New Chairman of **General Motors**

NEW YORK, Nov 3: General Motors Corp's Board of Directors on Monday named John Smale as Chairman to succeed Robert Stempel and announced sweeping management changes and resignations at the beleaguered vehicle giant. Smale, a former Chairman of Procter and Gamble Co, is an outside director of GM who orchestrated a corporate shake up earlier this year in a bid to stem losses at the world's biggest industrial company, reports Reuter.

India's tea export to fall in '92-'93

NEW DELHI, Nov 3: India's tea exports will fall short of the target in the fiscal year 1992-93 ending March due to the loss of the Soviet market and a decline in domestic output, Tea Board Chairman PK Bora said Monday. Bora told a meeting in Calcutta that total exports would be below 180 million kilos (396 million pounds), compared to the targeted 210 million kilos (462 million pounds), the Press Trust of India (PTI) reported, says

Russia will print Afghan currency

ISLAMABAD, Nov 3: Russia his rejected a demand by Gulbuddin Hekmatyar, leader of Afghanistan's Hezb-i-Islami faction, to stop printing the Afghan currency, Moscow's Ambassador here was quoted Monday as saying. Hekmatyar made the demand in a letter written recently to Russian ambassador V Yakunin, the official Associated Press of Pakistan (APP) said, reports AFP.

Cocoa body cuts deficit estimate

LONDON, Nov 3: The International Cocoa Organisation on Monday cuts its estimate of the 1991-92 (October-September) world market deficit to 87,000 metric tons from 98,000. The intergovernmental agency put net 1991-92 world production at 2.249 million metric tons and consumption at 2.336 million, compared with 2.260 million and 2.358 million respectively forecast in June. Its revised figures for 1990-91 show record production of 2.491 million metric tons, 171,000 more than consumption, reports AP.

OPEC output reaches 12-yr high

PARIS, Nov 3: Crude oil output of the Organisation of Petroleum Exporting Countries (OPEC) went over the level of 25 million barrels a day in October, reaching its highest level in 12 years, informed sources said here on Monday. They said the high level was due to the demonstration of force staged by Iran a few weeks before the next conference of the 13-member organisation. The specialised review Petostrategies, published here on Monday, said OPEC turned out an average of 25.3 MBD last month, reports AFP.

China to buy US steel mill

LOS ANGELES, Nov 3: Part of a California steel mill that turned pig iron into ribbons of semifinished steel will be broken down and shipped to China for reassembly, officials said Monday.

California Steel Industries Inc. agreed to sell Kaiser Steel's old Fontana mill, 20-story building an all, to the Capital Iron and Steel Corp, based in Beijing. The deal, expected to be completed Wednesday, is worth under 20 million dollar, reports AP.

Villalpando's firm got 56 deals

WASHINGTON, Nov 3: The former company of US Treasurer Catalina Vasquez Villalpando received 68.6 million dollar in non-competitive federal contracts, according to US government data. The contracts were awarded under a programme for minority businesses. Villalpando is at the center of an FBI influencepeddling probe. The company, Communications International Inc. was awarded 56 telecommunications contracts under the programme from 1983 to 1992, the Small Business Administration data show. reports AP.

India for preferential trade among South Asian neighbours

NEW DELHI, Nov 3: India urged its South Asian neighbours Monday to work out a preferential trading arrangement soon, saying such an accord would help the region Sri Lanka. merge with the global econ-

omy, reports AFP. Minister of State for Commerce PJ Kurien said a South Asian Preferential Trading Arrangement (SAPTA) should be the "chosen mode of closer economic cooperation" in the region, one of the world's poorest.

He said the seven members of the South Asian Association for Regional Cooperation (SAARC) should decide whether the arrangement should come into effect as early as in

Kurien was speaking at a meeting of SAARC's committee on economic cooperation,

Dollar, gold

rise before

US election

dollar staged a strong across-

the-board advance Monday as

the market anticipated in-

ereased government spending and higher interest rates if Gov Bill Clinton is elected presi-

Gold prices were mostly

higher. On the New York

Commodity Exchange gold bul-

lion for current delivery set-

tled at a 339.90 dollar a troy

ounce, up 50 cent from Friday.

