

Bondholders to sue three Barings Bank executives

LONDON, Feb 14. Bondholders who lost in the collapse of Barings Bank, where staff, says a new book, received huge bonuses based on Nick Leeson's illusory profits, are to sue three executives, reports AP.

Lawyer Jonathan Stone, who heads the Barings' bondholders action group representing private investors who lost more than 100 million pounds (153 million dollars) said Tuesday the group will authorize lawyers to issue writs "shortly."

Stone said the writs will be issued against the former chairman of the bank Peter Baring, his deputy Andrew Tuckey, and Peter Norris, its chief executive officer of investment operations.

He said the writs will be aimed at recovering the original 100 million pounds (153 million dollars) plus a further nine million pounds (13.7 million dollars) in lost interest payments.

The 232-year-old bank, Britain's oldest investment bank, collapsed in February last year when Singapore-

based Leeson's trading losses hit about 504 million dollars then spiraled to 1.8 billion dollars in the next few days as markets plummeted.

Dutch insurer ING bought Barings in March.

Leeson, 28, the general manager of Barings Futures Singapore, a Barings subsidiary, was sentenced in Singapore in December to six and a half years imprisonment for cheating to hide his, dubious deals.

Stone said ING might also consider paying compensation in view of what he alleged was a serious error of judgment in paying bonuses to bank staff on the back of Leeson's bogus trading.

On Monday, The Times of London quoted an unpublished new book as saying a total of about 80 million pounds (122 million dollars) was paid in bonuses to Barings staff based entirely on the illusory profits claimed by Leeson.

The Times printed exclusive excerpts of the book, "The Collapse of Barings" by financial writer Stephen Fay,

which is due to be published in London on February 23.

The paper said the book contained the first calculation of the benefit to Barings executives of Leeson's fraud in the form of staggering and controversial bonus payments.

It quoted the book as saying that ING paid out between 90 million and 95 million pounds (137.7 million and 145.35 million dollars) in bonuses for 1994, the year of the Barings collapse. But it said Barings executives directly implicated in the Leeson affair received no bonus at all.

It quoted the book as saying these bonus payments were based on reported pre-tax profits of 205 million pounds (313.65 million dollars) including the fake "profits" reported by Leeson.

The book was quoted as saying Bank of England officials worked it out the real figure as 19.8 million pounds (30.29 million dollars) — less than a tenth of the total already announced.

This would have given

rise, the book was quoted as saying, to a pool of cash for payment of bonuses of just 9.9 million pounds (15.14 million dollars).

The Times quoted the book as saying: "The 80 million pounds (122.4 million dollars) difference can be interpreted in two ways. Either it was the bribe ING had to pay the people it wanted to keep at Barings, or it was ... an unearned, undeserved ... bonanza acquired by one man's fraud, forgery and deception."

"Had there been any real gentlemen left at Barings? They would have donated their bonus to the bondholders. But there weren't."

In July, a Bank of England inquiry laid most of the blame for the Barings collapse on Leeson and criticized the bank for allowing him to make enormous unauthorized bets.

But in October, the Singapore government released a report that blamed Barings for institutional incompetence in the debacle.

ADB promises \$300m to Cambodia

PHNOM PENH, Feb 14. Representatives from the Asian Development Bank have promised to lend Cambodia 300 million dollars to help develop its struggling economy, a news report said Wednesday according to AP.

The money will pay for water treatment, infrastructure, environmental and other projects in remote areas in the next four years, the English-language Cambodia Daily reported.

The Manila-based bank lends to poor countries at subsidised interest rates. The newspaper did not give details about the interest rate or repayment terms agreed with the Cambodian government.

Bank officials announced the loans Tuesday, the report said.

Cambodia is desperate to modernise its poor and largely agricultural economy after decades of war and neglect.

In 1975, the Communist Khmer Rouge seized power and cut off Cambodia from the outside world. It pursued a harsh policy of radical collectivisation that stressed labour-intensive farming. Most of the country's modest industrial base was wrecked or abandoned.

The current government, installed after UN-supervised elections in 1993, is seeking to attract foreign loans and investment to help rebuild the economy.

Aussie govt to crack down on millionaire tax cheats

CANBERRA, Feb 14. The governing Labour Party said Sunday it will crack down on millionaire tax cheats as way of paying for campaign promises made ahead of a March 2-general election, reports AP.

Prime Minister Paul Keating said tax investigators have identified at least 100 wealthy individuals who have used elaborate tax minimization schemes to pay little or no tax for years.

