Bird's painting fetch \$ 96,000

NEW YORK, Mar 12: A painting of two hummingbirds that an American tourist picked up for about three dollar at a flea market in England fetched 96,000 dollar on the auction block at Christic's on Thursday. The tourist had bought the work for two pound last year at a sale outside Bristol, England, because he liked it and thought he had seen some thing like it in a book, according to Christic's, a ports

Sharp fall in stock prices in New York

NEW YORK, Mar 12: Stock prices fell sharply Thursday alter the release of mixed economic data caused in vestors to question the staying power of the US economic recovery. Investors were also capitalising on three successive days of rises to record-breaking high in the Dow Jones Industrial average. Once you get at a new level or new high, people tend to worry," said John Luvin, a trader at BHF Securities, "they'll do what they need to protect themselves," reports AP.

US orange juice for Russian apple juice

BRADENTON (Fla), Mar 12: A Florida company is making use of an old-fashioned barter system to send orange juice to Russia in exchange for apple juice. "We think we have the first contract of its kind in the indus-Herbert Fiss, Vice President of Florida's Choice Juice & Beverage Co, said Thursday. The whole market

is new and the reception in Russia has been very enthusiastic." The first shipment of orange juice left the plant March 4 and is expected in Russia by the end of the month, says an AP report.

China imposes new aviation rules

BEIJING, Mar 12: The Chincse government has announced stricter rules for new airlines in order to slow the explosion of tiny, illequipped operations, an official newspaper reported Friday. More than 20 small airlines were established last year to help cope with a 30 per cent surge in the number of air travelers. Aviation officials recently said the explosive growth overtaxed pilots, ground crews as safety inspectors and was a factor in several fatal air crashes, says

3 arrested in Italy for corruption

MILAN, Mar 12: Three top managers in Italy's state-controlled energy conglomerate were arrested Thursday in the mushrooming corruption scandal rocking Italy's highest political and business circles. Pio Pigorini, Gianni Dell 'Orto and Raffaele Santoro were taken into custody two days after the chairman of the Ente Nazionale Idrocarburi conglomerate, Gabriele Cagliari, was placed under arrest, reports AP.

Asian stocks finish lower in Hong Kong

HONG KONG, Mar 12 Asian stock markets closed generally mixed Thursday, with share prices plunging in Hong Kong because of political fitters over the territory's future. The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 116.62 points, or 1.7 per cent, closing at 6,371.84. Brokers attributed the tumble largely to local press reports that Britain has set a Thursday deadline for China to resume talks with London, reports AP.

Assistance for Bombay riot victims

NEW DELHI, Mar 12: Newly appointed Chief Minister of India's southwestern state of Maharastra Sarad Pawar announced assistance of 25,000 and 10,000 rupce (750 and 300 US dollar) to permanently and partially disabled persons in Bombay

riots respectively. He said Wednesday that 618 serviced plots and 900 tenements would be made available to rehabilitate the riot-affected. Aid of 4,000 rupee (120 US dollar) per family had been given to those whose property had been looted or destroyed, says a Xinhua re-

BRIEFS New trading system in fabled central Asia

HONG KONG: A new trading system is in the works for Central Asia.

Under the plain title **Economic Cooperation Organi** sation" (ECO), it is an attempt by ten countries, mostly Muslim-controlled, to revive an earlier pact between Pakistan, Iran and Turkey, signed 25 years ago but long submerged under problems of conflict.

Turkey became an active member of the North Atlantic Treaty Organisation in 1952. Iran went to war against Iran, and Pakistan became the ally of the United States in its South Asian relations

Now the ECO-founding countries are being joined by Afghanistan and five Central Asian countries which until recently were Soviet republics firmly under the rule of

Moscow. Now Kazakhstan, Kyrgzstan, Turkmenistan, Tajikistan and Uzbekistan are back under independent governments. As members of the ECO they are said to "share a common heritage and culture," according to Pakistan's Premier Nawaz

Sharif. The intention is to impose low taxes on mutual trade, to set up investment bank, and to build roads and railways between member

However, progress towards these aims is bound to be slow What may assist the process is membership in the Asian Development Bank, which has been proposed.

