

.... December 5 Décembre 1990

.... LE TEMPS - Région parisienne: Ce matin
nuages abondants, quelques éclaircies
cet après-midi. Il fera 6°.

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AFP: LE MONDE EN BREF

BAGDAD - Le président irakien Saddam Hussein, le roi Hussein de Jordanie, le vice-président du Conseil présidentiel yéménite Ali Salem al-Beidet le chef de l'OLP Yasser Arafat ont tenu mardi soir à Bagdad une réunion lors de laquelle ils ont salué "l'amorce du dialogue" américano-irakien.

REUTER - WORLD NEWS SUMMARY

WASHINGTON - The World Bank approved a loan to assist China's rural technological development with the United States abstaining. The approval was a signal the industrial powers, which had blocked lending following the crackdown by the Chinese government on student protesters in June 1989, had decided to return to more normal economic co-operation.

N'DJAMENA - Chad's victorious rebel leader, Idriss Deby, has declared himself president, promising freedom and justice to a nation torn by conflict for more than 20 years.

GATT TRADE TALKS

HERALD TRIBUNE: Talks said to be nearing collapse

BRUSSELS - "For the first time since World War II, the United States is prepared to allow global free-trade talks to fail if its trading partners in Europe and Asia refuse to make major concessions, senior administration officials said here Tuesday. Underscoring that new position, a senior US trade negotiator, Rufus Yerxa, said that the 4-year-old Uruguay Round of free-trade talks was 'very close to collapse' because of the EC's standpat attitude on farm trade subsidies. In a statement issued late Tuesday, the chairman of the Uruguay Round, Hector Gros-Espiell, said that the negotiations were 'in a very serious impasse'."

WALL STREET JOURNAL: EC stance shaken as pressure mounts

BRUSSELS - "... Meanwhile, German Chancellor Helmut Kohl and French President François Mitterrand will discuss the battle over farm trade when they hold a previously scheduled meeting in Paris today, according to EC officials. France and Germany, the EC's 2 most influential member nations, have been primarily responsible for the 12-nation group's refusal to negotiate specific cuts in export subsidies and barriers to their markets. An agreement between them could break the deadlock."

COMITE D'AIDE AU DEVELOPPEMENT

AFP: OCDE: L'aide à l'Est ne portera pas préjudice au Tiers-Monde

PARIS - "Les principaux pays donateurs de l'OCDE ont affirmé mardi à Paris que leur soutien économique aux pays d'Europe de l'Est 'n'entamera pas leur détermination' à continuer d'aider le Tiers-Monde. Un communiqué publié à l'issue d'une réunion à haut niveau de 2 jours du Comité de Développement de l'OCDE met aussi en évidence l'impact sur les pays en développement de la crise du Golfe. Le président du CAD, l'Américain Joseph C. Wheeler, dont le mandat arrive à expiration, a pour sa part indiqué que le Comité allait 'faire les comptes' concernant les flux vers les pays d'Europe de l'Est et centrale et ceux en développement... Il a aussi souligné l'impact des négociations commerciales de l'Uruguay Round qui se déroulent à Bruxelles sur les économies des pays en voie de développement. 'Le résultat est vital pour ces pays (...) le commerce est encore plus important que l'aide', a-t-il dit, évoquant notamment leur niveau d'endettement provoqué par l'absence de ressources... Le Comité a décidé d'organiser en 1991, à la suite d'une initiative de la France et de l'Allemagne, 2 réunions conjointes des ministères de la coopération et de

l'environnement."

MONETARY POLICY

WALL STREET JOURNAL: IMF director urges talks on economies

BRUSSELS - "Finance ministers of the world's 7 major industrialized countries should meet soon to discuss 'the present deterioration of the world economy' and the unusual relationship between US and German interest rates, said Michel Camdessus, the IMF's managing director. Economic growth is slowing, and 'the world economy is at a turning point', Mr. Camdessus told reporters attending the final week of world trade talks... The IMF managing director argued for further discussion of US and German interest rates. 'There's a very special, very rare, interest-rate differential between Germany and the US', Mr. Camdessus said, alluding to the fact that interest rates are currently lower in the US than in Germany even though American inflation exceeds that of Germany. Mr. Camdessus said this unusual situation 'has a lot to do with the too heavy burden on monetary policy in Germany at the present time'."

