates in the cavernous Great Hall of the People festooned with huge banners bearing reform slogans, set the tone for the week-long congress by repeatedly praising Deng and his 14-year modernization drive. Deng, who retired from his last party post three years ago, did not attend the opening although he is a special delegate and is expected to take part in later sessions. He remains China's most powerful leader because of his personal connections with party and military leaders built

over a lifetime at the forefront of the communist movement. The congress may be Deng's last best chance to ensure that his market-driven policies survive him by trying to promote younger, reform-minded officials into top posts. An alling 88, he is unlikely to be around for the next one. Since becoming China's paramount leader in 1978, Deng has introduced numerous market reforms so that today nearly half of the country's industrial output comes from non-state companies. He has made pragmatism the decisive factor in setting economic policy instead of ideology. "To accelerate economic growth we must further

emancipate our minds, speed up the reform and... not get bogged down in an abstract debate over what is socialist and what is capitalist." Jiang said in his two-hour speech, read in a workmanlike manner to perfunctory, infrequent applause. Particularly in the aftermath of the Soviet Union's collapse, Jiang's speech was as much as anything a congratulatory message to the party for adopting policies that have enabled it to survive. Opening the congress to the strains of the Internationale, the rousing anthem of the fast-disappearing world communist movement, seemed a throwback to a vanished era.

China hopeful of oil dollar investment

BEIJING, Oct 12: Chinese officials are hoping to attract Arab oil dollar at a weeklong conference with bankers and industrialists from the Gulf states, an official news report said Sunday, according to AP. So far, China has attracted little of the Arab states' overseas investment, the China Daily said. The biggest Arab investor has been Kuwait, at 58 million dollar. Several Arab states, including Saudi Arabia and Oman, established relations with China only in the past few years. Saudi investment in China totals just 130,000 dollar, the paper said. It quoted Lin Kun of the trade ministry as saying China hopes to encourage the Arabs to set up manufacturing bases in China to reduce their reliance on imported consumer goods from developed countries. The conference is being attended by industrialists, bankers and government officials from Kuwait, Saudi Arabia, Qatar, Bahrain, Oman and the United Arab Emirates. Securities market firm opened Another report adds: China has opened its first securities

rating firm, an official newspaper reported Sunday. The Chengxin Securities Appraisal Co in Beijing will perform property appraisals for companies applying to issue bonds to the public and grade the credit-worthiness of companies issuing stocks and bonds, the China Daily said. The new company will help eliminate one of the major obstacles to development of China's infant securities market — lack of reliable information. Chinese companies are still reluctant to release much financial information and are more accustomed to tailoring the accounts to satisfy government quotas than attract outside investors. The China Daily said the new appraisal agency was set up by the China Agribusiness Trust and Investment Corp, the Trust and Investment Corp of the People's Construction Bank of China and the China Auditing Corp. Meanwhile, officials at the Shanghai stock exchange, one of China's two tiny bourses, said they plan to expand their nationwide influence by accepting more out-of-town members and improving their communications links.

Politics won't affect US banking policy

HOT SPRING, Virginia, Oct 12: Federal Reserve Board Chairman Alan Greenspan said Saturday that political considerations would not sway the central bank when it decides whether interest rates need to be cut to boost the US economy, reports AP. Greenspan, in a rare news conference, nonetheless declined to say whether the Fed had any specific plans for rate cuts. "The Federal Reserve will continue to observe and evaluate the economy the way we always do, and will not, if we believe it is necessary, abstain from taking actions. Because there is an election campaign under way," he said. "Obviously, if we perceive that further actions are required. We will do so. If not, not." Attending a meeting of the business council, which includes chief executives of leading US corporations, Greenspan rejected suggestions that the Fed was delaying a rate cut until after the November 3 presidential election to avoid appearing to yield to political pressure.

"This would be an irresponsible action on our part," he said. Traders on Wall Street had widely expected the fed would move to cut interest rates at the end of the week. But no cut was forthcoming. The Dow Jones index of 30 leading industrial stocks closed at 3,136.50 point Friday, down 64.03 points from the previous Friday and at its lowest close of the year. "There is an incredible degree of uncertainty that exists in the economy," Greenspan said. Some executives at the meeting said steps other than interest rate cuts are needed for the US economy. Robert Stempel, Chairman of General Motors Corp. M said more government spending is needed on roads and other infrastructure improvements. "Rates are not a question right now," Stempel said. Interest rates are lower than a lot of us have seen in a long, long time. In the short term, I think we're going to have to do something other than just pure momentary policy."

