

BRIEFS

European currency markets volatile

LONDON, May 10: European currency markets were volatile Thursday amid uncertainty ahead of the second Danish referendum on the Maastricht Treaty on European Union later this month...

W Africans to meet on common currency

LOAGOS, May 10: Governors of the Central Banks of the member countries of the Economic Community of West African States (ECOWAS) are to meet in Lagos, Nigeria, on May 24-28 for final consideration and ratification of the common currency of the community...

World chip market to expand by 16 pc

WASHINGTON, May 10: The World Semiconductor market is to expand by 16 per cent this year, an authoritative survey said here. The total value of the world chip market will reach 75 billion U.S. dollar...

Export commodities fair in China

TIANJING, May 10: The Tianjing export commodities fair is to be held from May 28 to June 4 in this coastal part city in north China. More than 280 enterprises from 24 provinces, municipalities and autonomous regions will take part...

Kyrgyzstan issues own currency

MOSCOW, May 10: The Central Asian republic of Kyrgyzstan today introduced its own currency, the som, to replace the Russian rouble in a move designed to extricate the economy from the throes of Russian inflation...

India losing 2.5m tons of sugar a yr

NEW DELHI, May 10: About 2.5 million tons of sugar is being wasted annually in India due to lack of modern sugar mills, local newspaper The Economic Times reported today. It quoted a study conducted by the Center of Advanced Development Research...

Steel exports of India double

NEW DELHI, May 7: India's steel exports have more than doubled in 1992-1993, according to an official report today. The Minister of State for Steel Santosh Mohan Dev said on Thursday that India's steel exports have increased from 3,87,000 tons in 1991-1992 to 900,000 tons last year...

Free trade equals freedom to control the poor

By John Pilger

No place is more different from Britain than Australia, where I grew up. The land is ancient and harsh, the colours muted and the leaves turn the wrong way to the sun. Here, imperial illusion was created, English countries were conjured and prim gardens landscaped...

required for higher education. Black history was ridiculed, and indigenous culture deemed non-existent. Almost anything British was 'good', notably the works of writers distinguished by their effete, velleid contempt for the colonies...

I am therefore grateful to Edward Said and Noam Chomsky for their new books. In Culture and Imperialism (Chatto), Edward Said provides a rich historical guide to imperialism in its insidious form at a time when the modern imperialism is producing a new, obscuring vocabulary...

Edward Said is especially telling when he describes the effects of modern 'media culture' on American attitudes

towards the rest of the world. There is, he says, 'an almost perfect correspondence between prevailing government policy and the ideology ruling news presentation and selection (which) keeps the United States' imperial perspective towards the non-western world consistent.'

As Edward Said points out, the essential difference between cultural indoctrination in the 19th century and during the American imperialism is the epic scale of United States global power and the corresponding power of the national domestic consensus created by the electronic media.

The point is made constantly by Hollywood, which produces the great majority of films shown in this and many other countries. Francis Ford Coppola's movie, Apocalypse Now, was the Hollywood version of Heart of Darkness. Seen by millions in the cinema, on television and video, it has been called 'a classic, definitive portrayal' of the Vietnam War.

Will we look back with comparable insight, and perhaps even shame, on the 'coverage' of the Cold War? In 1987, the celebrated establishment historian, Michael Howard, wrote that: 'Few historians now believe that Stalin ever intended to advance his frontiers beyond the territories occupied by his forces in 1945. Two generations in the West were brain washed to be-

lieve that the opposite was true, that the 'Russians were coming', that communism was taking over the world, that God and Coca-Cola were in danger. As a direct result, millions of innocent people, in mostly poor societies, were killed, maimed, dislocated and isolated in the 'noble cause' (Reagan) of stopping communism in its tracks' (Bush).

Yet the attitudes of the Cold War still dictate the way we live now and in the next century. Following the collapse of the European tyranny known as 'communism', monopoly capitalism declared itself the victor. Once again, truth was turned inside out.

A quarter of Europe's poor now live in Britain; bankruptcies occur every few minutes, the gap between rich and poor is greater than at any time since records were kept.

free market' with freedom, is to stifle dissent. This is true of the current 'debate' about 'free trade', following President Clinton's announcement that US trade and foreign policies are to be linked. They always were, of course; and the protectionist quarrels between the Western powers, and Japan, are a distraction.

