THE GUARDIAN: Major celebrates Baltic freedom in Moscow

MOSCOW - "John Major raised his glass to the ‘independence of the Baltic states’ yesterday at a meeting in the British embassy, with the 3 republics’ prime ministers. His brief celebration came during a half day spent racing through Moscow for 2 rounds of talks with a beleaguered President Gorbachev, a session with Boris Yeltsin, tea with the wife of the Soviet defector, Oleg Gordievsky, a short meeting with the interim government, and a wreath-laying for the 3 protesters killed in the failed coup... Mr Major did not have time at his first meeting with Mr Gorbachev to discuss the West’s modified plans for food aid to the Soviet Union... The Prime Minister - current chairman of the G7 leading industrial nations - agreed with President Bush last week to urge the IMF and World Bank to speed up studies by their experts on the state of the Soviet economy and work on a reform plan. Associate status of the IMF is in prospect. Mr Major is also to discuss EC food credits, and intends to suggest that the Soviet Union use them to buy food from Hungary and Poland."

THE INDEPENDENT: Highest Soviet parliament meets

MOSCOW - "President George Bush is expected to announce US recognition of the independence of the 3 Baltic states today... Mikhail Gorbachev said he was ready to accept it, but still did not indicate that he would let the states go without waiting the 5-year period required by the Soviet constitution. If independence is the ‘ultimate will and the intention of the peoples of these republics, I believe we have to agree to this’, Mr Gorbachev said in a television interview at the Kremlin. The issue of the Baltic states is on the agenda of the emergency session of the Congress of Peoples’ Deputies, which opens today... The meeting of the Congress, the highest legislative body of the Soviet Union, is the final attempt by the Soviet governmental institutions to save themselves and to prevent collapse of the central authority... The central question for the 2,250 members of the Congress, which includes the members of the Supreme Soviet, is whether they can find a place for themselves in the new union. Some republican leaders, including Mr Yeltsin, have questioned the need for any central parliament when each republic has its own sovereign legislature."

REUTER: Thatcher says Soviet centre needed

TOKYO - "The Soviet central government must retain power over debt, the currency, defence and foreign affairs if it is to maintain international confidence, former British Prime Minister Margaret Thatcher said on Monday. She told a news conference that, while the republics must have much more authority than before, certain powers should be kept by the central government in Moscow. ‘It is important for international confidence that the centre continue to exercise power over defence, substantial areas of foreign policy and economic policy over debts and credits because the centre has guaranteed agreements in these areas’, she said. ‘We (the West) have always negotiated with the centre on these items. Defence agreements have to be monitored and verified’, she said. Thatcher arrived in Japan on Sunday for a 10-day visit as guest of the giant Nippon Telephone and Telegraph Corp (NTT). Thatcher praised Soviet President Mikhail Gorbachev and Russian President Boris Yeltsin for their roles during the failed Soviet coup and said the 2 men did not differ in policy... Thatcher told the press conference she had had a very interesting talk with Kazakh President Nursultan Nazarbayev during a refuelling stop on Saturday at Alma-Ata, capital of the Soviet republic of Kazakhstan. She said she had long admired Nazarbayev for his economic reforms, which included allowing farmers to control their own land. On Sunday, Thatcher met Japanese Prime Minister Toshiki Kaifu for an hour during which they discussed events in the Soviet Union. She is due to give a series of lectures in Japan, visit NTT facilities on the company’s 100th anniversary and meet political and business leaders."
THE TIMES: UK food industry called in

LONDON - "John Gummer, the agriculture minister, has called a meeting of the leaders of Britain’s food industry to work out an emergency plan to feed the Soviet people. The plan will concentrate on improving the distribution of the Soviet Union’s own supplies while offering new markets for British retailers. But it may also include the drawing up of a strategy for flying in emergency supplies. With the backing of John Major, Mr Gummer has invited about 30 chairmen and chief executives of supermarket chains and food manufacturing companies to a meeting on Thursday."

