THE LONDON SUMMIT

FINANCIAL TIMES: G7 ready to back Gorbachev

LONDON - "President Mikhail Gorbachev is guaranteed strong political support when he meets the leaders of the G7 leading industrial countries tomorrow despite their severe reservations about his economic reform programme. The G7 leaders have resolved to line up behind the Soviet President in recognition that he could suffer grave political damage if he is seen to be turned away from this week’s meeting with the G7 without a show of support. On the eve of the Soviet leader’s arrival at the annual economic summit, they put their political weight behind his policy of perestroika while keeping the West’s purse strings tied... They insisted that support for the Soviet Union in its troubles should not be at the expense of eastern and central Europe and the developing world."

HERALD TRIBUNE: Russian vows an 80% shift of weapons industries

LONDON - "In an effort to persuade the West that Moscow is committed to deep economic change, a high Soviet official said Monday that his government’s plan to switch 400 military factories to full-time civilian production was part of a broader conversion program that could eventually affect as much as 80% of its defense plants. This assertion, made by Deputy Prime Minister Vladimir I. Shcherbakov, was potentially significant because of the great weight of the military in the Soviet Union’s command economy, at the opposite pole of the fre-market practices the West would like Moscow to adopt."

AFP: Mitterrand: Aide à l’Est mais aussi au Sud

LONDRES - "Le président François Mitterrand a déclaré lundi à Londres que les pays riches de plus en plus sollicités, devaient aider l’URSS et les pays d’Europe centrale et orientale sans pour autant oublier les pays du Sud et, en particulier, africains. Lors de la 1ère séance du sommet des 7 pays industrialisés réunis à Londres, le chef de l’Etat français a mis l’accent, selon le porte-parole de la délégation française Daniel Bernard, sur les problèmes de l’assistance à l’Union soviétique et aux pays de l’Est, soulignant qu’il s’agissait là d’un ‘sujet extrêmement difficile’, dans un ‘contexte marqué d’une fragilité certaine’.

REUTER: Agreement on Soviet monitoring system

LONDON - Finance Ministers of the G7 agreed in London on Monday, to set up a system to monitor Soviet economic reform programmes, Japanese officials said. The ministers also agreed to meet Soviet financial officials on Wednesday night to hear explanations about a letter sent to G7 leaders by Soviet President Mikhail Gorbachev, they said... The Japanese officials said the G7 finance ministers remained undecided on how the monitoring system should function or who should be in charge. Some ministers argued that the IMF should head the monitoring system while others said the OECD should be in charge."
REUTER: Italy urges permanent G7-Soviet link

LONDON - "Italy is exploring prospects of setting up a permanent link between the G7 industrial nations and the Soviet Union, Italian government spokesman Pio Mastrobuoni said. Prime Minister Guulio Andreotti was expected to discuss the idea at the G7 summit, arguing that the easiest way would be to use the Paris-based OECD... If the Soviet Union were a member of the OECD, it would be subjected to monitoring of its economy, Mastrobuoni told journalists. He said one idea would be to set up a special secretariat for the Soviet Union within the OECD."

THE TIMES: Major urges global arms sales register

"John Major opened the G7 summit in London yesterday by appealing to his fellow world leaders to agree common principles to curb irresponsible arms sales. The prime minister urged them to turn the United Nations into a more effective organisation, both in monitoring arms sales and in offering humanitarian assistance in times of natural disaster."

AFP: Vente d’armes: le dossier est pour l’ONU

LONDRES - La France a refusé lundi que les 7 pays les plus industrialisés se saisissent en tant que tels du dossier du contrôle des ventes d’armes et de la prolifération des armes de destruction massive dans le monde, estimant que ce problème était avant tout du ressort de l’ONU."

THE GUARDIAN: Interest rate splits threaten recovery

"... However, with inflation higher in 6 of the 7 summit nations than a year ago, worries about a resurgence of rising prices which dominated much of the 1980s are seen as limiting the scope for cheaper borrowing, particularly in Germany and Japan. Tomorrow’s final communiqué will attempt to give a kick-start to the GATT talks which have been deadlocked since the row between the US and the EC flared into open hostility last December."

QUESTIONS ON IRAQ

THE INDEPENDENT: Experts: Iraq has bomb technology

NEW YORK - "The head of the special commission on disarming Iraq, and other nuclear weapons experts, are now convinced that Saddam Hussein’s scientists had passed the threshold in the nuclear bomb-making process and that there were no major obstacles preventing them from enriching sufficient uranium to make one to two bombs a year."

REUTER: U.N. experts question data

UNITED NATIONS - "High-ranking U.N. disarmament experts said on Monday they suspected Iraq might not have revealed everything about its nuclear programme but would not go as far as the United States in declaring Baghdad had definitely withheld data. But they agreed with Washington that Iraq’s atomic programme was enormous, clandestine and could not possibly have been designed for nuclear energy. One expert said it cost $4 to 8bn to build, and was comparable to portions of the Manhattan Project, which produced the atomic bomb dropped on Hiroshima."

BUSINESS NEWS

FINANCIAL TIMES: Ford, VW in $2.8bn Portugal deal

LISBON/LONDON - "Ford and Volkswagen signed a $2.8bn agreement with the Portuguese government yesterday to manufacture a new multi-purpose vehicle for the European market. The plant, to start production at the end of 1994, will have a capacity of 180,000 vehicles a year. It will produce 2 versions of the vehicle, essentially a high-roof estate car with 4 doors, a large tailgate and a maximum of 7 seats in 3 rows."

WALL STREET J.: Kodak, Polaroid settle patent suit

ROCHESTER, New York - "Eastman Kodak Co. and Polaroid Corp. finally have ended a 15-year court battle over Kodak’s infringement on Polaroid’s instant-photography patents. Under terms of a settlement signed on Monday, Kodak agreed to pay Polaroid $925 million and both companies agreed to drop their appeals to amend the award. The $925 million includes a record-breaking patent infringement award of $873 million, plus $52 million in interest that has accumulated since US District Court Judge A.
David Mazzone made the award last October."

HERALD TRIBUNE: Banks join to form 2d biggest in US

NEW YORK - "Two ailing New York money-center banks agreed Monday to merge into what will become the second-largest US bank, accelerating the consolidation in America’s overcrowded and overloaned banking industry. The merger in a $2bn stock swap between Chemical Banking Corp. and Manufacturers Hanover Corp., respectively the nation’s sixth-and ninth-largest, will create a banking giant with $135bn in assets, ranking only behind troubled Citicorp."