NEW DELHI, July 24: India is committed to modernising its state-owned banks to phase out an antiquated accounting system, poor customer service and glaring errors, Finance Minister Manmohan Singh said Saturday, reports AFP.

The Press Trust of India quoted Singh as telling reporters here that "full computerisation" planned for some 400 branches across the country during the next two vears would help prevent swindles and irregular trans-

A parliamentary panel probing a 1.3 billion dollar securities scandal, which surfaced in April 1992, blamed the country outmoded banking system for the late detection of the fraud.

Singh, who was inaugurating the first totally computerised branch of the state-run Canara bank, said unions had backed

the scheme. Eight nationalised banks have already opted for the microchip in place of voluminous ledgers to compete with their more efficient foreign counter-

EC Commission says Subsidy to Italian paper producer violates rules

BRUSSELS, July 24: The European Community's executive commission ruled Thursday that a proposed 173 billion lire (109 million dollar) subsidy to Italian paper producer Cartiere del Garda, a unit of German publishing groups Bertelsmann AG. violates EC state aid rules, reports AP.

In a statement, the commission said the subsidy "is likely to distort competition and affect trade between member states" because it would finance new production capacity, boosting exports to other EC countries.

The commission added there is already overcapacity in the EC market for the coated printed paper which Cartiere del Garda produces.

Authorities in Italy's northern Trento region argued the aid was needed to compensate Cartiere del Garda for installing new capacity at a site away from its base in the lakeside vacation resort of Riva del Garda.

They said that for environmental reasons Cartiere del Garda should build new production facilities at Mori, 12 kilometers (7.5 miles) from Riva which is situated on the shore

of scenic Lake Garda. The expansion would double capacity to around 400,000 tons a year.

The commission said the subsidy couldn't be allowed under environmental rules, which permit aid only to adapt existing production and not to build new capacity.

Personal income growth: East Coast, California lag rest of US

WASHINGTON, July 24: The East Coast and the state of California have lagged the rest of the nation in personal income growth since the end of the recession in March 1991, the government said Thursday, reports

People living in many inland states enjoyed the fastest income growth, including those in North Dakota, where average annual incomes shot up 8.7 per cent, nearly twice the national

The Commerce Department's Bureau of Economic Analysis said income growth on the East Coast and in California was restrained in part by declines in construction and manufactur-

ing payrolls. The drops partly reflected the lingering effects of overbuilding of both commercial and residential structures in the late 1980s and cutbacks in

military spending. People living in Connecticut experienced the slowest income growth, 2.3 per cent, even less than the 3.2 per cent rate of inflation as measured by a special

index used in the study.

The report said the national annual average income growth from the first quarter of 1991 to the first quarter of 1993 was

4.6 per cent. This increase is small combusiness cycle recoveries," the report said. "In the three previous recoveries that lasted at

pared with increases in other least as long as the current one. the average annual rate of increase in the first eight quarters was 9.8 per cent."

In addition to Connecticut, the 10 slowest-growing states were Maine and Massachusetts. 2.9 per cent; California, 3.1 per cent; Virginia, 3.6 per cent; Maryland and Florida, 3.8 pre cent; New York, 3.9 per cent; and New Hampshire and Vermont, four pre cent.

China weighing steps to help develop real estate business

BEIJING, July 24: The gov ernment is trying to install speed bumps on Chinese speculators' favourite new road to riches: buying and selling real estate, reports AP.

China's top land administra tor. Wang Xianjin, told a news conference Saturday that the government is considering imposing new land taxes and stricter land sales terms in or der to discourage quick turnovers that have sent prices soaring to Hong Kong levels and even beyond

One measure under consid eration would bar land transfers unless at least 20 per cent of the originally planned struc tures were completed. Another would specify in the land contract the development completion date, with fines for late development.

Still another measure would require special government permission before making advance sales of space in buildings that haven't yet been built.

All the proposals share one purpose: slowing down the

forcing land buyers to develop the property so as to discourage purely speculative investment.