"People of great wealth are abusing the tax system," Keating told a news conference. He said loopholes in tax laws will be closed so the government can net an extra \$800 million a year.

Keating's Labour Party, which is trailing in opinion polls, has announced a long list of expensive election promises in recent weeks in a bid to whip up voter support.

This led critics to ask how it would pay for the initiatives if re-elected.

Sunday's announcement follows claims by some economists that the government is heading for a big budget deficit this fiscal year rather than a predicted surplus.

The opposition Liberal-National party coalition, led by John Howard, has yet to reveal how it plans to fund its promises.

Labour has been in power for 13 years, four of them with Keating as prime minister.

During that time it has tightened tax laws and has claimed great success in stamping out tax avoidance.

Keating and Howard are scheduled to take part in a national television debate on Sunday night.

Fiber optic cable links China, ROK

BEIJING, Feb 14. China and South Korea have established telecommunications links through a fiber optic cable that runs under the Yellow Sea, an official report said Saturday, says AP.

The 450-kilometer (338-mile) submerged cable connecting the Chinese port of Qingdao with Tsean city in South Korea, has two systems that each can carry 7,560 lines of digital circuits, the official Xinhua News Agency reported.



DHL Bangladesh has been awarded "South East Asia Outstanding Performance Award, 1995" at Asia-Pacific Conference in Sydney, Australia, recently. Desmond Quiah, Country Manager, Bangladesh, seen receiving the award from Charles Longley, Chief Executive Officer, DHL Asia Pacific. Graham Davey, Regional Managing Director, Alec Ang, Area Manager, South East Asia and Showket Hossain, Country Sales and Marketing Manager, Bangladesh, are also in the picture.

China expects progress in copyright talks with US

BEIJING, Feb 14. China has made great strides in curbing counterfeiting and expects the current round of Sino-US intellectual property rights talks to make progress, a Foreign Ministry spokesman said yesterday, reports Reuters.

"China attaches great importance to cooperation with other countries in the protection of intellectual property rights," Foreign Ministry spokesman Shen Guofang told a news briefing.

Earlier Zhang Yeqiao, an official China's Ministry of Foreign Trade and Economic Cooperation and US trade official Lee Sands began talks to review a Sino-US anti-piracy accord signed a year ago, Shen said.

The US official has declined to comment on the talks. Zhang was quoted by the official China Daily on Tuesday as saying foreign criticism of China's intellectual property protection was groundless.

China's commitment to stamp out violations of copyrights and trademarks has been demonstrated by thorough legal and judicial reforms and a crackdown that include 4,200 anti-piracy raids, he said without elaborating.

"Intellectual property rights abuses and piracy in certain places which were quite rampant have been effectively brought under control," Shen said.

US officials have acknowledged that China has stepped up efforts to curb piracy since the February 1995 accord averted billions of dollars in tit-for-tat trade sanctions.

But they cite industry sources who say production and export of pirated goods, mostly music CDs and movie laser discs, have caused industry losses even higher than the US dollars 866 million estimated when the agreement was reached last year.

While retail sales of pirated goods have been curbed or driven underground, Chinese authorities have made little headway in stopping production, US industry officials said.

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The Japanese Foreign Ministry said it was prepared to defend its position that Tokyo's interpretation of the treaty on intellectual property protects the legality of such recordings.

A Foreign Ministry official, speaking on condition of anonymity, denied recent reports that Japan was preparing to change the laws to comply with US demands.

With titles like "Soul Dreaming" — featuring hits by Gladys Knight and Marvin Gaye — or "The Cult of the Beatles: Unsurpassed Masters Collection," the CDs were made by copying the original recordings from albums, by-passing payment to recording companies and artists.

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On Friday, the United States filed a complaint with the World Trade Organization, the Geneva-based world trade body, demanding Japan honour copyright laws.

The European Union on Friday gave Japan two weeks to change its copyright law or face an EU complaint to the WTO.

In the early 1970s, a legal dispute broke out over whether ENIAC was in fact the first electronic computer. A court decided that the Atanasoff-Berry Computer built at Iowa State University was first, nullifying the 100-plus patents filed by Mauchly and partner J. Presper Eckert.

However, Penn officials point out that the ABC computer was designed to do one thing — solve parts of linear equations — as opposed to the general design of ENIAC. Another electronic computer had been built in England, but it, too, was single-purpose: cracking Germany's Enigma military codes.

In any event, many scientists were rushing toward electronic computation, said Gwen Bell, founding president of the Computer Museum in Boston.

"It's one of those inventions that was going to happen and was happening around the world at the same time," she said.

