

.... July 23 Juillet 1990

.... LE TEMPS - Région parisienne: Beau temps un peu moins chaud que les jours précédents. Vent d'est faible. 28'

.... SG/PRB/D(90)133

AFP: LE MONDE EN BREF

BERLIN - Les députés est-allemands ont adopté dans la nuit de dimanche à lundi à une très forte majorité un compromis écartant provisoirement la querelle sur les modalités des élections générales allemandes qui menaçait depuis 3 jours de faire chuter la coalition gouvernementale.

BERLIN - La chambre du peuple (parlement) de RDA a rétabli dimanche les 5 Laender effacés il y a 38 ans par le centralisme démocratique: le Mecklembourg (Nord), le Brandebourg (Centre), la Saxe-Anhalt (Ouest), la Thuringe (Sud-Ouest), et la Saxe (Sud-Est). Berlin-Est, disposera d'un statut spécial permettant à terme sa fusion avec la partie occidentale de la ville.

MADRID - Cinq policiers d'élite espagnols ont quitté Madrid dimanche pour La Havane afin d'y renforcer la sécurité de l'ambassade d'Espagne, dans laquelle 18 Cubains sont réfugiés.

INTERNATIONAL TRADE

YOMIURI SHIMBUN: Bilateral talks on rice urged

"Aart de Zeeuw, chairman of the farm trade panel of the Uruguay Round of GATT negotiations, has instructed Japan to hold bilateral negotiations on the rice issue rather than discussing the issue at GATT meetings, informed sources said Saturday. De Zeeuw, of the Netherlands, has in the past proposed nontariff farm import barriers be replaced with tariffs. Sources said De Zeeuw's latest remark suggested that if Japan rejected converting its nontariff rice import barriers into tariffs, Japan should have bilateral negotiations with the United States and other countries concerned about Japan's rice market. Japan has rejected bilateral negotiations, saying the issue should be discussed at the Uruguay Round, a multilateral forum."

FINANCIAL TIMES: Kaifu backs call for rice imports

TOKYO - "The chances of Japan's rice market being opened grew considerably at the weekend when Mr. Toshiki Kaifu, the Japanese Prime minister, added his voice to calls for an easing of the country's embargo on rice imports. Noting that many countries were considering sacrifices to ensure success of the GATT Uruguay Round, Mr. Kaifu said in a radio interview: 'We should not necessarily stick to our plan to reject all calls for opening the rice market'. He said he would welcome a debate on the subject among political parties and among the Japanese population in general. The prime minister's remarks came a week after Mr. Toshio Yamaguchi, a ruling Liberal Democratic Party, shocked colleagues with a proposal that the rice market be opened by as much as 5%."

WALL STREET J.: Japanese halogen draw stiff EC duties

BRUSSELS - "The EC Commission imposed provisional anti-dumping duties of up to 85.4% on imports of Japanese halogen light bulbs. The commission said the margins of dumping for the Japanese bulbs were in some case as high as 146.9%; the resale price put on the bulbs by EC importers generally undercut EC-made bulbs by 30%. The commission said in a statement Friday that 13.5m of the 22.2m halogen light bulbs on the EC market came from Japan in 1989, accounting for 60% of the rapidly expanding market."

EST-OUEST

LE MONDE: Forte reprise du commerce

VIENNE - "La crise économique aiguë à l'Est, en obligeant les pays

communistes à augmenter leurs importations, a conduit en 1989 à une vigoureuse reprise des échanges Est-Ouest. Les exportations des pays de l'OCDE vers le COMECON ont connu une croissance réelle de 12,4%, meilleur résultat depuis 1976. Les importations occidentales en provenance de l'Est ont augmenté de 6,3%. Cette embellie ne sera cependant que de courte durée, à moins que les pays de l'Est ne réussissent à améliorer leur compétitivité et que les pays occidentaux ne suppriment certaines restrictions commerciales à leur égard, estime une étude que vient de publier l'Institut autrichien de recherches économiques à Vienne. Revers de la médaille: la relance des échanges a aggravé le surendettement de l'Est de 15 mrds de dollars, portant la dette globale des pays de l'Est en Occident à 160 mrds de dollars, selon cette étude. Un 2ème facteur a favorisé la relance des échanges: la bonne conjoncture à l'Ouest."