To the great powers, especially the US, 'free trade' is the freedom to control commodities theatre the staples of poor, non-industrial countries, along with their resources of 'services, tourism, finance and intellectual property rights'. This is, and always has been, the essence of imperialism. And, like debt, 'free trade' is much more effective than a gunboat or Rockeye cluster bomb.

Australia-born John Pilger is a well-known journalist, author and documentary filmmaker. This article first appeared in the magazine New Statesman and Society.

Oil export revenues account for around 85 per cent of the Gulf states' exports to the European Communities. A study by the Saudi Chambers Federation said the energy tax would slow down the economic growth of the GCC countries to an expected decline in their earnings.

Oil revenues of the Gulf states have fallen sharply in recent years. In 1992, they only gained about 80 billion dollar from oil exports compared with more than 180 billion dollar in 1981.

During the upcoming meeting, the EC and the Gulf states will also discuss activating industrial energy and environmental cooperation envisaged under the 1988 EC-GCC agreement.

They will also briefly review the progress of negotiations toward a free trade agreement now in their third year.

Energy tax will darken EC-Gulf free trade

ABU DHABI, May 10: The Gulf states yesterday called on European Communities (EC) to reconsider its energy tax proposal, saying it will harm the free trade between the Gulf and European states, reports Xinhua.

The statement was made by Rashid Abdullah, Foreign Minister of the United Arab Emirates (UAE) and current Chairman of the Ministerial Council of the Gulf Cooperation Council (GCC) before his departure for Brussels to attend a ministerial meeting between the EC and the GCC Tuesday.

He said the issue of energy tax has become an obstacle in reaching a free trade accord between the two economic groups.

The GCC is talking with the EC, the United States, Japan and other international groups for hammering out a free trade agreement. The GCC groups Saudi Arabia, Kuwait, Bahrain, Qatar, Oman and the UAE.

Strike in E Germany may escalate

BERLIN, May 10: The strike by East German steel and engineering workers was set to escalate Monday as the powerful IG metal union began balloting its members in Saxony-anhalt, Thuringia, East Berlin and Brandenburg, reports AFP.

Voting among 75,000 IG metal members began as the dispute entered its second week, with employers warning that many firms hit by the dispute were already facing serious problems. In 75 per cent of them vote in favour of the strike in the two-day ballot, the union leadership could decide on Thursday to extend the work - stoppage to the whole of former East Germany.

So far around 40,000 steel and engineering workers, around one tenth of the workforce in the region, have downed tools, affecting 70 companies.

The union has adopted a strategy of graduated pressure, increasing the extent of the strike in stages.

Implementation of reforms can help cut inflation rate in Russia

MONACO, May 10: The Russian economy, suffering under 'hyperstagflation', could see inflation slashed to five per cent a month by the end of the year, if economic reforms are immediately implemented, Russian Deputy Premier Anatoly Chubais told AFP Sunday.

His comments came less than a month after Russian President Boris Yeltsin won a vote of confidence in his economic reforms in a nationwide referendum.

Russia's conservative-dominated parliament has proved hostile to Yeltsin's pro-market reforms and forced them onto the referendum in a bid to supplant the move away from a command economy.

Inflation is Russia's major problem and an immediate strengthening of the policies of (former premier) Yegor Gaidar is indispensable, said Chubais, who is also Privatisation Minister.

If effective measures are taken immediately monthly inflation could be cut to four per cent, said the pro-reform Minister, who was speaking at

the sidelines of a conference of western businessmen and Russian officials.

Alexander Shokhin, another Deputy Prime Minister in-charge of international trade, said, 'our aim is an inflation rate of five per cent a month and a budget deficit reduced to five per cent of Gross National Product (GNP).'

The targets could be achieved by the end of 1993 at best, he added.

Prices rose by 27 per cent in January and 18 per cent in April, compared to the 2,500 per cent inflation rate Russia endured in 1992.

Abel Aganbegyan, President of the National Economics Academy, who strongly supports the introduction of a new currency to help curb inflation, said without tough measures inflation in the industrial sector could reach 400-440 per cent this year.

The International Monetary Fund (IMF) has linked aid to Russia to attract monetarist policies it says would bring the country's wayward economy under control.

Viktor Gerashchenko, governor of Russia's central bank whom some reformers have blamed for the spiralling money supply, oppose the IMF's strict monetary policies but said Sunday he hoped to introduce credit restrictions in May-June.