The Chinese call it "stir-frying real estate" because many buyers don't hold onto the land for much longer than it takes to fry noodles in a hot woven. Stirfrying land - usually with borrowed funds - has replaced stock purchasing as the favorite recipe for fast riches ever since prices on China's two stock markets reached the limits last year of what even speculators considered reasonable.

Wang said nearly 22,000 hectares (more than 54,000 acres) of state land changed hands last year, four times as much as over the four previous years, reaping more than 52 billion yuan (9 billion dollar) for local governments.

So far this year, he said, rights to more than 12,000 hectares (29,640 acres) have been sold for more than 27 billion yuan (4.7 billion dollar).

Most of the land involved is in or near coastal cities, espe-

Like Orbis, the flying eye hospital, Russians have launched Floks, a floating eye hospital to

earn valuable foreign currency. Picture shows the ship docked at Gibralter treating patients

IBES's vice president of market-

With reports from roughly a

quarter of the IBES data base of

companies in by midweek, Keon

said the sample was large

enough to draw reasonable con-

clusions about the overall cor-

sion is over," he said. "The first-

strong and so far the second

reported quarterly results by

midweek -about 25 per cent of

the companies in the IBES data

base - 389 reports came in

above the mean forecast, 277

came in below. The remainder

were consistent with expecta-

780 companies was 4.1 per cent

above analysts' projections and

18.2 per cent above the actual

year-ago level, according to

Steven Resnick, senior in-

vestment strategist at Cowen

and co, said it seemed more

anticipated results during the

past week than during the week

before. This might mean com-

panies whose quarters ended

later benefitted from improving

economy strengthened as the

quarter developed; the earlier

reporting companies had fiscal

quarters ending in April and

May rather than in June." he

dated limits can sell the differ-

ence - in the form of al

lowances — to other companies

Market forces determined the

of pollution control — one that

holds more promise than the

traditional way," said EPA

spokesman Dave Ryan. "Now

there is an economic incentive

to do better than the law re-

However, the current regula-

tory system will remain. No

power company will be able to

use allowances to exceed sulfur

dioxide emission standards,

aimed at reducing sulfur diox

a year.

ide emissions by 10 million tons

and criminal penalties, usually

in the form of fines, said EPA

bought one allowance, for one

ton of emissions. It cost 350

dollar. His goal is to put 10 per

spokeswoman Renee Rico.

There would still be civil

Webster's group so far has

This represents a new world

"This suggests that the

economic condition.

companies posted better-than-

The operating income of the

quarter has done quite well."

quarter earnings came in quite

Of the 780 companies that

"Basically, the profits reces-

porate profit performance.

ing, Ed Keon, said.

Corporate results continue to take

centre stage in Wall Street

costing an average of £1000 per patient. Good money, eh!

NEW YORK, July 24: Qua-

rterly corporate results cont-

inued to take center stage in the

stock market this past week

with dozens of companies

But the unexpectedly decent

financial figures had little to do

with the Dow Jones industrial

3,555.40 on Wednesday. And

there weren't many Wall

Streeters rejoicing even on the

high", Sad Bo'bq Gray, presi-

dent of the Brokerage Reynders.

Gray and Gottlieb. "It was en-

joyed only by the Dow and not

by the other, broader indices. It

mate all-time high. It didn't

even make the front page of

Also devaluing the signifi-

cance of the Dow's Milestone

was the retreat that followed a

day later, with the blue chip

indicator pulling back 30 plus

dance in the street in response

to upbeat earnings reports,"

Gray said. "The reaction to

poorer-than-expected earnings

Data collected so far this

tends to be much more pro-

earnings season by IBES Inc.

the Institutional Brokers Esti-

mate System, suggests the

high-profile companies have

disappointed, the overall picture

for earnings looks very strong,"

CLEVELAND, July 24: A new

environmental group in the

United States is trying to clean

ment permit allowing it to spew

a ton of sulfur dioxide, the key

ingredient of acid rain, reports

License Exchange bought the

permit so no one would ever use

it. The nonprofit group is enter-

ing the new market of buying

We will spend as much

US Environmental Protection

money on these permits as

people donate. That's the whole

idea here," said David B

Webster, founder and President

of the group, formed last year.

