

# US won't budge on key obstacles to GATT talks

BRUSSELS, Oct 15: The United States refused to budge yesterday on key obstacles holding up GATT world trade talks, and called on the European Community to make big improvements in its offers to lower import tariffs, reports AFP.

Speaking after two days of meeting with EC officials here, US Trade Representative Mickey Kantor said: "Now is the time for everyone to stop their posturing get rid of their positioning and open up their offers."

He told journalists that there was no possibility of extending a December 15 deadline for reaching final agreement on the Uruguay Round of the General Agreement on Tariffs and Trade, which started seven years ago.

Kantor repeated that the United States would not accept any changes in last November's EC-US Blair House Accord on cutting agricultural subsidies.

He turned a deaf ear to demands from France that the subsidy cuts be softened in the face of intense opposition from the powerful French farming lobby or that the issue be temporarily excluded from the GATT negotiations.

"I am sure given the political

difficulty, that it's something the EC can well address internally," the US envoy said.

Earlier Thursday, EC Agriculture Commissioner Rene Steichen said Washington would be responsible for any breakdown of the GATT talks over the subsidy issue.

But Australian Trade Minister Peter Cook, speaking as chairman of the 14-nation Cairns Group of free trade agricultural countries emphasised that the group would accept no easing of the Blair House Accord.

Speaking at a joint press conference with Kantor-Cook warned that the subsidy cuts in the Blair House pact might not be deep enough for the group unless they were accompanied by good market access agreements.

He said earlier that Australia wanted lower tariffs on non-ferrous metals and sheepsmeat that Colombia objected to EC tariffs on bananas and that the community needed to open its markets more to grain imports.

**Washington won't favour audiovisual works**  
Reuter from Washington

adds: President Bill Clinton said yesterday in response to pressure from France that audiovisual services must be included in any GATT accord and that Washington would reject "unacceptable restrictions" on such products.

"The United States does not want any special favours for American audiovisual creative works, but we also cannot accept that audiovisual products be singled out for unacceptable restrictions," he said in a written statement.

France has spearheaded a fight to have audiovisual products excluded from the long-running Uruguay Round of General Agreement on Tariffs and Trade (GATT), talks under a "cultural exception" clause.

In France nearly one out of every two hours of television drama, including cartoons is produced in the United States at the French feel their cultural identity is threatened.

Clinton said Washington is ready to sign a trade accord that is "fair and just for all."

"But let me make it clear that fairness and justice must apply to audiovisual works as well as other elements in a final

GATT deal. This is a vital job issue as well as a fairness issue for America," he said.

Clinton also said reaching an agreement by December 15 to the GATT talks was essential.

"That deadline is firm, and our trading partners must be prepared to settle with us on the many outstanding issues if we are to succeed," he said.

**Balladur to seek public opinion**

Another report from Paris adds: Prime Minister Edouard Balladur will next week seek to inform French public opinion on blocked GATT world trade negotiations through meetings with heads of political parties and trade unions, his office said yesterday.

A statement from Balladur's office said he would also meet leaders in the cultural and communication fields to brief them on the issue.

"The Prime Minister wishes to inform a certain number of personalities representative of public opinion and leaders of organisations about the state of talks on international trade," his office said.

# Sutherland endeavours to quell Euro fears over Hollywood giants

GENEVA, Oct 15: The head of the General Agreement on Tariffs and Trade on Thursday moved to calm European fears that Hollywood giants will kill off European culture under a proposed 'world trade deal', reports AP.

In a thinly veiled reference to the French government and the European film and television industry, Peter Sutherland said concerns about the so-called Uruguay Round agreement were based on "serious misunderstandings."

"The big question is, does anything in the Uruguay Round require that the European market be opened up to such an extent that European — and particularly non-English language — film-making be destroyed?" he said in a statement. "The answer has to be a resounding no."

Sutherland said the outline trade package itself would not force Europe to drop subsidies to national film and movie industries or to abandon quotas on the number of American TV programmes.

He said this was a matter for the European Community and the United States to thrash out in direct talks.

But he offered no indication he would support the Europeans in the row or even take an active mediation role.