Meanwhile, the UN Economic and Social Commission for Asia and the Pacific reports that Central Asian countries experiencing serious problems of transition from long-lasting central planning systems to market-oriented ones. The economies, it says, have suffered a series of shocks of increasing intensity

since 1990. The total dissolution of the USSR towards the end of 1991 and the intensification of price liberalisation measures by the Russian Federation resulted in an even stronger decline in the economies of the six Asian republics in 1992." First estimates indicate that their Net Material Product has decreased by 10 to 25 per cent.

The declines reflect in part a delay in adjustment and the collapse of the rouble cur-

Ano her sign of economic distress in the region is the growing unemployment with, for example, the number of persons officially unemployed increasing five fold in Kazakhstan during 1992.

The economics are partly complementary. Some are rich in fuels, some in metals, some in grains and fruits and cotton. But there are big barriers. arising from chronic factional and tribal wars.

Modernisation of the Turkmen economy would re guire considerable investment in infrastructure. Development of irrigation has been made more difficult with the shrinking of the Aral Sca I the result of damning contributory rivers to irrigate areas else-

In Kazakhstan, the country's leaders are still mainly drawn from the old Communist cadres, so the transition to a more free-enterprise economy is bound to be slow. Kazakhstan is the largest of the

Central Asian republics; it also has long borders with Russia and China.

Its oil reserves are enormous, and already the US Chevron company has contracted to developed the glant Tengiz field. The British Gas Corporation and Italy's Agip fuel giant have bid to explore other oil and gas reserves, along with Frances Elf Aquitaine. The fuels could be piped to the Mediterranean, the Black Sea or the Persian Gulf. But that question may well be solved politically not economically— the pipelines would have to pass through Russia or Turkmenistan or Turkey or Afghanistan or Iran

or all of them. There are also large ficiels of coal, natural gas, fron, gold and silver, and at one time Kazakhstan was the Soviet Union's leading biel source But Kazakhs account for barrly a third of the population, and they are concentrated in the poorer south of the country.

Foreign investment would undoubtedly stream into the country if conditions were right. A Hong Kong based con-

sultancy Image Alpha, says that in the Caspian Sea area alone, some 40 million dellar could be absorbed by oil develop-

ment over the next 40 years. International relations have quickened in Kazakhstan more than in the other neighbouring republics, partly because the government rules firmly and its law runs fairly thoroughly right up to its borders. The capital, Alma Ata, is way down in the southeast, right next to the troubled Kirgyzstan, but remains insulted from the chronic strife among the Uzbek and the Tajik peoples.

That's not to say that Kazakhstan has no problems The collapse of the Soviet sys tem opened great supply gaps and inflation is desperately high-over 25 per cent a month in Alma Ata, while the rouble currency loses foreign value every week. The old subsidised industries are collaps-

There is resistance from the city people to further privatisation—as in Russia, a vocal majority want their old fixed wages and fixed prices back The government therefore has

a delicate balancing act to maintain, introducing market

reforms very circumspectly. The Uzbekistan government, more fearful itself of Muslim radicals than of political breakdown, is supporting the pro-communists with sophisticated arms including air craft. Northern Alghanistan now has tens of thousands of anti communist Tajiks subsist ing on its borders, adding to the civil war chaos swirling

around Kabul.
The Uzbek authorities hold a firm grip on the country from its old trading city capital of Tashkent, which bears a more modernised appearance than the other Central Asian cities. The main who was the communist leader under the Soviet Union remains in

Capital is short, infrastruc ture is bad and machinery is old and uneconomic. So privatisation of the land is very slow- without capital, it has to be so. If peace can be brought back to the region, investment could restore what could be a fabulously rich area. as it once was. - Depthnews

US senate body okays \$ 502 b deficit cuts

WASHINGTON, Mar 12: United Democrats whipped the outlines of a dirs 502 bill budget-cutting plan through a Senate committee Thursday night. But they quarreled among themselves over whether to trim President Clinton's 16 billion dollar

spending plan for jobs, says AP After systematically rejecting 29 Republicans amend ments, the Senate Budget Committee approved a deficit reduction blueprint that added about 60 billion dollar in spending cuts and tax increases to the package Clinton unveiled last month.

But the backbone was still that of the president's plan: taxes on the rich and on energy, defense cuts and extra money for education and public works projects.

Republicans tried to eliminate tax increases, to scale back the new spending Clinton proposed and to hold the desence reduction to the 60 billton dollar Clinton pledged during his campaign, rather the 127 billion dollar, five-year cut Democrats agreed on.

UK miners call 24-hr strike to protest govt plan

LONDON, Mar 12: British miners on Thursday called a 24-hour strike for April 2 to protest government plans to drastically slim down the industry, says Reuter.

