

Russia, France sign five economic accords

MOSCOW, Feb 16: Russian Prime Minister Viktor Chernomyrdin and his French counterpart, Alain Juppé, signed five agreements yesterday aimed at boosting bilateral economic ties, reports AFP.

Three of the accords involve the environment, energy and communications sectors. The fourth deal calls for development of a 2.5 billion franc (500 million dollar) financing scheme in the oil sector, and the fifth calls for France to extend a 1.5 billion franc (300 million dollar) line of credit to Russia.

"Even if our economic ties are not at the level we wish them to be, we are headed in the right direction," Juppé said at a joint press conference with Chernomyrdin.

The accords were signed following the first official meeting of a joint Franco-Russian economic commission set up to increase cooperation between the two states.

Speaking about the conflict in the breakaway Russian republic of Chechnya, Juppé said that politics and dialogue remain the only way out of the crisis.

"Any recourse to violence on either side, whether it is taking hostages or using armed force, leads to a stalemate," he told reporters.

Only discussion, political dialogue, can allow a political solution to be found that will respect the territorial integrity of Russia and the necessary identity of Chechnya," he added.

Yeltsin had earlier Thursday said separatist leaders, including President Dzhokhar Dudayev, should be shot.

Speaking before announcing he would stand for a second term in presidential elections later this year, he said he wanted to end the war in Chechnya before the polling date of June 16.

Juppé said the organisation for security and cooperation in Europe had begun work toward dialogue and he expected Russia to abide by its requirements.

Algeria's biggest union challenges government

ALGIERS, Algeria, Feb 16: Emboldened by a widening strike over a pay freeze plan, Algeria's largest labour union challenged the government Thursday to "negotiate or leave," reports AP.

Abdelhak Benhamouda, secretary general of the General Union of Algerian Workers, said the general strike was being "massively followed" and it was time for the government to talk.

Major unions that represent hundreds of thousands of government and public sector employees are angry at the government's plans to withhold one to seven days pay from most workers over an 11-month period.

Prime Minister Ahmed Ouahya defends the one time move as a way to conserve cash to pay about 200,000 public sector workers who are owed back wages, some haven't been paid for more than two years.

Led by the major union, others followed suit and their strike has paralysed public transit and closed schools, post offices, banks and other sectors since Tuesday.

By Thursday, an estimated 96 per cent of all workers had joined the strike, though hospitals have promised to maintain emergency services.

Benhamouda said the government must "negotiate all aspects of the current situation — political, economic and social or leave."

The strike has heaped new problems on the government of the North African nation, which already has its hands full fighting a 4-year Islamic insurgency.

Muslim radicals are trying to topple the government and replace it with strict Islamic rule. Their insurgency began in January 1992, when the government canceled legislative elections the Islamic Salvation Front was poised to win. More than 40,000 people have been killed.

Pakistan is moving slowly and cautiously towards liberalising trade with arch-enemy India.

It finds that under international trading rules, it has no option but to give Most Favoured Nation (MFN) status to the neighbour with which it has fought three wars. The status will remove many restrictions to Indian imports.

But Islamabad has to tread carefully because even talking about improving relations with India, in any field, is politically risky for any Pakistani government.

Pakistan and India have been enemies since their births in 1947 when the sub-continent was partitioned. The main bone of contention is the disputed territory of Kashmir, which blocks the way to a normalisation of relations.

Clinton calls for national debate on economic growth

NEW YORK, Feb 16: President Clinton called Thursday night for a national debate on whether the American economy could grow faster, suggesting for the first time publicly that the Federal Reserve has been too stringent, reports AP.

Clinton said he had hoped that New York financier Felix Rohatyn would lead that debate. He said that was the reason he wanted to nominate Rohatyn, the architect of New York City's financial rescue in the mid-1970s, as the Fed's vice chairman.

Addressing a 1,000-dollar-a-plate political fund-raising dinner as Republicans dined hundreds of miles (kilometers) away in New Hampshire, Clinton denounced the "outrageous political treatment" of Rohatyn, who withdrew his name from consideration Tuesday in the face of Republican opposition.

"One clear area where we ought to debate is whether the conventional wisdom of about how fast this economy can grow is right," Clinton said. "That ought to be debated."

Clinton said the economic debate should be conducted within a commitment to deficit reduction, balancing the budget and avoiding a re-triggering of upward-spiraling inflation rates.

