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Japanese cabinet begins examining budget requests for $ 769 b

TOKYO, Sept 11: The Japanese cabinet began Friday examining budget requests for the next fiscal year totalling 76.57 trillion yen (769 billion dollars) up 4.8 per cent from current fiscal year's initial budget and the lowest growth in 11 years, officials said, reports AFP.

The increases for fiscal 1995, which begins next April, was lower than a 6.1 per cent hike in the current year's requests and is the lowest since 1984, when the budget requests grew only 3.8 per cent.

Requests for defense spending came to 4.73 trillion yen, up 0.9 per cent, the lowest growth ever, official said.

The requests will be approved by the cabinet by late December if everything goes smoothly, they said.

China will allow state firms to fix wages

BEIJING, Sept 11: Nudging its debt-ridden state sector a step closer toward competition in a market economy, China plans to allow state-run enterprises to begin setting their own wages, reports AP.

Gauging from current trends, those wages are likely to shoot higher: in the first seven months of this year urban salaries jumped nearly 30 per cent as employers raised pay to keep pace with inflation, the official China Daily reported Sunday.

By freeing state firms to determine wages for their employees, the government will be giving the managers of such firms, most of which are drawing in red ink, another tool to help improve their profitability.

At present, the newspaper said, the government decides the wages of some 108.67 million workers in state-owned industries. But the central government is relaxing control over the state-owned sector as it forces those often inefficient firms to take responsibility for their own bottom lines.

Under a new Labour Law to take effect January 1, the government will set a minimum wage, a process to decide wage levels and special criteria for payment of overtime and other special wages, the report said.

The report said that all enterprises, including both state and non-state companies, would be expected to adhere to the new national wage standards. But companies will be allowed to provide bonuses and cost of living subsidies to shield their workers from double-digit inflation.

In the first seven months of the year, state firms, paid their workers a total of 243.83 billion yuan (28.35 billion dollars), up 29.7 per cent from the same period a year earlier, the State Statistical Bureau reported.

It said that wage payment by collective enterprises rose 14.8 per cent to 50.86 billion yuan (5.91 billion dollars) while payments by privately owned and foreign invested firms ballooned by 113.1 per cent to 16.58 billion yuan (1.93 billion dollars).

Foreign funded firms have been obliged to sharply increase wages this year to head off labour unrest among workers angered by the failure of their salaries to keep pace with inflation, which has shot up at an annual rate of nearly 20 per cent in recent months.

Amin Jute Mills produces 13617 tonnes of goods

CHITTAGONG, Sept 11: Amin Jute Mills has produced 13617 tonnes of jute carpet, carpet backing cloth (CBC), hessian, sacking, mat and tape in the last financial year, reports BSS.

This was informed in a review meeting of the mills with Jute Minister A S M Hannan Shah in the chair yesterday at the mills premises. The target of the mill has been fixed at producing 15378 metric tons of jute goods during the current financial year.

Speaking on the occasion Hannan Shah said the government is considering to set up few new looms in the mills to increase production.

He directed the officials to purchase high quality raw jute in the current jute season.

Hannan Shah went round different sections of the mills and showed his keen interest and praised the high quality carpet produced in the mills.

French President Francois Mitterrand (2nd-L) and his Chinese counterpart Jiang Zemin (R) review the troops on Friday at Orly airport where the Chinese president flew in after a visit to the Mediterranean port city of Marseille. — AFP photo

Statisticians having hard time in China

BEIJING, Sept 11: China's overworked statisticians are having a hard time keeping track of the world's largest nation, and reforms are planned to make their jobs a little easier, reports AP.

The State Council has approved a request from the State Statistical Bureau, which measures everything from population to economic indicators, to increase is staff of only 500 people and to find more efficient ways to monitor economic activities, the official China Daily reported.

With China's economy growing at record rates, statisticians are having trouble just keeping up, the report said.

A few decades ago, official statistics were widely suspected of being manipulated. Factories and farms often greatly overstated output figures to impress the central government and win political favour.

Unusually frank reports in recent weeks have acknowledged that those problems persist.

Last week, an official report said government investigators had uncovered more than 60,000 cases of false statistical reports in just three months.