The national union of mineworkers announced the strike - the first national stoppage by miners since the year-long dispute in 1984/85 - after 60 per cent of its members voted in favour of a

The conservative govern ment announced plans last year to shut down 31 of the country's 50 pits due to weak demand but was forced to suspend the closures because of a nationwide public outery pending a through review of energy



LONDON: Ford workers protest outside the company's London office March 11 where talks - AFP/UNB photo between unions and management are taking place on job losses.

'Japan's economy still severe, may need another stimulus package'

Political chaos responsible for

Italy's economic woes

the shortfall.

TOKYO, Mar 12: Despite optimistic predictions by some government officials, the chief of the Economic Planning Agency said Friday that Japan's economic conditions are still severe and may require an additional fiscal stimulus package, says an AP report.

Haitme Funada said the nation's gross national product in the October-December quarter, to be announced later Friday, will depict the severity of the economy and may suggest the possibility of additional economic packages.

The economy is still crawling along at the bottom of the

MILAN, Mar 12: A political

crisis stirred up by Italy's

widening corruption probe

risks delaying economic re-

covery and adding to the coun-

try's huge debt problems, ana-

Prime Minister Giuliano

Amato appears to have ridden

out the latest storm thrown up

by the long-running kickback

scandal by winning a confi-

dence vote in the senate on

But analysts fear the politi-

cal damage caused by the in-

vestigation into the illegal fi-

nancing of political parties may

have reduced the govern-

ment's role to that of care-

lysts said, reports Reuter.

Wednesday.

current downtrend, and it is premature to say the economic slump bottomed in the latest quarter, Funada said.

Meanwhile, the Finance Ministry released a survey Thursday showing that Japanese corporations saw pretax profits tumble 39 per cent last quarter for the fastest year-one-year pace since the first oil crisis in the 1970s.

The latest results bring the record stretch of declines in pretax profit to 10 quarters for the survey, which covered 19,004 companies with capital of at least 10 million yen (dlrs 85,100), the ministry

In particular, they say his

government may lack the au-

thority to take measures

needed to deal with an over-

shooting state deficit, long

deficit is vital to calm financial

market nerves and ensure Italy

does not get lett behind as

Interest rate cuts_are cru-

cial to stimulating se ccon-

omy, which in Italy has been

hurt by he paralysing effect of

public sector contracts.

the corruption scandals on

way Italy can bring its huge

state deficit - officially fore-

But they are also the only

Holding the line on the

Europe moves towards lower ' market rate.

Italy's economic bugbear.

interest rates.

Following Prime Minister Kiichi Miyazawa's optimistic prediction earlier this week, the Finance Ministry said the October-December results would be the bottom for the

Miyazawa told a parliamentary committee Tuesday that the economy would pick up in six months or so as effects are gradually felt from the government's 91.5 billion dollar package of stimulus measures, centering on public works. The package was adopted last August.

But the Economic Planning

cast to drop eight pct to 150

trillion lire this year - under

control as interest rate pay-

ments account for the whole of

the Bank of Italy to lower its

discount rate earlier this

month to take advantage of a

cut in a key German money

the government's botched at-

tempt to defuse the corruption

scandal, by ramming through a

decree law changing the rules

on political financing, closed

the door on an immediate rate

all time lows against the mark

The lina tumbled to close at

But a political furore over

Many analysts had expected

Agency and some other officials as well as major economic think tanks are less sanguine about the nation's economic conditions.

Opposition parties have called for consideration of income tax cuts, but the ruling Liberal Democratic Party wants to wait for the effects of the previous package to take hold.

Weakening domestic demand has contributed to the growth in Japan's current ac count and trade surpluses by slowing imports. Japan's trade partners have demanded that it take steps to reduce the im-

forcing the central bank to in-

tervene on the foreign ex-

the first two months of the

year is that the government is

once again going to miss the

deficit goal unless it takes

fresh, and politically unpopu-

lar, action to cut spending or

need for more budget cuts,

said Rony Hamaui, an

economist with Milan bank

Banca Commerciale Italiana

this government is going to be

strong enough to take any de-

But I don't know whether

There is going to be the

Analysts say the evidence of

change markets.

raise taxes.

cisions," he said

this year

India to stop

wheat import

NEW DELHI, Mar 12: Indian Prime Minister Narasimha Rao yesterday announced that the country would stop importing wheat this year, reports

Rao told the lower house that this had become possible in view of a good harvest in agricultural production.