But Republic National Bank

said gold slipped 70 cent an

ounce to a late bid price of

boosted by polls showing

Clinton ahead of President

Bush on the eve of Tuesday's

CHICAGO. Nov

Representatives of the Bush

administration and the

European Community met for

more than seven hours Monday

to resolve a dispute over farm

subsidies. The negotiations

were certain to spill into

Agriculture Secretary Edward

Madigan and EC Farm

Commissioner Ray MacSharry,

gathered at a hotel here. There

were not details on whether

the parties were close to a

deal, but both sides planned to

world trade agreement that

would bolster the global econ-

are extending the talks... is an

indication that both sides are

willing to go on to try to strike

HANOI, Nov 3 : As Vietnam

shifts to a market economy,

the Country's General Labour

Confederation (CGTV) is taking

on a new role resembling that

of a trade union in a capitalist

confederation from now on is

to protect the workers' inter-

ests more firmly than in the

past when our primary task

was socialist education," CGTV

President Nguyen Van Tu told

But while the confederation

is now calling for a decent

minimum wage, it has as yet

The "main objective" of the

country, reports AFP.

AFP in an interview.

The talks could lead to a

"I think the fact that they

negotiate over dinner.

The delegations, led by

Election Day, reports AP.

Dealers said the dollar was

dent, reports AP.

338.80 dollar.

NEW YORK, Nov 3: The US

which is expected to finalise a treaty for SAPTA. The sevenyear-old organisation groups Bangladesh, Bhutan, India, the Maldives Nepal, Pakistan and

The minister said SAPTA would not be an instrument for closing the regions' doors to the world but an open system that would help members pool their resources and with "combined strength" integrate into the global economy.

A preferential arrangement would help enhance regional trade prospects, working on the principle of reciprocity and based on the different levels of economic and industrial development of members, he said.

The four least developed countries in the region -Bangladesh, Bhutan, the Maldives and Nepal — would be entitled to special assistance on tariffs and trade if the SAPTA comes into force, offictals said.

A treaty would await the endorsement of the seven governments at a summit in Dhaka due next month, the officials said.

Indo-Malay commission on trade formed

PTI reports from Kuala Lampur: India and Malaysia today launched a ministeriallevel joint commission to further bilateral trade and increase cooperation in other

An agreement to this effect was signed by the Minister of State for External Affairs, Eduardo Faleiro, and the

MOBILE TELEPHONE: A girl in London is talking with her mother from a display of a mini

President Bush, and

Runningen said the negotiators

were prepared to meet

If the two sides cannot re-

mobile phone which has in the meantime gained popularity.

EC, US officials continue efforts

to resolve farm subsidies dispute

Deal will revive flagging

world trade talks

subsidy dispute between the United States and Europe would

negotiations are still a long way, however, from striking a deal

that would pump an estimated 200 billion dollar into the

trade worth an estimated 200 billion dollar. Analysts say that

would mean more jobs for workers and more sales for

agriculture payment's and the United States rang up 80.8

billion dollar according to the 24-nation Organisation for

Vietnam's labour front assuming role

of a capitalist trade union

An overall accord is expected to open up new areas of

The EC nations spent 141.8 billion dollar last year in

revive nearly comatose world trade talks, reports AP.

businesses at a time of economic weakness.

Economic Cooperation and Development.

BRUSSELS, Nov 3: An 11th-hour agreement ending a farm

The 108 nations taking part in the most ambitious trade

Tuesday.

an agreement," said Madigan

last-minute Illinois campaign

appearances on behalf of

global economy

Madigan canceled a few

spokesman Roger Runningen.

Malaysian Foreign Minister, Abdullah Ahmad Badawi, who described the joint commission as "a real manifestation" of South-South cooperation.

He said the commission, which replaced a similar one set up 12 years ago, would enable cooperation in additional areas like health, human resource, development, tourism science and technology, power generation and petroleum.

"We share with India a desire to promote economic liberalisation and the need to seek a regional forum for eco-

nomic co-operation," he said, adding that relations between Malaysia and India had been characterised by the absence of any political problem and had progressed further with India's "new openness in its foreign policy."

- Star TV photo

solve their differences over EC

export subsidies and soybean

production, the United States

has threatened to impose up to

one billion dollar in punitive

tariffs on European exports to

compensate for losses said to

be suffered by US soyabean

farmers. That could spark re-

taliation by the 12-nation

European community and lead

The negotiations appeared

to be a last-ditch effort to close

a farm deal before Tuesday's

US presidential balloting and a

Wednesday meeting of the

108-nation General Agreement

on Tariffs and Trade (GATT),

which is sponsoring the talks.

the brink of collapse the

Uruguay Round of the GATT

talks, an ambitious effort to re-

vamp the world trading sys-

a minimum wage of 52 dollar,

but lowered it in the face of

pressure from Asian investors.