Gerashchenko, who is attending the same conference, said the new system would offer credits to commercial banks with the highest interest rates, thus forcing up the cost of borrowing.

Chubais predicted the free-falling rouble - currently trading at 900 to the dollar compared to 100 in 1992 - would continue to fall, and could hit 1,400 rouble before stabilizing.

However, Shokhin said the dollar should not pass the 1,000 rouble mark as it would choke the Russian economy.

Russia could now defend the rouble on international currency markets because the central bank has rebuilt part of its foreign exchange reserves which now approach some one billion dollar, he said, enabling it to use a stabilisation fund set up by western states.

Support for separate currencies for all the former states of the now defunct Soviet Union is gaining ground to help prevent Russia importing inflation from its newly-independent neighbours.

The introduction of a new currency in each of the former republics of the USSR and the CIS (Commonwealth of Independent States) is a necessity and has more advantages than disadvantages, said Shokhin.

For a year we have been calling for CIS states to take a clear decision, either they join a rouble zone and submit to Russia's monetary policy, or they have a national currency and keep their own central bank until now that decision has not been clearly taken, said Shokhin.

Reformers also want swift application of a bankruptcy law voted last March and a list of state-owned companies to be liquidated has been drawn up. The law has remained largely in abeyance to decide on its enforcement.



ISLAMABAD: Deposed Pakistani Prime Minister Nawaz Sharif (C) arrived at the Supreme Court on May 9 for the hearing of a petition challenging the dissolution of the National Assembly. Sharif is accompanied by former Interior Minister Shujaat Hussain (R). Sharif was sacked by Pakistani President Gulam Ishaq Khan on April 18. - AFP/UNB photo

Moscow preparing new foreign investment law

WASHINGTON, May 10: Russia is preparing a new foreign investment law to attract more capitals from abroad, Sergei Krasavchenko, Russian President Boris Yeltsin's Economic Advisor, said here recently, says AFP.

'The law on foreign investment is not satisfying, we are ready to change legislation. There is a draft for changes creating more opportunity for our partners from abroad, notably in taxes and right of property,' he said.

Krasavchenko noted that many western companies are reluctant to invest in Russia because of the legal bureaucracy and the uncertain political and economic situation.

Washington moves to fight hunger

WASHINGTON, May 10: US Secretary of Agriculture Mike Espy has called for a national conference on hunger to focus attention on the hungry in the United States in particular and global hunger in general, according to USIS.

Espy on April 26 declared that his national hunger conference will bring together federal agencies, state and local governments, anti-hunger advocates, community leaders, and the hungry and poor themselves to renew efforts to end US hunger.

He said as soon as his White House-nominated assistant secretary for food and consumer services, Ellen Haas, is confirmed by the Senate, regional forums on hunger will begin across the country, culminating in the national forum.

Espy said the national forum will bring 'the best minds together' on ending hunger and in the process challenge past assertions by Republican administrations that 'we don't have hunger' in the United States.

He said with the help of the Agriculture Department US hunger can be 'attacked and ameliorated.' But he noted that international programmes to eradicate global hunger are 'incredibly more difficult' and that global hunger cannot be eradicated any time soon.

He said that on April 28, the first of seven congressional hearings on hunger will be held to consider the Mickey Leland childhood hunger Relief Act. Representative Mickey Leland chaired the Select Committee on Hunger until his death in an air crash in 1989 while attempting to help victims of a famine in Ethiopia.

In announcing the national forum on hunger, Espy was responding to a 22-day fast by Representative Tony Hall, who chaired the Select Committee on Hunger after Leland's death until the committee itself succumbed to an economy move by Congress earlier this year. Hall began his fast April 5 to protest the elimination of his select committee and 'to help move others to respond to hunger, both here and abroad.'

On April 23, the World Bank responded to the Congressman's call with a plan to hold an international conference on global hunger somewhere in North America later in 1993 to be followed by others globally. On the same day, 69 Democratic members of Congress signed a petition to Speaker Thomas Foley requesting that Hall address the next meeting of the House Democratic Caucus on April 28 to discuss how Congress can best focus on hunger now that the Select Committee has been abolished. Hall - who accompanied Espy at the briefing - said he will end his 22-day fast 'in view of the National Conference on Hunger announced today, the World Bank's new anti-hunger effort, and the outpouring of both interest and action on the part of so many Americans.'

