AFP: LE MONDE EN BREF

WASHINGTON - Les Etats-Unis n’ont pas décelé d’opérations militaires d’envergure des forces armées irakiennes contre des opposants chiites dans le sud de l’Irak, a déclaré le porte-parole du département d’etat, M. Richard Boucher.

NEW YORK (Nations Unies) - L’Irak a proposé à l’ONU de détruire elle-même ses armes chimiques sous le contrôle d’experts internationaux, dans une lettre rendue publique par le chargé d’affaires irakien aux Nations Unies.

TOKYO - Le volcan Unzen (930 km au sud-ouest de Tokyo) est une nouvelle fois entré en éruption mercredi, aux premières heures de la matinée, laissant échapper de larges coulées de lave et des jets de pierre.

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EASTERN EUROPE

FINANCIAL TIMES: EBRD advises Moscow to widen private sector

LONDON - "The European Bank for Reconstruction and Development has advised the Soviet Union that it should act within 6 months to stabilise its economy and begin a big shift in activities towards the private sector. The recommendations are part of a programme for reform of the Soviet economy that the recently established bank has submitted to the Group of Seven nations, which meet in London next month, and to President Mikhail Gorbachev... Mr Flemming and EBRD officials are now in Moscow to discuss the ideas with the Soviet authorities... As a first step, the EBRD calls for clarification of the responsibilities of the central government and the republics. The bank urges the introduction of a stabilisation programme, led by the IMF, that would tackle price reform and the huge Soviet budget deficit, would control money supply and wages, and start mopping up the monetary overhang. It also says the Soviet Union should begin moving to currency convertibility, achieving limited convertibility within 6 months."

REUTER: Bush grants Soviet farm credits, trade privileges may be near

WASHINGTON - "President George Bush has agreed to let the Soviet Union purchase up to $1.5bn worth of US grain on credit and may now be close to a decision on whether to grant it Most Favoured Nation trade privileges... 'The president’s decision reflects the administration’s desire to promote a continued positive evolution in the US-Soviet relationship’, spokesman Marlin Fitzwater said. He added: 'We hope that this assistance will help to stabilise the food situation’ in the Soviet Union... Bush approved the request, Fitzwater said, based on the Soviet government’s record of never failing to pay back US loan guarantees for grain. It also followed Soviet assurances that the grains bought on credit would be fairly distributed among Soviet republics, and the Baltic states, Fitzwater said. The credits will be made available in 3 instalments -- $600 million in June, $500 million in October and $400 million in February 1992."

FINANCIAL TIMES: Economy under control, says Pavlov

MOSCOW - "The decline in Soviet production has been stopped and ‘the government has the economy under its control’, Mr Valentin Pavlov, the prime minister, told the Supreme Soviet in Moscow yesterday. In a brief report on the economy, Mr Pavlov claimed that his government could stabilise production over the next 2 or 3 months. The spring sowing campaign had been relatively successful, he said, and the expected grain harvest was between 205m and 206m tonnes - down from 237m tonnes last year, but far better than recent forecasts of hunger which, Mr Pavlov said, had been made ‘to cause panic’. He made clear, however, that the
economic crisis was still deep, that the partial stabilisation was fragile and that ‘all will depend on the political situation in the country’.

FINANCIAL TIMES: Soviet oil workers win 40% pay rise

MOSCOW - "Mr Valentin Pavlov yesterday agreed to a 40% pay rise for oil and gas workers who had threatened to disrupt production of the country’s main hard-currency-earning export. Mr Vasily Veryovkin, deputy chairman of the Russian Oil and Gas Workers Union, said that the increase would be financed through a cut in the taxation of oil enterprises."

FINANCIAL TIMES: Poland asks for debt write-off in environment plan

WARSAW - "Poland yesterday proposed to establish the world’s largest debt-for-nature exchange scheme, under which 10% of its debts to western governments would take the form of a domestic fund aimed at combating pollution. Should all 16 of the governments - which are members of the Paris Club, a grouping of western creditor governments - agree to the debt swap, then the fund would have an estimated $3.1bn to spend over 20 years. The Paris Club agreed in April, subject to conditions relating to Poland’s economic performance, eventually to halve its $32bn portion of Poland’s total $45bn of foreign debt."

EUROPEAN UNION

FINANCIAL TIMES: Bundesbank warns over speed of monetary moves

FRANKFURT - "Germany further toughened its stance on European monetary union yesterday as Mr Hans Tietmeyer, vice-president designate of the Bundesbank, issued an uncompromising call against premature moves to abandon sovereignty over the D-Mark. Germany needed to maintain ‘manoeuvring room’ and an ‘independent’ policy on the D-Mark at least for several years because of the ‘difficult situation’ after German unity, Mr Tietmeyer told an economic seminar in Frankfurt."

LES ECHOS: Préparation du grand marché: un "bilan positif"

BRUXELLES - "Les autorités françaises et grecques ont pris les mesures souhaitées pour sensiblement accélérer au cours des derniers mois le rythme de transpositions dans leurs législations nationales des décisions prises par les Douze pour lancer le grand marché européen le 1er janvier 1993. Grâce à ces mesures, la France arrive ainsi en 2ème position derrière le Danemark en ce domaine et est en conséquence félicitée par la Commission Delors dans le rapport annuel que cette dernière a adopté hier et qui dresse un bilan de la préparation du marché unique. Par contre, l’exécutif communautaire épingle les Pays-Bas, le Luxembourg, l’Irlande, l’Espagne et surtout l’Italie qui n’ont pas poursuivi le rythme nécessaire, la péninsule en particulier n’ayant transposé que 50% des mesures adoptées par les différents conseils. Globalement, M. Martin Bangemann, le commissaire responsable, juge que le ‘bilan est positif’ à 18 mois de l’échéance du 1er janvier 1993. Sur les 282 propositions du livre blanc de 1985, 89 seulement restent à adopter par les Douze."

OECD ECONOMIES

United Kingdom

THE GUARDIAN: Britain ‘lagging on R&D’

"British spending on civil research and development is falling dangerously behind that of its European competitors on the eve of the single European market, the Labour Party argued yesterday, presenting its new policy initiative. New figures from the OECD show that, taking inflation into account, UK government funding for civil R&D fell 5.3% between 1985 and 1989. This compares to a 10.1% rise in Japan, a 17.2% increase in the US and a 63.2% leap in Spain."

Japan

WALL STREET JOURNAL: BoJ says economy still strong

TOKYO - "The central bank is unlikely to soon ease monetary policy following Tuesday’s release of its quarterly survey of business sentiment, analysts said. In the report, the Bank of Japan said the economy, while slowing gradually, neither shows signs of a major slump in the near future... But while markets and analysts have been speculating for months that an interest-rate cut is imminent, the report
apparently fell short of encouraging the bank to ease credit. The prospects of a rate cut have been dimmed further by the yen’s recent decline. Underscoring that interpretation, Finance Minister Ryutaro Hashimoto, in an interview on Tuesday, described the health of Japan’s economy as robust and characterized personal consumption and private capital expenditure - 2 indicators that are under close scrutiny by Japan’s monetary authorities - as ‘particularly firm’.

END-OF-TEXT