Stock market mixed in NY

NEW YORK, Feb 3: Stock prices ended mixed Tuesday. with blue chips hit by profit taking while the broader market posted some modest gains. US stocks declined overnight in Europe, setting the stage for a weak opening on Wall Street. More good news about the US economy failed to inspire traders, who were selling selective issues to cash in on the market's recent gains, reports AP.

Dollar down, stocks

up in Tokyo TOKYO. Feb 3: The US dollar declined against the Japanese yen Wednesday morning, while share prices on the Tokyo Stock Exchange moved higher. The US dollar was changing hands at 24.20 yen by late morning. down 0.78 yen from Tuesday's close. It opened at 124.87 yen after finishing overnight New York trading it 124.65 yen. Dealers said selling of the mark for the ven overseas lifted the Japanese currency against the dollar, reports AP.

US textile sector needs change

ATLANTA, Feb 3: Despite ears of rhetoric over stemning imports, the survival of S textiles may depend more n how well the industry adapts to changing technology. The industry's often futile fight against imported clothing and fabric has overshadowed an effort to apply new technology to manufaciring and management. ecause most of the machinery used in textiles is made overseas, the latest technolgy is available to anyone, re-

Willie agrees \$ 15.6m tax debt accord

orts AP.

AUSTIN, Feb 3 : Willie Nelson and the federal tax collection agency agreed Tuesday to a nine million dollar settlement on 15.6 million dollar in back taxes and penalties owed by the country singer. "I'm on the road still," said a smiling Nelson, playing off of his famous tune "On The Road Again." The deal comes after Nelson and he Internal Revenue Service agreed to market an album -Who'll Buy My Memorics? he IRS Tapes" - to help telson make tax liability ayments, reports AP.

Commodity prices dropped in '92

WASHINGTON, Feb 3 Prices for raw materials, on which many Third World countries depend, dropped in 1992 for the fourth year in row, the International Monetary Fund (IMF) reported. For all commodities except oil - food, metals, minerals and industrial farm products - the drop amounted to 2.50 dollar per 100 dollar. Many Third World countries that have little industry rely heavily on the sale of the raw materials they produce to earn hard currency. They need the proceeds to buy machinery and other goods from industrial countries, reports AP.

US official pushes projects for jobs

WASHINGTON, Feb 3: Environmental protection Administrator Carol Browner said Monday she is pushing several job-creating environmental projects as part of President Clinton's economic stimulus programme. The possibilities include efforts to restore degraded watersheds and estuaries and build wastewater facilities, she said. "We have suggested several things that we believe can create jobs," Browner said in an interview. Wastewater treatment projects can generate 50,000 jobs for every one billion dollar spent, she said. Many states and municipalities have such projects ready to go, but insufficient federal help to pay for them, he said, reports

US airlines seek investment

WASHIGNTON, Feb 3: The three biggest US airlines formally asked the Clinton administration Monday to consider forcing British Airways to rescind its 300 million dollar investment in the financially strained airline USAir. American, Delta and United airlines told the Department of Transportation the deal is a repackaged version of a 750 million dollar investment plan that was withdrawn in December because of Bush administration opposition, reports

BRIEFS Clinton plans \$31b economic stimulus package

Business

WASHINGTON, Feb 3. President Bill Clinton plans a multi-billion dollar economic stimulus package despite Tuesday's huge jump in the government's main economic forecasting gauge, the White House said, reports AFP.

Presidential spokesman George Stephanopoulos said that although the composite index of leading economic indicators surged 1.9 per cent in December, posting its biggest increase in nearly 10 years, job creation was still lagging.

The new figures today are welcome news," Stephanopolulos said, adding that the recovery had not created extra

He said that in a speech to Congress on February 17, Clinton would present an economic stimulus package aimed at creating between 200,000 and 50,000 jobs within a year.

Commenting on reports from Capitol Hill that it would be a 31-billion-dollar pro-

gramme, Stephanopoulos said that figure "is probably in the ballpark" but that Clinton had yet to make a firm decision.

He confirmed that whatever the final amount is, the programme would be divided about equally between jobcreating federal spending on infrastructure and tax breaks for businesses.

The 31-billion-dollar figure is much higher than the 20 billion dollar mentioned fast week by Labour Secretary Robert Reich as what the administration might spend to jupmstart the economy.

