Soviet news agency closed down

THE independent Soviet news agency Interfax said yesterday that its services to domestic and foreign subscribers had been cut off by orders of the new chief of Gosteleradio, the state radio and television organisation, **Reuter reports from Moscow.**

Interfax said officials arrived at their offices in a Radio Moscow building and switched off all machinery.

An agency statement sent to subscribers just before the switch-off said its management saw the move as part of a deliberate policy "of liquidating independent information structures."

Since January 1, Interfax had been running a joint news service with the former Baltic News Service and provided a more balanced view of events in the Baltic republics than that presented by media under strict state control.

Interfax did not link the Moscow move with Baltic developments but said it was tied to the closure by Gosteleradio of television programmes expressing radical views.

On Thursday, producers of the popular magazine programme Vzglyad (Viewpoint) said they had been temporarily closed down as the first victim of what they saw as a drift to the right by President Mikhail Gorbachev.

Spectre of Prague returns

As Soviet troops storm Lithuanian buildings, the scene in Vilnius reminds **Leyla Boulton** of 1968

THE scene might have been taken from the streets of Prague in 1968, when the Soviet tanks rolled in.

A youth rushed out of the Lithuanian printing house, his face covered in blood, after the building had been seized by Soviet troops. Bystanders said he was shot in the face by a furious colonel, after he poured a bucket of water over him.

As he was borne away in an ambulance, the crowd of angry Lithuanians surged around Soviet tanks shouting: "Fascists! Fascists! We will put you on trial!"

Bullet marks could be seen on the white concrete face of the building, from bullets fired when the troops stormed into the printing centre, where seven Lithuanian newspapers are published on Communist Party-owned presses.

Hundreds of ordinary Lithuanians crowded outside the building as the employees were marched out. They jeered at the nervous-looking soldiers, who refused to be provoked into any response.

Further down Cosmonaut Prospekt, on the outskirts of Vilnius, the Lithuanian capital, more Soviet troops ringed the headquarters of Lithuania's self-proclaimed defence force.

In a surreal scene, children played around the tanks and an armoured car, while a small crowd numbered in dozens, not hundreds, gathered at the entrance to the building.

"We are carrying out our task, which is to defend the building," said a Soviet captain, in reply to this correspondent's question. "What are you defending the building against? Bad weather?" an angry Lithuanian jeered from the crowd.

Behind the captain, young Soviet conscripts, a fair number from the far republics of central Asia, stood in rows looking thoroughly confused.

At the Lithuanian parliament back in town – the cradle of the Soviet republic's drive for independence from the union – about 600 young volunteers, some carrying hunting guns, shotguns and automatic rifles, others simply armed with iron bars, milled around in the foyer.

Amid repeated reports that Soviet troops from the Kaunas military base were heading towards the nationalist-dominated assembly, the young guards pledged allegiance to President Vytautas Landsbergis and the parliament.

Lithuanian radio began issuing news bulletins every five minutes, with appeals for national solidarity punctuated with singing and classical music, urging Lithuanians generally not to oppose Soviet troops with force.

Earlier, however, Lithuania's new prime minister, Mr Albertas Simenas, said he would not issue orders for the guards to disperse if the parliament came under attack.

Elected only on Thursday, after the resignation of Mrs Kazimiera Prunskiene, Mr Simenas said: "The big neighbour from the east is trying to provoke instability, so that there will be a pretext to introduce presidential rule."

More than 10,000 nationalist demonstrators converged on parliament from early morning in response to the radio broadcasts. A much smaller group of Russian-speaking, pro-Soviet demonstrators gathered alongside, shouting: "Resign! Resign!"

They included several hundred Russian workers who have gone on strike as part of an organised protest against the actions of the nationalist assembly.

"What we want is presidential rule. What they want is a bourgeois Lithuania," said Mrs Lydia Andruskevich, a 44-year-old machine tool worker. She said she was on strike.

Lithuanian militia separated the rival demonstrators. While the Russians shook their fists, the Lithuanians responded with V-signs, and paraded banners saying: "Russians go home" and "Provocateurs".

Soviet troops confront Lithuanians outside the printing plant in Vilnius yesterday

WHITE HOUSE CONDEMNS MOSCOW'S HEAVY-HANDEDNESS

The White House yesterday condemned Soviet heavy-handedness in Lithuania as "provocative and counter-productive", Lionel Barber reports.

The statement followed a telephone conversation between Presidents George Bush and Mikhail Gorbachev and a visit to the White House by Mr Alexander Bessmertnykh, the Soviet ambassador in Washington.

Washington's reaction was measured in tone and failed to spell out possible retaliation. But fears of an impending Soviet crackdown in the Baltic republics are growing.

The show of Soviet military force in the Lithuanian capital of Vilnius triggered protests around Europe.

The European Community and the Nato alliance urged Moscow not to use intimidation and called for restraint and a negotiated solution.

In London, the Foreign Office called in Soviet chargé d'affaires Vladimir Ivanov to hear a strong protest over the use of paratroops.

In Bahrain, foreign secretary Douglas Hurd urged the Soviet Union to withdraw its troops and warned that if it returned to a policy of "sustained repression", western policies towards Moscow might be reviewed.

Poland also expressed concern over the developments in Lithuania, which borders it, while Pope John Paul expressed his solidarity with Lithuania but urged its people to be patient in pressing their independence demands.

US sees fall in wholesale prices

By Michael Prowse in Washington

A SHARP fall in energy costs led to an unexpectedly steep reduction in US wholesale prices in December, the Commerce Department reported yesterday.

