GULF CRISIS

REUTER - WORLD NEWS SUMMARY

NICOSIA - The U.N. deadline for Iraq to withdraw its occupation armies from Kuwait expired at 0500 GMT on Wednesday. The 700,000-strong US-led allied force in the Gulf is now authorised by the United Nations to wage war to expel Iraq’s half-million troops from the emirate they invaded on August 2.

UNITED NATIONS - Secretary-General Javier Perez de Cuellar made an eleventh hour appeal to Iraq to withdraw from Kuwait before a U.N. deadline authorising the use of force. ‘If this commitment is made, and clear and substantial steps taken to implement these resolutions, a just peace, with all of its benefits, will follow’, he said. Iraqi President Saddam Hussein, defiant amid a flurry of last-minute calls for peace, visited his troops in occupied Kuwait and told them Baghdad would not compromise. ‘There will be no compromise on Iraq’s and the Arab nation’s rights’, the radio quoted Saddam as saying.

In WASHINGTON, the United States appears resigned to imminent war to evict Iraq from Kuwait and a waiting game has begun on when President George Bush will give the order to open fire. There was no official word on America’s plans but a US television report said over two dozen B-52 bombers have been flown to an undisclosed Middle Eastern nation, in range to strike targets in Iraq and Kuwait.

U.S. Justice department officials said a number of potential guerrilla attacks in the United States have been foiled during the Gulf crisis. They also repeated the warning by the State department the US has intelligence that a wave of guerrilla attacks against Americans may occur if war erupts in the Gulf.

AFP: LE MONDE EN BREF

LONDRES - Le parlement britannique a autorisé mardi soir, à une écrasante majorité (534 voix contre 57), le gouvernement du Premier Ministre John Major à faire participer des troupes britanniques aux éventuels combats dans le Golfe.

RYAD - Le Roi Fahd d’Arabie Saoudite a appelé mardi soir le Président Saddam Hussein à prendre “une décision courageuse” et à “annoncer le retrait immédiat” de ses troupes du Koweït, rapporte l’agence saoudienne SPA.

REUTER: Iraq says army ready with finger on trigger for zero hour

BAGHDAD - "Iraq said on Wednesday its troops had their fingers on the trigger ready for war in the Gulf if US President George Bush ordered an attack after the deadline to quit Kuwait ran out. ‘Surrender is impossible’, the defence ministry newspaper AL-QADISSIYA said. ‘The time for the duel has come. Empty threats and tyrannical arrogance has no place. The Iraqis have set their eyes on their rights with full belief in their holy struggle... The newspaper’s defiant tone was in marked contrast with a feeling of apprehension among Iraqis -- large numbers of Baghdad’s 4.5 million people have left for safer areas in the north."

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THE BALTIC REPUBLICS

FINANCIAL TIMES: Vilnius minister seeks UK help

"Lithuania’s foreign minister, Mr Algirdas Saudargas, arrived in London yesterday to seek support for the republic’s drive for independence and pleaded for a postponement of the Gulf war on the grounds that this would
give the Soviet army and the KGB further opportunities to crack down on
the rebellious Baltic republics."

**LA TRIBUNE: Kohl vole au secours de Gorbatchev**

"Helmut Kohl n’entend pas ’hurler avec les loups’ en laissant tomber
Gorbatchev à cause des événements de Lituanie. C’est ce qui ressort des
propos tenus, hier, par le chancelier devant le Bundestag puis lors d’une
reunion de la CDU. Se déclarant assuré que le président soviétique
essaierait de résoudre la crise par des moyens pacifiques, il a déclaré:
‘Je lui fais confiance pour résoudre cette affaire’. Peu après, le chef du
gouvernement allemand a enfoncé le clou en lançant une mise en garde
contre ’une condamnation trop rapide’ des dirigeants soviétiques. Il n’a
pas hésité à critiquer la volonté de réformes accélérées des dirigeants
baltes, affirmant que ’les pays baltes seraient mieux inspirés de mener
une politique des cents petits pas plutôt que de vouloir tout avoir avec
10 grands pas."

**WORLD TRADE**

**HERALD TRIBUNE: GATT chief detects ’flexibility’**

PARIS - "As trade officials met Tuesday for the first time since world
trade talks collapsed in December, the man directing the 4-year round of
negotiations indicated that he might soon reconvene them because he saw
’signs of flexibility’ to end a deadlock. Arthur Dunkel, director general
of the GATT, said he hoped a final agreement could be reached through ’a
short and brisk negotiation’, but he added that the key to resuming the
talks is ending an impasse over farm trade."

**REUTER: EC commissioner criticises US trade policies**

WASHINGTON - "A senior European Community official said on Tuesday the
United States should back off its ’maximalist demands’ on ending farm
supports as a way towards reaching an agreement to liberalise world trade.
Sir Leon Brittan, EC commissioner for competition, also said in an
interview with REUTER that European banks could be a good source of
capital for cash-starved US banks. But he said the United States needed to
liberalise its banking laws in order to attract foreign investment."

**ETUDE OCDE SUR LA DEMOGRAPHIE**

LES ECHOS: La fécondité des immigrées est très forte dans les pays OCDE

"La fécondité des populations étrangères dans les pays de l’OCDE reste
plus élevée que celle des pays d’accueil, selon une étude de l’Organisa-
tion effectuée sur une dizaine de pays et publiée hier. La différence est
très notable en France, où cet indice est de 3,05 enfants par femme
étrangère contre 1,75 pour les natives. Ce sont les femmes d’origine
marocaine qui ont le plus fort indice de fécondité (5,23), suivies
notamment des femmes d’origine tunisienne (5,20), turque (5,05),
algérienne (4,29), portugaise (2,17) et espagnole (1,77)."

**OECD ECONOMIES**

**Germany**

**WALL STREET JOURNAL: Liberal nominated as economics minister**

BONN - "A liberal with a background in education and no business
experience was nominated as economics minister in German Chancellor Helmut
Kohl’s new cabinet, officials said. Parliamentary leaders of the Free
Democrat Party, Mr. Kohl’s junior coalition partners, voted to nominate
current Education Minister Juergen Moellemann for the post, a party
official said. Mr. Moellemann will have to find ways to pull eastern
Germany out of its economic slump. Current Economics Minister Helmut
Haussmann, also of the FDP, is resigning after criticism that he lacked
initiatives to help the East."

**United States**

**WALL STREET JOURNAL: Retail sales slide 0.4%**

WASHINGTON - "US retail sales fell 0.4% last month, the Commerce
department said, in yet another sign that the economy contracted in the
fourth quarter. The decrease means retail sales for all of last year rose
only 3.6%, the smallest annual gain since a 3% rise in 1982, the last time
the US economy was in recession. The December slide, to $151.06bn, followed a 0.1% drop in November. Sales for the full year totaled $1.799 trillion."

Australia

ASIAN WALL STREET JOURNAL: Current-account gap widens

SYDNEY - "Australia’s current-account deficit in November widened 19% to a seasonally adjusted A$1.37bn (US$1.06bn) from A$1.15bn in October, as record exports were blunted by persistently high imports... Exports in November rose 2% to A$4.45bn. Non-rural exports gained 3%, which economists linked to a 7% rise in gold exports... Overall imports jumped a seasonally adjusted 6%, led by higher world oil prices, increased machinery and defense-equipment imports and a slight decline in the Australian dollar."