According to official reports, India's bread basket Punjab state has witnessed a sharp rise in wheat harvests this year and the farmers there had unloaded most of their

India traditionally imported wheat from the US and Canada and its imports last year amounted to two million tons.

Referring to the recently evolved progressive agricultural policy, Rao said better infrastructural facilities would be insured and balanced regional development and a savourable environment be cre-

He also assured the farmers that a two-pronged approach would be adopted to help the local industry to flourish to bring down the costs of making phosphatic fertilizers mitigating their fcars about high cost of the fertilizers.

Trade climate getting better in Philippines, says Ramos

TOKYO, Mar 12: Despite its chronic power outages, stubborn Communist insurgency and deadly volcanic cruptions, Philippine President Fidel Ramos on Friday said the climate for investment in his country is getting better all the time, according to AP report.

"We have a new environment, which is a much improved environment for investment, trade, transfer of technology, and all other forms of economic cooperation," he told a press conference before leaving Tokyo for western Japan.

Ramos said his government has initiated several measures to encourage foreign invest ment including tax breaks, a more open banking industry and longer leases on land. He said regulations on importing and using private power gencrators have also been eased.

The severe electricity shortage in the Philippines' is a major factor keeping out the foreign investment by the government to revive the econ-

On Thursday, outages lasted seven hours in the capital after 11 power plants broke down Officials said the blackouts will continue through the end of the week.

EC for Economic coop accord with India

BRUSSELS, Mar 12: The European Community proposed a new agreement with India here Thursday to boost economic cooperation and help alleviate poverty, particularly in rural areas, reports

The EC's Executive European Commission said the accord aimed at strengthening trade, investment, aid, technical and cultural ties, with particular strees on improving the living conditions of Indias It said development aid for

Indians living in "absolute poverty" - over 215 million people out of a total of 845 million - would focus on education and welfare, water supply for people and agriculture, and job creation schemes.

The accord also deals with such projects as support for auto and other industries, technology exchanges, energy efficiency, pollution control, tourism and liberalisation of maritime transport. The EC Cooperation and Aid

Commissioner, Manuel Marin said "Respect for human rights and democratic principles is the basis for the cooperation." The EC is India's largest

trading partner, taking 25 per cent of Indian exports and providing 33 per cent of its imports. Trade is about 1.1 biltion ECU (1.3 billion dollar) in each direction.

Indian exports to the EC comprise mainly textiles, yarn labrics, garments, jute, leather, carpets and engineering goods. It imports mainly machinery and transport equipment form the commu-

40 leaders' bid to quick completion of GATT talks

GENEVA Mar 12: Leaders of nearly 40 states will launch a new bid to push the major powers towards quick completion of the long-stalled oruguay Round trade negotiations, the world trade watchdog GATT said on Thursday, reports Reuter.

Trade diplomats said the initiative was likely to be announced before the end of this week by Argentina's President Carlos Menem and had the support of developed and developing countries and former communist states:

GATT, the General Agreement on Tariffs and Trade, described the bid in a press release as significant the US and the EC.

initiative by nearly 40 governmonts to secure a rapid conclusion of the Uruguay Round. It gave no other details.

"The idea is to prod the United States, the European Community and Japan into concerted action to get the round wrapped up quickly, one envoy told Reuter. The longer the delay, the more likely it is that the whole thing will die."

The round, an ambitious effort to liberalise most world commerce, was launched under the GATT auspices in 1986. It was due to be completed in December 1990.

But is has been blocked largely by differences between

dorsed NAFTA, which would

link the United States, Canada

and Mexico in a free-trade

zone, only after saying he

would pursue parallel deals on

labour and the environment.

Talks on those deals start next

Clinton begins massive pro-NAFTA campaign

weck.

WASHINGTON, Mar 12: The Clinton administration has launched an aggressive campaign to extol the virtues of the North American Free Trade Agreement (NAFTA) amid renewed signs of opposition in Congress and elsewhere, reports Reuter.

. US Trade Representative Mickey Kantor tried to convince sceptical lawmakers that NAFTA is "in the best interests of this country and in growth here in North America and globally" and would not harm workers' rights or the environment.

It was the third straight day that a US trade official defended the deal with Mexico in Congress.

