

.... September 12 Septembre 1990

.... LE TEMPS - Région parisienne: Il fera  
assez beau. Les vents de nord-est à est  
resteront faibles. 22°.

.... SG/PRB/D(90)144

REUTER - WORLD NEWS SUMMARY

WASHINGTON - US President George Bush, appealing to Americans to continue to back his Gulf policy, said he could not predict how long it would take to make Iraq get out of Kuwait but flatly declared: 'Saddam Hussein will fail'.

AMMAN - Thousands of Asians flew home in an international airlift from Jordan, but more destitute migrants arrived from Iraq at desolate desert camps and news broke of a new influx on the way.

MOSCOW - West German Foreign Minister Hans-Dietrich Genscher cleared final obstacles to an accord defining the international status of a united Germany, a Bonn spokesman said.

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THE GULF CRISIS

HERALD TRIBUNE: Cheney: US buildup open-ended

WASHINGTON - "Secretary of Defense Dick Cheney said Tuesday that 'well over' 100,000 US military personnel were now deployed in and near Saudi Arabia and that the mobilization would continue for an undetermined length of time. Mr. Cheney, in testimony before the Senate Armed Services Committee, said that US ground troops, air and naval forces would remain in the Gulf 'as long as we're needed and until we are asked to leave' by Saudi Arabia and its neighbors."

FINANCIAL TIMES: More countries leave Kuwait missions

"Four more countries said yesterday their diplomats were abandoning their missions in Kuwait, because of food and water shortages and violence in the capital. Switzerland, Austria, Greece and Bangladesh all emphasised that the action did not imply any recognition of Iraq's annexation of Kuwait. Only a dozen missions will now be left open. Before Iraq invaded on August 2 more than 60 countries had diplomatic representation in Kuwait. Iraqi troops have surrounded several embassies and prevented people from entering or leaving. Among those defying an Iraqi order for diplomats to move out of Kuwait are the US, Britain and 7 other nations of the EC."

HERALD TRIBUNE: IMF urges policies to counter oil's rise

PARIS - "The head of the IMF warned the industrialized nations Tuesday to gear policies to fighting threats of recession and inflation caused by the rise in oil prices stemming from the Gulf crisis. Michel Camdessus, the fund's managing director, also assured 41 least developed countries that the IMF would help them meet 'the needs growing out of this crisis'... He also said he was disturbed by a forecast by the OECD that industrial countries would increase their foreign aid by only 2% in coming years."

"TWO PLUS FOUR" TALKS

FINANCIAL TIMES: Final accord expected today

LONDON/MOSCOW - "The Four Second World War allies - the US, the Soviet Union, Britain and France - and the two Germanys are expected to reach final agreement on the external aspects of German unification when they meet in Moscow today for what is hoped will be the final session of the '2 plus 4' talks. One of the last important hurdles to an agreement was cleared yesterday when the West Germans undertook to pay the Soviet Union DM12bn (£4.08bn) towards the cost of the withdrawal and resettlement of

Soviet troops from East Germany, due to be completed in 1994."

USSR

FINANCIAL TIMES: Radical switch to market

MOSCOW - "President Mikhail Gorbachev, the Soviet leader, yesterday threw his weight behind radical reform plans calling for sweeping privatisation of the Soviet economy and large-scale liberalisation of prices. His move leaves Mr. Nikolai Ryzhkov, his long-time ally and Prime Minister, fighting for his political survival... The Soviet leader backed the project drawn up by his closest economic advisers which was yesterday adopted by the Russian Federation parliament as its own plan for the republic."

COMMUNAUTE EUROPEENNE

AFP: La banque centrale européenne est lancée

BALE - "Les gouverneurs des banques centrales de la Communauté européenne ont mardi à Bâle jeté les bases juridiques d'une banque centrale européenne calquée sur le modèle d'organisation de la Bundesbank a révélé M. Karl Otto Poehl président du comité des gouverneurs à l'issue des travaux... Les principaux points d'accords trouvés par les gouverneurs portent sur la stricte indépendance de cette future banque centrale qui ne devra en aucune manière financer les déficits budgétaires des Etats membres. 'Cependant de grandes difficultés demeurent' a poursuivi M. Poehl soulignant qu'elles portaient sur le volet financier."

OECD ECONOMIES

United States

WALL STREET JOURNAL: Strong export growth

WASHINGTON - "Strong exports of goods and services continue to be the one bright spot in an otherwise wilting US economy, fresh Commerce department data show. The department said the current-account trade deficit, calculated on a balance-of-payments basis, was \$21.84bn in the second quarter, barely changed from \$21.67bn in the previous quarter. Exports of goods set a record, and exports of services also rose. Together, the 6-month period marks the nation's best trade performance since the early 1980s."

HERALD TRIBUNE: Banks head for failure

WASHINGTON - "A government report released Tuesday warned that 20 of the largest 200 American banks were in such bad financial condition that they were likely to fail or require assistance within a year... The report analyzed the financial condition and performance of 300 banks and was based on 1989 data... While the report did not name the banks at risk, it said that they were mainly in the Northeast and Southwest and that they had assets totaling \$45.1bn at the end of 1989."

Canada

REUTER: Rich oil field to be tapped

OTTAWA - "A multi-billion dollar project that will tap vast oil reserves off Newfoundland for US refineries has finally overcome a series delays and will be launched soon... Production at Hibernia -- which was discovered in 1979 and is believed to contain between 525m and 890m barrels of oil -- will begin in 1996. Negotiations over government aid and the provincial government's participation in construction had in part delayed the project, which is designed to produce 110,000 barrels of oil a day for refining in the United States."

France

LA TRIBUNE: 12 milliards pour les entreprises

"... Le gouvernement a décidé de procéder à d'importants allègements fiscaux afin de permettre aux entreprises de continuer à investir et à améliorer leur autofinancement. Le budget qui sera présenté aujourd'hui par Pierre Bérégovoy fera apparaître 15 mrd\$ d'allègements fiscaux en brut pour les entreprises, 12 mrd\$ en net... L'axe central du budget... est bien sûr la baisse de l'impôt sur les bénéfices réinvestis dont le taux

passera de 37 à 34%. S'ajoute la diminution du plafond de la taxe professionnelle qui passera de 4% à 3,5% de la valeur ajoutée."

Spain

WALL STREET JOURNAL: Increases in inflation, unemployment

MADRID - "The number of jobless people in Spain increased by 0.5% in August over the previous month... The 11,500 increase in jobless workers raised Spain's unemployment rate to 15.2% from 15.1%. Though only marginal in terms of numbers, the increase was significant because it was the first time such an increase occurred in August since 1984. Traditionally, August has provided extra jobs from tourism... By contrast, a 0.4% monthly increase in retail prices, bringing Spain's year-to-year inflation rate to 6.5% from 6.2% in July, was greeted by government officials as 'acceptable'."

END-OF-TEXT