The audiovisual sector is America's second biggest export industry after aircraft. Sales to Europe amounted to \$3.6 billion in 1992, while European earnings on the American market totalled just \$286 million.

In addition to state funding, an EC law also allows governments to reserve a majority of television air time for European products. This is most strictly applied in France, where 60 per cent of programmes have to be European.

Despite these restrictions US films have increased their share of the European market from 60 per cent in 1984 to 72 per cent in 1992. In Britain it is more than 90 per cent.

Under pressure from the Hollywood movie moguls, the United States wants Europe to scrap the quotas as part of a Uruguay Round deal to liberalize trade in services.

After talks with his EC counterpart, US Trade Representative Mickey Kantor insisted Wednesday that American companies must be allowed to compete

without discrimination.

EC trade chief Leon Brittan has resisted French demands that the audio-visual sector should be completely exempt from the services agreement, which also covers sectors like banking and insurance.

But he says he will fight for some form of protection.

French passions are already inflamed over the prospect of cuts in supports for agriculture as part of the Uruguay Round deal. National pride is seen to be at stake in the row pitting the box-office might of "Jurassic Park" against cherished but relatively obscure French-language productions.

After seven years of negotiations and with a Dec 15 deadline looming, European actors, producers and television companies are trying to whip up opposition to the deal.

In a six-page document issued with his statement, Sutherland — an Irish lawyer who used to be in charge of EC competition policy — sought to shoot down the objections.

He said fears about funding cuts and complete deregulation were unfounded, and argued that European filmmakers would benefit from other parts of the Uruguay Round deal, like provisions to protect them against copyright piracy.

The Uruguay Round, named after the country in which it was launched in 1986, is the most ambitious attempt ever to cut barriers to trade. It aims to slash overall import duties by about one third, and reduce protection in sensitive areas like farm products and textiles. It would also introduce a whole range of new rules, including those on services and copyright, to try to prepare the global economic order for the 21st century.

## New US envoy to GATT

WASHINGTON, Oct 15: President Bill Clinton selected Booth Gardner, former governor of Washington state, to serve as US envoy to the General Agreement on Tariffs and Trade negotiations, the White House announced yesterday, reports Reuter.

Gardner will be nominated as deputy US trade representative to serve in Geneva on GATT talks, aimed at liberalising world trade policies.

## Japan preparing counter-proposals to avert US trade sanctions

TOKYO, Oct 15: Construction Minister Koza Igarashi said Friday Japan is preparing some counter-proposals to avert US trade sanctions for allegedly keeping its public works projects closed to foreign bidders, reports AP.

The United States has threatened to impose sanctions against Japanese firms if its demands for more open bidding on Japan's public works projects are not met by November 1.

Igarashi said Japanese officials were giving "serious consideration" to major points of the US demands.

US officials in past negotiations have demanded Japan lengthen the suspension of companies found violating the laws against bid-rigging to 12 months from the current three months, according to local news reports.

Last month, Japan announced it would allow more construction companies to bid on public works projects ordered by the central government.



US Ambassador to the United Nations Madeleine Albright (R) and British Ambassador to the United Nations Sir David Hannay vote Wednesday to reimpose an oil and arms embargo on Haiti. The embargo, approved unanimously by the 15-member Security Council, will take effect on Monday unless the Haitian military leaders comply with the Governors Island accord which provides for the deployment of a UN mission in Haiti. — AFP photo

## Taiwan's forex reserves stand at \$83.72 billion in August

TAIPEI (Taiwan), Oct 15: Taiwan's foreign currency reserves totalled US \$83.72 billion US dollar in August, the world's second largest after Japan, the Central Bank reported Friday, reports AP.

In July, Taiwan's 82.81 billion dollar in foreign reserves were the world's largest, followed by Japan's 76.82 billion dollar.

Japan overtook Taiwan in August because its government bought dollars massively to stabilize the yen, bank officials said. They did not give Japan's August figure.

Taiwan's foreign reserves stood at 84 billion dollar in June and 85.6 billion dollar in May.