Minister to revise the decision

to reduce the minimum wage

to 35 dollar," said Tu, alleging

the labour ministry had not

consulted the confederation on

plemented the new minimum

wage it has been necessary to

make up for the pay reduction

through such measures as ex-

tra breaks and free meals, he

In factories that have im-

"We are urging the Prime

The dispute has brought to

to a trade war.

Brunei, Malaysia, the code, the government adopted

the move.

IATA may post \$ 600m losses next year

MONTREAL, Nov 3: The 212 companies that make up the International Air Transport Association (IATA) will likely post losses next year of some 600 million dollar, IATA Director-General Gunter Eser said here Monday, reports AFP.

Speaking at the association's two-day annual meeting. Eser said that figure represented an improvement from 1990-92. But he added that in the four-year 1990-93 period losses could total 9.9 billion dollar on regular international routes alone

Eser noted that the industry lost 2.7 billion dollar in 1990 and four billion dollar in 1991. He predicted 1992 losses of some 2.6 billion dollar, above IATA's previous projection of 2.5 billion.

He blamed the poor performance of the industry on light traffic, low revenues and high costs.

Eser also predicted a net 1993 improvement based on expectations that airlines would cut costs and staff and adjust their capacities after a phase of "suicidal" price wars.

Stressing that IATA was neither for or against deregulation of the airline industry. Eser said deregulation had reduced the number of competitors and created a market of a few large carriers.

UAE oil output static in '92

ABU DHABI, Nov 3: The United Arab Emirates (UAE) is expected to maintain its current oil production until the end of 1992 according to the state-run Emirates Industrial Bank (EIB), reports AFP.

"The UAE has produced more than two million barrels per day (BPD) and this level is expected to remain as it is until the end of this year," it said in its annual report published in local newspapers on

It gave no precise figures for 1992 but the director of the Abu Dhabi National Oil Company (ADNOC), Suhail Al-Mazroui, has put production at 2.4 million BPD.

Like other member of the Organisation of Petroleum Exporting Countries (OPEC) the UAE has embarked on major projects to boost its oil and gas production capacity to ASEAN, which groups Mameet an expected increase in demand.

It holds nearly 10 per cent of the world's proven crude reserves of 1,023 billion bar-

Shopping by. TV in China

BEIJING, Nov 3: Another element of Western-style consumption is coming to China: shopping by television, reports

Beginning Thursday, two Beijing television channels are to air the shopping programmes China's first, the Beijing Daily (Beijing Ribao) reported Tuesday.

The programmes will take viewers to various department stores. Phone numbers for the stores will be shown on the screen, and viewers can call to order products they like.

The report said the stores would take care of delivery and installation free of charge. It did not specify the length

of the programmes or what kinds of products would be shown.

Several huge multistory department stores have opened in Beijing in recent years, and often are crammed with shop-

pers eager to spend money. Urban residents' disposable incomes have risen dramatically but, unlike individuals in the West, they have few opportunities to buy high- priced items like cars or houses

UK firms may face more US taxes if Clinton wins

LONDON, Nov 3: If Bill Clinton wins the US presidential election tomorrow (Wednesday) British companies are likely to face bigger US tax bills, analysts said, reports Reuter.

Clinton has pledged to raise an extra dollar 45 billion over four years by cracking down on tax payments by foreign companies in the United States and UK firms could be the

hardest hit. "Because of the UK's posttion as the biggest foreign owner of US industry, any plans to increase the amount of tax paid by foreign companies will impact heavily on British companies," said Terry Browne, international tax partner at Touche Ross.

US companies are the biggest foreign investors in the United States with assets valued at over 106 dollar billion in 1991.

Clinton claims that he can collect dollar 45 billion extra in taxes through more rigorous investigation of transfer-pricing cases by the internal Revenue Service (IRS). Transfer pricing is the term for national values placed on goods being trade internally between subsidiaries of the same organisation.

The US tax authorities alleged that some foreign firms

inflate the price of goods bought from an international subsidiary to artificially inflate costs and lower profits and tax

in the United States. "More UK companies with US subsidiaries will certainly find themselves subject to the protracted, frustrating and often costly IRS transfer-pricing process," Touche Ross's

Browne said Most US analysts believe Clinton's estimate of raising an extra 45 billion dollar is unrealistic. This has led to speculation that Clinton might be tempted to change the tax laws governing foreign companies, although Clinton's advisers say he will not.

