

Bentsen sees bigger role for IMF, WB

WASHINGTON, July 22: The World Bank and the International Monetary Fund have hit the half-century mark, but these key financial agencies will likely have even wider roles in the future, US Treasury Secretary Lloyd Bentsen predicted Thursday, reports AP.

He spoke at a conference in the State Department to celebrate the 50th anniversary of the two organizations. It was on July 21, 1944 that a meeting ended in Bretton Woods, New Hampshire, to set them up.

The bank has become the world's single largest source of aid loans. The fund lends billions to troubled governments, in return for new national policies that usually require them to pull in their belts.

"At a time when every nation is strapped for resources, they're going to be increasingly important...." Bentsen said of the two bodies.

"The time has long since passed when any nation or group of nations can afford a Marshall Plan approach" to problems such as helping Russia's transition from communism to a market economy.

Grants of billions from the United States under the Marshall plan helped Western Europe recover from World War II. Bentsen pointed out that the bank and fund have large resources available for lending.

Owned by more than 170 countries, both have their headquarters in Washington, facing one another across 19th Street near the White House and the US Treasury. Washington police Thursday

arrested six demonstrators from Greenpeace, the environmental group, after they helped unfurl a giant banner on the bank's 13-storey building.

The banner read "No Dollars for Destruction - World Bankenstein." "Bankenstein" is play on "Frankenstein," the novel by Mary Shelley that films have made into a synonym of horror to many Americans.

Greenpeace charges that loans by the bank have contributed to damaging the environment.

Bentsen said the United States supports a new issue of "special drawing rights," the fund's own currency, and an increase in the amounts the fund can lend out to governments in trouble.

"Priorities should be on getting the most development impact possible from bank lending," he went on. "People must be put first."

Now, he went on, "economic institutions and prosperity hold the prospect of preserving the peace the way the security institutions and the balance of power did in another era."

Lewis T Preston, the bank's president, said it had leveraged 10 billion dollars of paid-in capital to more than 300 billion dollars in credits, helping more than 140 countries.

"Fifty years of experience have led the bank to its fundamental objective today, to help countries reduce poverty and improve living standards through sustainable growth and investment in people," he said.

Bangladesh stall in Iran may book more export orders

Bangladesh's stall in the 5th Islamic Trade Fair now being held in Iranian capital Tehran, is expected to receive several orders of export, reports UNB.

Export Promotion Bureau with the cooperation of Iran Embassy in Bangladesh, has jointly arranged the formalities for Bangladesh to participate in the fair. Bangladesh Jute Mills Corporation (BJMC), Tea Board and four other private organisations are participating in the fair.

Bangladesh stall displayed non-traditional items including jute goods, tea, leather goods, ceramics, fruit juice, pharmaceutical, leather, jacket, garments, Mosiery goods and handicrafts in the fair which have been much appreciated by potential buyers, said a press release today (Friday).

Iranian President Ali Akbar Hasemi Rafsanjani, Commerce Minister and many other high officials visited Bangladesh Pavilion and praised the quality of Bangladeshi goods.

Bangladeshi jute, jute goods and tea have large markets in Iran. Besides, import of garments, handicrafts, ceramics, ball point pen etc to Iran is also considered.

Iran imported goods from Bangladesh worth Taka 1408.55 million in 1993-94 fiscal.

10,000 riot police deployed Hyundai Shipyard workers still defying shutdown

SEOUL, July 22: Workers at the world's largest shipyard defined a company lockout for a third straight day Friday, and about 10,000 riot police were deployed nearby, reports AP.

Labour activists at the Hyundai Heavy Industries Co shipyard in the southern city of Ulsan, armed with metal pipes and a 50-day supply of food for 600 people, have vowed to fight back if police intervene.

Meanwhile, labour and management met for the first time since Wednesday to try to reach agreement on terms for revoking the shutdown decision. Police intervention is on hold pending the outcome.

The shipyard, with about 21,000 unionized workers, is a subsidiary of the huge Hyundai Group, a leading South Korean conglomerate.

About 8,000 workers broke through barricades at the main gate to enter the shipyard in spite of the lockout, union officials said. Terms of the lockout prohibit workers from entering company premises without permission, and refusal to

leave can result in police intervention.

Hundreds of workers also remained aboard two huge unfinished gas tankers and a 82-meter (268-foot) crane, refusing to come down unless Hyundai revokes the shutdown order.

Hyundai brought criminal charges against 41 labour leaders for initiating violent rallies in which several company security guards were injured.

