

.... December 21 Décembre 1990

.... LE TEMPS - Plus doux sur le pays. Vents d'Ouest à Nord-Ouest. Températures généralement en hausse.

.... SG/PRB/D(90)215

AFP: LE MONDE EN BREF

MOSCOU - Le ministre soviétique des Affaires Etrangères, M. Edouard Chevardnadze, a présenté jeudi sa démission.

NEW YORK - Le Conseil de Sécurité a adopté jeudi à l'unanimité la résolution 681 qui "déploie" la décision prise par Israël de procéder de nouveau à l'expulsion de civils palestiniens des territoires occupés.

BELGRADE - Plusieurs ressortissants albanais ont été tués par la police albanaise qui a ouvert le feu au moment où ils tentaient de se réfugier en Yougoslavie.

WORLD EVENTS

FINANCIAL TIMES: Shevardnadze's strong warning

MOSCOW - "President Mikhail Gorbachev, the Soviet leader, last night denied that the Soviet Union was heading towards a military coup or a dictatorship, after the dramatic resignation of his foreign minister, Mr Eduard Shevardnadze... 'Dictatorship is advancing, and I declare this with full responsibility', the foreign minister told a stunned soviet assembly. 'No-one knows what kind of dictatorship it will be, or who will take over'. 'I am resigning. Do not react and do not curse me. Let it be my personal contribution, my protest against the offensive of dictatorship'... The resignation caused consternation at the Soviet Congress, summoned to discuss the rapid collapse of the Soviet economy, the growing political and social tension in society, and Mr Gorbachev's request for new powers to deal with it... Mr Shevardnaze's announcement provoked concern in western capitals and cast a pall over European stock markets, which feared fresh political turmoil in the Soviet Union and a reduced chance of a peaceful settlement in the Middle East."

FINANCIAL TIMES: West to USSR: reform first

LONDON - "The West should not provide large-scale financial support for the Soviet Union until it has embarked on a fundamental reform of its economy, according to the world's leading financial institutions. A report to be published today by leading Western financial institutions concludes that in the near term, 3 types of Western aid for the Soviet Union would be justified: food aid, technical assistance for economic reform and limited project aid, for example, to the energy industry. The report, presented to US President George Bush yesterday, says that large loans from the West to support the country's balance of payments should await deep economic reform. Before then, such loans would have 'little or no lasting value', says the report, which falls short of describing such aid as a waste of money... The authors of the report - officials from the World Bank, IMF, OECD and the EBRD - do not believe the report takes what would be seen as an orthodox IMF approach."

OECD ECONOMIC OUTLOOK

FINANCIAL TIMES: No recession in 1991

PARIS - "The good news in the latest half-yearly ECONOMIC OUTLOOK from the OECD is that the OECD does not expect anything like a global recession next year. The bad news is that all the risks surrounding its forecast are on the downside; and that is before taking account of possible dangers arising from the Gulf crisis. For the 24 industrialised nations of the OECD, the Outlook projects 2% real growth in 1991 and 2.5% in 1992. Overall inflation is expected to accelerate to an annual rate of 5.2% in the first half of 1991 from around 4.5% at present. Unemployment is forecast to rise to 6.9% of the industrial world's working population by the end of 1992 from around 6.3 currently. The risks in the Outlook were

acknowledged yesterday by Mr David Henderson, head of the OECD's economics and statistics department. He said that gloomy economic news from the US over the past month meant the OECD's projections for US growth in the present half of 1990 and the first 6 months of 1991 were too optimistic."

WALL STREET JOURNAL: US won't drag down others

PARIS - "... Scrapping forecasts compiled just a month ago, the OECD now says that the US economy probably didn't grow at all in the second half of this year and that total output may decline during the first half of 1991. Previous projections were for 0.6% growth in each of those periods. The only whiff of good news in the 24-nation organization's prognosis is that the stagnant American economy won't drag down other industrial economies as much as in past recessions. 'We don't see an OECD-wide recession coming', said Stephen Potter, an OECD economist. 'It's popularly supposed that when the US sneezes the rest of the world catches pneumonia, but that's not what we're seeing'."

