
REUTER - WORLD NEWS SUMMARY

CANBERRA - Australian Prime Minister Bob Hawke won a hard-fought leadership battle against Treasurer Paul Keating, whose office said he would resign.

BONN - Germany's opposition Social Democrats have won an absolute majority in elections in the city-state of Hamburg, dealing a fresh blow to conservative Chancellor Helmut Kohl's authority.

NICOSIA - Six Gulf Arab foreign ministers met in Saudi Arabia for what one Gulf official said were talks on post-Gulf War security and possible Iranian participation in the arrangements.

NEW YORK - India must develop nuclear power to maintain leverage in international diplomacy, the leader of India's pro-Hindu Bharatiya Janata Party said in a published interview.

KUWAIT - The Emir of Kuwait, under pressure from the West to speed up democratic reform, has announced general elections in 17 months' time and revived a toothless national assembly.

Herald Tribune: Jerusalem - "The Israeli government, responding to a call from King Hussein of Jordan for 'face-to-face contacts' with Israeli leaders, on Sunday invited the king to meetings in Jerusalem, Amman or wherever he might want. Foreign Minister David Levy said Israel was 'ready to meet him at any time or any place, with no delay'.'"

CONFERENCE MINISTERIELLE DE L'AIE

LES ECHOS: Ouverture prudente au dialogue

"L'Agence Internationale de l'Energie doit aujourd'hui, à l'issue de sa première conférence ministérielle depuis 2 ans, se déclarer ouverte à des 'discussions informelles' avec l'OPEP, tout en soulignant qu'il appartient au marché de fixer les prix du pétrole... Si elle se montre désormais un peu plus ouverte à l'idée d'un dialogue avec l'OPEP, l'AIE, sur l'insistance notamment des États-Unis, veut rester très prudente. 'Nous tenons à souligner que les discussions doivent être informelles et demeurer très générales... Le communiqué final publié lundi soir devrait ainsi réaffirmer le rôle essentiel des forces du marché dans la détermination des prix du brut et des volumes de production. Sur ces 2 points, la politique de l'AIE est aux antipodes de la stratégie officielle de l'OPEP. L'AIE compte bien également jouer sur d'autres tableaux pour 'réduire la vulnérabilité des pays membres à une perturbation de leurs approvisionnements'."

THE OECD ANNUAL MINISTERIAL MEETING

Yomiuri Shimbun: Focus on recovery, deregulation

PARIS - "The outlook for economic recovery, world trade liberalization and support for Eastern European countries and the Soviet Union in reforming crisis-ridden economies will be focal issues at the annual OECD ministerial meeting opening here Tuesday, senior diplomats said. They said the 2-day session, at the Paris headquarters of the 24-nation OECD, could be marked by differences of emphasis among major members over how to consolidate an expected moderate recovery, and growing worries about rising unemployment in the OECD area. OECD Secretary General Jean-Claude Paye said last week a successful conclusion to the Uruguay Round of trade negotiations remains 'the priority' of the OECD, and that this week's
meeting should 'push for progress', since the main points of friction holding up a final accord arise among OECD member countries."

LA TRIBUNE: Lutte contre le chômage

"Les ministres des 24 pays venus assister à la réunion du 30ème conseil de l'OCDE sont, dès aujourd'hui, à Paris pour diverses rencontres de travail... Le premier temps fort interviendra dès cet après-midi, lorsque le ‘TUAC’, commission consultative de l’OCDE qui représente 40 organisations syndicales et 68 millions de travailleurs, lancera une mise en garde solennelle contre l’aggravation du chômage dans la zone. ‘Il faut bien voir, nous dit Stephen McClelland, secrétaire général adjoint du TUAC, que depuis 1 an, date du dernier conseil ministériel, le nombre de chômeurs s’est accru de 4 millions dans les pays de l’OCDE, annulant en 12 mois la moitié des progrès qui avaient été accomplis depuis 7 ans sur le front de l’emploi. C’est pourquoi nous proposons aux gouvernements de mettre en œuvre d’urgence une série de mesures visant à stimuler la création d’emplois’. Le TUAC entend aussi développer ses arguments le 8 juillet devant le Premier ministre britannique, John Major, hôte du prochain sommet des Sept."

USSR

THE GUARDIAN: Major to open door for Gorbachev visit

"President Gorbachev is virtually assured of an invitation to London next month during the summit of the G7 industrialised countries, according to senior diplomatic sources. But he will not be able to participate in the summit itself, from July 15 to 17. Instead, a dinner is to be held to allow the Soviet leader to outline his proposal for huge economic help from the West. John Major is reported to have decided to invite Mr Gorbachev on a bilateral visit to Britain. The aim is to provide an acceptable context for exchanges with the leaders of the G7 and to avoid a sense of slight over Mr Gorbachev’s exclusion from full summit participation."

FINANCIAL TIMES: Soviets to launch reform plan

MOSCOW/WASHINGTON - "An emergency rescue plan to transform the Soviet Union’s centralised economy into a market-oriented one... is expected to be completed this week. The plan, drawn up by the Soviet economist Mr Grigory Yavlinsky working at Harvard with US economists, will focus on an outline for a programme of rapid reform, but will reportedly refrain from naming the sum sought from the West in exchange for completing reform. Unconfirmed reports suggest that Mr Yevgeny Primakov, Mr Gorbachev’s adviser, told the IMF that the Soviet Union needed between $30bn and $50bn a year over the next 5 to 6 years. No figures were mentioned in talks with US officials, who dismiss such numbers as ludicrous."

OECD ECONOMIES

Switzerland

FINANCIAL TIMES: Fiscal reform rejected

BERNE - "A Swiss referendum yesterday rejected financial reform that would have brought the fiscal system in line with the rest of Western Europe. The vote was considered a first popular test of Switzerland’s stance on European integration. A feature of the proposed reform had been a third attempt to introduce value added tax (VAT), as applied throughout the EC."

US - JAPAN

HERALD TRIBUNE: US carmakers in trade filing

WASHINGTON - "American automakers, in a move that could spark a trade battle over one of the most hotly contested segments of the US auto market, on Friday accused Japanese carmakers of selling their minivans in the United States below fair market prices. The petition, filed with the Department of Commerce and the government’s International Trade Commission, is the first joint action by General Motors Corp., Ford Motor Co. and Chrysler Corp. alleging product dumping by foreign competitors, according to officials at the Motor Vehicle Manufacturers Association in Detroit. The petition names Toyota Motor Corp., Mazda Motor Corp., Mitsubishi Motors Corp. and Nissan Motor Co."
FINANCIAL TIMES: Washington secures Japanese access

TOKYO - "Japan and the US finalised a pact on foreign access to the Japanese construction market just before a weekend deadline that was to be followed by an immediate ban on Japanese companies bidding for work on US federally funded construction projects. The settlement came only after a decision by Mr Toshiki Kaifu, Japan’s prime minister, who agreed to extend a list of Japanese public works projects that will adopt special bidding procedures designed to improve foreign access to the construction market."

WALL STREET J.: April current-account surplus soared

TOKYO - "An April surge in Japan’s current-account surplus, which jumped nearly fourfold, added to the belief among economists that the trade imbalance is entering a new period of expansion... The ministry reported on Friday that the surplus in the current account, which measures trade in goods and services, as well as some unilateral transfers, surged to $7.77bn in April from $1.96bn a year earlier. The surplus was the biggest since March 1990. Within the overall current account, the surplus in merchandise trade more than doubled, to $8.23bn from $3.98bn. Imports fell 11.9% - following 12 consecutive monthly increases - while exports rose 10.4%."