

Business

Clampdown on public sector wages

Teachers challenge Major

LONDON, Sept 18: Britain's biggest teachers' union challenged Prime Minister John Major's latest clampdown on public-sector wages with a 13 percent pay claim, reports Reuters.

The demand underscored how hard it will be for the government to implement the effective pay freeze for five million public service employees which Chancellor of the Exchequer Kenneth Clarke unveiled on Tuesday.

The National Union of Teachers (NUT), already at loggerheads with the government over school curriculum reforms, said it wanted an eight per cent pay rise plus 1,000 pound (1,540 dollar) for its members.

The claim is worth 13 per cent on average but 16 per cent to the lowest-paid teachers earning 12,000 pound (18,500 dollar) a year.

The 170,000-member NUT

said the big increase was justified because teachers' pay had lagged increases in the public sector.

In under-valuing the teachers the government puts in jeopardy economic recovery and the country's future," the General Secretary of the NUT, Doug McAvoy, said.

Education Secretary John Patten brushed off the pay claim as unrealistic and said it would cost 80,000 teachers jobs.

Under Clarke's pay guidelines, the public sector's total wage bill next year will be frozen and any wage increases will have to be justified by improved productivity.

Clamping down on pay for a second year, after a 1.5 per cent ceiling on increases this year, is a way for Major to show financial markets and the right wing of his divided Conservative Party that he is serious about

cutting the government's 50 billion pound (77 billion dollar) deficit and curbing inflation.

Some economists feared a surge in inflation after Major, a year ago to the day, abandoned the anti-inflationary discipline of a link to the German mark by taking the pound out of the European Community's Exchange Rate Mechanism (ERM) grid.

Inflation did not take off, even though a fall of about 10 percent in the value of the pound raised the cost of imports, but figures released on Wednesday showed that Major was going to do," he added.

Annual inflation picked up to 1.7 per cent in August from 1.4 per cent in July. Underlying inflation, which strips out volatile home-loan costs, accelerated to 3.1 per cent from 2.9 per cent.

Union leaders said the figures showed higher wages were

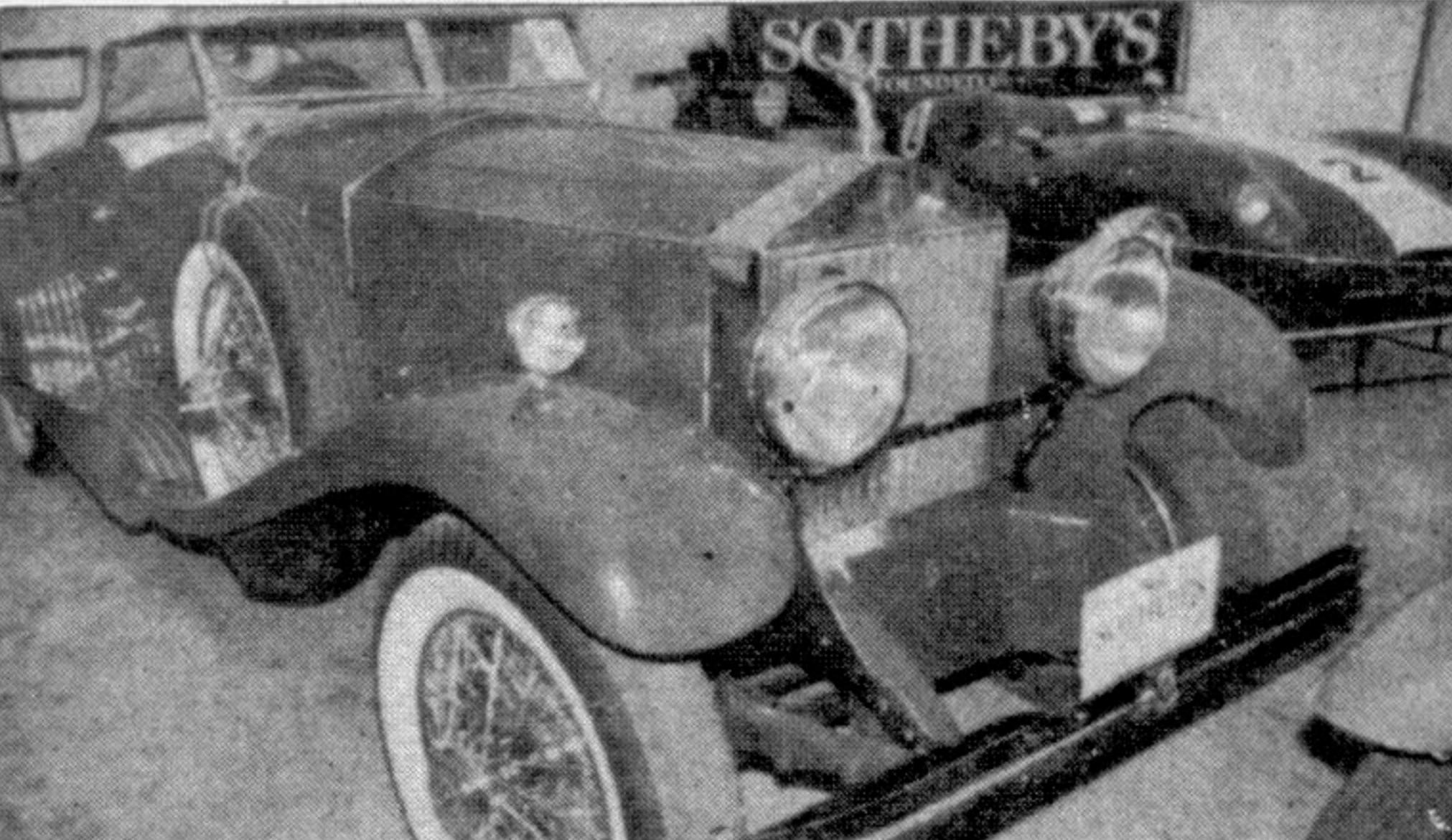
needed to protect living standards.