JAPAN TIMES: Oil shock only temporary

PARIS - "... Economic activity in the 24 member nations of the OECD will slow slightly in 1991, expanding by 2%, but will pick up in 1992 for an annual growth rate of 2.5%, an OECD biannual economic outlook says. Assuming the price of crude oil remains unchanged at \$27 a barrel, the report says 'difficulties associated with the oil-price increase should prove to be only temporary'."

LA TRIBUNE: Divergences accrues entre pays

PARIS - "... En juin 1990, l'OCDE prévoyait encore un taux de croissance pour l'année de 2,9% dans les pays membres européens et de 2,3% aux Etats-Unis... La situation a bien changé depuis lors. Mais les experts de l'OCDE jugent ces évolutions 'temporaires' et affirment qu'elles n'appellent aucune modification des orientations de politique économique et monétaire (lutte contre l'inflation, contre les déficits budgétaires, libéralisation des échanges...). Toutefois, ils introduisent dans l'analyse plusieurs éléments susceptibles d'assombrir le tableau. Le facteur le plus inquiétant n'est peut-être pas le pétrole. Certes, les prix ont augmenté, mais la production a 'rattrapé' la demande (elle-même affaiblie par la baisse de l'activité économique)... Plus graves à moyen terme pourraient être les conséquences de l'accentuation des disparités entre pays: l'atonie aux Etats-Unis (où de surcroît l'inflation est mal maîtrisée) contraste avec le dynamisme allemand et japonais... L'OCDE relève aussi que 'les évolutions constatées sur les marchés financiers... sont préoccupantes'. Aux Etats-Unis, 'des segments du marché restent fragiles cependant que les banques réduisent leurs concours à certaines catégories d'emprunteurs'."

REUTER: US negative growth in first half of 1991

WASHINGTON - "The United States is likely to slump into a recession, officials of the OECD said in a sharply revised forecast on Thursday. They said recent developments caused them to throw out an earlier, less pessimistic forecast that the United States would escape a full recession even though it would suffer a slowdown. 'It's more than quite likely that there will be a recession (in the United States) in the sense of 2 successive quarters of negative growth', David Henderson, the OECD's chief economist, said at a news conference in Paris. In its half-yearly economic outlook for member countries, the OECD had predicted US growth would be well below its potential, causing slow sales and rising unemployment. The US economy now is expected to show no growth in the second half of 1990 and probably contract in the first half of 1991, Henderson said."

THE INDEPENDENT: US rate cut criticized

PARIS - "The OECD warned the United States that its policy of cutting interest rates might set off a new surge in inflation, despite the desire to halt the rapid weakening of the economy. The blunt OECD criticism comes despite the Organisation's admission that the US is now in recession... In its semi-annual ECONOMIC OUTLOOK, the Paris-based OECD says the 'US has the greatest need among the 3 major countries to set policy firmly against the boost to inflation - and this situation would be aggravated if the dollar continued to weaken'... The Organisation predicts that US inflation will be lifted to 6.8% next year from 5.4% in 1990."

YOMIURI SHIMBUN: Japan "mainstay" of growth

PARIS - "Japan is positioned to be a 'mainstay' of growth in the industrial world over the next 2 years despite the rise in oil prices, the OECD said Thursday. It set the expansion of Japan's gross national product (GNP) in calendar 1990 at 6.1%, the highest rate since the 1973-74 oil shock, although growth slackened since the outbreak of the Gulf crisis. The outlook was for growth rates of 3.7 to 3.8% in 1991 and 1992, well above the projected OECD averages of respectively 2.0 and 2.5%."

GATT

WALL STREET JOURNAL: EC farm reform gives hope

BRUSSELS - "Plans to revamp the European Community's Common Agricultural Policy could give a boost to the stalled Uruguay Round of global trade talks, the EC's top trade official said... Time is running out, however, as the US has set a March 1 deadline for submitting any agreement to Congress. GATT Director-General Arthur Dunkel has called a meeting of senior Uruguay Round negotiators in Geneva for Jan. 15. Though the commission's plan to reform the CAP is being kept secret and hasn't been completed, Mr Andriessen said the plan would propose boosting direct income subsidies to EC farmers at the expense of current price-support mechanisms, while limiting production through quotas and broad set-aside programs."

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END-OF-TEXT