FINANCIAL TIMES: French hit at Germans over policies

PARIS - "Tension between France and Germany over the need to co-ordinate monetary and economic policies rose yesterday with an attack on Germany's mounting budget deficit by Mr. Jacques de Larosière, governor of the Bank of France. 'The accumulation of public deficits in Germany, linked to the unification of the country, raises the question of the limits of monetary co-operation. There is a problem of 'policy mix' and of multilateral surveillance which goes beyond the problem of straightforward monetary co-ordination', Mr. de Larosière said."

EUROPE DE L'EST

LA TRIBUNE: Gorbatchev a feu vert et distribue des terres

"Mikhaïl Gorbatchev prend les pleins pouvoirs - avec l'accord du Soviet suprême, obtenu à l'arraché - et accélère la décollectivisation de l'agriculture soviétique. En moins de 2 heures hier, il a obtenu que le Soviet suprême (Parlement) 'recommande au président de prendre d'urgence les mesures nécessaires à l'amélioration du pouvoir d'Etat'. Après avoir présenté son projet, Gorbatchev avait insisté pour qu'un feu vert immédiat lui soit donné, afin d'ouvrir 'une étape de transition'. Le Congrès des députés, convoqué le 17 décembre, ne fera que confirmer ces modifications constitutionnelles, votées par 281 voix pour, 17 contre et 38 abstentions... Répondant aux députés qui l'interrogeaient sur les mesures à prendre pour redresser la situation alimentaire, il a déclaré: 'Il faut lâcher la bride... à l'initiative du peuple, des ruraux et des citoyens. Pour cela, nous allons trouver de 3 à 5 millions d'hectares, afin de donner des lopins à ceux qui le désirent'."

REUTER: EC trade concessions for Czechoslovakia and Bulgaria

BRUSSELS - "EC Foreign ministers agreed on Tuesday to extend to Czechoslovakia and Bulgaria a package of trade concessions traditionally reserved for developing countries, EC officials said. From next year the 2 former Communist states will benefit from the EC's Generalised System of Preferences (GSP), which grants reduced tariff rates for farm and industrial products, textiles and steel exported by poor countries. The ministers also agreed to improve trade breaks for Romania, the officials said. The 1991 GSP are worth some \$38.5bn in all."

OECD ECONOMIES

Germany

FINANCIAL TIMES: Growth soars in west Germany

FRANKFURT - "West Germany's economy left ahead in the third quarter of this year at its fastest rate for 14 years. The 5.5% increase in GNP mainly reflected the strength of demand from east Germany following the introduction of the D-Mark and before the country was unified in October.... The rise in the third quarter over the same period of 1989 was the strongest since the fourth quarter of 1976. Employment in the third quarter was 2.8% higher than a year before, with an extra 782,000 jobs created, while labour productivity was 2.7% higher. The number of jobless fell by 122,000, or 6.3%. The Federal Statistics Office said the main force behind the jump in economic activity was the high level of domestic

investment. Industry's spending on new equipment was 13.5% higher, while construction investment rose 5%. Private consumption increased 4.1%, propelled by immigration from the east, higher employment, rising incomes, and tax cuts. Imports into west Germany leapt by 13.5% in the third quarter, the strongest advance since the fourth quarter of 1970."

United States

HERALD TRIBUNE: Fed acts to ease credit

NEW YORK - "Trying to avoid a credit crunch as the US economy heads into recession, the Federal Reserve Board cut the cost of money for banks on Tuesday to encourage them to make more loans... It cut reserve requirements on some large deposits, the first such change since 1983. By the Fed's own reckoning, this will free an additional \$13.5bn for bank lending, if the banks want to risk lending the additional money at a time when many of them have balance sheets waterlogged with bad real estate, Third World and leveraged buyout loans... By the end of this month, banks will no longer be required to hold in reserve 3% of their Eurocurrency deposits or their nonpersonal time deposits of 18 months or less - which mostly means large corporate certificates of deposit."

Japan

YOMIURI SHIMBUN: 1990 GNP growth rate to exceed 4%

TOKYO - "The nation's gross national product rose an inflation-adjusted 1% between July and September of this year from the previous 3 months, which equals an annual rate of 4.1%, the Economic Planning Agency reported Tuesday... Of the 1% GNP growth, domestic demand, which grew in the period by 3.5% if translated to the annual figure, contributed to 0.9%. External demand constituted 0.1%, the report said."

END-OF-TEXT