The producer price index for finished goods fell 0.6 per cent after seasonal adjustment, a marked contrast to an increase of 0.5 per cent in November and rises of more than 1 per cent in the preceding three months. Analysts had been expecting a decline of about 0.2 per cent.

But the drop in wholesale prices was more than accounted for by a 4.8 per cent fall in energy prices, after big increases in the autumn, and a 0.9 per cent fall in food prices, led by lower prices for fresh and dried vegetables, pork and coffee.

Excluding food and energy, components which tend to be volatile, the "core" producer price index rose by 0.3 per cent, roughly in line with the average increase in recent months. The figures thus provide little sign of a marked slowdown in the underlying wholesale price inflation rate.

The overall decline in producer prices, however, is likely to be greeted with relief by the Federal Reserve.

NEWS IN BRIEF

Lebanese Druze leader quits cabinet

Lebanon's Druze leader, Mr Walid Jumblatt, resigned from the country's unity cabinet yesterday, dealing a blow to efforts to end 15 years of civil war, **Reuter reports from Beirut.**

Mr Jumblatt, minister of state and head of the Druze Progressive Socialist Party (PSP), told reporters that "for personal reasons I will stay away from the political scene for the time being."

His announcement came a day after President Elias Hrawi said the war, which has killed 150,000 people, was over.

West German economy grows

The west German economy grew by 4.6 per cent last year, the biggest increase since 1976, **writes Katharine Campbell in Frankfurt.** Real GNP growth in 1989 was 3.9 per cent. The German economy was buoyed by the impetus from the new market in the east, as well as strong consumer demand in the west.

Go-ahead for DHL deal

The European Commission has made an exception under its competition rules to allow the acquisition by Japan Airlines, Lufthansa and Nissho Iwai of a stake in DHL, the international courier company, **writes Lucy Kellaway in Brussels.** This follows assurances by the three companies that they will not discriminate against DHL's competitors.

Zimbabwe land plan

The Zimbabwean government will not negotiate on its controversial plans to transfer more land to blacks, Mr Witness Mangwende, the agriculture minister, told representatives of the country's commercial farmers yesterday, Reuter reports from Harare.

Albanian miners strike

A thousand Albanian coal-miners went on strike yesterday in support of opposition calls to postpone next month's elections and grant more time to organise, **Reuter reports from Vienna.**

Record Chinese trade surplus

China had a record trade surplus of $8.11bn (£4.2bn) in 1990, compared with a deficit of $6.6bn in 1989, **Reuter reports from Peking.** Exports rose 18.1 per cent to a record $62.07bn while imports fell 9.8 per cent to $53.96bn.

WORLD CAPITAL GROWTH FUND (SICAV)

Registered Office: 14, rue Léon Thyes,
L-2636 Luxembourg,
R.C. Luxembourg: B24 810

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders of World Capital Growth Fund will be held at its registered office at 14, rue Léon Thyes, Luxembourg, on 29th January, 1991, at 11.00 a.m., for the purpose of considering and voting upon the following matters:

Agenda

1. To accept the Directors' and Auditors' reports and to approve the financial statements for the year ended 30th September, 1990.
2. To declare a dividend for the year ended 30th September, 1990 of US$0.10 per share as recommended by the Board, and to fix its date of payment.
3. To discharge the directors from their responsibilities for all actions taken within their mandate during the year ended 30th September, 1990.
4. a) To ratify the co-optation of Mr. H. Kashiwabara as a Director;
   b) To elect Mr. C. J. Shaw as a Director;
   c) To re-elect the Directors holding office at present.
5. To decide on any other business which may properly come before the Meeting.

Voting

Resolutions may be passed without a quorum, by a simple majority of the votes cast thereon at the Meeting.

Voting Arrangements

Shareholders who cannot attend the meeting in person are invited to send a duly completed and signed proxy form to the registered office of the fund to arrive no later than 22nd January, 1991. Proxy forms will be sent to registered shareholders with a copy of this Notice and can also be obtained from the registered office.

12th January, 1991 — The Board of Directors

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The Royal Bank of Scotland Group plc

"Despite the difficult overall environment all of our principal operating divisions continued to trade profitably. Profit before tax after specific provisions for bad debts and after a recovery in respect of loans to countries in payment difficulties of £20.8 million amounted to £262.2 million compared with £228.2 million last year when we made provisions for LDC debt of £108.3 million. The downturn in the UK economy, which intensified rapidly as we went through the year, caused problems for a number of our customers. As a Group we have an ambitious and challenging vision for the mid-1990's and our new structure is designed to enable us to achieve it whatever economic problems and competitive strains lie ahead."

Sir Michael Herries, Chairman speaking at the AGM of The Royal Bank of Scotland Group in Edinburgh on Thursday 10 January 1991.

HIGHLIGHTS FROM YEAR ENDED 30 SEPTEMBER, 1990

- Profit before taxation increased by 14.9% to £262.2 million.
- Annual dividend raised by 16.7%.
- Shareholders' funds increased by 6.9% to £1,508.4 million.
- Strong capital base. BIS ratio of 11.6%.
- LDC debt exposure reduced to £39.5 million (US $74.1 million) against which there are provisions of £31.1 million (US $58.3 million).
- Total assets rose 10 per cent to £30.1 billion.

ANNUAL REPORT AND ACCOUNTS

For a copy of the annual report and accounts, please complete this form and send it to
The Secretary,
The Royal Bank of Scotland Group plc,
42 St. Andrew Square, Edinburgh EH2 2YE.

Name _____

Address _____

_____

_____

Post Code _____

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