

# US House okays bill to boost farm subsidy by 62pc

REUTERS, Washington

The US House passed a \$45.1 billion farm bill Thursday that boosts crop and dairy subsidies by 62 per cent despite protests that it allowed unlimited payments to big operators and may violate world trade rules.

The six-year farm legislation sets US policy for a broad range of issues from soybean loan rates to food stamps for immigrants to farmland conservation.

Approved on a 280-141 vote in the House of Representatives, the election year bill went to the Senate where leaders have forecast an easy passage. A vote was set for next week as Republicans and Democrats tried to extract maximum political advantage from the much-delayed bill.

President George W. Bush urged Congress to pass the bill promptly so that subsidies would be available for growers at harvest-time. Bush said the bill meant "a generous and reliable safety net" while heading global limits on domestic subsidies.

The bill would boost spending on crop and dairy subsidies by \$31.2 billion through 2007. Critics said

that would encourage overproduction at a time when stockpiles of wheat, soybeans, corn, cotton and other crops are already huge.

Salient features included higher price supports for most row crops, revival of "target" prices to give more money to growers in hard times and an 80 per cent jump in farmland conservation funds. All were important in farm states, where this fall's elections could determine control of the Senate.

Also, legal immigrants who have been in the United States for five years would regain eligibility for food stamps, a widely supported step affecting 360,000 people.

A lengthy debate seemed likely in the Senate, where Democrats hold a one-seat advantage. By some counts, all of the vulnerable Democratic incumbents were from farm states.

A Republican aide said his party would argue the bill gave short shrift to the upper Midwest, where Republicans hope to pick up seats in Iowa, South Dakota and Minnesota. A Democratic spokeswoman said republicans were stalling a much-needed bill.

Iowa Sen. Charles Grassley,

said he adamantly opposed the bill because it did not rein in subsidy payments or prevent meatpackers from competing with farmers in raising livestock.

In the House, Rep. Greg Ganske, the Republican challenger to Senate Agriculture Committee chairman Tom Harkin, Iowa Democrat, cited similar reasons in voting against the bill. Harkin had a leading role in writing the bill.

Ohio Republican John Boehner said the approaching election season for a narrowly divided Congress made "doing good, sound farm policy ... impossible." There was too much temptation, he said, to build up subsidies to woo a vital voting bloc.

## Aussie farmers protest

An AFP report from Sydney says: Australian farmers lashed out Friday at a decision by the US House of Representatives to approve huge new subsidies for US farmers, branding them a "blight on world agricultural trade."

Australia has joined the European Community in warning they will take the United States to the World Trade Organisation

(WTO) over the farm bill, which was passed by 280 votes to 141 although it is seen as a breach of world trade rules.

The bill extends, until 2007, major farm income support, with a 70-per cent increase over six years in US agricultural spending. Under the six-year plan proposed in the bill, subsidies to US farmers would be increased by 4.8 billion dollars a year.

It generously increases payments to grain and cotton growers and would grant subsidies for wool, mohair, dry pea, lentil and chickpea producers. Each eligible farmer could get an annual subsidy of up to 360,000 dollars.

The US Senate is expected to pass the measure next week and send it to President George W. Bush for his signature.

Australian National Farmers' Federation president Ian Donges described the decision as the worst possible for international trade.

He warned it would undermine the newly started round of world trade talks, depress world agricultural prices and hurt Australian farmers.

## IDCOL signs deal to promote use of solar energy

Infrastructure Development Company Limited (IDCOL), a fully government-owned company, has signed a participation agreement (PA) with Srizony Bangladesh on implementation of the first phase of "Solar Energy Expansion Programme" under the Global Environment Facility (GEF) PDF B Grant.

Masudur Rahman Laskar, Company Secretary of IDCOL and Harun or Rashid, Executive Director of Srizony signed the PA on behalf of their respective organisations on Tuesday.

On April 24, 2002 and April 27, 2002, similar agreements were signed with Grameen Shakti, COAST Trust and TMSS.

## Oil prices up by 1 pc

REUTERS, Singapore

Oil prices climbed about one per cent Friday, breaking a three-day slide with the market still jittery over the volatile Middle East despite Israel's withdrawal from some Palestinian areas.

US light crude rose 25 cents in Asia to \$26.49 a barrel following losses of more than \$1 since Tuesday.

"I think we're going to see a rally today. People are hesitant to go short heading into the weekend ... The Middle East is too unpredictable at the moment," said a broker in New York.

