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UN-Iraq oil talks resume as OPEC faces overproduction problem

UNITED NATIONS, April 9: With Iraq's chief negotiator promising to prove the "doomsayers" wrong, UN and Iraqi officials resume talks Monday on allowing Iraq to resume selling oil to buy food and medicine for its suffering people, reports AP.

"There are a lot of people who say these talks will fail," Iraqi negotiator Abdul Amir al-Anbar said. "The doomsayers, I think they will be surprised when they see the two sides work out this plan."

But a major condition, laid down by UN negotiators and supported by the Clinton Administration, stands in the way of a final agreement: how to distribute humanitarian supplies to Iraq's minority Kurds in the north.

It appeared the Iraqis were banking on UN Secretary-General Boutros Ghali to convince the United States and other Security Council members to accept Iraq's demand to distribute supplies to the Kurds through Baghdad's government rationing system.

Iraq has been banned from exporting oil under UN sanctions imposed after Baghdad

invaded Kuwait in 1990, touching off the Gulf War. The UN Security Council says sanctions will remain in place until Iraq complies with its demands, including dismantling its weapons of mass destruction programmes.

But faced with reports of widespread suffering because of the embargo, the council last year offered to let Iraq sell one billion dollars worth of oil every 90 days to soften the impact of sanctions on its population.

President Saddam Hussein rejected the offer until last February, when he agreed to negotiations. Two rounds of talks failed to produce an agreement.

The disagreement between the two sides centres around differing interpretations of terms of the UN offer, which requires that 130 million dollars to 150 million dollars worth of humanitarian supplies be funnelled to the Iraqi Kurds.

Council members say the offer is non-negotiable. Baghdad insists that food and medicine be distributed to the Kurds, who have been

fighting the government for decades, through the government's ration system.

The United Nations wants the supplies to be distributed to the Kurds directly free of charge. Iraq says that would violate the United Nations' own demands for equitable distribution nationwide since other Iraqis pay a nominal fee for rationed goods.

On Monday, al-Anbar said that Boutros-Ghali's presence could advance the talks, but he warned again that some Security Council members could hinder a settlement. Boutros-Ghali was abroad during the last round in March.

Also Monday, OPEC Secretary General Rilwan Lukman and its current president, Algerian Oil Minister Ammar Makhlouf, began a tour of Gulf producers to discuss the impact of resumed Iraq sales and to urge members to comply with production ceilings.

OPEC is trying to crack down on overproduction, mainly by Venezuela. The International Energy Agency on Friday estimated Venezuela's output climbed to 2.93 million barrels a day in March, compared with its quota of 2.35 million barrels a day.

Last week, Aziz told the French newspaper Le Monde that the remaining differences were "very important" and "touch on the very integrity

and sovereignty of our country."

But Western diplomats said the Iraqis would like to reach an agreement before Saddam's birthday on April 28.

Market analysts predict world oil prices could fall by three to four dollars a barrel if the United Nations allows Iraq to resume sales. Gasoline prices have risen an average of 10 cents a gallon in the United States over the past six months because of strong demand for heating fuel during an unusually cold winter.

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The EEOC planned to detail its lawsuit at a news conference Tuesday. Officials could not be reached by telephone Monday evening to discuss the accusations.

Mitsubishi faces lawsuit for sex discrimination

PEORIA, Illinois, April 9: Mitsubishi Motor Manufacturing of America Inc. allowed discrimination against hundreds of female employees to reach all new levels and now faces a federal lawsuit, officials said, reports AP.

The Equal Employment Opportunity Commission said Monday this could become the largest sexual harassment case ever pursued under the 1964 federal law barring sexual discrimination.

The scope and nature of this particular sexual harassment case is of a new and more disturbing order of magnitude," EEOC regional attorney John C. Hendrickson said in a statement.

The Mitsubishi subsidiary — formerly known as Diamond-Star Motors — said it had not seen the lawsuit but assumes it is based on 1994 harassment claims that the company has denied consistently.

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Japan and the US have clashed over trade issues in the past decade, but Japan still looks to US leaders for strategic support in defense and trade relationships.

Japan is looking for signals from Washington and when signals from Washington are confused so are the Japanese," said Akaha, who is currently visiting research scholar at the

Japan, China lack long-term economic vision: experts

University of Tokyo's Faculty of Law

Monterey, California, April 9: Japan and China, the world's leading trader and fastest-growing economy, respectively, lack long-term vision for growth into the next century, described by scholars as the "Pacific Century," reports AP.

Those were the observations of Tsuneo Akaha, professor of international policy studies at the Monterey Institute of International Studies, and Dwight Perkins, professor of economics at Harvard University.

The pair were part of open-

ing-day discussions on National

Strategies in the Asia-Pacific

conducted by the National Bu-

reau of Asian Research of Seat-

tle and MIIS.

The two-day conference drew about 50 scholars and business leaders from throughout the world.

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the past decade, but Japan still

looks to US leaders for strate-

tic support in defense and

trade relationships.

Japan needs a leader who

will take the risk to become an

international leader," Akaha

said, but with no long-term

perspective, "more of the same

is expected from Tokyo, unfor-

tunately."

China's struggle to become

a full member of the interna-

tional economic system has

three obstacles, Perkins said.

They are:

— China has operated under

the Confucian "rule by good

men not by good laws" for cen-

turies, totally the opposite of

the international system. Chi-

nese leaders have been writing a series of laws overnight but the Chinese do not have the system to enforce them."

— China's business enter-

prises are intertwined with

sanctioning government lead-

ers, again in opposition to the

international system of auto-

nomic enterprises operating in response to market forces.

— China has been slow to

respond to external pressures.

Historically, China has seen that external policies in the past 150 years have not been for its benefit.

Yet, Perkins said, the re-

wards of an open-market

economy are too great for

China to pass up. In 1978,

Perkins said, China had 10 bil-

lion dollars in exports and by

1995, exports were between 140

billion dollars and 150 bil-

lion dollars. In 20 years, that

export level could reach 300

billion dollars, he said.

If it (China) expects to do

that, it has, to some degree, to

play by the rules," Perkins said.

Considering that China has

more than 1.2 billion people,

there are a lot of consumers

who can contribute to that

growth.



\$ 250 m WB loan for Philippines

MANILA, April 9: The World Bank announced Monday that it has approved a 250 million dollar loan to help finance a 750 million dollar electric power transmission project in the Philippines, says AP.

The government's National Power Corp. plans to improve the Philippines' electricity

service by connecting the nationwide high-voltage power grid to the country's major independent power producers.

Napocor's power project is expected to encourage continued private involvement in the Philippine energy sector by improving the environment for private participation and enhancing competition.

Following a 1989 government order ending Napocor's monopoly on power generation, the private sector slowly began to respond to government calls for help in improving power service in the Philippines.

The country had suffered from economically devastating regular power outages, in part the result of the cancellation of a nuclear power plant project from the administration of ousted President Ferdinand Marcos.

Aside from the World Bank, the Napocor project's other fund sources are the Asian Development Bank and Japan's Export Import Bank, which will jointly provide 246 million dollars, and Germany's Kredit-

anstalt fur Wiederaufbau, which will provide 29 million dollar.

Napocor will provide 225 million dollar.

DHL to expand service in Latin America

DHL Worldwide Express will launch its own airline operations in the South America-Caribbean region and expand its current hub in Panama to meet increasing demand for air freight in Latin America, says a press release.

The new carrier, DHL Aero Express, will operate B-727-200 freighters between Panama and Miami and replace previously used commercial uplift between the two points.

DHL's current fleet of Falcons will be replaced by 737-200 freighters.

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