But Major, who is languishing in the opinion polls and could even face a leadership challenge, was in no mood to compromise.

"What we have said is that we cannot allow the public sector pay bill to rise. Over the past two years, the country has made great efforts, great sacrifices, to get our economy back on a growing trend with low inflation," he said.

"We are not going to throw that away now. We do need to restrain our expenditure and we do need to put our accounts back in order. That is what we are going to do," he added.

Major shrugged off union threats of industrial action this winter and said he was confident the government would meet its target for underlying inflation of one per cent to four per cent.



A 1927 Rolls-Royce Phantom 1 Special roadster (L), worth 80,000 US dollar and an Ex-Works 1959 Lister-Jaguar Le Mans racing car (R), worth over 220,000 US dollar await buyers on the eve of the Sotheby's auction in Sydney yesterday. Historic sports, racing and collectors cars and automobilia worth in excess of one million dollar will be put under the hammer today.

— AFP photo

Indian truckers continue strike

NEW DELHI, Sept 18: A strike by India's 1.8 million long-distance truck drivers in protest at a big rise in licence fees entered its third day today, union officials said, reports Reuter.

O.P. Aggarwal, Vice-President of the All India Motor Transport Congress (AIMTC), said the strike, the second by the truckers in just over a month, would continue till the government waved the increase.

Annual national licence fees for truck owners were increased from 1,500 rupee (nearly 50 dollar) to 5,000 rupee (160 dollar) from September 1.

Newspapers have reported that supplies of food and other essentials are being disrupted and prices soaring in many areas, mainly because of hoarding by traders. The government says essential supplies are not being blocked.

Six Muslim states warn against population boom in ex-USSR

TEHRAN, Sept 18: The Muslim states of Central Asia have warned against a population explosion in the former Soviet republics and are calling for international help, reports AFP.

Representatives from six Central Asian countries, attending a UN seminar in Tehran this week, examined the problems they faced back home in checking population growth.

Based on official figures presented at the conference, the population growth rate in all central Asian countries exceeds 2.5 per cent, and in the case of Turkmenistan and Uzbekistan it is as high as 3.5 per cent.

"Having at least four children

is the clearest sign of success for a family in my country," said a representative from Uzbekistan.

Before the collapse of the Soviet Union, the people in these Muslim republics often resisted liberal family planning programmes introduced by Moscow. But since gaining independence in 1991 the situation has worsened due to increased economic difficulties.

A representative from Azerbaijan told the United Nations Population Fund (UNFPA) seminar that all population control programmes in his country had been halted as a result of the five-year war with Armenia.

"More than 200 health centres have been destroyed in the course of the conflict and one million people have been displaced," he said.

Birth rates were also up because Azerbaijan lacks adequate foreign currency to purchase contraceptives abroad.