"Nobody but nobody knows for sure that this economy can't grow any faster in the information age than it did between 1970 and 1995," Clinton said. "It ought to be debated within a commitment not to let inflation get out of hand," Clinton made the remarks after a lengthy private discussion with Rohatyn, said White House spokesman Mike McCurry. And at the dinner, Rohatyn stood to a round of applause when Clinton called out his name.

The president offered no specific criticism of Fed policy or Chairman Alan Greenspan, a Republican who Clinton is expected to nominate to a third four-year term in the near future.

But his remarks were the first since assuming office three years ago that Clinton has even raised the question whether Greenspan and other Fed governors were too focused on keeping inflation to a minimum in juggling interest rates.

Economic growth figures for 1995 have been delayed because of the government shutdown in the fight between Clinton and a Republican Congress over balancing the federal budget. But most experts estimate

that it slowed to an annual rate of 1.5 per cent to 1.6 per cent last year, compared with 3.5 per cent in 1994. Meanwhile, the inflation rate the past two years has hovered in the 2 1/2 per cent range while unemployment has remained at between 5 per cent and 6 per cent.

Clinton said Americans "should be pleased with where this country is and where we're going" and said he hoped the political debate this election year will focus on the economy and national security, not on "the cheap, silly, divisive, distracting issues that will undermine" the nation.

Clinton spoke at a downtown hotel while Republicans were battling each other — and criticising his administration — at a campaign debate hundreds of miles (kilometers) away in Manchester, New Hampshire, five days before his state's presidential primary. "You tell me why the American people should be cynical when we have the lowest unemployment rate, the highest growth rate, the lowest deficit and the brightest prospects of any advanced country in the world," Clinton challenged his audience.

"On balance you should be pleased with where this country is and where we're going. The economic direction is right. The social direction is right. The national security direction is right. We are opening the America dream to more people."

"We are coming together around our basic values," he said. "We are still the world's leading force for peace and freedom."

It was a makeup date for Clinton; the dinner had been canceled twice before, once because of the assassination of Israeli Prime Minister Yitzhak Rabin and again because of the Blizzard of '96.

The dinner has already put one million dollars in his campaign war chest. The 1,000-dollar-a-plate charge was collected in advance — part of the 26 million dollars raised by the Clinton-Gore campaign by the close of 1995.

Clinton addressed Democrats after visiting a school in Union City, New Jersey, where he fleshed out the education theme of his State of the Union address and proposed a 2 billion dollar challenge-grant programme to encourage states to put computers in every classroom and link America's schools through the Internet.

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China facing problem to keep jobless rate to 3 pc

BELJING, Feb 16: China is facing difficulties in its bid to keep the unemployment rate to three per cent by 2000, says AFP.

With huge increases in demand for jobs likely to create severe pressures in coming years, a report said yesterday.

Ministry of Labour official Zhang Xiaojun said "it is not easy to reach the target" as growth in labour supply would far outstrip the number of jobs available between now and the end of the century, the China Daily reports.

Urban unemployment now stands at 2.9 per cent of the workforce, or about five million people.

Zhang said an estimated 40 million workers, including surplus labourers in state enterprises, would need help in finding employment in the coming five years, while efforts must also be made to ensure the "orderly" transfer of 82.5 million surplus rural labourers expected to seek jobs in cities.

Labour officials have in recent months warned of a potential urban labour crisis, caused by the steady increase in the work force coupled with the influx of rural labourers into cities.

China has more than 10 million additional people entering the job market every year.

In one bleak assessment in January, the ministry of labour acknowledged that only 38 million of the 54 million people entering the market over the next five years were likely to be able to find jobs.

Zhang called on labour departments nationwide to encourage urban citizens to use their own initiative to find new work and to urge enterprises of all kinds to take on redundant individuals.