UK headline inflation stands at 3.6 pc

LONDON, Oct 10: Britain's annual so-called headline inflation rate was 3.6 per cent in the twelve months to the end of September, unchanged from the previous month's figure, the Central Statistical Office (CSO) said on Saturday, reports AP. Underlying inflation, which excludes the variable interest element of home-loan payments, fell to four per cent which has the lowest figure for four and half years. The figure for the year to August had been 4.2 per cent. Analysts had expected headline inflation to fall to 3.5 per cent and underlying inflation to fall to four per cent. The government announced on Thursday that its target for underlying inflation for the present five-year parliamentary term was a range of between one per cent and four per cent with a long-term aim to two per cent. Low inflation remained the cornerstone of British economic policy and the best hope for a sustainable recovery in the economy, Chancellor of the Exchequer Norman Lamont said. "As I said yesterday, the

only lasting base for sustainable growth and secure employment is low inflation." He said, welcoming the fall in underlying inflation. "That is why the defeat of inflation remains at the centre of the government's economic policy," he said. But the headline rate of 3.6 per cent inflation disappointed some in the city who had hoped for a further fall which would have increased the room for interest rates to be cut from their present nine per cent. CSO officials said that retail prices in September rose by 0.4 per cent from the figure in August after a record-low increase of just 0.1 per cent in August from July. The rise in the index between August and September reflected rice increase for clothing and household goods as holiday season sales ended. However, food prices fell and there was a reduction in motoring costs. The treasury spokesman welcomed the fall in underlying inflation, which she noted had met the target which the government had set for itself the day before.

Greenback regains against Asian currencies

HONG KONG, Oct 12: The US dollar strengthened on the Asian foreign currency markets last week, reversing the previous week's slide, reports AP. The only Asian currencies to resist the greenback's strength were the Australian dollar, the New Zealand dollar and the Philippine peso. Dealers said the greenback's strength was helped by the fact that the US federal reserve had decided not to cut its interest rates. JAPANESE YEN: The Japanese yen tumbled against the US dollar after a firm start as prospects of easier credit in the United States receded. It closed the week at 121.55 yen to the dollar, down 2.1940 yen a week earlier. After opening the week

firm at 118.93 yen, the yen hit the week's high of 118.90 yen on Monday as market players believed that the US Federal Reserve Board was about to cut interest rates. But the yen gradually lost ground while the dollar came back as an immediate rate cut became increasingly unlikely. TAIWAN DOLLAR: The Taiwan dollar closed Friday at 25.267 to the US dollar, down 8.15 Taiwan cents from the previous week's finish of 25.1855. However the local unit advanced against major European currencies, finishing at 42.74 to the British pound against 43.74 the previous week, at 5.01 to French franc against 5.23, and at 16.98 to German mark against 17.66. HONG KONG DOLLAR: The

Hong Kong dollar fell against the US dollar, closing 7.7318-7.7338 on Friday, compared with the previous week's close of 7.7248. The effective exchange rate rose 0.9 points to lose 110.6 Friday against the previous week's close of 109.7. The Hong Kong dollar is pegged to around 7.80 to the greenback. SOUTH KOREAN WON: The South Korean won fluctuated against the greenback during the week to close at 784.70 won to the dollar on Saturday, unchanged from a week earlier. The exchange rate rose to as high as 786.60-1 Tuesday, before going down to as low as 783.90-1 Thursday in moderate trading.

SINGAPORE DOLLAR: The Singapore dollar weakened against the greenback, closing at 1.6080 here Friday, against last week's mark of 1.5915. Dealers said the local currency hovered around the 1.5915 level early in the week but lost ground in the last two days on reports of a firmer US dollar in Europe. The Singapore dollar was firmer against the sterling at 2.7256 against the previous week's mark of 2.7764. AUSTRALIAN DOLLAR: The Australian dollar moved only fractionally against the US dollar during the week, but like the greenback gained on other currencies. It finished Friday at 71.70 US cents, against 71.80 a week earlier. NEW ZEALAND DOLLAR:

The New Zealand dollar ended a quiet week worth 54.13 US cents, up on the close a week earlier of 54.36 cents. During the week the kiwi rose to a high of 54.75 cents. With no significant domestic economic news expected trading is likely to remain light next week. INDONESIA RUPIAH: The Indonesian rupiah slipped further to close the week trading Friday at 2,046 rupiah against the dollar, down from the previous finish at 2,046 rupiah. It started the trading Monday at 2,040 rupiah and went down to 2,042 rupiah before sliding further on Friday. THAI BAHT: The Thai baht closed Friday at a mid-rate of 25.26 baht to the US dollar, weaker than last week's finish

of 25.13 to the dollar. MALAYSIAN RINGGIT: The Malaysian ringgit finished significantly weaker against the US dollar to close at 2.5067 this week from 1.4955 previously. Dealers attributed the ringgit's slide to the dollar's bullish run overseas since early of the week. PHILIPPINE PESO: The Philippine peso appreciated significantly to 24.885 pesos to the dollar this Friday, from 25.022 pesos to the dollar on October 2. Government economists predicted earlier this week that the peso would continue to strengthen because the increased imports ahead of the Christmas season did not seem to be materializing.

Dollar falls, shares gain in Tokyo

TOKYO, Oct 12: The US dollar weakened against the Japanese yen in Monday morning trading on renewed speculation about lower US interest rates, while share prices gained moderately, reports AP. At late morning, the dollar was changing hands at 120.99 yen, down 0.66 yen from Friday's close. It opened at 121.20 yen after finishing its Friday's New York trading at 121.80 yen. Haruhiko Hori, an exchange dealer with Sakura Bank, said the dollar was under selling pressure after US Federal Reserve Board Chairman Alan Greenspan indicated that US interest rates might be cut before the November presidential election.