The Israeli-Palestinian conflict has kept oil prices bubbling in the last few months due to fears of unrest spreading in the Middle East, which supplies one-third of the world's daily oil demand of 76 million barrels.

US crude charged up to a six-month high at \$28.35 at the beginning of April due to fears of disruptions to oil flows, marking a 30 per cent increase from January levels.

Despite the pre-weekend gains, dealers said oil was likely to come under selling pressure next week especially if Israel-Palestinian tensions continued to ease.

"Fundamentals will have to come into the market at some point, we cannot price in a war premium forever," one broker said.



PHOTO: IDCOL

Masudur Rahman Laskar, Company Secretary of IDCOL, and Harun or Rashid, Executive Director of Srizony Bangladesh, sign a participation agreements on behalf of their respective organisations on Tuesday to implement the first phase of "Solar Energy Expansion Programme."

## Indian industry body sees riot hitting demand

REUTERS, Bangalore

The president of India's leading business association said Thursday that industry would be hit if peace is not restored fast in the western Gujarat province hit by religious violence.

"Demand will certainly be affected," Ashok Soota, elected as president of the Confederation of Indian Industry (CII) last week, told a news conference in Bangalore.

He added that in the short run, this would only be a holding back of demand in the state.

"However, if it (peace) is not restored in a rapid pace, it would have an impact on industry," he added.

But, given India's huge size and diversity, foreign direct investment into the nation -- an estimated \$3.5 billion in the year ended March -- is not likely to be affected, he said.

CII, which groups some 4,150 corporate members and about 50,000 others through affiliate associations, took its time to react to a wave of killings sparked when a Muslim mob burned alive 59 Hindus in a train in Gujarat. Some 850 people have died in the violence

since late February.

About 110,000 people are crammed into relief camps in the state, one of India's most industrialised. Gujarat is home to Asia's largest refinery, and supports a host of industries that include textiles, ship-breaking and petrochemicals.

India's industry is already in the midst of a prolonged slowdown, and grew by an estimated 3.3 per cent in 2001/02 (April-March), down from 6.3 per cent in the previous year.

The Gujarat clashes have attracted criticism of the local government, led by Narendra Modi of Prime Minister Atal Behari Vajpayee's Bharatiya Janata Party (BJP).

Chief minister Modi's administration and aides have been accused of being lax in dealing with violent mobs, a charge denied by the rulers.

Soota said a healing touch was important for Gujarat, and CII was keen to build social integration, without taking political positions.

"I am not sure if you could accuse us off being soft," Soota said. "We believe a debate is important to initiate a healing process."

## 'Strong Malaysian exports show global recovery'

AFP, Kuala Lumpur

Prime Minister Mahathir Mohamad said Friday strong exports posted for March will enhance Malaysia's growth and that the upturn in global demand suggests the US and world economies are recovering.

"It (the March trade data) will contribute to the growth of the first quarter GDP (gross domestic product)," Mahathir told a press conference.

"More importantly, it means the world economy is recovering, particularly the US."

Mahathir, who is also finance minister, said demand for semiconductors was stronger, noting that Silterramaker of silicon wafers was increasing its investments in Malaysia. He did not elaborate.

"The turnaround in the US economy and other countries will help our economy," Mahathir said.

He declined to say what the first quarter growth would likely be, saying: "I am a very cautious man."

Malaysia's trade surplus soared 34.2 per cent in March from the month before, boosted by electrical and electronic products, government statistics showed Thursday.

## Rupali Bank branch managers' confce held in Barisal

The branch managers' conference of Rupali Bank Limited was held in Barisal on Monday, says a press release.

The Managing Director of the bank, Md Yeasin Ali, addressed the conference as chief guest while the zonal head of Barisal zone, MA Quddus Mia, presided over it.

Speaking on the occasion, the managing director advised the branch managers to increase the import-export and remittance business by way of earning confidence of the beneficiaries through devoted service.

He asked the branch managers to build up the stable deposit base of the bank by mobilising low-cost and no-cost deposits.

The conference was also addressed by Md Selim Khan, General Manager of the bank.



PHOTO: RUPALI BANK

Md Yeasin Ali, Managing Director of Rupali Bank, addresses as chief guest the branch managers' conference in Barisal on Monday. General Manager Md. Selim Khan and Zonal Head MA Quddus Mia are also seen in the picture.

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