"For a country with a population of 7.5 million, there are about 180,000 new births per year," he said.

Kazakhstan was facing similar problems. The country recorded 400,000 births last year, which is considered high given its population of 16.5 million.

A representative from Kazakhstan said his country

faced numerous obstacles in efforts to curb population growth, including the lack of family planning programmes and the absence of external help.

He said Kazakhstan could not afford to import contraceptives and women there largely depended on abortion as a means of birth control.

Tajikistan, with a population of 5.5 million, was also unable to develop its population control programmes due to lack of funds.

In Kyrgyzstan family planning programmes move even slower because of deeply-rooted religious beliefs. Families there consider the birth of a child a gift from God.

The head of the Iraqi Youth Union Saif El-Din Al-Mishshidani told Al-Thawra, organ of the ruling Baath Party, the interest-free 10,000-dinar loans would be repayable over 12 years with a two-year grace period.

A dinar buys 3.2 dollar at the official rate but the greenback fetches 65 dinar on the black market.

Saddam recently asked the Iraqi Olympic Committee, headed by his son Uday, to organise mass weddings at government expense to help young Iraqis without the means to tie the knot.

Late Thursday 30 couples exchanged vows at a mass ceremony organised by the Youth Union which was partially broadcast on television.

A similar collective ceremony in July was also underwritten by the government.

Move to decrease Africa's debt

WASHINGTON, Sept 18: US government officials and lobbyists grappled with ways Friday to decrease Africa's debt and increase aid and trade at a time of shrinking government resources, reports AFP.

"Africa faces a series of challenges," George Moose, assistant secretary of state for African affairs, told a panel convened by the Congressional Black Caucus.

The continent needs jobs, health care, a greater infrastructure and more trade, among other things, and there is not a lot of aid the United States can give," Moose said.

South Africa, for example, is seeing only 1.5 billion dollar year in trade, down from the era before sanctions cut out most trade with the United States, Moose said.

If there is going to be capital investment, job stimulation and increased trade, "it is going to have to be through the private

sector," Moose said. For every billion dollars in increased trade, there will be 30,000 to 40,000 more jobs in the United States, Moose said. That also would help pick up the economies of the states bordering South Africa.

"Southern Africa promises to be a major area of economic development" once sanctions are lifted and a new government starts to put the economy back together in post-apartheid South Africa, he said.

The new could begin if a newly created Transitional Executive Council is allowed to help oversee the government between now and elections set for next April. Those elections are likely to bring majority rule for the first time to South Africa.

Another way to help Africa is to release or increase money that the US government has already designated for Africa, said Randall Robinson, executive director of Trans Africa, a lobbying group that was a leader in the sanctions and anti-apartheid movement.

The Development Fund for Africa has 80 million dollar of which 80 million dollar went to South Africa over the past two years, Robinson said.

Developed states should raise levy on capital to reduce debt: UNCTAD

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In many countries in Western Europe the main cause of deficits was the interest paid on public debt and the main obstacle to growth was the cost of borrowing.

It expected Gross Domestic Product (GDP) in industrialised countries to grow by 1.4 per cent in 1993, but in the

case for countering global deflation through global reflaction. Unfortunately, the stance of policy in most developed countries is facing the opposite direction.

A fiscal package in the United States had been shorn of short-term stimulus, while in Europe a "serious attempt" to respect the targets for convergence under the Maastricht Treaty.

For some countries these targets were now "impossible."

The dilemma between deficits and the dole (unemployment benefits) is sharpened because national policy is taking place without international coordination," UNCTAD said.

"This provides a compelling

Japan's company gets \$ 16m from Pak railways

TOKYO, Sept 18: Japan's Marubeni Corp. has received a 1.7 billion yen (16 million dollar) order from state-owned Pakistan railways to improve its signalling system of over 2,000 kilometers (1,240 miles) of trunk lines, a spokesman said yesterday, reports AFP.

Pakistan unit of Germany's Siemens AG will produce the system while Marubeni, a major trading house, will coordinate the project, which is to be completed by 1996, the spokesman for Marubeni said.

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"We are not going to throw that away now. We do need to restrain our expenditure and we do need to put our accounts back in order. That is what we are going to do," he added.

Major shrugged off union threats of industrial action this winter and said he was confident the government would meet its target for underlying inflation of one per cent to four per cent.