Ko Hui-fang, an economist at the Taiwan Institute of Economic Research, attributed the small growth of foreign reserves to Taiwan's expanding trade surplus, which totalled 1.11 billion dollar in August, up 7.2 per cent from a year ago.

# Lifting of ban on rice imports

## Hosokawa denies reports of nearing accord with US

TOKYO, Oct 15: Japan's Prime Minister Morihiro Hosokawa today denied news reports that Japan and the United States were nearing an agreement to lift Japan's virtual ban on rice imports, reports AP.

"It is absolutely untrue. Our stance has not changed," Hosokawa told reporters.

His remarks came after the Nihon Keizai Shimbun quoted a US government official as saying that the two nations were approaching an agreement on a proposal to replace the ban with tariffs after a six-year transitional period.

It added that during the period Japan would import three to five per cent of domestic demand, a formula known as "minimum access" in global talks on freer trade being held under the General Agreement on Tariffs and Trade.

Senior agricultural trade negotiators from both countries have been discussing the proposal in Geneva and bilateral negotiations are already in the

final stage, the major economic chief cabinet Secretary Masayoshi Takemura yesterday denied a press report that the government had agreed with the

United States on a six-year moratorium on opening its rice market by replacing the ban with tariffs.

"It is not true that there is such an agreement," he told a regular press conference. He added that, "Japan, at present and in the future as well will continue negotiations while rejecting comprehensive tariffication."

Japan has virtually banned imports of foreign rice to protect domestic products and ensure self-sufficiency in the nation's staple food.

In December 1991 then GATT Director General Arthur Dunkel proposed that all non-tariff barriers to trade be replaced with tariffs and that imports make up at least three per cent of domestic consumption of merchandise.

An extremely poor harvest has forced Japan to make emergency imports of 200,000 tonnes of rice this year first such measure in nine years but Tokyo has vowed to maintain its rice policy.



Masayoshi Takemura yesterday denied a press report that the government had agreed with the

# Chinese experts predict little fall in inflation next year

BEIJING, Oct 15: Chinese economists admitted today that inflation next year may be only a little lower than this year, with recent government attempts to cool the overheating economy showing only mixed signs of success, reports Reuter.

The Economic Daily today quoted a seminar of top economists in the Chinese academy of sciences as saying that, short of major policy errors, growth in gross national product (GNP) this year could be slowed gradually without major fluctuations.

But pressure from inflation would be difficult to relieve because of excess investment in capital construction and issue of money. "Price rises next year will still be at high level," they said.

The annual rate of inflation in China's 35 major cities in August, according to the latest published figures, was 20.4 per cent, up from 17.4 per cent for the first half of the year.

One major cause is the excess issue of new money which is 30 per cent higher this year than last year. This led to the dismissal of the head of the central bank at the end of June.

In early July, the government unveiled a 16 point programme to slow economic

growth including higher interest rates, a recall of illegal bank loans and curbs on public spending.

This week the government issued new figures on economic performance giving limited satisfaction to leaders nervous about whether or not they can bring it under control.

Annual industrial growth in September was 19.1 per cent. The first time it had dipped below 20 per cent for 14 months relieving pressure on scarce power and railway supplies and slowing price rises for raw materials.

But there was also bad news. Investment in fixed assets in the first eight months of the year rose an astonishing 68.5 per cent over the same period last year, a fall of only 2.2 per cent over the figure for the first half of 1993.

Retail sales continue to rise, growing for the first eight months by 22.5 per cent, an increase of 0.9 per cent on the figure for the first half of the year.

Excessive growth in fixed-asset investment and retail sales is stimulating industry whose output is likely to grow by more than 20 per cent for all of 1993, against actual growth of 20.8 per cent in 1992, official estimates show.

The cooling programme is causing unwelcome side effects — sharply cutting the flow of credit for firms leading to more factory shut-downs worker layoffs and higher stock levels.

A western economist said the programme had brought only mixed success. "Does the government have the means to control the economy when it cannot use tax and fiscal policy? Are the provinces obeying the centre?" he asked rhetorically.

Bottle-necks persist in the economy. Figures released this week show power supply is short of demand by 15 per cent to 20 per cent in nearly all of China, with the shortages reaching 30 per cent in some provinces.