The union countered with a sympathy strike at another Hyundai subsidiary also located in Ulsan, an industrial city 280 kilometers (175 miles) south-east of Seoul.

The shutdown was ordered Wednesday after a deadlock in negotiations at which the union sought higher wages and greater say in management.

Management had offered a package of incentives equivalent to a 14.8 per cent wage increase. But negotiations broke off when the two sides disagreed on when the increase would become effective, and on allowing the union a

greater say in policy-making. Hyundai says intermittent strikes and work slowdowns that began June 24 have cost the company 209.9 million dollars.

Meanwhile, workers at Hyundai Precision Industry Co staged a sympathy strike. They had previously engaged in work stoppages to demand higher wages.

Workers at two other Hyundai Group subsidiaries, Hyundai Mipo Dockyard Co, and Hyundai Pipe Co were to vote Friday on whether to begin strikes.

The giant Hyundai Group has suffered from annual labour feuds for the past six years.

Last year, the shipyard's labour troubles lasted for six weeks, marking the longest dispute under President Kim Young-sam's civilian leadership.

The dispute ended when Kim invoked a never-used provision in the labour law to order a mandatory settlement against the Hyundai Motor Co labour union.

Marriage for US green card: three held

NEW YORK, July 22: Three people were arrested Thursday for allegedly arranging marriages — for 5,000 dollars each — so illegal aliens could obtain green cards, reports AP.

The arrests came after a seven-month investigation of third World Personnel Services Inc.

An undercover agent from the US immigration and Naturalisation Service was sent to the Third World office posing as an illegal immigrant interested in remaining in the United States, said Roseanne Sonchik, acting district director of the INS office in New York.

Third World allegedly promised to assist him in securing a US citizen wife and to assist him in filing the necessary paperwork to obtain permanent residence status, Sonchik said.

Caracas revives guarantees to deal with economic crisis

CARACAS, July 22: Congress on Thursday restored five of six constitutional guarantees suspended by President Rafael Caldera in a bid last month to deal with the country's financial crisis, reports AP.

Lawmakers rejected an appeal Thursday by Interior Minister Ramon Escovar to maintain the suspensions or risk trying the administration's hands in dealing with the economic situation.

Opposition lawmakers joined forces to approve restoration of the right to personal freedom, inviolability of the home, private property, unhindered movement and protection from expropriation except in the case of public need.

BMCFA Secy General off to USA

Sajjatz Jumma, Secretary General, Bangladesh Major and Compact Flour Mills Association (BMCFA) left Dhaka yesterday for Kansas City, USA.

He is leading a five-member flour millers delegation to attend a seminar on "flour milling and computer model short course" to be held at Kansas State University from July 25 to August 5.

Jumma is also the Vice President of the Dhaka Chamber of Commerce and Industry.



Mohammad Ashraf Hossain, Whip of Jatiya Sangsad, paying the price of green jute to the farmer at Lucky Purchase ceremony of green jute at Khulna Newsprint Mill Ghat on Thursday. Among others, Advocate Sheikh Toyebur Rahman, Mayor of Khulna City Corporation and Waseqal Azad, Chairman of BCIC, are also seen in the picture.

IBM reports \$689m profit

NEW YORK, July 22: IBM reported second-quarter earnings of 689 million dollars Thursday, the third-consecutive quarterly profit for the world's largest computer company after staggering losses in most of 1992 and 1993, reports AP.

The firm also said it was expanding its cost-cutting goals.

International Business Machines Corporation earned 1.14 dollar per share in the quarter ended June 30, exceeding Wall Street's expectations for 73 cents per share.

Shares of IBM stock climbed 3.875 to 59.75 dollar in early trading on the New York Stock Exchange, a 7 per cent jump.

"Frankly, the earnings improvements have come a bit faster than we thought they were even four or five months ago," Jerry York, IBM's chief financial officer, said in a speech to analysts Thursday morning.

In the same period a year ago, the company lost 40 million dollar or 8 cents per share, before a restructuring charge of 8.9 billion dollars, the largest in its history.

Revenues for the latest quarter were 15.4 billion dollars, down slightly from 15.5 billion dollars a year ago. Since then, IBM sold a division that designed specialized systems for government agencies. With that division excluded from the year-ago figures, revenues were up 3 per cent in the latest period.

IBM said sales were flat in all regions except Asia, where it reported a 14 per cent increase.

Chief executive officer Louis

V Gerstner Jr, said he was pleased with company's progress.

"We are still far from where we need to be, but we are showing steady improvement," he said in a statement.