During the presidential campaign the linton team had raised the possibility of a 6-billion-dollar stimulus package, but since then the economy has given clear signs of recovery, the latest of which was Tuesday's composite index fig-

Earlier in the day a Democratic source in Congress said Clinton aides had briefed

key Democratic senators Monday night on details of the President's plan.

The Democratic official said the new federal spending would be directed at public works projects, waste water treatment plants, summer jobs, the head start programme for education for the underprivileged and a programme to immunize children.

The tax breaks involved 15 billion dollar worth of investment tax credits, which benefit companies that invest in equipment. There were no details on what type of equipment would qualify for the tax credit.

A Reuter report adds: President Bill Clinton may be hering for a respite after a turbulent first week in office by focusing attention on the economy, but he had better think again.

Clinton faces economic problems that are in many ways unique - from unemployment to a debt-laden government that needs to spend more on investment - and solving them will not be easy

or popular. "There's going be a lot more cringing before we get through," a senior administration official said, referring to difficult economic decisions

The first task is to make sure the current upswing lasts. The economy is gathering strength - it grew by 3.8 per cent in the fourth quarter of 1992, its best performance in four years - but it is still not generating new jobs.

That is because many big companies are laying off workers as they fight to meet tough competition at home and abroad. The latest firm to succumb was Sears, Roebuck, which last week announced plans to cut 50,000 jobs and end publication of the old-established Sears Mail order cat-

Economists expect figures due out on Friday to show the job market improved in January but not by much.

They said the economy probably generated about 110,000 new non-farm salaried jobs in January, a modest improvement from 64,000 created in December but not enough to affect the unemployment rate of 7.3 per

"There's 9.2 million Americans who want to work and can't find work," Deputy US Treasury Secretary Roger Altman said. "That's unaccept-He said on television that

the administration planned to put forward a 20 billion dollar stimulus programme of spending increases and tax cuts to give the economy a shot in the

The programme is expected to be raised towards measures that will boost jobs quickly, including summer job

programmes for teenagers and labour-intensive road work and

bridge construction. The planned stimulus is small when compared to the size of the 6 trillion dollar US economy and economists said it seemed more designed to boost confidence and show voters that Clinton cared than to have direct effect on

Administration officials acknowledge that the package will have a limited effect on the economy and agree that the future course of interest rates will ultimately be more important in determining the economy's near-term fate.

Clinton met Federal Reserve Chairman Alan Greenspan last week and asked for his help in keeping the recovery going.

At a contentious hearing before the Senate budget committee last week, Greenspan tried to assure members that was not the case.

Czech, Slovak own currencies from Monday

PRAGUE, Feb 3: The Czech and Slovak governments announced on Tuesday they had agreed to abolish the Czechoslovak crown as their common currency and begin using their own money from next Monday, reports Reuter.

The end of the short-lived monetary union between the newly-independent Czech and Slovak republics came after legislators in both capitals voted overwhelmingly in favour of using separate money.

Announcing the split on Czech television, Czech Prime Minister Vaclav Klaus said citizens would have four days from Thursday to Sunday - to change old banknotes for bills with Czech markings at the ratio of 1:1.

Klaus's Slovak counterpart, Vladimir Meciar, appeared on Slovak television at the same time to make a similar state-

Iran's budget gets final approval

NICOSIA, Feb 3: Iran's 54.4 trillion-rial budget for the year starting March 21, which incorporates a sharp devaluation of the rial for many sectors, has received final approval, Tehran radio said, reports Reuter.

Parliament met yesterday to make minor changes demanded by the overseeing guardian council to the budget it had approved on Saturday. The council ratified the final version.

The budget, nominally balanced, is based on a projected oil revenue of 17 billion, just above the current year's. But the ceiling is 87 per cent larger in rial terms this year because of the devaluation.

The budget allots 3.8 billion dollar in hard cash at the subsidised rate of about 70 rial per dollar to cushion the impact of devaluation.



ATTO: (Pakistan): A riot policeman throws a burning stick over a pile of confiscated drugs February 2. The Pakistan Narcotics Control Board (PNCB) burned the lot, containing some 110 tons of drugs, to mark 1993 as the year of the war against drugs declared by the - AFP/UNB photo

France suspends new export guarantees for Iranian goods

PARIS, Feb 3: France has suspended new export guaran tees for projects and goods bought by Iran, Finance Ministry officials confirmed Tuesday, reports AP.