President Clinton has en-

But Rep. Robert Matsuf, a California democrat, told Kantor tough times may await NAFTA, which Clinton hopes to see in place by Jan. 1, 1994.

the house at this time is that the votes are not there for the approval of NAFTA, even if you got ... the very best case sccnario in terms of environmental issues and worker training issues and worker safety is

India, Armenia

"My reading on the floor of

Yeltsin now fighting for reforms, control on free-spending

MOSCOW, Mar 12: President Boris Yeltsin has stolen the headlines in a war of words in Moscow this week, but a second battle is also under way - the fight for economic reforms and control of a free spending central bank, reports

Russia's economic reformers have used an extraordinary session of the Congress of People's Deputies as a forum to argue from increased powers over financial and mone-

tary policy. The situation regarding the central bank is very difficult, deputy Prime Minister Boris Fyodorov told a news conference on Thursday.

in no other country does a government have to struggle to get tight monetary policy from the central bank.

The reformers, charged with transforming Russia's socialist system to a westernstyle market economy, say the central bank is fuelling inflation by pumping out money and acceding to high spending demands from a conservative parliament.

But Central Bank Chairman Viktor Gershchenko questions the link between money supply and inflation. He told congress Russia money supply rose 10.3 times in 1992, a rise in line with the rising incomes of the population.

Gerashchenko said many credits had been issued at the request of the government. He blamed monopolist producers for charging excessive prices and driving inflation up.

Parliament had called the extraordinary congress meeting to try to settle whether it or the president should rule Russia. The meeting is likely to end today.

How monetary policy should best be controlled was a side

issue in the debate, with Yeltsin initially calling for the central bank to be put under government control. The central bank now re-

ports to parliament and Fyodorov complained that Gerashchenko was too willing to accede to parliamentary demands which would increase spending sharply. Deputies proposal would in-

crease the Russian budget by 100 per cent, money which can only be found from the air, Fyodorov said. "Of course kind uncle Ccrashchenko will be only to ready to print it". But Gerashchenko said there was no need for the gov-

ernment to bring the central bank under its control. The subordination of the central bank to the council of ministers will not achieve any thing since the bank's possibility in monetary policies are

very limited, he said.

Fyodorov, who has described control of inflation as the main task of government and central bank, said he would support the idea of an independent central bank.

He said the government had no plans to quit, despite battles raging in congress. It is necessary to continue to the last moment, despite attempts to push the government from the path it has taken, he said. Government officials have

complained they are being hamstrung in the debate between parliament and the president and Prime Minister Viktor Chernomyrdin on Thursday called for more independence for his govern-Realisation of economic re-

form by the government is not possible unless it is given effective means for managing the economy, he said. Chernomyrdin, an industri-

marketeer Yegor Gaidar in December, said financial stabil isation was the government's priority. But reforms would be pragmatic and take social factors into account. Reform needs

alist who took over from free-

privatisation

Meanwhile, another report from London adds: Russia's tenuous economic reform, threatened by hyper inflation and political turnioil, will be impossible unless privatisation is carried forward, said the deputy chairman of Russia's privatisation agency. Without privatisation no

economic reform is possible, Dmitry Vasilyev told reporters at a news conference President Boris Yeltsin is in favour of reform with the em phasis on privatisation. The process cannot be overturned.

Vasilyev was launching a privatisation manual produced in cooperation with the Bank European Reconstruction Development (EBRD).

Vastlyev said the current political turmoil in Russia had its roots largely in the country's economic problems.

He said the government found it difficult to carry through successful reforms partly because the Russian central bank in answerable to parliament rather than to the Yeltsin government. Vasilyev said western coun

tries could increase aid to

Russia but that this should be specifically targeted at sup porting the development of the private sector. The privatisation manual. 13,000 of which will be distributed in Russia, aims to

through the process.

to promote bilateral trade NEW DELHI, Mar 12: India and Armenia signed a framework agreement here vesterday to promote bilateral trade

and economic cooperation between the two nations, reports Xinhua. The agreement was signed by India Commerce Secretary A V Gansan and Armenian Deputy Minister of Foreign

Affairs A G Navasardyan, an of-

ficial press release said. The agreement provides for trade in freely convertible currencies, mutual most favoured nation treatment and cooperation in a broad range of economic activities.

valid for five years with a provision for automatic extension for one year The two sides also dis-

Initially, the agreement is

cussed ways and means of guide officials and investors rapidly promoting bilateral trade.