Clinton's health-care plan may cost \$ 150 b

WASHINGTON, May 10: U.S. President Bill Clinton's health-care reforming plan may require 100 to 150 billion dollar a year in new public and private spending, depending on the scope of benefits guaranteed to all Americans, the New York Times reported recently, reports Xinhua.

Quoting government financial experts, the paper said to extend health insurance to about 37 million uninsured Americans, a major campaign promise of Clinton, will cost 69.5 billion to 82.5 billion dollar alone annually in new spending.

Estimates in confidential work papers from the President's task force on national health care reform obtained by the paper show a better coverage for families with meagre health insurance could add another 12.5 billion

to 38.3 billion dollar to the new spending.

In addition, coverage of prescription drugs for medicare beneficiaries and long-term care and upgrading care for poor people, homeless people, migrant farm workers and others who are 'medically underserved' would cost a total of 17.5 billion to 30.1 billion dollar more a year.

The estimates are based on three different options ranging from an austerity plan, a medium plan and a generous plan.

'Not all that money would come from the government, but the administration has not decided how the cost might be divided among government, businesses and households, the paper said.'

Pakistan may fail to achieve export target

KARACHI, May 10: Pakistan's export target of eight billion dollar in fiscal 1992-93 ending June is expected to fall short by 1.5 billion dollar, because of reduced cotton exports, officials said Sunday, reports AFP.

Pakistan's goods and commodities exports are expected to drop to 6.5 billion dollar, slightly lower than last year's total of 6.9 billion dollar.

The fall is largely due to the international recession, particularly in western nations, which consume most of Pakistan's raw cotton, textiles, garments and other value-added items. The country's trade deficit

is also expected to escalate to a record 3.5 billion dollar for the current fiscal year. With total imports reaching 10 billion dollar as compared to last year's 9.22 billion dollar and total imports stagnating at 6.5 billion dollar. The trade gap stood at 2.34 billion dollar last year.

Pakistan exported some four billion dollar worth of cotton and related products, accounting for 60 per cent of its total exports in fiscal year July 1991-June 92.

But the country will lose about 222 million dollar in cotton exports as a result of a 30 per cent decline in production in the current fiscal year.

Dollar loses ground against most Asian units, yen record high

HONG KONG, May 10: The US dollar lost ground against most Asian currencies with the yen finishing at a record high on Friday. Even currencies which lost over the week finished on an upward note, shadowing the yen on Tokyo's foreign exchange market which was on holiday until Thursday, reports AFP.

Dealers were jittery amid mixed signals on the US economy, some of which pointed to a 'phantom' recovery from recession.

Japanese yen: Closed at a record high finish of 110.10 to the dollar on the Tokyo foreign exchange market Friday, up one yen from the 111.10 yen finish a week ear-

lier. The market open at 110.08 yen on Thursday, due to the golden week holiday.

The Japanese currency hit 109.65 yen briefly on Friday, an all-time high in Tokyo but lower than 109.25 yen quoted at one sage in New York on April 27.

The yen-dollar exchange rate was moving toward stabilisation following an agreement reached in Washington on April 29 by finance ministers and central bank governors from the Group of Seven industrialised countries - Britain, Canada, France, Germany, Italy, Japan and the United States.

The Finance Ministry said

Thursday that Japan's current account surplus in the year to March jumped 39.7 per cent from the preceding year to a record high of 126.1 billion dollar.

Australian dollar: Finished down at 70.55 US cent from 71.07 US cent the previous week after dipping on Tuesday due to worse than expected balance of payments figures.

The Aussie rallied in the second half of the week after slumping below the 70 US cent level on the news of a 2.13 billion Australian dollar (1.49 billion US) deficit on the current account for March, mainly due to a 16 per cent jump in imports.

In spite of the current

weakness in commodity prices the Australian dollar will probably retreat upper limits of its present trading range in the coming week, brokers said.

The Reserve Bank's trade-weighted index, which measures the Australian dollar against a basket of currencies, ended at 51.5 from 52.4 points.

Singapore dollar: Firmer at 1.6165 against the US dollar here Friday against last week's level of 1.6195.

Dealers said the Greenback continued to drift lower in line with most Asian money markets, and the outlook for the US dollar remained bearish.

also firmer against the British pound at an exchange rate of 2.5600. Last Friday the rate stood at 2.5640.