## Y'slav banknotes running up zeros again

BELGRADE, Oct 15: Yugoslav banknotes are running up the zeros again, reports AP.

Less than a fortnight after slashing six zeros off its banknotes in an effort to restore a semblance of credibility to its currency inflation has again got the better of the dinar forcing the central bank here to issue a new 50,000 denomination note yesterday.

## World food prize goes to ex-Chinese agri minister

WASHINGTON, Oct 15: The world food prize went Thursday to a former Chinese agriculture minister whose advances in farming allowed the world's most populous nation to provide all its basic foods, reports AP.

"The most important human right is to get the food so we can have a better life," said agronomist He Kang, accepting the 200,000 dollar annual award akin to the Nobel prize for agriculture.

He who still works with the Chinese government, is the first official to be awarded by the Des Moines, Iowa-based World Food Prize Foundation.

"The world food prize is about food, not ideology," the foundation said. "People whose nutritional needs are not adequately met at least have health and stability and an opportunity to seek the other rights to which all human beings are entitled."

The former agriculture minister said the prize also honoured the world's farmers, and cited programmes which moved rural programmes away from central planning and provided incentives for farmers, greater research, more diversity of products, improved processing and more efficient distribution of produce.

He also credited China's success in farming to international cooperation in agricultural research and said that his country could offer help to the rest of the world in the areas of pest control and crop rotation plans.

China, a country of some 1.2 billion people, saw its agricultural output grow by more than eight per cent annually in the 1980s.

## Aussie desert rose to be tapped for commercial uses

CANBERRA, Oct 15: The unique genetic material of Australia's desert rose, a hardy native flower that bears cotton, will be tapped for commercial uses in a programme to improve existing cotton crops, Australian scientists said today, reports Reuter.

The little-studied flower survives wet and cold soil conditions that would kill normal cotton plants, experts at the Commonwealth Scientific and Industrial Research Organisation (CSIRO) said.

It grows on soil scarred by razing, and its seeds are free of a toxic insect repellent that makes cotton seed difficult to convert into edible oil and stockfeed, researcher Lyn Craven said in a statement. The repellent exists only in the leaves and stems.

The researchers at CSIRO's division of plant industry will try to crossbreed the hardier qualities of the plant with normal cotton to create cotton plants capable of handling harsher conditions such as those facing Australian farmers.

At present Australian cotton farmers — who earn Australian 45 million dollar (US 24 million) a year in exports — can only grow cotton in areas of the midedest with warm soils in spring.

The mauve-pink desert rose grows in the harsh conditions of the wild of the Australian Outback.

It is a distant cousin of cotton's ancestors which originated 50 million years ago in the merged continent of Australia and Africa.

## Brokers' strike Top Indian stock markets closed

NEW DELHI, Oct 15: India's top four stock markets have been closed by a strike by brokers who are angry over a government investigation that confiscated stocks in Bombay, reports AP.

Trading halted on Wednesday in Bombay, the nation's financial capital, and in New Delhi, Madras and Calcutta.

Last month, federal income tax officials raided the offices of dozens of stock brokers in Bombay and confiscated three billion rupee (93 million dollar) worth of stock certificates.

Officials suspect these stocks may have been bought by Harshad Mehta, the prime suspect in India's biggest financial scandal, which the government has been investigating since April 1992.

Mehta has been accused of secretly working with banks to illegally divert their investments into the stock markets.

# Leaves for pigs, roots for people — nothing goes to waste

By Fergus M Bordewich Hanoi

Trinh Hop remembers looking out over his scrubby private garden in the village of Xuan Phuong one day in 1989. The more he listened to retired agronomist Le Quang Mai, the less he liked what he saw.

The man pointed towards Hanoi, the Vietnamese capital only 10 kilometres away beyond the rice fields, and said: "You have good soil there, and you have a perfect market right in Hanoi. There's a lot more you could do with that garden. We can help you make it productive, and see that you eat better too."

Mai is an extension worker for the Vietnamese Gardeners' Association. Since 1986 this independent organisation has been promoting a voluntary agricultural transformation it calls VAC, an acronym from the Vietnamese words for garden, fish pond and pigsty. VAC is little short of an attempt to reinvent the whole concept of the household garden.