The restructuring charge a year ago was accompanied by an announcement of plans to eliminate 35,000 jobs through the end of 1994, adding to the 50,000 that had been targeted last year.

IBM executives said then they would try to chop out 7

billion dollars in annual expenses by 1996 compared to 1992. The company raised that target Thursday to 8 billion dollars. At the end of June, IBM was more than half way to the larger target, having cut cumulative expenses by 4.8 billion dollar.

IBM has been forced to undergo radical changes to cope with shifting demand from lucrative mainframes and mini-computers to lower-margin personal computers.

US jobless claim rises

WASHINGTON, July 22: The number first-time applications for state unemployment benefits shot by 27,000 last week to the highest level in nearly six months, the government reported today, reports AP.

The US Labour Department said the number of initial claims in the week ended July 16 totalled a seasonally adjusted 392,000, up from a revised 365,000 the previous week. That figure initially was reported at 363,000.

Last week's increase followed another big rise of 21,000 the previous week, an indication that the nation's job market might be showing some instability after months of strong employment report. Most economists were expecting the latest report to show a decline of about 8,000.

The Labour Department had no clear explanation for the increase, but indicated that devastating floods in the Southeast could be a factor. The reporting period included a week in which automakers and their suppliers idle some

plants. The Department's seasonal adjustment factors should take into account those fluctuations, but the numbers sometimes still are affected.

The increase was the biggest since January 29, when a rise of 408,000 was recorded.

The weekly numbers frequently fluctuate widely and most economists do not consider them the best indicator of hiring trends. They more closely watch the Labour

Department's four-week moving average, which smooths out weekly bumps and dips.

That number was up, too, rising 10,000 to 363,500 from the previous week's revised 353,500. That was the highest level since May 28 and the biggest increase since January 29, when the weekly average rose 14,250.

The Labour Department said 42 states and territories reported increases in initial claims in the week ended July 9, with 11 posted decreases.

State numbers trail a week behind the national ones.

The more you learn, the more you earn

WASHINGTON, July 25: The more you learn, the more you earn.

That's the word from the US Census Bureau, which has compared Americans' earnings with their education and found the better the scholars the more the dollars.

Folks with advanced degrees had average earnings of 48,635 dollars in 1992, the bureau reported, according to AP.

By comparison, people with bachelor's degrees averaged 32,629 dollars and high school graduates managed just 18,737 dollars.

"Persons with more education can expect even higher lifetime earnings," explained Census statistician Robert Kominski.

For example, he said someone with a professional degree can expect lifetime earnings of more than three million dollars compared to 1.4 million dollars for someone with a bachelor's degree.

He also found that whites had the greatest share who had completed high school, 82 per cent, compared to 70 per cent for blacks. The "other" group, including Asians and Pacific Islanders, had 79 per cent high school graduates and Hispanics, who can be members of any racial group, recorded just 53 per cent who finished high school.

Turning to college degrees, the "other" category was top at 34 per cent, followed by whites with 23 per cent, blacks with 12 per cent and Hispanics with 9 per cent.

The study's lifetime earnings estimate, by educational attainment:

- Didn't finish high school: 609,000 dollars.
- High school graduate: 821,000 dollars.
- Attended college: 993,000 dollars.
- Associate degree: 1,062,000 dollars.
- Bachelor's degree: 1,421,000 dollars.
- Master's degree: 1,619,000 dollars.
- Doctorate: 2,142,000 dollars.
- Professional: 3,013,000 dollars.

US dollar surges, gold weakens in New York

NEW YORK, July 22: The American dollar shot up against the German mark and rose against other major currencies Thursday, as US Treasury officials and German central bankers spoke out firmly in favour of a stronger dollar, reports AP.

In the most explicit dollar-supportive talk to come out of the government since the currency's latest descent began a few weeks ago, Treasury Undersecretary Lawrence Summers said in Senate testimony that a stronger dollar "would have important economic benefits for the United States" and would restore confidence in financial markets.

Summers' comments came on the heels of Federal Reserve chairman Alan Greenspan's statements Wednesday that a weak dollar could ignite inflation.

Taken together, the comments did for the dollar what two coordinated buying efforts failed to do in recent months: prop up the beleaguered currency and change dealers' perception that the government prefers a weak dollar to counter the US-Japan trade imbalance, traders said.

"It's verbal intervention," said Kevin Lawrie, director of foreign exchange at Mellon Bank. "They're doing better with these comments than they did when they were buying dollars."

