

## Bush accused of undermining corporate reform law

REUTERS, Washington

The Bush administration is seeking to limit protections for government whistle-blowers who cooperate with lawmakers, undercutting the landmark corporate reforms President George W Bush signed into law after a wave of boardroom scandals, key lawmakers said Thursday.

The allegations stem from a legal brief filed by Eugene Scalia, the solicitor at the department of Labour and one of Bush's most controversial appointees. In the brief, Scalia argues against extending whistle-blower protections to an assistant US attorney who provided information about toxic contamination to Ohio Republican Rep. Dennis Kucinich.

Republican Sen. Charles Grassley of Iowa, who authored the whistle-blower protections with Judiciary Committee Chairman Patrick Leahy, accused the Labour Department's top lawyer of undercutting the corporate reform law which Bush enacted with much fanfare, vowing "hard time" instead of "easy money" for corporate crooks.

Leahy, a Vermont Democrat, called it "a gratuitous effort to weaken" the nation's first protections for employees of publicly traded companies who assist federal regulators, law enforcement agencies, or "any member of Congress or any committee of Congress."

Labour Department officials said the administration was taking steps to ensure whistle-blower cases were handled more expeditiously. Scalia's arguments in the brief, they said, would not necessarily apply to cases under the new corporate reform law.

The whistle-blower allegations come amid Democratic charges that the administration is seeking to deny funding the Securities and Exchange Commission needs to expand its oversight of corporate boards in response to a string of scandals at Enron Corp, WorldCom Inc and other companies.

Democrats have seized on the issue in the run-up to the Nov. 5 election, painting Bush and his Republican allies in Congress as soft on corporate crime. The election could shift control of both the House

of Representatives and the Senate.

White House spokesman Ari Fleischer said on Wednesday Bush "places a great priority on helping crack down on corporate corruption" and may be willing to provide extra money to the SEC.

Under the corporate reforms law, if a company retaliates against an employee for talking to investigators, the whistle-blowers could file a complaint with the Labour Department seeking compensatory damages and reinstatement.

Grassley and Leahy have credited whistle-blowers with helping to bring to light accounting abuses at Enron and other major US corporations, and said the changes approved by Congress are signed into law by Bush would encourage corporate insiders to cooperate with congressional investigators.

But in seeking to overturn a \$200,000 punitive damages award won by Assistant US Attorney Gregory Sasse in the whistle-blower case against the Department of Justice, Scalia argues that the only disclosures protected by the new

corporate whistle-blower statute are those made to duly authorized congressional committees with ongoing investigations.

He further asserts that protections would not extend to disclosures made to individual members of Congress, according to congressional lawyers who reviewed the brief.

"Members of Congress will be interested to know that it is the Labour Department's position that whistle-blowers who contact Congress are not entitled to the protections of the law," Kucinich said.

Other critics warned that Scalia could apply a similar standard to deny protections to whistle-blowers in the private sector.

"Through systematic attacks on whistle-blowers like this one, a pattern is emerging showing this to be the most whistle-blower-unfriendly administration in many years," said Leahy, who recently introduced legislation offering court remedies to whistle-blowers who face retaliation for taking their stories to Congress.

## Isuzu quits US, sees \$1.4b loss

AFP, Tokyo

Japan's embattled Isuzu Motors Ltd. warned Friday it would lose 170 billion yen (1.4 billion dollars) in the year to March as it pulls out of US vehicle production and cuts jobs under a major reform drive.

The expected group net loss reverses a previous forecast of three billion yen in profit due to estimated extra losses of 91.0 billion yen from a shake-up of the truckmaker's North American operations.

Isuzu anticipates 22.0 billion yen in losses from slashing payrolls and a 3.0 billion-yen charge from withdrawing from its domestic recreational vehicle business, the company said in a statement.

Isuzu forecast a recurring loss of 7.0 billion yen for the year, a turnaround of the earlier forecast of 11 billion yen in profit. Its sales projection was lowered to 1,270 billion yen from 1,370 billion yen.

Under a new three-year restructuring plan to March 2005, Isuzu will exit from Uproduction of sports-utility vehicles (SUVs) by selling its stake in a joint venture plant to Fuji

Heavy Industries Ltd., the maker of Subaru cars.

"(The) business environment surrounding Isuzu, as seen in the long slump in domestic commercial vehicle market and the US sales decline," continued to squeeze the company, it said in a statement.

Isuzu will transfer its 49 percent stake in Subaru-Isuzu Automotive Inc. (SIA) to Fuji Heavy on January 1, 2003. The Indiana-based company will become Fuji Heavy's wholly-owned subsidiary.

"The operating ratio of Isuzu SUV production lines at SIA declined significantly due to a large decline of North American SUV sales volume, making it difficult to maintain manufacturing facilities," Isuzu said.

Isuzu is to receive a 160 billion yen lifeline from top shareholder General Motors Corp. (GM) and creditor banks under a bailout deal announced in August.

The firm will appoint GM-dispatched executive, Basil Drossos, as executive vice president and representative director after getting approval at a shareholders' meeting on November 27.

## Indian banks to inject \$500m into Enron unit

AFP, New Delhi

Indian Power Minister Anant Geete said on Thursday that Indian banks would pump in over 500 million dollars to restart Dabhol Power Co Ltd, the Indian unit of the collapsed US energy giant Enron.

"Our first priority is to restart phase one of Dabhol Power Company's plant as money belonging to Indian investors is blocked in this project," Geete told reporters.