Germany given one month to lift beef bans

BRUSSELS, Feb 14. Germany has been given a month to force three states which have banned British beef imports to revoke their decisions, the European Commission said yesterday, reports AP.

"The measures are in conflict with common market rules and it is the responsibility of the federal government to ensure that EU law is respected. They have one month to inform us of what they are going to do to ensure this happens," said commission spokesman Gerry Kieley.

If the German government fails to force the states to back down, the commission has threatened to drag it before the European court.

Bavaria, Rhineland — Palatinate and North Rhine — Westphalia announced bans on British beef imports because of fears that Bovine Spongiform Encephalopathy (BSE), or mad cow disease, could be transferred from infected beef to humans.

Regional economic summit in Pakistan next yr

ISLAMABAD, Feb 14. Pakistan is to host a regional economic summit next year to be attended by leaders of central and South Asian states, official sources here said today, reports AFP.

The summit, organised by Pakistan's Board of Investment (BOI), would also include about 500 business leaders, the official Associated Press of Pakistan (APP) said.

Quoting the board's Chairman Mohibullah Shah, it said Pakistan was selected as the venue for the regional economic summit at the World Economic Forum in Davos, Switzerland, earlier this month.

The exact date of the proposed summit has not been announced.

KSA resumes issuing work permit to Egyptians

CAIRO, Egypt, Feb 14. In a sign of reconciliation, Saudi Arabia has resumed issuing work permits to Egyptians following a visit by President Hosni Mubarak, a government newspaper said Tuesday, reports AP.

Relations were soured last year by criticism in the Egyptian media over the flogging last year of an Egyptian doctor, the doctor, who accused a Saudi principal of molesting his son, was later deported.

Egyptian newspapers took up the case as an example of mistreatment of Egyptians abroad. Hundreds of thousands work in the Gulf and Libya, sending home money that is crucial to the economy.

Angered by the attacks, the Saudi government stopped issuing work permits to Egyptian labourers. The number of Saudi tourists, who frequent Cairo's luxury hotels in the summer, also declined.

In its early Wednesday issue, the Al-Ahram daily reported that 51,614 contracts for Egyptians working in Saudi Arabia were reviewed by Egypt's labour ministry. The figure includes 12,000 new contracts.

Mubarak's visit to the kingdom Sunday was the first since the dispute. He met Crown Prince Abdullah and senior Saudi officials.

Al-Akhbar, a leading government newspaper, said Saudi Arabia also agreed to allow workers to bring their families and increase trade.

The newspaper said the sides agreed the media in both countries should play a role "in bringing the two brotherly peoples together and avoid being horns for the enemies."

Bank governor comments on Jan bomb blast

Lanka's tourism sector to bear scars

COLOMBO, Feb 14. Sri Lanka's tourism sector will bear the only long-term scars from last month's bomb blast, in which more than 30 people died in Colombo's financial hub, central bank Governor AS Jayawardena, said yesterday, reports Reuters.

"There will be an impact on tourism, which is only to be expected," he told a news conference. "But the overall impact on the economy has been minimal as we have got all public functions of the central bank back on track in less than two weeks."

The central bank, which was the main target of last month's bomb, had fully resumed cheque clearing, currency operations, forex and rupee-transactions from four alternate locations in the city, he said.

The January 31 suicide attack, which also wounded more than 1,200 people and caused millions of dollars of damage, has been blamed on

separatist Tamil rebels who have been fighting for a homeland in the north and east of Sri Lanka since 1983.

A Ceylon tourist board source said it had scaled down expectations for 1996 after the blast.

"Our new estimates for 1996 are 450,000 arrivals, down from the original arrivals figure of 512,000 and revenue of 248 million dollars, he said.

Private tour operators there was spate of cancellations after the blast. "We had 1,000 cancellations in the week that followed from the UK, Germany, France, Italy and Japan," said Jagath Fernando of John Keells Holdings, the largest in-bound tour operator to Sri Lanka.

Jayawardena said he did not see the bomb having any serious impact on foreign investor confidence, because "international investors are not children. They study country situations very carefully."

The fact that French bank Societe Generale still wanted to open a branch in Colombo was the best example of this, he said.

The Alpha Airport Group PLC, which signed a letter of intent in mid-January to buy a controlling stake in orient Lanka, said a day after the blast it would go through with the purchase.

Alpha is to buy 60 per cent of orient Lanka for one billion rupees (18.8 million dollars).

Trading on the Colombo Stock Exchange which was slightly shaken by the blast, barely blinked following the explosion.

"Our problem is a lack of sellers," said Rusdhi Ibrahim of Asia Securities.