LE FIGARO: tumulte en Azerbaïdjan

BAKOU - "Dimanche, en début de soirée, le centre de Bakou était envahi par une manifestation à l’appel du Front populaire. Près de 30 000 personnes entouraient le siège du gouvernement en exigeant sa démission, ainsi que celle du président Moutalidov. Les orateurs nationalistes du Front populaire s’adressaient à la foule en dénonçant le maintien du pouvoir communiste et en lançant un mot d’ordre à la grève générale... Dans la république caucasienne musulmane d’Azerbaïdjan, le gouvernement communiste du président Alaz Moutalidov mène un combat d’arrière-garde... Lors de la tentative de putsch à Moscou, le président azeri avait applaudi des 2 mains l’instauration de l’état d’urgence."

THE OECD STUDY OF THE UK ECONOMY

THE SUNDAY TIMES: Employment depends on training

LONDON - "Two new assessments of the British economy, by the National Institute and the OECD, are decidedly gloomy about the medium-term outlook for unemployment. The OECD, characterising Britain as ‘inflation-prone since the late 1960s’, warns that, as in the past, the unemployment cost of reducing inflation is proving to be high, with the jobless total set to reach 2.7m, or 10% of the workforce, next summer. There are some encouraging signs. Wages did not rise as much in the boom as could have been expected. Recent settlements, which include wage pauses and freezes, are seen by the OECD as evidence that attitudes may be changing. Even so, the basic question stands. Why does unemployment have to rise to close to 3m in Britain to achieve success against inflation?... This point is taken up by the OECD. Improvements in basic educational standards and higher participation rates in further education are, it says, a priority. So too is a rise in technical and vocational education levels to those of competitor countries."

LE MONDE: Echec de la politique anti-inflation

PARIS - "Le point le plus bas a été atteint’. Le rapport annuel de l’OCDE sur la Grande-Bretagne est relativement optimiste... D’un point de vue plus structurel, les experts du Château de la Muette félicitent le gouvernement de Sa Majesté pour les politiques libérales menées depuis plus de 10 ans... Mais l’essentiel du travail des économistes cette année a porté sur l’inflation et la formation des salaires, qui constituent le problème central de l’économie britannique. Et le résultat est très critique. L’OCDE estime que toute la politique anti-inflationniste de la fin des années 80, centrée sur le contrôle de la masse monétaire (et appelée stratégie financière à moyen terme), a été un échec... Heureusement, se félicite l’OCDE, le gouvernement a changé de bord en octobre 1990 en rejoignant le mécanisme du SME... Toutefois les effets positifs de cet ancrage de la livre se heurtent encore à un mauvais fonctionnement du marché du travail qui provient d’autres causes que les salaires: ‘Le niveau de qualification de la main-d’œuvre reste faible par rapport aux autres pays européens’. Le défaut provient du système éducatif dont sortent trop de jeunes qui n’ont pas pu achever leurs études secondaires, déplore l’OCDE, qui conclut: ‘Les performances économiques du Royaume-Uni seront en définitive fonction de ses ressources humaines’.

OECD ECONOMIES

WALL STREET JOURNAL: German growth losing steam

FRANKFURT - "Western Germany’s post-unification economic boom showed signs of losing steam in the second quarter, as the government renewed warnings of rising inflation. Western Germany’s gross national product contracted 0.5% in the second quarter from the previous period after calendar and seasonal adjustments, according to the Federal Statistics Office. The second-quarter slowdown followed a big 2.5% jump in GNP in the
first quarter compared with the final quarter of 1990. Nevertheless, the second-quarter figure showed sharp, inflation-adjusted growth of 4.8% in Europe’s largest economy when compared with the second quarter of 1990.”

WALL STREET JOURNAL: No more Boeing 707s

PITTSBURGH — "The 707, America’s first jetliner, is dead. Boeing Co. said the 4-engine aircraft, which revolutionized airline travel and transformed the Seattle company into the world’s dominant commercial plane builder, would cease being produced due to a lack of demand. The company will continue to provide support for the hundreds of 707s still operated around the world, mostly by foreign airlines, and various military versions of the aircraft that sprang from the 37-year-old airplane’s design."