He is a lawyer with Cleveland

Cumberland.

law firm of Kaufman and

Air Act of 1990 established the

new approach to air pollution

control. Companies with emis-

sions below government-man-

An amendment to the Clean

Agency pollution allowances.

The National Healthy Air

up the air by buying a govern-

"Although a small number of

nounced," analysts said.

quarter was healthy.

'I don't know if people ever

seemed to me it wasn't a legiti-

"It was not a convincing

day of the record close.

average reaching a new high of

delivering pleasant surprises,

reports AP.

newspapers.

cially in southern China. In the southern boom towns of Canton, Shenzhen, Haikou and Bethai, real estate companies have dressed up many of the parcels with luxury Westernstyle villas or office towers that no one uses but that add to the

Buyers are undiscouraged by the fact that, under China's socialist system, they cannot buy the land itself, only the right to use it for a specified period of time, usually several decades.

Wang said too much land has been illegally turned into "development zones" that try to attract foreign investment with tax breaks and other preferential treatment. He repeated recent government threats to shut down unapproved zones. But Wang acknowledged that

laws have been flouted in many other ways, as well: land rights sales have not been conducted legally: prices have been set arbitrarily, without formal assessment; local governments have sold precious farmland for factory and office development.

- Star TV photo

Competing for investors at-

tention with corporate income

statements during the week

were comments by Federal

Reserve Board Chairman Alan

Greenspan. Testifying on

Capitol Hill, the central bank

chief said that although infla-

tion currently poses no threat,

the Fed will undoubtedly have

down the road.

to raise interest rates sometime

spooked the bond market,

putting stocks on guard.

Lingering weakness in the bond

market Friday almost prevented

stocks from staging much of a

comeback from Thursday's

broadbased slump. A late round

related buying programmes

helped turn a mediocre rebound

On Friday, the Dow indus-

trials rose 21.52 to 3,546.74,

recouping much of the 30.18

point loss posted Thursday. The

rally brought the Dow within 10

points of its all-time high

reached Wednesday and up

rose 1.20 to 247.46 and was

almost unchanged for the week.

4.72 to 700.24, leaving its little

changed for the week, up 0.51.

Equity Index, which is the mar-

ket value of NYSE, American,

and OTC issues ended the week

at 4,425.228 billion, off 1.399

billion dollar from last week. A

year ago the index was

cent of the available permits in

He said the group would try

The programme begins in

1995 for about 110 generating

plants operated by some 50 in-

vestor — owned electric utilities.

About 800 other sulfur dioxide

emitters will be added in the

The EPA sold 150,000 per-

mits, or allowances, for 21.4

million dollar during a March

auction at the Chicago Board of

them. Each allowance is for dis-

charge of one ion of sulfur diox-

Webster's group and others

such as the Natural Resources

Defence Council, World Cha-

ritable Trust and C/O

Resources for the Future each

ranged from 122 dollar to 450

Prices for the permits

Trade. Utilities bought most of

to persuade power companies to

donate permits and reap tax

benefits for charitable gifts.

year 2000.

ide per year.

bought one permit.

the hands of nonprofit groups.

3969.783 dollar.

The NYSE composite index

The Nasdaq composite rose

The Wilshire Associates

18.45 points for the week.

up 0.01.

into a respectable rally.

of computer-guided, futures-

The specter of higher rates

Illegal transfers of farmland already contracted to peasant families have contributed to this year's surge of rural protests and riots.

The government has already begun trying to restore real estate order through financial channels: banks have been ordered to recall overdue loans and sharply curtail future loans for luxury housing, hotels and office buildings. Some banks that set up subsidiaries to invest in real estate have been told to get out of the business.

