

.... July 11 Juillet 1990

.... LE TEMPS - Région parisienne: Il fera
beau malgré les passages temporaires de
petits nuages. Vent faible de nord-est.

.... SG/PRB/D(90)125

REUTER - WORLD NEWS SUMMARY

MOSCOW - President Mikhail Gorbachev has been re-elected leader of the Soviet Communist Party, but a coalminers' strike called for Wednesday poses an immediate challenge to his authority.

ROME - Some 3,000 Albanian refugees holed up in Western embassies in Tirana could shortly be sailing to freedom after Italy said it was negotiating a safe passage for them out of Europe's last Stalinist fortress.

BOGOTA - Police have captured 11 leading members of the Medellin cocaine cartel in a major operation in central Colombia, the national news agency Colprensa reported.

THE HOUSTON SUMMIT

THE TIMES: G7 pledges to work for democracy based on free markets

HOUSTON - "Leaders of the Group of Seven leading industrial nations pledged here yesterday to make the 1990s a 'decade of democracy' based on free markets. In a political declaration presented by James Baker, the US Secretary of State, they promised close co-operation with the Soviet Union to help push through President Gorbachev's programme of economic and political reforms, and agreed to some easing of economic sanctions against China."

THE INDEPENDENT: Aid to USSR limited to technical help

HOUSTON - "A Franco-German plan to secure a big financial aid package for the Soviet Union foundered yesterday after the US managed to limit the offer of help to technical assistance rather than cash. Leaders of the 7 main industrialised democracies decided to study how to aid the disintegrating Soviet economy rather than rush in with largescale financial help... The decision, expected to be confirmed in today's communiqué, means that France and West Germany effectively have lost their campaign for an early co-ordinated infusion of \$15bn to \$20bn (£8.3bn-£11bn) in aid to Moscow - a sum that Mikhail Gorbachev is said to have asked of Helmut Kohl, the West German Chancellor."

LES ECHOS: Forcing des USA contre la politique agricole de la CEE

HOUSTON - "La sempiternelle querelle entre les Etats-Unis et l'Europe sur la réforme des politiques agricoles a dominé la 2ème journée du sommet. Pour souligner leur volonté de faire plier Bruxelles, la délégation américaine avait organisé la veille une série de briefings en marge du sommet 'sur le thème du bon Américain libéral qui défend les intérêts des pays pauvres exportateurs de produits agricoles auxquels la CEE interdit l'accès à son marché'. Carla Hills, représentante du Président Bush pour le commerce international, s'est lancée dans une diatribe d'une virulence surprenante. Reprochant aux Européens de ne pas avoir de mandat de négociation au GATT à Genève, Mme Hills a accusé 'les gouvernements européens d'enfreindre les lois du marché et de payer des subventions aux exportations plutôt que de laisser les entreprises jouer les règles de la concurrence'... En séance plénière, le président George Bush aura employé un ton plus modéré, mais néanmoins ferme soulignant 'que l'avenir de la croissance économique dépend du succès des négociations commerciales'."

REUTER: France launches new third-world debt relief initiative

HOUSTON - "France, championing the developing world at the rich nations' annual economic summit, launched a bold and potentially expensive plan Tuesday to ease the debt burden of a host of countries ranging from Poland to Jamaica. President Mitterrand called on his fellow leaders in the Group

of Seven to lighten the debts that their governments are owed by so-called middle-income countries... 'How can we fail to see that there is an anomaly in the present arrangements for handling debt?' Mitterrand asked his counterparts. He proposed that government creditors choose among 3 options -- reduction of the principal amount of the loan, a lower annual interest rate and a combination of 'substantial' new credits and the rescheduling of old debts."

HERALD TRIBUNE: Ecology: Europe faults US

HOUSTON - "European officials at the economic summit conference have accused the US of frustrating their efforts to reach a new accord to combat global warming. The officials, including members of the British, French and Italian delegations, angrily complained that John H. Sununu, the White House chief of staff, had taken the leading role in organizing US opposition to the global-warming initiative. Asked at a briefing Monday why the US was resisting a West German proposal to set a target for reducing gases that cause global warming, Mr. Sununu replied: 'The issue is being addressed with a level of haste. There seems to be some propensity to deal with the issue without putting all the data on the table'... Except for the US, all the industrial nations represented here have now pledged to stabilize greenhouse gas emissions, at least by early in the next century. Even Britain and Japan, which formerly sided with Washington in insisting that more scientific and economic information was needed, are developing plans to reduce carbon dioxide emissions. West Germany has taken the lead, with a goal of reducing such emissions by 25% in the next 15 years."

EAST-WEST

FINANCIAL TIMES: Japanese in first big E. Europe deal

TOKYO - "Two privately-owned Japanese electronics companies have signed a joint venture to produce facsimile machines in East Germany in the first large manufacturing investment in Eastern Europe by the Japanese electronics industry. MEI Japan and Nissei Opto have stolen a march on Japan's electronics giants to reach agreement with Robotron-Elektronik, the East German state combine. Meag Electronic, a Swiss affiliate of MEI, is also a partner in the \$50m (£28m) investment."

GROWTH IN WORLD WHEAT AND GRAIN

FINANCIAL TIMES: Wheat Council sees slower grain consumption growth

"Growth in world wheat and coarse grain consumption is likely to be slower over the next decade because of financial constraints on developing countries, according to the International Wheat Council. The rate of increase of consumption, especially for wheat, has slowed markedly since the early 1980s, the IWC says in its latest monthly report. Up until 1982, world wheat use was increasing by about 3.5% a year, or about the same rate as in the 1950s and 1960s. Since then, it has averaged only 2.4% a year."

OCDE ECONOMIES

Japan-United States

HERALD TRIBUNE: Stronger yen is needed, executives say

OSAKA - "A stronger yen is essential for narrowing the huge trade imbalance between Japan and the US, business leaders from the countries said Tuesday. The 27th annual Japan-US Business Conference closed in Osaka with a joint statement for delivery to the 2 governments. It also proposed ways to successfully conclude the current round of GATT talks. The 3-day conference was attended by about 110 Japanese executives and about 80 from the US. Separately, the executives at the conference agreed that controls on technology exports to Warsaw Pact nations must be changed immediately in response to the shifting political realities. A conference report, to be submitted to the Japanese and US governments, called for a comprehensive review of high-technology export controls established in 1949 by the Coordinating Committee for Multilateral Export Controls."

HERALD TRIBUNE: A rising American phobia: Japan

NEW YORK - "American fear of the economic might of Japan appears to have risen sharply, heightening sentiment for limits on foreign investments, as Americans worry more about Japanese economic power than about Soviet mili-

tary power. This surge in anxiety is occurring even as Japanese attitudes toward the US, while tinged with resentment, appear to be softening somewhat on trade issues. Americans do not find European investment nearly as disturbing, even though there is more of it, the survey found. Only 37% of Americans said they thought increasing European investment was a threat. The findings are the results of a matched pair of public opinion polls conducted in the US by THE NEW YORK TIMES and CBS News and in Japan by the Tokyo Broadcasting System."

Canada

GLOBE AND MAIL: Recession fears growing

OTTAWA - "The evidence continues to mount that the current slowdown in the Canadian economy could turn into a full-fledged recession. Statistics Canada has released its leading indicator of economic growth, which fell 0.4% in April, following declines of 0.2% in March and 0.1% in February. More importantly, 8 of the 10 components that make up the indicator were down, compared with 7 in March. The indicator foreshadows developments in the economy several months in advance."

END-OF-TEXT