Gold prices declined in world markets. On New York's Commodity Exchange, gold for current delivery fell 1.30 dollars a troy ounce to 384.30

dollar Thursday. Republic National Bank quoted gold at 384.30 dollars at 4:00 pm (2000 GMT), down 1.20 from late Wednesday.

Traders said Summers' and Greenspan's comments, combined with dollar-supportive statements made earlier in the day by officials from Germany's central bank, reversed negative sentiment against the dollar among many market participants.

In New York, the dollar jumped nearly three pennings to close at 1.5925 marks from Wednesday. It was one of the largest single-day dollar-mark jumps in several months.

Earlier in London, the dollar fetched 1.5745 marks, up from 1.5625.

The dollar also rallied against the yen, though not as strongly as against the mark. In New York, the fetched 99.20 yen, up from 98.65 Wednesday. Earlier in London, the dollar was worth 98.55 yen, up from 98.54. In Tokyo, the dollar closed at 98.68 yen, down 0.51 from late Wednesday.

Traders viewed Summers' comments as more evidence that the Fed may tighten interest rates further to fight inflation. An increase in US interest rates would shore up the dollar's value by making dollar-denominated investments more attractive to foreigners.

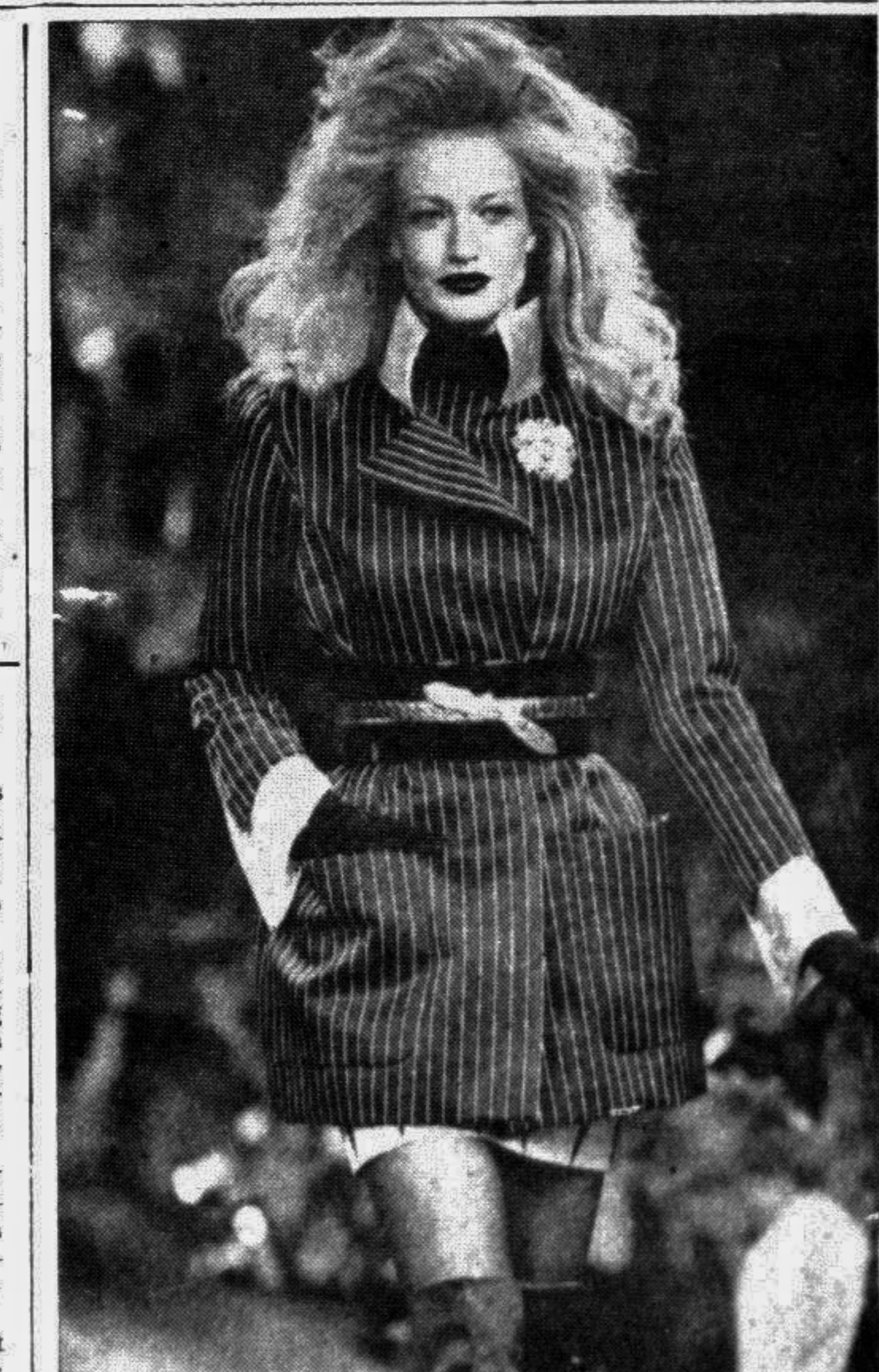
Some traders suggested that the dollar's rally was not a one-day event, and suggested that the momentum achieved Thursday could last.