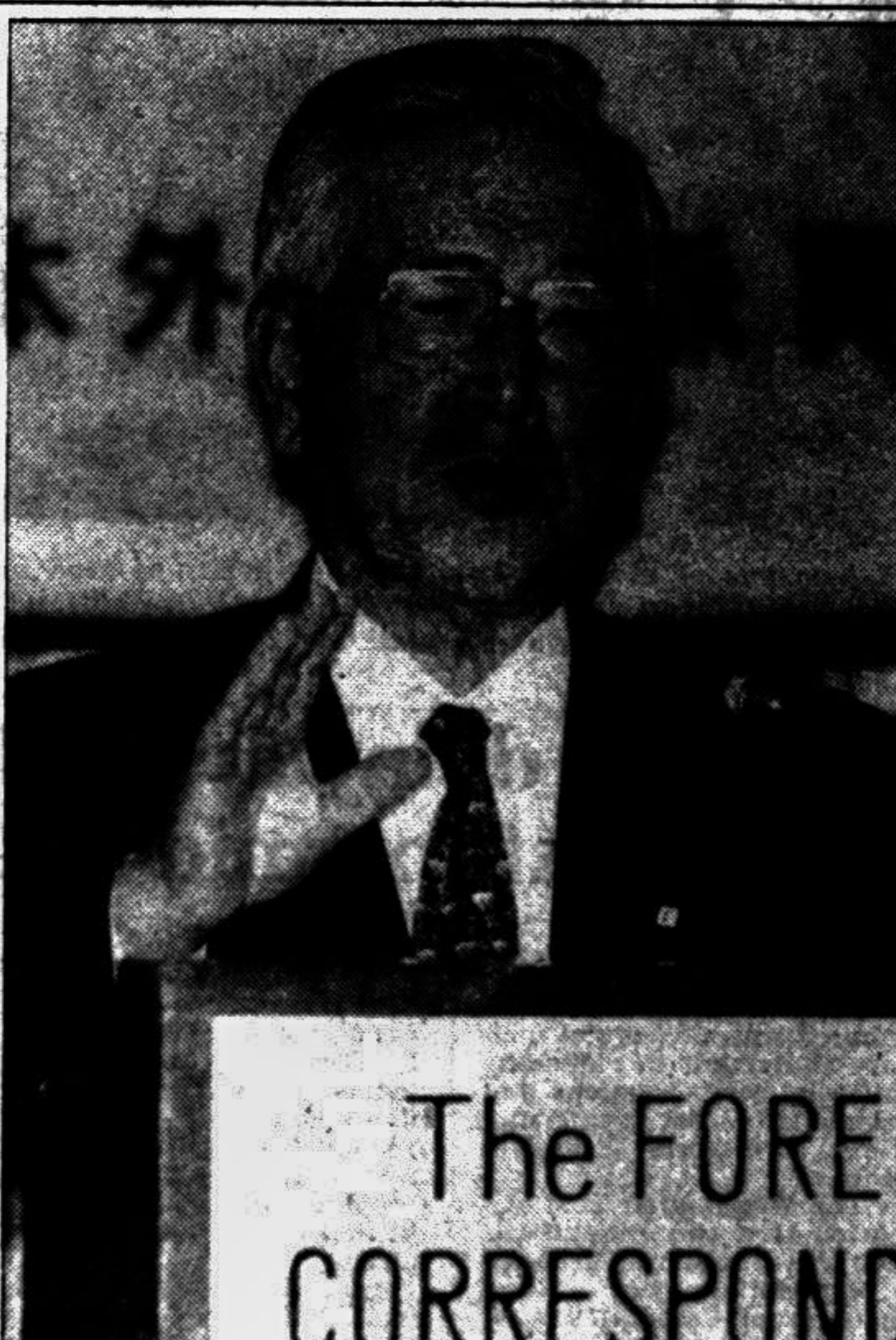
The state will meanwhile help workers laid off by loss-making state enterprises by providing financial relief and offering training to improve their skills.

New off-shore oil well found in Brazil

RIO DE JANEIRO, Feb 16: A new off-shore oil field, with estimated reserves of up to 11.3 billion barrels, has been discovered in northwestern Brazil, reports AP.

Petrobras, the government-run oil company, said Thursday the field was discovered off the coast of the state of Ceara, about 682 miles (1,100 kilometres) northeast of Rio de Janeiro.

Reserves were estimated at between 6.4 billion and 11.3 billion barrels of oil in an area of approximately 1.2 square miles (3 square kilometres). A test well between 2,002 to 2,007 metres deep produced 580 barrels a day of high quality oil. The well is expected to have an output of 3,800 barrels a day when it comes on stream.



Shochiro Toyoda, Chairman of Japan Federation of Economic Organisations (Keidanren) and Chairman of Toyota Motor Corp., gestures while delivering a speech during his press conference on Thursday at the Foreign Correspondents' Club of Japan. Toyoda said the nation's economy had an annual growth potential of three per cent a year. — AFP/UNB photo

Pharaonic artifacts being smuggled into Rome

CAIRO, Egypt, Feb 16: Airport authorities seized three ancient Pharaonic artifacts Sunday, saying they were being shipped to Rome illegally by an Italian petroleum engineer who works in Egypt, reports AP.