The move, which took ef fect last month, followed steady deterioration in Iran's ability to make timely payments on its debts that began in the second half of last year and became worse toward the end of the year, the ministry

Other countries, including Japan, have also noted the Iranian delay. An official of the Japanese Ministry of International Trade and Industry said Japan also is witholding new trade insurance for Iran because of pay ment problems.

French businesses are in volved in Iran in such areas as petrochemical plant construc-

G7 fails to lead world economy, accesses EC

Seven industrial nations has failed recently to provide the economic leadership required in an increasingly interdependent world and must be revitalised, said Pascal Lamy, chief adviser to EC President Jacques Delors, reports Reuter.

Lamy, who as Delors' "Sherpa" has helped to prepare several G7 summits, said institutions had failed to keep pace with the development of the world economy since

The G7 — comprising the United States, Japan, Germany, Britain, France, Italy and Canada - had been set up to fill the gap and notched up a few successes. "But since 1985 it has shown that it is not up to it," Lamy told reporters.

PARIS, Feb 3: The Group of Lamy, speaking as author of a study on Europe's place in the world prepared for the French government's Planning Commission, said too often now in the G7 it was every man for himself.

> The report said it was vital that the G7 recognise its responsibility for assuring world growth. The Seven must also agree on a minimum set of rules of the game in order to limit current disorder. That pre-supposes closer ties between a more United Europe and Europe and the United States," it said.

For that to happen, France must change its attitude to the G7, Paris, fearing the G7 would turn into a global directorate, has hitcher to be reserved about its initiatives, Lamy said.

US bid to curb EC export criticised

BRUSSELS, Feb 3: The European Community on Tuesday criticised US moves to curb EC exports which have raised fears of increased protectionism by the US Clinton

administration, reports Reuter. The EC trade ministers denounced what they called prohibitive US anti-dumping duties imposed last week on steel exporters in seven EC countries and expressed grave concern about Monday's US threat to ban bids by EC firms for US federal contracts.

The ministers said the US action on steel exports was unacceptable and asked external economic 1 tions Sir Leon Britian to say so forcefully when he meets US tr le representative Mickey K. tor in Washington on February 11.

A statement after the trade ministers' regular meeting did not say what the EC would do if the United States kept to its present positions, but said: "The council (of ministers) reserves its full rights to take

whetever action is necessary." French Foreign Trade Minister Bruno Durieux told reporters that the only weapons the United States knew how to use in international trade talks were intimidation and unilateralism.

He said the steel trade duties announced by the US Commerce Department might have been in the pipeline from the days of the Bush administration, but President Bill Clinton was clearly responsible for the move to bar EC companies from competing for federal public utility contracts.

The ministers' statement endorsed Brittan's sharp criticism on Monday of the latter initiative, and said the steel

duties, also applied to a dozen countries outside the community, could "cause deviation of trade in a global context."

The United States imposed the duties of up to 109 per cent on two million tonnes of annual EC steel exports worth one billion dollar because of what it said were unfair subsidies, a charge denied by the commission.

The threat to shut EC suppliers out of the US federal procurement market on March 22 stemmed from US dissatisfaction at EC legislation which Brittan says represents a new opening of the community

market to US suppliers. Brittan said after Tuesday's meeting that the ministers' re-

sponse had been well judged. "I understand the temptation to flex one's muscles if one is new and playing to a

domestic audience, but the solution for US is not to do go down that road ourselves," he told reporters. "The only possible solution

is a fair and negotiated one, community will not allow itself to be bullied.' "As far as steel is concerned, the first proper step

which we have already taken is to begin consultations in GATT," Brittan said. "But we reserve the right to take action where appropriate." Danish Foreign Minister Iniels Helveg Petersen, repre-

senting the EC's rotating presidency, told a news conference, "It is most important to tell the US that they are on the wrong track."

He said that, although there had been much discussion, the EC was not preparing retaliatory measures against the Americans.

Reunification of two Koreas to cost.\$ 980b

SEOUL, Feb 3: South Korea should aim for gradual reunification with North Korea because immediate absorption of the North's impoverished economy would cost at least 980 billion dollar, a new government report says, says AP.

The figure comes from a study of Germany's quick 1990 unification, which has turned out to cause much severer economic dislocation than German leaders originally expected.

The Korean report, prepared by the Finance Ministry and released over the week end, says: "All facts indicate that problems arising from an abrupt Korean unification would be far more serious and greater than those that resulted from German unification."