Along with pig farming specialist Pham Xuan Du, Mai explained to Hop and other villagers how to transform a hodgepodge of greenery into an ecologically sound agricultural machine that improves nutrition as it creates new cash crops.

VAC, sponsored by the United Nations Children's Fund (UNICEF), has spread to 44 of Vietnam's 53 provinces, tailoring its methods to the soil and climate of the regions. In all, more than 100,000 families have benefited from the

programme.

Hop's front yard is now a garden transformed. If even a centimetre of the 720-square-metre yard has been left to waste, it cannot be seen. The elderly farmer proudly leads a visitor through the achievement wrought by his own hands and Mai's advice.

Grapefruit, newly introduced, ripens just outside the cottage door. A short distance away, oranges, bananas, papayas and succulent kiwi-like sapodilla create a jungle effect. Mint peeps through the soil beneath trellised squash. "See" Hop explains with a knowing squint, "there's just the one stem, but look how wide an area it covers and how much shelter it gives to the little plants underneath."

Tightly planted rows of onions and red-leaved amaranth spread their leaves nearby, and next to them rows of protein-rich saurpous. "Seven per cent protein," Hop emphasises. Next come sweet potatoes. "Leaves for the pigs, roots for the people — nothing goes to waste."

The small pond is a work of ecological art, neatly layering no fewer than 1,500 fish to take advantage of each species' feeding habits. Tench, for instance, live at the top, carp in the middle, and tilapia at the bottom, where they thrive on the waste from their neighbours above. A floating carpet of hyacinth provides oxygen for the fish



President of the World Economic Forum Klaus Schwab (R) talks with Federal Councillor of the Swiss Confederation Jean-Pascal Delamuraz during a break at the second meeting of the Europe/East Asia Economic Forum in Hong Kong on Thursday. — AFP photo

and shields them from the intense summer sun and finally serves as fodder for the pigs.

Like everything else in the garden, the pigs have their own carefully defined role. "When I first came here, they were so small and badly fed that they were almost worthless," says another extension worker. "I told them pigs need to be treated decently, like people. They need light and air, and good vegetables to eat."

Following Du's advice, Hop replaced his runty porkers with a sow of monstrous proportions, who now sits contentedly wallowing in an airy nest. Well-fed on greens and fish-laced meal, she presents Hop with an annual average of 20 piglets, which he sells profitably to his neighbours and to other villages around the Red River plain.

The pigs in turn contribute their manure, which along with human waste, fertilises the entire garden. "Part of our programme is to avoid using toxins of any kind," says Mai. "Chemical fertilisers can harm both the soil and the crops, and I point out that some fruits simply taste sweeter when they are fertilised with organic waste."

Since the Vietnamese government abandoned collective farming and turned cultivation over to individual families in the late 1980s, the productivity of the village rice fields has jumped by about 30 per cent. Since then, farmers have also

been allowed to sell for profit whatever they can grow in the small gardens around their homes.

Before 1989, Hop had nothing worth selling. By 1992 he was earning the equivalent of 200 dollar annually from vegetables that his sons and grandsons carted to Hanoi for sale in the proliferating free markets. Another 250 dollar came from selling piglets to his neighbours and other villagers, in addition to his income from rice farming. While he reinvests some of his profits in seeds a commercial feed, he still earns almost triple Vietnam's average income of 240 dollar.

Unicef estimates that the income of farmers practising the VAC method typically ranges from three to as much as 10 times higher than that of those who still rely solely on rice cultivation.

VAC gardens have also been established by factories, schools and churches, providing participants with nutritious take-home food, and by orphanages and old-age centres, where residents are guaranteed food in return for their labour.

Like many villages in the Red River delta, the inhabitants of Xuan Phuong traditionally lived almost entirely on rice — 18 kilograms a month. Meat was a rarity, and fish virtually unknown. Hop and other villagers now enjoy pork as often as 10 or 12 times a month, and fish just as often. He says: "I just catch one in the pond whenever we want it." — Gemini news