But so much money has been funnelled into real estate that the government is moving cautiously

Zhou Naiping, Deputy Director of the State Land Administration's science and technology department, said after the news conference that the goal is to help the real estate industry reform and develop. not shut it down.

He likened it to a parent punishing a child: the goal is to educate as well as correct, he

Tokyo's motor

vehicle output

declines to

record low

TOKYO, July 24: Japan's

motor vehicle production fell 7.2

per cent from a year earlier to

5.88 million units in the first

half of 1993, the biggest decline

in 19 years, an industry associ-

to 4.45 million units while truck

output plunged 11 per cent to

1.4 million units. Bus produc-

tion, however, rose 12.9 per

cent to 27,436 units, the Japan

Automobile Manufacturers'

The fall is the biggest since

1974 when the first half-year

output fell 9.4 per cent and

marks the first time the first

half-year production has fallen

for three consecutive years, the

At the American Stock

Exchange, the market value in-

dex increased 0.69 to 432.05,

Late buying

spree buoys

NY bourse

buying spree helped the stock

market stage a convincing

comeback Friday from the pre-

vious session's broad selloff, re-

ports AP.

NEW YORK, July 24: A late

The futures-related buying

allowed stocks to part ways

with the bond market, which

slumped amid lingering worries

about a tightening in Federal

Reserve monetary policy in the

near future. The key 30-year

Treasury bond was off 5/8 point

in late trading, pushing its yield

finished near their best levels of

the day after following zigzag

corporate results in the absence

of any major economic reports.

The volume of quarterly finan-

cial reports was lighter, though

than the heavy load released

"Today's recovery was some-

what of a technical bounce. We

did see some rounds of com-

puter-guided buying," said

James Schroeder, an analysts

markets didn't provide much

dollar. Webster's group made

1,115 bids. Its only successful

bid, at 350 dollar also was its

As the cost of the EPA pollu-

tion allowances rise, utilities

may decide to work toward

eliminating pollution instead of

buying the permits, Webster

Pat Barnes, a teacher of bi-

ology and ecology at University

School in the Cleveland suburb

Hunting Valley, said he joined

the group's board of directors

because he was intrigued with

its approach to fighting pollu-

tion. Those who buy the al-

nothing.

sphere," he said.

lowances are buying, well,

"But it could result in an-

Activity on overseas stock

with MMS International.

direction for U.S traders.

US environmentalists' approach to control air pollution

each day earlier in the week.

paths within positive territory.

Key stock market indicators

The spotlight remained on

up to nearly 6.70 per cent.

reducing it 4.42 for the week.

Association said.

association said.

Car output fell 6.1 per cent

ation said Friday, reports AFP.

steps of economic reform CAIRO, July 24: Egypt and the International Monetary

Egypt, IMF agreement on

Fund agreed Thursday on a letter of intent for a new threeyear economic reform plan expected to lead to a 15 per cent cut in the country's external debt, reports AP. Abdel-Shakour Shaalan, rep-

resentative of Egypt on the IMF's executive board, said the MF delegation approved Egypt's letter and it will be presented to the board of directors in Washington for approval

The new programme makes available to Egypt 500 million dollar to support its balance of payments. But Shaalan was quoted Thursday as saying Egypt did not need to draw on the reserves because of its high level of foreign exchange reserves, about 15 billion dollar.

The new plan is a continuation of a programme to reduce the budget deficit, eliminate tariffs and price controls, and sell off government-owned industries to private investors.

In 1991, the Paris Club of Western creditors agreed to write of half of Egypt's 20.2 bil-

lion dollar external public debt in three stages provided it followed an IMF economic reform plan. The debt relief was partly a response to Egypt's role in the Gulf War.

The programme called for an immediate 15 per cent reduction and a further cut of 15 per cent once the first-stage programme was completed and agreement reached on a second stage, which has now been outlined in the letter of intent. A flnal 20 per cent reduction is expected later.

While the government has committed itself to the goal of liberalizing its economy, the Egyptian public has expressed fears about ending price controls and selling off government industries during tough economic times and high unemployment.