Experts confirmed the authenticity of the two large clay urns and the neck of another with a relief etched on it. Police sources said the artifacts, whose identity, value and exact age were not given, were among the personal belongings of the engineer.

It is illegal to remove artifacts from Egypt without a special permit, but a lively trade in Pharaonic treasure sales persists despite efforts by police and antiquities officials to stop it.

Police were questioning two shipping company employees in the case of the goods seized Sunday.

Legal immigrants, refugees account for 25 pc of growth in US

WASHINGTON, Feb 16: Legal immigrants and refugees account for nearly 25 per cent of the recent growth in one of the nation's fastest growing welfare programmes, according to a congressional report, reports AP.

In December, 785,000 elderly, blind and disabled non-citizens were receiving cash payments from the Supplemental Security Income programme, about 12 per cent of all SSI recipients, said the General Accounting Office report.

The number of non-citizens on SSI rolls has risen more than 14 per cent each year since 1985, mirroring recent increases in immigration to the United States, said Carolyn Colvin, a Social Security Administration deputy commissioner, told the Senate Judiciary's immigration subcommittee Tuesday.

The House and Senate are preparing to vote on two Republican plans that would reduce the number of foreigners allowed to come to the States to live. President Clinton has also said he'd like to see legal immigration reduced.

The authors of the bills — Sen. Alan Simpson, Republican of Wyoming, and Rep. Lamar Smith, Republican of Texas — say one of their goals is to cut abuse by immigrants who are drawn to this country because of its welfare programmes.

Democrats concede something must be done to curb abuse in SSI but say there's no need to cut legal immigration. Some have suggested Republicans are whipping up anti-immigrant sentiment.

"There's nothing ugly or evil about what we're up to,"

Malaysian move for better forest conservation

KUALA LUMPUR, Feb 16: Malaysia is to raise royalty payments for logging as well as reduce the rate of logging in peninsular Malaysia for better forest conservation, Deputy Prime Minister Anwar Ibrahim said, reports AFP.

Royalty payments will be raised to between 11 ringgit (4.4 dollars) and 147 ringgit (58.8 dollars) a cubic meter from the present range of 5.32 ringgit to 33 ringgit per cubic meter, depending on the various timber species, he said.

The higher revenue was necessary to help the government plough back more funds into ensuring a more sustainable forest development in the peninsula, he said.

The higher rates apply immediately to new timber concession areas and become effective for existing areas on renewal of the concessions, timber officials said.

The increase, the first in more than a decade, will substantially boost the government's coffers, now reaping an average of 100 million ringgit (40 million dollars) a year from logging royalty payments.

Meanwhile, Anwar also announced a plan to reduce the annual logging rate by 12 per cent to 46,040 hectares (115,100 acres), equivalent to 3.07 million cubic metres of logs a year, under a five-year development plan from 1996 to 2000.

"While timber and logs generate export revenue for the country, emphasis should be given to forest management for sustainable development, Anwar was quoted as saying by Bernam news agency after chairing a forestry council meeting.

Bankers Trust credit rating lowered

NEW YORK, Feb 16: Standard and Poor's lowered the credit rating of Bankers Trust New York Corp and several of its affiliates, the financial rating agency announced yesterday, reports AFP.

The rating of Bankers Trust senior debt dropped from A-plus to a while subordinated debt went from a to A-minus and preferential shares fell from A minus to triple B plus.

Some 9.3 billion dollars in debt are affected by the rating change.

Standard and Poor's confirmed the A rating for affiliate BT Securities and the parent company's Commercial Paper.

All the bank's debt except the Commercial Paper was being monitored by the agency since January 18 when the company posted a 65 per cent drop in earnings for 1995.

S'pore bans 5 foreign cos for five years

SINGAPORE, Feb 16: An order barring five foreign companies from government contracts for five years after they were named in a bribery case is final, the Finance Ministry says, reports AP.

The companies, which weren't convicted of wrongdoing, are BICC Cables Plc of Britain, Siemens AG of Germany, Pirelli Cables of Italy and Japan's Tomen Corp. and Marubeni Corp.

Choy Hon Tim, former deputy chief executive of Singapore's Public Utilities Board, was convicted last year of taking 14 million Singapore dollars (10 million dollars) from a consultant for the companies.

He gave the consultant, Lee Peng Siong, secret information on bidding for power plant construction contracts, according to prosecutors.