"As long as farmers farm and hea pluckers pluck tea and our industries run, the economy will not be seriously affected by anything," Jayawardena said.

10 Japanese electronics cos form new one

TOKYO, Feb 14. Ten of Japan's leading electronics companies, including Sony Corp and NEC Corp., have formed a new company to conduct semiconductor research and development, reports AP.

The new company, Advanced Semiconductor Technologies Inc., will evaluate next-generation manufacturing equipment and materials, and conduct research on key semiconductor technologies with an eye on cutting costs, NEC spokesman Mark Pearce said Wednesday.

The company will be capitalized at five billion yen (46.7 million dollars) and expects to spend 35 billion yen (327 million dollars) on projects by the year 2000.

The new company is also backed by industry heavyweights Fujitsu Ltd., Mitsubishi Electric Corp., Hitachi Ltd., Matsushita Electric Industrial Co., Oki Electric Industry Co., Sanyo Electric Co., Sharp Corp., and Toshiba Corp., the officials said.

Hajime Sasaki, Executive Vice President of NEC, will be the new company's president.

"It's a natural result of the way the industry is flowing right now," Pearce said of the move toward more cooperation.

He also said the impetus for the new company didn't come specifically in response to cooperative moves in recent years by semiconductor makers in the United States.



Malaysian Prime Minister Mahathir Mohamad stands in front of a photograph of the tallest building in the world, 88-storey Petronas twin-towers during a topping-up ceremony in Kuala Lumpur on Tuesday. The framework for the 450-metre-height twin-towers was completed on the day. — AFP/UNB photo

ENIAC did twelve hours calculations in half a minute

PHILADELPHIA, Feb 14. It had no monitor, could remember only 20 numbers at a time, and filled a room with 50 tons of electricity-sucking gear.

But it could crunch numbers with what seemed like blinding speed.

Fifty years ago this week, the Electronic Numerical Integrator and Computer was demonstrated to the world for the first time at the University of Pennsylvania, according to AP.

ENIAC counted to 5,000 in one-fifth of a second, shocking the world out of the mechanical age and onto the first step of the world of lightning-quick digital processing.

ENIAC's collection of 8-foot-high (2.5-meter-high) gray cabinets made up the first general-purpose, large-scale, electronic computer. Until then, "computers" were people using mechanical calculators who needed 12 hours to do what ENIAC did in half a minute. Other electronic machines had been

narrower in purpose.

"Without it, we wouldn't have the space programme, we wouldn't have modern airplanes," said Michael Williams, editor in chief of the Annals of the History of Computing.

"Pilots would still be trying to fly by looking outside the window occasionally."

ENIAC, most of which is on display at the Smithsonian, long ago outgrew its usefulness as a number manipulator — a 40 dollars calculator has more computing power.

But it has not lost its relevance.

The university planned an entire year of events to honor ENIAC's birthday, including turning on part of the original machine. Vice President Gore will throw a switch Wednesday (Feb. 14), the day of the anniversary, and ENIAC will "count" from 46 to 96.

The Postal Service will unveil a stamp commemorating "The Birth of Computing." And Garry Kasparov, the

World Chess Federation champion, this week is playing against IBM's "Deep Blue" computer.

The original assemblage of wires, vacuum tubes, resistors and switches was constructed in about a year and a half at the university's Moore School of Electrical Engineering.

When it was fully operational, ENIAC filled up a 30-by-50-foot (9.5-by-16-meter) room. Every second it was on, it used enough electricity — 174 kilowatts — to power a typical Philadelphia home for a 1-1/2 weeks.

Costing more than 486,000 dollars, ENIAC might never be attempted were it not for World War II.

"A lot of people said we were dreaming," said Herman Goldstine, who served as liaison between the Army and ENIAC team. "The electronics people said there were too many vacuum tubes and it would never run. The mathematicians people said there were no problems complex enough that computers were

needed."

The army provided both the complex problems and the money.

John Mauchly, one of two masterminds behind ENIAC, knew the army was having a terrible time working out the complicated firing tables needed to help gun crews aim the new artillery being used against German forces.

Each firing table had to list numbers for hundreds of potential trajectories. Calculating a single trajectory could take 40 hours using a mechanical desktop calculator, and 30 minutes using a sophisticated machine called a differential analyzer.

Mauchly, then 32, bravely told army officials his machine could do the job in a matter of minutes.

ENIAC was completed just as the war was ending, too late for those artillery tables.

However, it fulfilled another military purpose. During test runs in 1945 it did millions of calculations on thermonuclear chain reactions, predicting the destruc-