Egypt's economy has been hard hit by a wave of Muslim extremism that has crippled the tourist industry, once the major earner of foreign currency. Unemployment is listed at under 10 per cent, but unofficial estimates put it at about 17 per

Poverty lot of 36.5 pc of Indonesia's 63,000 villages

JAKARTA, July 24: Poverty is the lot of some 36.5 per cent of Indonesia's 63,000 villages, with the majority of their residents living below the poverty line. AFP says according to a news report.

The Daily Merdeka quoted finance minister Marie Muhammad as saying that curbing poverty was not an 'easy task" because out of 63,000 villages in the country, 23,000 were considered poor.

Details on the location of Indonesia's poor were unavailable as the bureau of statistics has yet to complete its updated

poverty map. An assistant to National

Development Planning Minister Mubvarto said the map is expected to be completed at the end of this month.

The National Development Planning Board (Bapenas) in May published a preliminary map of poverty, which classified 33.7 per cent of the country's 3,625 sub-districts as poor.

President Suharto has subsequently ordered a more detailed and updated mapping, to cover villages instead of subdistricts, so as to enable the government to more efficiently focus its efforts in eradicating

Clinton's plan to create 8.3m jobs

WASHINGTON, July 24: President Clinton's administration revived its claim Friday that the president's economic plan would create more than eight million new jobs by 1996, reports AP.

Republicans immediately ridiculed the new figures as the latest political broadside in the budget battle being waged in a House-Senate conference committee. Some private economists voiced skepticism.

Passage of Clinton's deficitreduction plan and continued low interest rates will produce about 8.3 million new work positions through 1996. Vice President Al Gore and a host of other administration officials said in a group news confer-

The focus of the president's plan is to ignite economic recovery and create more than eight million additional jobs," said Gore.

Stepping up a campaign to the plan, the White House also put out a state-by-state analysis of where the administration believes those jobs would be created.

Some examples: California, 1.9 million; New York, 173,337; Florida, 1.0 million; Illinois, 295, 168; Arkansas, 46,550.

A House-Senate conference committee is working on a final version of Clinton's plan of tax increases and spending cuts designed to reduce the federal deficit by 500 billion dollar over five years.

Clinton promised during last year's campaign to create eight

million new jobs in is first term. The White House analysis document reinforced that pledge. The latest document makes

an overall assumption that the 8.3 million new jobs will be cre-



Bill Clinton

ated by the economy through 1996 and divides them among the 50 sates and Washington.

Republicans in Congress

wasted no time in jumping on the figures.
David Wyss, chief financial

economist for DRI/McGraw-Hill, said: "Most of those jobs would be out there whether there's a Clinton plan or not. The Clinton plan will add jobs to the economy, but they will be counted in the hundreds of thousands, not

Acid raid is formed when

sulfur dioxide from the burning

of fossil fuels, such as coal, re-

acts with hydrogen and oxygen

in the atmosphere. It destroys

happy with the EPA pro-

gramme. The Adirondacks

Council in upstate New York

has joined with the New York

Attorney General in suing the

in the Midwest will use the

permits to continue burning

high sulfur coal for as long as

they can. They blame eastward-

drifting pollution for acid rain

Adirondacks Mountains.

that has damaged lakes in the

"After we clean up New

The opponents fear utilities

Not all environmentalists are

plants and aquatic life.

companies in Beijing seek works abroad

seeking projects overseas and one has already signed a deal for production in Madagascar, the China Daily said Wednesday, reports AFP.

company, a subsidiary of the China National Gold Cop (CNGC), had decided to seek opportunities abroad because of the declining viability of deposits in northeastern China.

joint venture agreement with a firm in Madagascar to extract gold and precious stones in the Indian Ocean country, the English-language daily said.

equipment has been shipped to the nearby port of Dalian ahead of shipment to Madagascar, said the newspaper, adding that the CNGC had also made contacts with Indonesian partners for the joint development of gold

Yet the demand for gold jewellery is growing rapidly, spurred by rapid domestic economic growth and by Chinese who see the precious metal as a hedge against inflation and fluctuations in the value of the country's currency.