OPEC may cut output by

lion to 1.5 million barrels a day

OPEC in November.

ntries (OPEC) have been

1m BPD to boost prices mentioned as a possible re-DAVOS, Switzerland, Feb 3 OPEC will probably cut its oil production ceiling by one mil-

to boost prices "substantially, its Secretary General Subroto said here Tuesday, reports He told a news conference that he expected the 12-nation cartel meeting February 13 in

Vienna to decide on the cuts from the production ceiling of 24.5 million barrels set by Subroto said ministers of the 12-member Organisation of Petroleum Exporting Cou-

discussing output cuts to shore up prices for crude that have fallen in the last few weeks. "The figure of something duction from the November agreement," he told reporters at the world economic forum. I expect that to happen." The Indonesian said "prices

will substantially strengthen" from the production cutback but declined to give a figure. The price of North Sea brent crude for March delivery was stable Tuesday at 18.52 dollar a barrel. Subroto said official figures

for the OPEC's January output were unavailable but added that secondary sources put the level at just under 25 million barrels a day.

He said the upcoming OPEC meeting in Vienna would have to decide how to distribute the agreed output cuts, including possible exemptions for states not using all of their production quotas. He gave no details.

Rao to countrymen Kuwaiti Central

Help economic recovery of India NEW DELHI, Feb 3: Indian

Prime Minister PV Narasimha Rao urged his countrymen on Tuesday to put aside . ligious differences and work together for economic recovery, according to Reuter. Rao, speaking at a rally in

northern Uttar Pradesh, ap-

pealed to them to suspend a

bloody dispute over the demolition of a mosque in Ayodhya. Over 1,700 people were killed in the wake of the mosque's destruction in December as Hindus and Muslims

clashed across the country. Rao, quoted by the United News of India, asked for a fouryear suspension of the dispute to enable him to focus on the

economy. Rao, leading a fragile Congress party government, is committed to sweeping re-

forms aimed at transforming the moribund socialist-type conomy into a free market

His speech followed a spate of criticism by key ruling Congress party deputies of his leadership and demands that he holds a party convention to counter an upsurge of Hindu nationalism.

The rightwing Hindu Bharatiya Janata Party (BJP) has called a rally in New Delhi on February 25, two days before Rao is due to present his new budget in parliament.

The BJP, riding a wave of Hindu revivalism, improved its parliamentary record from two seats in the 1984 elections to 119 in the 1991 polls, making

it the main opposition party. The BJP believes its support among Hindus has shot up

since the razing of the mosque. It has demanded fresh elections and says it will resort to "direct action" if Rao does not



relent. Rao's main Congress party rival, Human Resources Dev-

elopment Minister Arjun Singh, has asked him to convene a party meeting to cou-nter the proposed BJP rally.

Senior Congress party deputies who declined to be identified said they had asked Rao to relinquish his post as Congress president and appoint new office-bearers to combat the Hindu threat.

He said Rao's colleagues

were particularly incensed with his har ling of riots in Bombay, India's financial hub, where more than 500 people were killed last month. Opposition parties said Rao

"What we need is a collective leadership. One-man leadership has failed the test, "a Congress parliament member told Reuters.

had failed to take any action against the fanatical Shiv Sena, the Hindu militant group.

Bank seeks solution to \$20b bad debt

KUWAIT, Feb 3: The Central Bank said it sought a balanced solution to the 20 billion dollar bad debt problem facing the country that maximised repayments but avoided worsening the sluggish economy, reports Reuter.

Governor Sheikh Salem Abdul-Aziz Al-Saud Al-Salem said a solution that resulted in debtors liquidating major assets in Kuwait could harm the economy but added debtors who failed to follow any future repayment plan would face legal action.

"When we talk in principale, professionally speaking, a debtor must pay 100 per cent," he said in an interview.

"The economy cannot progress, can not move with

like between one and a half million barrels a day has been Japan urged to lift ban

TOKYO, Feb 3: Japan should lift its long-standing ban on importing rice and help promote the world's free trade system, an independent committee said in an appeal on Tuesday, says Reuter.

"This has been a taboo. No politician or businessman has made much comment on rice. Somebody should raise his voice and start calm, objective discussions on an issue that can influence the future of Japan," Saburo Okita told reporters.

Okita is, one of 113 individuals, mostly academics, who formed a national committee to call for "tariffication of importation of rice."