They said Lee, who lives in Australia, received 63 million Singapore dollars (45 million dollars) from the five foreign companies between 1983 and 1995.

Tomen and Marubeni confirm they paid the consultant. Siemens denied paying Choy or any other public officials, and said it didn't know the reason for the ban. Pirelli said the ban was groundless.

Siemens and BICC have said they are appealing the ban, which took effect January 27.

Poor states slate 'social clauses'

BRUSSELS, Feb 16: Developing countries said they were concerned that moves by some industrialised countries and groups to include minimum labour standards in international trade pacts.

Trade unions, the European Parliament and some EU governments, including France, argue that multilateral trade agreements should include a set of core standards — such as no forced labour or child labour and the right to organise unions.

"There is some concern about this trend," Carl Greenidge, acting Secretary General of the 70-nation African, Caribbean and Pacific (ACP) group told Reuters.

The ACP group is linked to the EU through the aid and trade convention.

Greenidge noted that EU countries had developed industrial economies by being cost competitive, including the use of cheaper labour.

Developing countries are worried that richer countries might use "social clauses" to protect themselves against competition from countries with lower labour costs.

"One doesn't want to get locked in an argument in these initiatives which appear to be very principled turn out to be thinly veiled forms of protectionism," he said.

But he added that there was no significant problem between the ACP group and the EU on this issue and that

Bankruptcies in Japan rise

TOKYO, Feb 16: Despite recent signs of an economic recovery, corporate bankruptcies in January rose 7.5 per cent from a year ago to 1,120 cases, the highest level for the month in nine years, reports AP.

Among the reasons for the failures were pressures from a stronger yen, which hurts exporters, as well as mounting price-cutting competition, Teikoku Databank, a private credit research agency, said Thursday.

Bankruptcies linked to the sluggish economy numbered 704 or 62.9 per cent of the total, Teikoku Databank said, reflecting how the recovery was too slow to help some smaller businesses.

Such failures include businesses hit by decreasing sales as well as bad loans, the agency said.

Bankruptcies in January 1995 totaled 1,042. Last December, they totaled 1,312.

Debts left by the companies going bankrupt in January fell 1.3 per cent to 323.77 billion yen (3.06 billion dollars) from 328.06 billion yen (3.1 billion dollars) a year earlier.

Last week, the Japanese government said the nation was slowly pulling out of a recession that has lasted more than four years.

The yen, which rose to less than 80 yen to the dollar last year, has dropped to about 106. That means Japanese exporters receive about 33 per cent more yen for each dollar earned abroad.

2nd big payout to Malaysia for oil spill

KUALA LUMPUR, Feb 16: An insurance fund has awarded Malaysia 1.9 million ringgit (745,000 US dollars) in compensation for the expense of cleaning up an oil spill from a Japanese tanker in 1992, local newspaper reported, says Reuter.

Malaysia had been negotiating the award with London-based insurance fund Protection and Indemnity Club for three years, the New Straits Times quoted Science, Technology and Environment Minister Law Heng Ding as saying.

Law presented compensation claims to representatives of government agencies, private companies and fishermen yesterday, the newspaper said.

Japanese tanker the Nagasaki Spirit spilled 13,000 tonnes of crude oil into the straits of Malacca when it collided with a container vessel near Belawan, Indonesia in September 1992. Forty four people were reported killed in the collision.

The busy straits of Malacca is the primary shipping route for Japanese tankers carrying crude from the Middle East.

The awards is the second big payout to Malaysia for an oil spill. In 1975, the country was awarded one million ringgit (392,000 US dollars) in compensation for cleaning up 7,000 tonnes of oil spilled from the tanker Showa Maru.

People of 132 nationalities work in Kuwait

KUWAIT CITY, Feb 16: Employees and workers engaged in Kuwait at present belong to 132 nationalities, the biggest community of whom are the Egyptians whose numbers stand at 220,000 it was revealed by the Kuwaiti Minister of Social Affairs and Labour Ahmed Al-Klaib, reports Xinhua.

In an interview with the Kuwaiti minister, the London-based Arabic language weekly al-Hawadeth said in its Friday issue that there remain in Kuwait some 80,000 Palestinians.

Klaib said that it was difficult for the Kuwait citizens to accept the return of the Palestinians who had left Kuwait after the stab directed against us by those brothers. (Palestinians) who had been sharing food with us."

There used to be about 400,000 Palestinians working in Kuwait before the Iraqi aggression against Kuwait in 1990.