The gold reserves of China's central bank total some 400 tonnes.

while gold dips NEW YORK, July 24: The dollar advanced against most major currencies on Friday as questions persisted about the

Dollar advances

strength of the French franc despite an increase in interest on overnight loans by the French central bank, reports AP. Gold prices fell. At the Commodity Exchange in New York, gold for current delivery closed at 389.80 dollar a troy ounce, off 1.30 dollar. As of 4 pm EDT, Republic National Bank quoted gold at 390.10 dol-

lar a troy ounce, down 1.65 doilar from Thursday. For a second day, investors turned to the dollar as a safe haven from the pressures in the European Exchange Rate Mechanism, which sets major European currencies in a fixed trading range against each

"People want to get out of Europe for a little while," said Christopher Bourdain, a currency analyst at Credit Suisse.

High interest rates in a given country usually lead to a stronger currency since investors can earn more on deposits in that currency. They therefore buy it aggressively. bidding up its price.

In other trading, the dollar edged up to 106.85 yen in New York on Friday afternoon. It had fallen nearly three ven to 105.25 yen the previous day on statements from a US Treasury official supporting a strong Japanese currency. Traders said the Bank of Japan bought dollar early Friday to strengthen the greenback against the yen.

Other dollar rates as of 4 pm

Europe compared with late Thursday: 1.7185 German mark, up from 1.7085; 1.5185 Swiss franc, up from 1.5030; 5.8730 French franc, up from 5.8375; 1.9325 dutch guilder up from 1.9320; 1,604 Italian lire, down from 1,607; 1.2798 Canadian dollar, up from Silver for current delivery

closed at 4.961 dollar a troy ounce on the New York Commodity Exchange, off 3.5 cent from the previous day's

for oil in-3 countries

BEIJING, July 24: The China National Petroleum Corp. has signed contracts to explore for oil in Canada, Russian and Peru, the official China Daily newspaper said Saturday, reports AP.

The newspaper said the move was an effort to meet China's growing energy needs. Many of China's existing oilfields are starting to run low even as the nation's industry is

details of the foreign exploration contracts, but said more nego-

company started 121 exploration projects at home during the first half of the year, the paper said.

Gold-mining

BEIJING, July 24: Chinese gold-mining companies are It said the Heilongjians gold

The Company has signed a

Mining and extraction deposits in that country.

China's gold production is a state secret, with the only available statistics applying to the rate of growth in goldmining. which has fallen this year in China for the first time in 10

Dr. Lee B. Reichman, the power companies, said Jim lung association's president, Evans, Director of environmencalled the donation a "bold, tal activities for Washingtonbased Edison Electric Institute,

tens of thousands - even hundreds of thousands - of the "If some people buy one allowance, it's maybe something

nice to hang on the wall. It's a token. Those people would do better spending, their money on retiring old junker cars, Evans said

In March, Northwest Utilities gave 10,000 tons of sulfur dioxide allowances to the American Lung Association. Northeast Utilities, based in Hartford, Conn, is New England's largest electric utility

other ton of SO2 (sulfur dioxide) mated the gift's worth at three that doesn't go into the atmomillion dollar, based on 300 dollar per allowance. The concept doesn't worry

owned electric utilities. Evans said a typical utility may hold

a trade group for investor

holding company. The Lung Association esti-

new step" toward control of acid

York's air, we don't want to have it sullied by ... airborne emissions from other states wasting into our air," said Leslie Gersing, a spokeswoman for the New York attorney general.

EDT in New York compared to late Thursday: 1.7200 German mark, up from 1.7035; 1.5195 Swiss franc, up from 1.5035; 5.8785 French franc, up from 5.8045; 1.603 Italian lire, up from 1,598; and 1,2808 Canadian dollar, down from Other late dollar rates in

China to explore

expanding at a record pace. The China Daily did not give

tiations were under way. Meanwhile, the state oil