Nick Counningham, analyst at SG Strauss Turnbull in London warned that Clinton may adopt a more radical stance and introduce a form of unitary taxation.

Cunningam calculated that effect to seven large UK firms if US tax authorities looked at US sales as a percentage of a companys' total sales, assumed an allocation of US profits in line with sales and demanded US taxes on that amount.

Conningham calculated that US tax bills for six of the seven companies could rise to such an extent that earnings per share declined by as much as 23 per cent.

Malaysia eases imports, signals commitment to free trade area

KUALA LUMPUR, Nov 3: Malaysia has signalled its commitment to a planned Association of South East Asian (ASEAN) Free Trade Area by slashing or abolishing import duties on 600 products, officials said Monday, reports AFP. The officials said that the

move announced by Finance Minister Anwar Ibrahim, Friday in his 1993 budget proposals would effectively reduce income from tariffs by 369 million Malaysian dollar (147.6 million US).

Tariffs on the 600 items which include food, household goods and electrical and electronic products were slashed or abolished with immediate effect, they said.

laysia, Singapore, Thailand, Indonesia, the Philippines and Brunei, have committed themselves to creating a free trade area within 15 years from January 1 when they will slash tariffs on a wide range of prod-

ucts in 15 products sectors. "We can go to the GATT talks with our heads held high as we have shown Malaysia is prepared to be more liberal in its trade regime" Mohamed Sheriff Kassim, SecretaryGeneral of the Ministry of Finance, said.

Sheriff said that Malaysia was sending a strong message to its trading partners that it was committed to liberalising trade under GATT.

Health Minister Lee Kim Sai said in northern lph town Sunday that Malaysia was also drawing up proposals to allow foreign doctors to practise locally as part of a move to liberalise trade in the services sector under GATT.

Sheriff said the budget was a signal to foreign investors that Malaysia's investment policies were transparent, leaving investors in no doubt as to where they stood.

A government report released over the weekend said the implementation of AFTA was expected to enhance trade within the ASEAN economies.

It projected export growth in the ASEAN nations to increase from 14.9 per cent in 1992 to 15.7 per cent in 1993, But imports were expected to decline due to the expected slowdown in imports in some countries, particularly Malaysia and Thailand, it said.

Italian bankers involved in loan to Iraq: CIA

CIA informed the US government that Italian bankers were involved in loans to Iraq in the 1980s by an Atlanta bank branch, says a congressional letter released Monday, reports AP.

If true, the CIA's information would further undermine the prosecution of the Atlanta bank manager who has been accused of providing the 5.5 billion dollar in loans illegally.

The loans were illegal because, prosecutors say, they were given without proper authorisation from the bank's home office in Rome and because they exceeded Iraq's credit limit. Handling of the politically

charged case has drawn severe criticism from Atlanta federal

WASHINGTON, Nov 3: The \ Judge Marvin Shoob, who accused both the Central Intelligence Agency and the Justice Department of with. holding information from the

> Opposition Democrats in Congress have accused President Bush's administration of trying to shield the Italian government from involvement in the loans and trying to cover up its own role to avoid scrutiny of its failed support for Iraq before the Gulf War.

Senior Justice Department officials have said repeatedly that they were not given intelligence information that proved complicity by the headquarters of Banca Nazionale del Lavoro in the loans by its Atlanta branch. ,

biggest obstacle. But a broad

range of economists worry that

it could tax the nation into

paralysis, with no money left

ows that specific campaign

promises may succumb to po-

litical realities, including a

Congress that might have

other ideas, to changes in

thinking, and to the emer-

confront the economy that can

be erased only by time.

Government policies, for ex-

ample, cannot counter the glut

of commercial real estate,

erase billions of dollar in bad

Structural problems also

gence of newer issues.

Whoever wins, history sh-

to spend on anything else.

New leadership unlikely to bring quick change in US economic course ably could clear away the

NEW YORK, Nov 3: No matter which man is elected President on Tuesday, government policies are unlikely to change the American economy's course quickly or strikingly, reports AP. Public moods might change.

New programme might quickly be introduced. But between proposal and enactment and impact the better part of a term in office might pass.

"The economy is like a supertanker. It's big," said David Bostian, an economist at Herzog, Heine, Geduld Inc, a New York investment firm. What will happen in the economy is already in place."