FINANCIAL TIMES: EC/USSR working on nuclear safety

MOSCOW - "The EC and the Soviet Union are working on a joint nuclear safety programme which could result in the scrapping, or radical upgrading of up to 25 Soviet power stations. The extent of the programme, requiring a potentially large investment, was revealed by Mr. Jacques Delors, president of the European Commission, on the first visit of the Community's chief executive official to Moscow. He also singled out energy production, transportation and the environment, as well as technical assistance, as possible areas for EC involvement in the Soviet economy, in a package of measures to be presented to the next summit meeting of the 12 member states in October."

OIL - EAST

REUTER: Soviet oil cuts spell trouble for E. Europe

LONDON - "Soviet Prime Minister Nikolai Ryzhkov announced on July 7 that Soviet oil shipments to East Bloc countries would be cut by 7m tonnes in 1990, forecasting difficulties for these countries which are heavily dependent on Moscow for crude. Western traders and analysts believe the Soviet Union is cutting its exports due to a combination of poor organisation, output shortfalls and a need for hard currency and commodities. These... cuts are pinching economies fighting to shake off 40 years of communist central planning, Western oil traders and analysts say. An acute fuel shortage in Czechoslovakia led this week to a 50% increase in petrol prices, but long queues of cars were still forming outside service stations there. Poland has been forced to turn to the international spot market to buy crude oil."

OECD ECONOMIES

United Kingdom

THE GUARDIAN: Trade gap bulls look for £1.4bn

"The government will be looking for an improvement in Britain's trade performance when the June figures for the current account are released today. Economic analysts are expecting a trade gap of £1.4bn - anything better than that will please the Treasury and the markets. The squeeze on company profits will be more apparent this week after Imperial Chemical Industries announces its interim results. And Lloyds Bank starts the ball rolling among the Big Four banks with far heavier provisions against home lending."

United States

WALL STREET J.: Slower growth for 2nd-period GNP

NEW YORK - "The US government unwraps its initial tally of second-quarter gross national product this week as economists grapple, with revisions, concerns about the rest of the year, and data flaws. The consensus view expects that the US's GNP, or the total value of the nation's output of goods and services, grew at an annual rate of 1.5% in the second period, after adjusting for inflation, a bit slower than the first quarter's 1.9% pace. The GNP report, due out Friday, also includes benchmark revisions stretching back 3 years. The week's only other major offering is June durable goods orders, due out Wednesday."

Greece

REUTER: Deficits, interest rates to stay high

ATHENS - "Greece's huge state deficits will not be cut this year, keeping interest rates high and thwarting efforts to modernise the battered economy, central bank governor Dimitris Halikias said in an interview on Sunday. 'The biggest obstacle to modernisation is the huge public sector deficits', he told the independent Sunday newspaper VIMA... The Bank of Greece has raised interest rates twice this year to curb the credit expansion fuelling inflation of more than 21% annually and a big balance of payments deficit. Minimum annual rates in July rose 2% each for savings accounts (to 18%), operating capital (to 20%) and medium-to-long term loans (to 19%). Halikias said the budget deficit, estimated at \$12.9bn for 1990 or more than 18% of Greece's annual Gross Domestic Product, was the fundamental economic problem."

Canada

GLOBE AND MAIL: Housing starts hit 4-year low

"Canada's crippling interest rates have taken a vicious bite out of the construction industry, as housing starts tumbled in June to their lowest level in more than 4 years. Construction of new houses, apartments and condominium units slid 7% from May to a seasonally adjusted 190,000 dwellings on an annual basis, figures from Canada Mortgage and Housing Corp. show. That was below the threshold 200,000 units needed each year to meet the country's demand for new homes."

END-OF-TEXT