"Some officials are experts at misrepresenting information about local grain production and reserves, birth rates, commodity prices and the improvement in farmers' living conditions," Sunday's report said.

Western economists long have regarded China's raw economic data as unreliable and say economic statistics are useful only in uncovering trends.

1894 Pullman strike helped ignite labour movement in US

CHICAGO, Sept 11: The seeds of the modern labour movement in the United States were planted a century ago when an industrialist's efforts to prevent labour strikes backfired, reports AP.

George Mortimer Pullman made Pullman Palace Cars for tired railroad travellers and even founded a company town for his workers.

But his policies ignited bloody strikes, labour unions reorganised, company towns in industrial areas declined and negotiators began using arbitration to settle disputes.

"What people carried away was he conviction something needed to be done," said Jim Barrett, professor of history at the University of Illinois. "Even conservative business leaders looked at creative ways they could deal with the labour problem."

It wasn't the first strike to attract national attention. Unlike its predecessors, however, the Pullman dispute spread across 27 states and shut down the nation's main transportation network.

Pullman built the town with his name on what is now Chicago's far South Side in the early 1880s to house workers for his factory. He owned the houses and charged workers rent.

He said the town represented a great step forward in labour industrial relations.

The workers who lived there disagreed.

"The people of Pullman are not happy and grumble at their situation even more than the inhabitants of towns not model are accustomed to do," the New York Sun wrote in 1885. "They secretly rebel because the Pullman Company continues its watch and authority after working hours."

"When (Pullman) was 30 or 40 years old, he had ideas," said Paul Petraitis, a current resident of the Pullman area and local researcher. "When he was 50s and 60s, he didn't want the responsibilities."

An economic downturn in 1893 and 1894 forced Pullman to cut wages, but didn't lower the rents on his houses.

Three members of a grievance committee were fired and son 3,000 workers walked out on May 11, 1894.

"Pullman was a very big force — love him or hate him — he was a flash point," said Susan Hirsch, a labour historian at Loyola University Chicago. "There was tremendous outpouring for support of workers who were seen having this tyrant over them."

In June, American Railway union president Eugene Debs called a nationwide boycott of Pullman cars: Workers would not handle any train containing a Pullman car.

"The railroad companies decided to provoke a crisis by attacking Pullman cars to every train," including postal cars in an effort to involve the government, said Leslie Orear, president of the Illinois Labour History Society.

Governor John Peter Altgeld and Chicago Mayor John Hopkins supported the strikers.

Renowned Taiwanese artist Chang Chien-Li adds colour on a drawing on the back of visiting Penthouse cover girl Leslie Glass during an introducing press conference in Taipei on Saturday. Glass is one of the three Penthouse centrefold and cover girls invited to promote the Penthouse video tapes in Taipei. — AFP photo

Two Swiss bank clerks jailed for gold robbery

MENDRISIO, Switzerland, Sept 11: Two bank clerks who stole 1.3 tonnes of gold worth 17 million dollars from their own bank vault in what has been described as Switzerland's gold robbery of the century were jailed on Saturday, reports Reuter.

The Swiss news agency said the two Swiss nationals delivered their loot to an Italian accomplice, who in turn sold the ingots on the black market.

The Italian, tried in absentia, was also found guilty by the court, the agency reported.

UN confce on Int'l Trade Law opens in Nairobi today

NAIROBI, Sept 11: Kenya will host a United Nations conference on International Trade Law starting from September 12, reports Xinhua.

The four-day conference, which is to be held at the professional centre, Nairobi, will be attended by legal experts across the world, according to a press release from Kenyan Attorney General Amos Wako's office yesterday.

The conference will be a land-mark in the history of the Kenyan legal profession. It will focus on the model law on international arbitration, said the release.

The model law was adopted by the United Nations Commission on International Trade Law (UNCITRAL) on June 21, 1985 and is to be implemented by governments as part of their domestic law.

Govt seizes control of Cremi-Union in Mexico

MEXICO CITY, Sept 11: The government has seized control of a powerful Mexican financial group and ordered the arrest of its chairman on allegations of loan fraud, reports AP.

The moves Monday against Carlos Cabal and the Cremi-Union financial group were the second time in three months that the government had taken such a step against a major financial group.