"Reclamation to pull out Yangtze hydroelectric dam project

WASHINGTON, Sept 18: The Bureau of Reclamation said Friday it will pull out of a project to build the world's largest hydroelectric dam across China's Yangtze river in a move to get out of the dam building business, reports AFP.

"Reclamation's current priorities are water resource management and environmental restoration, not large dam projects," the bureau's Director Dan Beard said in a statement.

Although the bureau has for years built hydroelectric dams in the United States and abroad, Beard, the bureau's new director, and interior secretary Bruce Babbitt have decided that was no longer its mission.

"Further involvement in this project is not consistent with Reclamation's mission," Beard said.

Interest-free loans for wedding

BAGHDAD, Sept 18: President Saddam Hussein has ordered interest-free loans of 10,000 dinar for couples

whishing to marry but hampered by spiralling costs from a UN embargo, an Iraqi daily said Friday, reports AFP.

The head of the Iraqi Youth Union Saif El-Din Al-Mishshidani told Al-Thawra, organ of the ruling Baath Party, the interest-free 10,000-dinar loans would be repayable over 12 years with a two-year grace period.

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Indian planters call for policy to boost exports

BOMBAY, Sept 18: Indian tea, coffee, spices and rubber growers called yesterday for deregulation of the plantation sector to boost exports and match India's industrial liberalisation programme, reports Reuter.

In a speech marking the 100th anniversary of the United Planter's Association of Southern India (UPASI), its President, Ajit Thomas, said the government should adopt a highly regulated plantation sector, which employs 1.7 million workers.

This should be worked out jointly by the federal government, the governments of plantation states, state-sponsored commodity boards and the industry.

Thomas said the aim should be to help India achieve specific export and production targets, improve quality and maintain the country's position as a major commodity producer.

"Deregulation of the pooled marketing system in coffee and tea are priority areas of reform," he told the gathering of 400 planters' representatives and Indian Commerce Minister Pranab Mukherjee in the Southern hill town of Coonoor.

He said the government's economic liberalisation policies should be extended to include the highly regulated plantation sector, which employs 1.7 million workers.

India is the world's largest grower of black tea, the fourth biggest producer of rubber and controls one-third of the international trade in spices.

"In a wider context," he said

"the need for the liberalised policies to percolate down to the state and local levels can hardly be over-emphasised."

Prime Minister P. V.

Narasimha Rao, who has launched an ambitious programme of reform to remove stifling controls on industry and reduce high protectionist trade barriers, cancelled a scheduled visit to join the 100th anniversary celebrations of which was founded by British colonial planters.

But the government is expected to ease restrictions on the direct export of coffee, which at present is controlled by a centrally-run marketing board, industry sources said.

India also maintains rigid regulation of tea exports while tea estates have to seek permission from the government before planting new trees. Seventy-five per cent of output must at present be sold through auctions.

Thomas called for changes in land policy to stimulate planting of new trees.

US officials call for changes to foreign aid programmes

WASHINGTON, Sept 18: US government officials have called for radical changes to foreign aid programmes including an end to country-by-country funding, the Washington Post reported on Saturday, says Reuter.

An inter-agency study team, in a report to cabinet-level officials, concludes foreign aid programmes are often wasteful, incoherent and inconsistent with the Clinton administration's objectives, the paper said.

The report calls for the setting of about 10 national objectives such as "transition from communism to democracy" and "non-proliferation and arms control" and allocating money to them rather than to individual countries.

"Congress would be asked to vote funds for goals, such as

democracy, and not for countries," the paper quotes the study as saying.

The report was prepared under the direction of the National Security Council in response to a directive from Clinton, according to the Post.

It said the new approach would shift much of the power to decide which programmes would be funded from Congress to the administration.

The study acknowledged such changes would face strong opposition in Congress, because they would probably result in reduced aid to both Israel and Egypt, by far the two largest recipients at present.

"With the disappearance of communism in the Soviet Union and Eastern Europe, the bedrock support for foreign assistance has eroded significantly," the paper quotes the study as saying.

Atwood did not comment in detail on the study, which is still classified, but said its recommendations appeared consistent with his agency's goals, the Post reported.

Taiwan airline to launch new service to US

TAIPEI, Sept 18: Taiwan's Eva Airways will inaugurate daily air service between Taipei and San Francisco beginning next month, airline officials said Friday, reports AP.

Eva will add a new Boeing 747-400 to its current fleet of five Boeing 767-310 and four 747-400 jetliners to accommodate the