ALGIERS - Algerian security forces seized hundreds of Islamic militants in a nationwide clampdown 24 hours after the arrest of their 2 main leaders.

WASHINGTON - The United States warned that China faced a new sanction if it sold missiles to Pakistan that exceeded certain guidelines.

ISLAMABAD - A Swiss minister in Kabul offered his government’s mediation to end the 13-year-old Afghan civil war, the official Kabul radio said.

KENNEBUNKPORT (Etats-Unis) - M. Bush a confirmé qu’une opération militaire contre les installations militaires irakiennes était une option envisagée si le président Saddam Hussein ne cessait pas de "tricher et de mentir", en cherchant à dissimuler du matériel nucléaire aux inspecteurs de l’ONU.

BELGRADE/LJUBLJANA - "Yugoslavia’s army yesterday called up thousands of reservists and said it was ‘at the highest level of combat readiness’ in a bid to hold the federation together by force. Belgrade television reported that the army had called up 200,000 reservists from the republics of Serbia and Bosnia-Hercegovina in the wake of independence moves by Slovenia and Croatia... Meanwhile, the international community continued its mediation efforts with an announcement that senior officials from the Conference on Security and Co-operation in Europe (CSCE) would meet in Prague, the Czechoslovakian capital, tomorrow to discuss the possibility of sending a monitoring force to Yugoslavia."

THE TIMES: Japanese cut may have been planned by G7

"The central bank of Japan cut its discount rate by half a point to 5.5% yesterday in what could be the opening move in a secret plan by the Group of Seven to ensure healthy world growth. Tokyo, concerned by the fragility of its stock market and worsening outlook for investment, has long wanted lower rates, but has been inhibited by the inflationary pressures of the yen’s weakness. Yesterday’s cut was the first by Japan for over 4 years. It was the Japanese who insisted on calling the surprise meeting of G7 finance minister and central bankers in London only 9 days ago... For Britain, easier world conditions increase the chances of more cuts in domestic rates. Some economists regard the Japanese interest rate cut as justified on economic grounds alone."

PETROLE

LE FIGARO: Le marché doit fixer le prix du baril

"Vingt-cinq pays producteurs et consommateurs de pétrole sont réunis depuis hier à Paris pour un échange de vues sur les moyens propres à empêcher de trop fortes fluctuations des prix du brut. Ces pays parviendront-ils à imprimer à leur dialogue une dynamique suffisante pour lever les réticences des Etats-Unis?... Le climat et les objectifs des participants semblent très différents de ceux qui prévalaient en 1975, lors de la conférence Nord-Sud - qui avait déjà suscité la réticence active de Washington... Même si le séminaire de Paris ne donne lieu à aucun communiqué final ni à aucune conclusion formelle, il aura au moins
EAST-WEST RELATIONS

THE INDEPENDENT: Warning over Soviet aid refusal

"The Western countries are behaving with a 'reckless disregard for their own future' by treating the Soviet Union less favourably than other eastern European countries, Professor Jeffrey Sachs, one of the designers of the 'Grand Bargain', said yesterday. Defending the Yavlinsky proposals for aid of $30bn (18bn pounds sterling) a year to the Soviet Union – to be discussed at the London economic summit in a fortnight – the Harvard economist warned that what was happening in Yugoslavia could happen in the Soviet Union. The difference was that the Soviets had 30,000 nuclear warheads. 'We are not talking about blackmail but about the risk of chaos', he told a meeting of the Centre for Economic Policy Research in London."

THE GUARDIAN: Western economic 'hoax' denounced

"Western claims to have helped east European countries establish a market economy are 'a big hoax', says Silviu Brucan, the Romanian politician, in a new essay on European security. As a result, he adds, east Europe is now certain to become the Latin America of Europe, with all the political tensions brought about by such a relationship... He highlights what he calls 3 sources of international conflict which are now emerging in eastern Europe. One is the economic gap which divides east from west... The second source of conflict lies in the social changes which are generating their own instability inside and outside the society concerned... The third source is in what Prof Brucan calls 'all the traditional and ethnic conflicts' of both the old Habsburg empire and the Soviet empire."

RAPPORT ANNUEL DE LA BANQUE MONDIALE

LE FIGARO: Record de nouveaux prêts en 1991

"... Une bonne nouvelle tout d’abord: les prêts et crédits nouveaux accordés au cours du dernier exercice fiscal arrêté au 30 juin 1991 sont en hausse de 9,6% par rapport au précédent exercice (1990). Ils atteignent même le niveau record de 22,7 mrds de dollars (139 mrds de francs). Une mauvaise nouvelle ensuite: le montant des versements effectués par la Banque sur cette même période de référence a baissé de 24,1% par rapport à 1990 et ne se monte plus qu’à 11,2 mrds de dollars. Les pays du tiers monde ont ainsi remboursé à la banque 5,3 mrds de dollars de plus que ce qu’ils ont reçu sous forme de nouveaux financements."
PHILIPPINES

REUTER: Seeking new IMF help after volcano hits economy

MANILA - "The Philippines is seeking fresh help from the IMF after the eruption of Mount Pinatubo dealt a new blow to the country’s faltering economy, Finance Secretary Jesus Estanislao said on Tuesday. He said the eruption of the volcano 90 kms (55 miles) north of Manila had set back Philippine attempts to get inflation under control, caused falling interest rates to start rising again, and was likely to scare off foreign investors... The Philippines agreed in February on a $900 million loan package to help revive the economy, already hurt by a series of natural disasters last year and the impact of the Gulf crisis which sharply pushed up unemployment."

OECD ECONOMIES

Japan

HERALD TRIBUNE: Rice growers protest on imports

TOKYO - "More than 50,000 farmers gathered in Tokyo on Monday, in the largest rally of its kind, to warn politicians and businessmen of retaliation if Japan’s ban on rice imports is lifted. Rice growers from across the country gathered at the Tokyo Dome, an indoor stadium, and adopted a resolution urging the government not to change its rice policy."

Canada

FINANCIAL TIMES: Trade war defence strategies

"Realising that it has little leverage to halt the ferocious price war in the international grain trade, Canada is trying to woo customers with a sales pitch that relies on less costly inducements. New strains of wheat and seminars for foreign flour millers are among the weapons that the Canadian Wheat Board is increasingly using to sustain the loyalty of old customers and to win new ones."

Norway

FINANCIAL TIMES: Gas sales increase

OSLO - "Four members of a European gas buyers’ consortium have agreed to boost natural gas purchases from Norway by 2.5bn cubic metres (bcm) over a period of 2 decades from the turn of the century, the Norwegian state oil company (Statoil), said. The purchase increases gas sales by Norway to Europe to 33 bcm a year. The 4 buyers yesterday exercised a 30% gas purchase option which is part of a contract signed by consortium members in 1986 worth $60bn (36.5bn pounds sterling)."