Cabal, Chairman of the Cremi-Union financial group is best known in the United States for his two attempts to buy San Francisco-based Del Monte Foods Co.

Mexico's Treasury Secretary Pedro Aspe said late Monday that Banco Union SA, which heads Cabal's financial group together with Banca Cremi SA, lent the equivalent of millions of dollars to dummy companies that funnelled the money back to Cabal.

Guillermo Ortiz, undersecretary in the Finance Ministry, said Tuesday that Cabal allegedly misappropriated about 700 million dollars, 200 million dollars of which has been documented as being used to buy a controlling stake in Banca Cremi and perhaps other companies.

India to attract Asia's Buddhist travellers

NEW DELHI, Sept 11: India will improve its tourist facilities with foreign help and launch publicity campaigns to attract Asian visitors to Buddhist heritage sites, the United News of India said on Saturday, reports Reuter.

Mainly Hindu India is the birthplace of Buddhism, but most of Buddha's followers are found in the Far East and South-East Asia, including some of the world's fastest-growing economies.

The news agency quoted a government statement as saying that India would launch marketing and publicity drives in Japan, Malaysia, Singapore and Thailand to bring Buddhist believers to see religious centres and monasteries.

More than 146,000 Buddhist tourists from Indonesia, Japan, Sri Lanka, Thailand and Taiwan visited India last year, UNI said.

Buddha was born in what is now mountain kingdom of Nepal, and attained enlightenment 2,500 years ago under a bo-tree in Bodhgaya, now a big town in the northern Indian state of Bihar.

Centres connected directly with the seer's life include Bodhgaya, Nalanda, Rajgir and Vaishali in the Bihar state and Sarnath and Shravasti in the neighbouring Uttar Pradesh state.

Japan would lend 9.2 billion yen to develop tourist infrastructure in Uttar Pradesh and Bihar, UNI quoted the statement as saying.

It said Japan will also lend 3.7 billion yen (37 million dollars) to develop Ajanta and Ellora, known for cave paintings associated with Buddhism.

Commodity markets: Prices of aluminium, gold, sugar, wool higher while tea stable

LONDON, Sept 11: Aluminium continued to soar this week, reaching its highest point since March 1991 as stocks again fell by encouraging amounts on the London Metals Exchange, reports AFP.

Aluminium has seen a 47.5 per cent rise in prices from last autumn's eight-year lows of 1,037 dollars per tonne as major producers in the West and the CIS have made cutbacks of some 1.2 million tonnes of capacity.

In February, the world's leading producers agreed a plan to cut output in an effort to reduce the record build up of stocks.

The precious metals lifted in the wake of gold as jewellery makers began purchasing gold in anticipation of christmas demand.

The price of brent crude North Sea oil remained firm, above 16 dollars a barrel, despite the end of the Nigerian oil workers strike on Tuesday, as dealers had already factored the news into the price.

Coffee prices remained jittery, hanging on for news from Brazil - the world's leading producer - which has recently suffered several frosts, prices hovered around 4,000 dollars per kilo.

In contrast, the cocoa market remained quiet, with little news affecting the prices.

GOLD: Higher. For the second consecutive week, gold continued to rise lifting comfortably through the 390 dollars per ounce level to 391.5 dollars per ounce on Thursday - its highest level since January.

Analysts said the gold market was healthy and that prices could rise to 395 dollars per ounce. They cited as evidence the fact that a reasonable quantity of the metal had been absorbed by the market this summer without causing a fall in prices.

One dealer said: "As jewellery makers buying for christmas return to the market, the price will gradually rise. He added that prices could lift above 395 dollars per ounce in the medium term.

SILVER: Higher. Silver rose in the wake of gold, lifting 10 cents to reach 5.57 dollars per ounce in nervous trading, dealers said.

A study from the Metals and Minerals Research Services (MMRS) predicted the market would remain fragile on account of the large world stocks which currently represent around three and a half years of supply.

Also, large-scale buying by the Asian jewellers is expected to drop on the relatively high level of prices.

PLATINUM: Rising. Platinum, like the other precious metals, rose during the week, reaching 420 dollars per ounce.

Palladium also rose to around 154 dollars per ounce and a warburg study indicted the metal could rise over 200 dollars in ounce thanks to continued industrial demand.