Despite each of the candidate's vows to create jobs for example, there is little reason to believe that private companies will start to magically rehire the millions they have laid off in the past two years.

If anything, some say, the job picture could worsen through at least the first year of a Bush, Clinton or Perot administration.

South East Asian Nations grouping Singapore, Thailand,

leased in October, suggested

layoffs and cutbacks could

regardless who's occupying the

reach record levels in 1993,

refrained from demanding the

and against" this right, Tu said,

adding that studies were con-

tinuing into whether it should

be included in the labour code

The confederation is play-

The United Nations, the

that the government is now

ing a "very big role" in the

drafting of the country's first

International Labour Organi-

sation and the Association of

such code, he said.

There are arguments "for

right to strike.

drafting.

An annual survey of businesses by the American Management Association, re-

White House. The Conference Board, a prominent business research group, said last week in a monthly analysis of job advertising that demand for all categories of workers is likely to remain stagnant through at

This sort of sobering news contrasts sharply to the preelection national mood. Anecdotal evidence and a number of polls have shown that many voters perceive a distinct choice among presi-

least the first half of 1993.

"You won't see an overnight

change," said David Blitzer, chief economist at Standard and Poor's Corp, a large corporate credit-rating firm. "The real side of the economy manufacturing, employment, consumer spending - doesn't move that quickly."

Philippines and Indonesia -

are also helping in the pro-

to the next session of the na-

tional assembly in December

federation's efforts to stand up

for workers' rights, Tu - a

member of the central com-

mittee of the communist party

- said he had criticized the

government's decision a year

ago to reduce the minimum

In its 1987 investment

wage to 35 dollar a month.

The draft is to be submitted

In an example of the con-

cess, he said.

or January, Tu said.

Among the major impediments to presidential power are government debts that limit spending choices and household and business debt that prevent these sectors from borrowing more as well.

Other constraints include the need to cooperate with trading partners, a Congress that often disagrees, and an aging population that suggests consumers will spend less in coming years.

undermine or trivialize the other promises, is the budget deficit, now close to 300 billion US dollar a year. The winner's degree of suc-

cess in dealing with the problem of spending more than the country can afford eventually may determine whether other proposals become law on topics ranging from healthcare reform to higher educa-

It also could mean the difference between rising or shrinking employment, high or low interest rates, inflation and the government's role in quality of life. No surprise, therefore, that

the clearest distinctions between candidates show up in philosophical approaches.

centives and low interest rates could worsen budget deficits and devastate the value of the dollar. Moreover, Bush's own in-

ability to substantially boost, the economy over the past few years is seen as his biggest weakness. Many economists believe this has played a role in the decline of consumer and business faith in the future.

The skepticism about Bush's record was reflected this past week when the government reported the July-September growth rate jumped to 2.7 per cent, double the predicted pace. Private economists were stunned. Some even suggested the White House cooked the books for political advantage.

lems, including the possibilities of aggravating budget deficits and swamping businesses with more cumbersome regulations.

Still, some economists see a value to a Clinton presidency, if nothing else because a change could lift the dour mood among consumers, who are responsible for two thirds of the nation's economic activ-

"Clinton is a plus for improved psychology," said Lawrence Veit, an economist at Brown Brothers Harriman and Co, a Wall Street investment firm. "Bush psychology has been so bad for such a long time we've forgotten how to be optimistic." Ross Perot's approach -

bite the bullet — is the most direct. Viewing the economy as a troubled business, the Texas billionaire would focus on the budget deficit as the basic problem, and raise taxes to make it a surplus by 1998.

but unable to afford them, this is an election that produces as many potential new problems as resolutions of old ones.

bank loans or put workers from the defence, computer, construction and auto industries back on the job. With the economy in such a dilemma needing stimulants

Gov. Bill Clinton is most Still, change seems to be dential aspirants for the first clearly identified with a mix of the common theme of candi-President Bush remains an time in many years. higher taxes and lower spendadvocate of escaping stagnation What none of the candidates date proposals, with all three ing, while identifying problems by limiting taxes, spurring has conceded, but what has promising to use the presito be dealt with by government private investment and reducbecome equally obvious over dential office to redirect the ing regulations. programmes and enlarged prieconomy and resolve problems the years, is that the ability of a vate-sector duties. President to quickly shift eco-The approach is fraught as complex as any faced before. His strategy also risks with dangers. Failure to im-The centerpiece of all three nomic direction is limited. Such an approach conceivcreating or worsening probprove growth through tax inplatforms, the issue that could