Tokyo opposes a draft plan proposed by GATT Director-General Arthur Dunkel to replace all farm import barriers - including Japan's ban on

on importing rice rice imports - with tariffs. Other academics have said the plan would eventually spell

> ture. About 80 per cent of farmers here grow rice. Japan's opposition to Dunkel's proposal is one obstacle to completion of the current Uruguay Round under the General Agreement on Tariffs and Trade, originally scheduled to finish by December

the end of Japanese agricul-/

"It is a matter of life or death for Japan which depends on trade with other countries: Japan should take the initiative to lead the negotiations toward an agreement," said the committee's appeal.

Japan currently bans rice imports and subsidises farmers under a 51-year-old food control law. It consumes about 10 million tonnes of rice a year.

Myanmar drops

out solving this issue," he said. India, Britain busy building new relationship on new basis

BOMBAY, Feb 3: Red double-decker buses nose through the Bombay traffic, in the high court, judges sweat under long white wigs, in New Delhi, Guards in scarlet tunics watch guests sip tea on the clipped lawn of the presidential palace, reports Reuter.

guage to laws to the democratic system, still colour the rich cultural mosaic of India. But 45 years after the end of the raj, the two countries are busy building a new relationship on a new basis.

Vestiges of British colonial rule, from lan-

The shake-up of international alliances after

the collapse of the Soviet Union, India's main partner, and the passing away of the colonial generation in Britain have created new grounds for friendship after decades of strain. British Prime Minister Johan Major's visit to New Delhi and Bombay last week symbolised

the shift. "Old history is valuable, but so is current reality, "Major told a meeting of Indian businessmen in Bombay. That reality is grim for both countries.

of empire, is in deep decline and the international clout of the small island state is waning. India, the world's second-most populous state with 860 million people, is seeking a new

direction and new accommodation with the west after years of self-imposed economic iso-"Both India and Britain now belong to the middle class of the world's power structure," L M Singvi, India's High Commissioner in

London, told Reuters. "Major represents a new generation in Britain unencumbered by the raj", said another Indian diplomat. Major, 49, was welcomed for his affableness and willingness to listen by Indians who had resented the bullying of his predecessor Margaret Thatcher.

For the last 40 years India has perceive Britain as favouring its arch-enemy Pakistan, the Muslim state created from a part of the former colony in 1947. New Delhi's drive to lowed largely from that concern.

more impartial stance over Pakistan. His host appreciated his low-key approach to reports of Indian violations of human rights in Kashmir, the Himalayan territory disputed by the two states.

his premiership, India has become less defensive. "There is a new candour," said Singvi. Agreements on extradition and seizure of assets of criminal groups last last year helped convince India that Britain was responding seriously to India's worries, in

Responding to his style in the two years of

particular over help by Kashmiris and Sikhs in Britain for insurgencies in Kashmir and Punjab. "We are readier now than ever before to work as partners, when we disagreed we can now debate without rancour", Major said in a speech in New Delhi.

India's liberalising economic reforms, opening up to foreign involvement and cutting down state control, have created a new agenda.

free market ideas. Two big investment deals, in power transmission and gas distribution, were announced during the visit.

Both sides are hoping that old connections and the new reconciliation will allow Britain to become Indian's main access point to the European Community. Many in New Delhi fear the creation of the

single EC market and the US-led North American trade area could lead to a new bloc system - this time based on Trade not ideology — which would limit its scope for trade. Meanwhile, two of the most potent forces

left by Britain in 1947 -cricket and the media - are thriving. India, reflecting the new political relationship, a more than even opponent for the cur-

rently-visiting English cricket team. And the media hit of the last year has been the world service television service of the

import duty on chemicals

dropped the import duty on chemicals and equipment used in agriculture to help develop the country, state-run Radio Rangoon said Tuesday, reports Items that now can be im-

did not say what the import duties on these items had But Myanmar authorities

barred all cross-border trade of 13 items.

arm itself and develop nuclear facilities fol-Major brought with him a delegation of 17 British Broadcasting Corporation. The BBC. top businessmen, all eager to take advantage. once the voice of the empire, is now many Britain's economy, once booming on the profits Major was hailed as a new broom, bringing a They met less of the old resentment to their people's favourite television station.

agri equipment, BANGKOK, Feb 3: The Myanmar Trade Ministry has

ported free of charge include fertilizers, insecticides, farm machinery and other instruments, the radio said in a broadcast monitored here. It