COPPER: Lower. Copper dropped at the beginning of the week, then remained stable and ended the week around 15 dollars lower at 2,491.5 dollars per tonne.

Dealers were put off the metal by a modest lift in stocks on Tuesday, a rise of 450 tonnes to 367,800 tonnes, and on belief that stocks could go higher.

A 605-short ton fall in New York's Comex Warehouse stocks limited any downside however, as the market interpreted the figures as a sign of continuing good demand and physical tightness in the US market.

Elsewhere, Enami, Chile's state-owned copper smelter and refiner, said it would expand its refinery output by 65,000 tonnes per year, construction of the new capacity will begin in 1995 and production is due to start around the end of 1996.

Stocks on the LME rose a weekly 1,725 tonnes to 369,400.

LEAD: Lower. Lead rose initially during three week, but ended the week three dollars lower at 615 dollars per tonne.

Dealers said the decline was "technical" and that the fundamentals were sound, especially in view of the start of the battery season.

Demand is growing from car battery producers, especially in the Commonwealth of Independent States, formerly the Soviet Union.

A shortage of lead concentrates resulting from mine closures as well as from enforced cutbacks in zinc mine productions also starting to bite, dealers said.

ZINC: Down. Zinc fell steadily during the week, dropping through the key 1,000 dollar per tonne level and ending 13 dollars lower at 995 dollars per tonne.

"Zinc remains disappointing, probably as a result of the steady rise in LMF stocks," said one trader.

Zinc is the metal analysts appear the least positive about over the coming months because of the huge stock overhang, inventories now represent about 15-16 weeks of consumption, well above the traditionally "normal" levels of five to six weeks.

Analysts Brook Hunt and associate are forecasting closure of 58 mines through depletion of resources before the year 2005, adding that the next 10 years will be a period of significant change and uncertainty."

Stocks rose 2,850 tonnes to a record 1,236,950 tonnes.

ALUMINIUM: Higher. Aluminium rose all week, soaring to its highest close since March 1991 on Thursday, at 1,578 dollars per tonne - a weekly rise of 13 dollars - as dealers expected further drawdowns in stocks and on worries about the closure of a smelter in Ghana.

Sentiment is still very strong on aluminium, one trader said.

The market continues to await fresh news on US company Kaiser's Valco Smelter in Ghana, which has sought a high court injunction to prevent the local Volta River Authority (VRA) from discontinuing power supplies, traders said.

A severe drought has affected water supplies in the Akosombo Reservoir, which is the country's main source of electricity, and the VRA has decided to stop electricity supplies to the smelter from September 10.

The foundry is around 40 kilometers east of Accra and produces around 100,000 tonnes a year.

Weekly stocks fell a massive 23,075 tonnes to 2,413,350.

NICKEL: Higher. Nickel lifted 25 dollars during the week to end around 6,370 dollars per tonne, rising mainly in the wake of aluminium, dealers said. Elsewhere there was little news.

Dealers from GNI said it would not be long before the metal again broke through the 6,500 dollars per tonne.

Stocks rose 1,824 tonnes to a record 140,868 tonnes.

TIN: Lower. Tin fell 35 dollars during the week to close at 5,405 dollars per tonne, largely as market attention was focused elsewhere, dealers said.

Separately, figures showed Malaysia became a net consumer of tin in the first half of 1994, dramatically reversing historical trends.

"Domestic mine production in Malaysia continued in its seemingly unstoppable decline, producing a mere 3.23 tonnes of tin in cones for the first half, said the Malaysian smelting corp.

This represented a decline of 46 per cent compared to the first half of 1993 when domestic production was 6,040 tonnes, the industry now employs fewer than 2,000 workers operating 39 units.

Stocks fell 135 tonnes to 31,915 on the LME.

COCOA: Lower. Prices dropped through the key 1,000 pounds per tones level for the first time since July, reaching a low of 979 pounds, as chocolate manufacturers and investors ignored cocoa.

The market reacted little to initial estimates of the Ivory Coast harvest predicting the 1994-95 (October to September) harvest would reach only 750,000 tonnes compared with 850,000 tonnes in the current season.