Roman Catholic businessman shot dead in Belfast

BELFAST, July 22: A Roman Catholic businessman was shot to death in a flat he was sharing with a Protestant girlfriend in a Belfast Protestant district here early today, police said, reports AP.

Two masked gunmen broke into the home of the couple and gunned down the 44-year-old businessman in front of his girlfriend before fleeing on foot, a police spokesman said.

Meanwhile, police reported a series of overnight arson attacks on four stores in central Belfast, which caused no casualties.



A model of French designer Christian Lacroix presents a new ensemble on Thursday in Paris during Lacroix's Fall-Winter 94-95 high fashion show. — AFP photo

Renewed decline of dollar to crimp global economy

WASHINGTON, July 22: A further drop in the value of the American dollar would crimp the global economy while a stronger Greenback would calm financial markets and restrain inflation, a senior Treasury official said today, reports AP.

"We believe... a renewed decline of the dollar would be counterproductive to global recovery," Treasury Undersecretary Lawrence Summers told the Senate Banking Committee.

In contrast, "a strengthening of the dollar against the (Japanese) yen and (German) mark would have important economic benefits for the United States," he said. "It would restore the confidence in financial markets that is important to sustaining recovery."

Summers' statement, a day after Federal Reserve Chairman Alan Greenspan said a weak dollar could ignite inflation in the United States, appeared aimed at shoring up the US currency. It was the most detailed and explicit yet from the Clinton administration on the weak dollar.

A stronger dollar "would boost the attractiveness of US assets and the incentive for longer-term investment in the economy, and help to keep inflation low," Summers said.

Most economists believe the dollar is due for a partial recovery but said administration statements won't make much of a difference.

What Summers said "sounds good, but he still hasn't said he's going to do anything about

it and until he does, it's all rhetoric," said economist David Wyss of DRI-McGraw Hill.

Since early January, the dollar has fallen 13 per cent against the yen to a 50-year low and 8 per cent against the mark.

The Fed and the Treasury Department, along with foreign central banks, have tried three times without success to bolster the US currency with coordinated purchases of billions of dollars.

The US share of the three moves — on April 29, May 4 and June 24 — amounted to 3.5 billion dollar, according to a report submitted to Congress along with Summers' testimony.

Republican lawmakers have said the drop is a sign that

world investors lack confidence in President Clinton's leadership.

Summers, however, said the Greenback's weakness "is a complicated phenomenon with no single cause or explanation."

He said economic improvement in Europe has dispelled the market's expectations that interest rates would be falling there, bolstering the mark.

And political turmoil in Japan has created the perception that its government will be less likely to curb its chronic trade surplus with the United States, he said.

Wyss said there's little prospect the German will cut their interest rates to accommodate the United States or that the Japanese want to or

are politically able to substantially reduce their trade surplus.

"There's no problem agreeing to the problem, the problem is agreeing to the solution," he said.

On Wednesday, Greenspan said the weak Greenback could be a sign international investors sense inflation problems that aren't readily apparent.

"It's a suggestion that there may be more inflationary pressures underneath what we have been looking at than we have previously thought," he said.

And he warned that, eventually, the lower dollar could contribute to — not just reflect — accelerating inflation.

That's because it now takes more dollars for Americans to

buy important goods, from cars to electronics. And that, in turn, relieves US producers of those goods from some of the competitive pressure to keep their prices down.

His testimony was taken by economists as a warning that the Fed hasn't finished raising interest rates this year. It was boosted short-term rates by 1.25 percentage points so far this year, in four steps between February and May.

Analysts are looking for perhaps another half a percentage point increase this year, with the first move coming as soon as Fed policy-makers meet on August 16.

An increase in US interest rates would shore up the Greenback's value by making dollar-denominated investments more attractive to foreigners.