Hong Kong dollar: Finished the week at 7.7285-7.7295 to the US dollar to which it is pledged. The effective exchange rate index for the Hong Kong dollar stood at 111.7 from 111.8 the previous week.

Thailand: Up four satang to finish at a mid-rate of 25.16 baht from 25.20 baht on the Bank of Thailand's exchange equalisation fund on Friday.

The baht's rise against the Greenback followed the sharp appreciation of the yen, a City Bank official said. Another factor was higher than expected

US jobless figures announced Friday.

Taiwan dollar: Advanced slightly to close Friday at 25.904 to the US dollar in modest trading, up 0.1 Taiwan cent from the previous week's finish of 25.908.

Malaysian ringgit: Closed marginally higher against the US dollar this week at 2.5650 from 2.5667 the previous week.

Dealers said the Greenback was under selling pressure in line with its weaker trend overseas.

The ringgit was however lower against the German mark at 1.6281 from 1.6216 and the sterling at 4.0468 from 4.0250.

OPEC output drops but still above ceiling

NICOSIA, May 10: OPEC's production dropped in April to 24.12 million barrels per day (BPD) but was still 500,000 BPD above ceiling, MEES said today, reports Reuter.

The Middle East Economic Survey (MEES) revised figures published last week to show total output by the Organisation of Petroleum Exporting Countries down 250,000 BPD from 24.37 million BPD in March.

The Nicosia-based newsletter said Iran and Nigeria again accounted for the bulk of the overproduction.

The MEES report was published two days after Qatar's Oil Minister Abdullah bin Hamad Al-Attiyah said initial reports from OPEC member states indicated a substantial drop in April oil production compared to March.

He was speaking in Doha, before flying to Tunis for a meeting on Sunday of OPEC's three-member quota compliance committee.

Strike in E Germany may escalate

BERLIN, May 10: The strike by East German steel and engineering workers was set to escalate Monday as the powerful IG metal union began balloting its members in Saxony-anhalt, Thuringia, East Berlin and Brandenburg, reports AFP. Voting among 75,000 IG metal members began as the dispute entered its second week, with employers warning that many firms hit by the dispute were already facing serious problems. In 75 per cent of them vote in favour of the strike in the two-day ballot, the union leadership could decide on Thursday to extend the work - stoppage to the whole of former East Germany. So far around 40,000 steel and engineering workers, around one tenth of the workforce in the region, have downed tools, affecting 70 companies. The union has adopted a strategy of graduated pressure, increasing the extent of the strike in stages.

Singaporeans asked to find business opportunities

SINGAPORE, May 10: Goh Chok Tong, Prime Minister of Singapore has called on Singapore Entrepreneurs to penetrate the Japanese market and seek business opportunities throughout the region and not just look to China, reports Xinhua. Goh, who arrived in Tokyo yesterday for a three-day official visit, was speaking at a reception given by the Singapore Association in Japan at the Singapore Embassy Sunday evening. According to local press today, the Prime Minister said that Singaporeans should look to countries like Indonesia, Malaysia, which are traditional countries in which Singaporeans invest. He also cited Vietnam, India as countries worth looking to. 'If we can also break into the Japanese market, we can have Singaporeans manufacturing things here for sale to the Japanese. I do not know whether it is possible, but I would like to encourage Singaporeans to penetrate the Japanese market,' said Goh.

Lanka's export earnings double in five years

COLOMBO, May 10: Sri Lanka's export earnings have more than doubled during the last five years, according to latest official figures today, reports Xinhua. Exports which earned the country 65,539.3 million rupee (1,456.4 million U.S. dollar) in 1988 had more than doubled to 131,593.3 million rupee (2,924.3 million U.S. dollar) in 1992. According to latest statistics, exports to developed countries rose from 600 million U.S. dollar in 1988 to 1,822 million U.S. dollar last year. Sri Lanka's largest export market continues to be the United States which imported products worth 822.2 million U.S. dollar from Sri Lanka in 1992. The second largest export market for Sri Lanka goods was the United Kingdom, while Japan ranked the third. Sri Lanka's exports to the Middle East in 1992 rose to 235 million U.S. dollar, the largest buyer being Bahrain which bought goods worth 47 million U.S. dollar from this country.