The beginning of 10-day meeting of the International Cocoa Organisation (ICCO), which includes producers and consumers in London on Thursday was also ignored.

The Brazilian delegation has proposed that an International Cocoa Producers Organisation be created to limit world production, perhaps along the lines of the Association of Coffee Producing Countries (ACPC) which by limiting production, has boosted coffee prices.

COFFEE: Firm. Coffee reacted nervously to the Brazilian government's decision to suspend sales of stocks, and the reference price rose above 4,000 dollars per tonne on Wednesday to its highest levels since July.

The market then calmed down, and prices dropped to around 3,900 dollars per tonne.

The Brazilian government had previously decided to sell 7.7 million bags of coffee (60 kilograms) to limit price rises in the internal market and calm the inflationary effect of rising prices.

The sales, however, did not have the expected effect and the government suspended them to set up a new system giving preference to internal prices rather than exports.

Elsewhere, drought continued in Brazilian plantations keeping prices high as dealers feared for the harvest.

SUGAR: Sharply higher. The price of white sugar soared on Wednesday to its highest level since early June, on worries about the European sugar beet harvest.

Brokers Czarnikow said the sugar beet harvest had suffered from the hot summer and volume was expected to be around two million tonnes lower than the 15.627 million tonnes collected last year.

Predictions that China would also be forced to import after a bad harvest also boosted prices. US analysts expect the country to import around 1.5 million tonnes of sugar in 1994-1995 (October to September) compared with 575,000 tonnes imported in 1993-1994.

VEGETABLE OILS: Lower. After sharp rises last week, all the vegetable oils, with the exception of sunflower oil, were lower.

Soya oil decline on the US futures market after figures predicted a stronger US harvest.

Palm oil fell after the highs of last week, on profit-taking in the Asian markets.

Rapeseed oil followed the general trend lower, despite predictions of a sharp rise in European imports.

OIL: Firmer. The end of the oil workers' strike in Nigeria on Tuesday had little affect on oil prices, as the end of the strike had been anticipated by the market.

After dipping briefly below 16 dollars a barrel, prices reached a peak of 16.6 dollars before dropping back to 16.3 at the end of the week.

Brokers GNI said the oil market was among the healthiest of the commodities markets and "each new escalation of the Nigerian situation would push prices up."

The strike caused production to fall by 300,000 barrels per day in August, but dealers said output should now rise slowly to around 1.8 million barrels per day.

The latest estimates from the International Energy Agency (IEA) show that the market is healthy with an expected increase in demand in the coming months.

The IEA believes that world demand will rise by around 100,000 barrels per day in the third and fourth quarter, particularly in the pacific and European zones.

RUBBER: Lower. The price of rubber dropped around 30 pounds during the week to end at 860 pounds per tonnes as the market consolidated after the record speculative highs at the end of August.

Dealers said European and US tyre manufacturers had reappeared on the market, willing to buy despite the elevated level of prices and that this had supported rubber prices somewhat.

GRAINS: Higher. The prices of European grains were stable in the first half of the week, but soared on Thursday on rumours of a record sale of French grain to China.

Wheat rose on pound to end the week at 106 pounds per tonne, barely rose in its wake, lifting half a pound to 104 pounds per tonne.

Prices on the US market were also higher, lifting on news of a 650,000-tonne purchase of subsidised US wheat by Egypt.

Elsewhere, the Russian agriculture minister announced that his country was likely to import between five and seven million tonnes of US grain in 1994, in contrast to previous announcements that the country had sufficient grain to satisfy demand.

TEA: Stable. The average auction price remained stable although top quality Assam teas provoked interest and prices rose to around 250 pence a kilo.

Top quality teas were trading at 200 pence a kilo, medium quality teas were around 117 pence, while lower quality grades were at 80 pence.

COTTON: Fluctuating. Prices fluctuated slightly during the week on the weak European demand and on contradictory predictions for the forthcoming US harvest.

One recent study of the US harvest, the world's largest, predicted it at 19.03 million bales (each of 217.7 kilograms). A month earlier the same research group had forecast a harvest of 17.87 million bales.

WOOL: Higher. The Bradford reference price rose to 4.57 pounds per kilo while the auction price in Australia was higher, on continued strong demand.