Pakistan moving slowly towards liberalising trade with India

announcement that Pakistan is obliged to accord India MFN status as a result of its commitments under the World Trade Organisation (WTO), the successor to GATT, the General Agreement on Tariffs and Trade).

"Because of treaties with various world bodies, Pakistan is bound to open the trade borders with India," he said.

"If GATT had not signed the GATT treaty, no country of the world would have had trade relations with us."

But Mukhtar stressed: "We will allow only those imports from India where we will also benefit. We will protect our industry by enforcing anti-dumping duties."

dollars a year through third countries, but confirms that another one billion dollars worth of consumer goods are smuggled in from India via Dubai and other routes.

Foreign Minister Sardar Aseef Ahmad Ali said: "Pakistan is not opposed to trade in general, but we cannot allow our economy to be destroyed in the name of free trade."

He said the government would make a final decision on MFN status for India on the basis of a Commerce Ministry study being carried out by Muhammad Salim, a Pakistani trade expert. The Foreign Minister added: "We want complementarity and not competition in our trade with India."

Islamabad's announcement followed a warning from India that it had decided to take its claims about Pakistan's discriminatory trade practices to a WTO tribunal. Since Pakistan let it be known that it was consider-

Tariq Butt writes from Islamabad

ing MFN status for India, New Delhi has indicated that it is delaying its decision to seek arbitration.

A senior Pakistan Commerce Ministry official, Salman Farooqi, says: "We have sought expert advice from our missions in the US, Mexico and Canada, asking them for maximum information on how these nations have worked out their problems. We are trying to learn from their experience."

S M Munir, president of the Federation of Pakistan Chambers of Commerce and Industry, the country's premier business body, says his organisation "has no objection to starting trade with India," provided the government guards against a flood of Indian imports and a deterioration of Pakistan's balance of trade with India.

He suggests that bilateral trade liberalisation should be linked to a mutual reduction

of import tariffs, in accordance with international trade agreements: "Trade liberalisation should be phased, so that while India withdraws subsidies and hidden incentives to its exporters, Pakistan reviews its various policies to make our industrial sector competitive."

Dr Mahbulul Haq, a former finance minister and senior United Nations official, is even more bullish. He argues that opening up trade will benefit Pakistan in the long run: "Pakistan will gain free access to a market of about 900 million people with a middle-class of 300 million who are eager to buy new and high-quality consumer goods. Pakistan always has had a comparative advantage in consumer goods while India has specialised more in capital goods and machinery."

He describes the idea that Indian goods will over-run Pakistani markets as "a pho-

bia," and MFN as "an unfortunate term — it does not mean that Pakistan is obliged to do any favour to India, but only means non-discrimination and a similar policy with India as with any other country of the world."

But the words of prominent businessman Ghulam Qadir indicate the possible dangers ahead. He gives warning of "devastating repercussions on the future of the industrial sector in Pakistan, especially the engineering industry," and says the government should not think of expanding trade with India without solving the Kashmir dispute.

An editorial comment in the leading English-language newspaper, The Nation, said: "No matter how hard-pressed is Pakistan to honour its international obligations and open trade borders with India, Islamabad cannot afford to make a slip in sensitive areas of national security like

relations with India. It would indeed be a major diplomatic triumph for India if we were to buy the prescription that a piecemeal approach could lead to normalisation of Pakistan-India relations."

"If we were to lift the barrier on cooperation with India without insisting on a meaningful dialogue or the solution of the Kashmir dispute, we would be undermining our principled stance on Kashmir, and undoing whatever we have done so far to project the Kashmir dispute as the key to peace and stability in the region."

Former finance minister Sartaj Aziz, now an opposition leader, says: "Trade relations cannot be reviewed in isolation. These relations cannot become normal unless and until the Kashmir issue is resolved in accordance with the aspirations of the people of Kashmir."

"Just when Pakistan indi-

cated its intention to open trade with India, New Delhi has responded by preparing to go for another nuclear test and to acquire inter-continental missiles from Russia that can further increase the tension."

Mindful of the potential backlash, the Commerce Ministry is holding meetings with business people and leaders of public opinion to discover their views on the Indian trade issue.

At one meeting in Islamabad in late December, businessman Tariq Sayeed Saigol urged against "emotional attitudes". He said a decision "should be taken after a great deal of discussion and considering all the aspects related to this issue. Major conflicts in the world are being resolved through dialogue, and the opening of trade with India may also work in the liberation of Kashmir."

Tariq Butt is chief reporter of The News, Islamabad.