He added that Indian banks led by the Industrial Development Bank of India (IDBI) would pool over 500

million dollars to "fund the repair, completion and start-up" of the 2,184-megawatt Dabhol power facility in the western Indian state of Maharashtra.

"While the National Thermal Power Corporation (NTPC) has agreed to manage the plant on a fee basis, IDBI will see to the funding of the entire project," said Geete.

"If Dabhol is not restarted soon, the exposure of Indian lenders to the project which runs into millions of rupees will go to waste. We cannot afford to let this happen."

## Weekly Currency Roundup

October 19 -- October 24, 2002

Local FX Market

Demand for dollar continued to remain high throughout the week due to increased demand for import ahead of the Holy month of Ramadan. The US currency continued to get stronger because of the higher demand and ended the week at 58.75/80 compared with 58.60/65 from last week.

Money Market

Bangladesh Bank borrowed BDT 13,055 million by the Treasury bill auction held on Sunday. Weighted average yield of 28-Day bills rose to 6.71 per cent from 6.65 per cent in the last bid.

Demand for BDT for overnight borrowing was volatile in this week. The call money rate ranged between 4.25 and 4.50 per cent in the beginning. But mismatch in the volume of T-bill acceptance and maturity increased the call money rate and the rate ended the week at 6.50-7.00 per cent.

International FX Market

Yen was the major gainer in the beginning as it got lift from the Moody's Investors Service's announcement that it had raised Japan's foreign currency debt ceiling. Dollar retreated from its 4-month peak against the Japanese currency. But the analysts warned that the impact of the rating may be short-lived and the gains were limited for the day. Euro gained slightly against the dollar but market is weary as the row about the region's Stability and Growth Pact continued. Sterling was little changed versus the dollar and Euro in early European trade on Monday. Calendar for US economic data is thin till Friday, when data on September durable goods orders and home sales are due.

The yen came under pressure in the middle of the week in New York as the "interim report on how to clean up Japan's crippling bad debt problem" was delayed and the market perceived nothing was going to be agreed upon. Later the yen drew support against dollar on Wednesday as Prime Minister Koizumi insisted that bank reforms proposed by embattled Financial Services Minister Takenaka were on track. Bank reforms now look set to be announced later this month along "safety net" measures to cushion the economic problems. But traders said a lack of specifics on Japanese reforms could keep currencies in tight range. The market is now waiting for confirmation about the contents of the plan and anti-deflation measures. The yen also gained against the Euro. Against the dollar, the Euro remained in a tight range. Weak US stocks also pressured the greenback. Traders were also looking ahead to the speech by Federal Reserve Chairman Alan Greenspan.

Yen bounced back on the weekend trading after Japan's Prime Minister assured investors his economic reform agenda is on track despite the postponement of plans to fix the country's debt-laden banking system. The dollar fell to one-week lows at 123.85 yen. Euro also fell to a near one-week low of 121.04 yen. But it ran out of steam due to uncertainty over Japan's deadlock bank reform and steadied against Euro and Dollar on Thursday. Sterling showed little reaction to the news that British retail sales grew by 0.4 per cent on month-to-month in September for a year-on-year of 4.6 per cent. It changed little against USD and Euro. Dollar remained steady in the market and is likely to be dictated by US equities rather than the jobless claims data due on Thursday.

Standard Chartered Bank

## France officially lifts ban on British beef

AFP, Paris

France's pledge to lift its six-year ban on British beef, imposed to prevent the spread of mad cow disease, officially went into effect Friday upon publication of a decree in the government gazette.

The government announced on October 2 that it would lift its embargo, bringing Paris in line with the rest of the European Union -- which removed its ban in 1999 -- and putting an end to a bitter cross-Channel trade row.

The pledge followed a ruling from France's food safety agency AFSSA that meat from Britain no longer posed a health risk to consumers.



PHOTO: EMIRATES  
Kazi Wahidul Alam, managing director of Triune (Pte) Ltd, receives Emirates' Award 2001-2002 for services in the field of media relations from Keith Longstaff, senior general manager of Commercial Operations, Emirates, at the annual agents' award dinner held recently. Pradeep Kumar, general manager of Cargo Revenue Optimisation, Emirates, and Ahmad Al Falasi, manager-Bangladesh of Emirates, are also seen in the picture.

## British growth picks up in third quarter

AFP, London

The British economy showed new signs Friday of bouncing back from the recent slowdown as official figures revealed growth picked up to the strongest quarterly rate in over two years in the three months to September.

British economic growth accelerated to a quarterly rate of 0.7 per cent in the three months to September from 0.6 per cent in the June quarter, according to a preliminary official estimate.

The quarterly rise was the strongest since the second quarter of 2000, a spokesman for the National Statistics office said.

Gross domestic product growth came to an annual rate of 1.7 per cent in the September quarter from 1.3 per cent in the June quarter, the

statistics office reported in the first of three readings.

The figures beat consensus economist expectations of a quarterly growth rate of 0.6 per cent and an annual pace of 1.6 per cent.

"It was rather stronger than we had expected," said Deutsche Bank economist George Buckley, who had pencilled in a 0.5-percent quarterly rise.

He added that the figures were "quite surprising in light of the equity markets' performances over the quarter."

After narrowly avoiding recession towards the end of 2001 and the beginning of 2002, economists had warned that the subsequent rebound could run out of steam owing to a sharp fall in the value of British and global share prices.

## STOCK