NICOSIA - Thousands of Iraqi troops are moving toward the Saudi border in apparent preparation for a major ground attack aimed at seizing the initiative from the allies in the Gulf War. One US air squadron commander said up to 1,000 Iraqi vehicles were rolling south through occupied Kuwait, braving intense air bombardment. British newspapers put the number of troops involved at up to 60,000.

WASHINGTON - Iran is hosting a "surprise" conference of officials from Iraq, France, Algeria and Yemen to find ways to end the Gulf War, a US television network said. "With everyone caught by surprise, Iran suddenly is playing host to its bitter enemy Iraq, along with France, Algeria and Yemen on ways to end the fighting", said NBC’s correspondent in Tehran, Ed Rabel.

MOSCOW - Troops were due to start patrolling Moscow and other major Soviet cities in a move seen by liberals as sign of a lurch toward dictatorship. The beginning of the night patrols, ordered by the defence and interior ministers, coincided with a crucial meeting between president Mikhail Gorbachev and leaders of the Soviet Union’s 15 constituent republics.

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GERMAN RATES RISE AND STOCK MARKETS

FINANCIAL TIMES: D-Mark strengthens

"... In London, the pound closed at DM2.9050, some 5 pfennigs beneath its central European Exchange Rate Mechanism (ERM) rate of DM2.95. The German currency gained about 1 1/2 pfennigs against the dollar, which closed in London at DM1.4785."

HERALD TRIBUNE: $ recedes against DM as rates move up

NEW YORK - The dollar slipped Thursday to finish lower after the German central bank unexpectedly raised interest rates and the chairman of the US Federal Reserve Board said a long war would bring a longer recession. The US currency fell to 1.4765 Deutsche marks, from its opening of 1.4838 and its close of 1.4878 on Wednesday."

LE FIGARO: La France ignore la hausse allemande

"Les Pays-Bas et l’Autriche suivent, mais pas la Banque de France. 'Non, les Allemands ne nous ont pas prévenus. Non, il n’y aura pas de relèvement des taux directeurs français'. Telle était la réponse que l’on donnait hier dans l’entourage de Pierre Bérégovoy, après la hausse de 0,5% des 2 taux directeurs de la Bundesbank, le taux de l’escompte étant porté à 6,5% et le taux lombard des avances sur titres à 9%... Mais pas question de céder au découragement: après tout, ce n’est pas la 1ère fois que les Allemands augmentent leurs taux sans que Paris soit obligé de suivre."

AFP: BoJ: pas de changement de la politique monétaire

TOKYO - Le relèvement des taux directeurs de la Bundesbank n’entrainera pas de changement dans la politique monétaire de la Banque du Japon (BoJ), a déclaré vendredi un haut responsable de la banque centrale. Un tel changement est inutile car les relèvements successifs du taux d’escompte de la BoJ (le dernier date du 30 août) ont permis de ralentir la croissance de la masse monétaire, a-t-il ajouté."

THE TIMES: Rate rise rules out interest cut in UK

"... The German central bank’s move comes at a politically and economically unwelcome moment for recession-bound Britain, as it almost
certainly removed any scope that Norman Lamont, the Chancellor, might have had for an early cut in base rates. City economists now believe that despite the steep economic decline highlighted by the CBI trends survey this week, there will be no opportunity to ease base rates before the Budget on March 19."

THE OECD MINISTERIAL MEETING ON ENVIRONMENT

THE GUARDIAN: Rich states seek green fetter on market

PARIS - "The 24 richest countries yesterday cast aside their economic policies of the last 30 years and said their activities must be controlled to 'ensure that the basic life support systems of Planet Earth are not endangered'. Market forces had to be held in check by tax changes, charges, and tradeable permits to make sure that economic activities were sustainable, they said. The environment ministers of the 24 OECD members meeting in Paris produced a 6,000 word statement which provides an outline for a new world economic order. It includes the developing world, which the organisation says must be part of its new green vision."

FINANCIAL TIMES: Economic policies and environment

PARIS - "The use of economic policies to help clean up the environment has received a boost from the world’s 24 leading industrialised nations. A 2-day meeting in Paris of environment ministers of the OECD closed yesterday in what observers reckoned was an unusually business-like mood for international environmental gathering... The OECD itself believes environmentally-helpful economic policies are more flexible and cheaper than straight regulation, though it accepts the usefulness of both in the working papers."

REUTER: Austria urges shutdown of nuclear plants

PARIS - "Austria, citing safety fears, called on Thursday for the immediate shutdown of a nuclear plant in neighbouring Czechoslovakia. Environment Minister Marilies Flemming told the Paris conference that Austria also favoured a Central and Eastern Europe without nuclear power stations. She presented fellow ministers of the OECD with copies of an Austrian-led commission, which concluded that safety at the Slovak Bohunice nuclear plant was grossly inadequate. 'An uncontrollable accident... The ministers from the 24-member OECD adopted a new strategy for environment control, which called for international assistance for East and Central Europe."

ECONOMIE INTERNATIONALE

AFP: Ralentissement de la croissance en 1990, ONU

NEW YORK - "La crise du Golfe a imprimé un choc sérieux à l'économie mondiale, mais elle n'a pas été la cause principale du ralentissement en 1990", croissance qui stagnera en 1991, estime un rapport officiel de l'ONU publié jeudi. Ce ralentissement est dû à plusieurs facteurs indépendants, précise le secrétaire général de l'ONU... La hausse du prix du pétrole, les conséquences de l'embargo commercial contre l'Irak et le Koweït, l'arrêt des envois de fonds des travailleurs émigrés dans ces pays et le rapatriement de ces travailleurs 'sont à l'origine d'une réduction de 0,3% de la croissance de la production mondiale de 1990', souligne le rapport. Ces raisons cachent mal des disparités importantes entre les pays industrialisés eux-mêmes et ceux en voie de développement, note le rapport."

LE FIGARO: Après-guerre: la locomotive sera allemande


AGRICULTURE
REUTER: EC Commission approves radical farm reform

BRUSSELS – "Radical farm reform for the EC was approved at a special meeting of the Commission on Thursday, an EC official said. Commissioners accepted a blueprint which 'sets things out in very general terms', the official said. 'We’re at the very start'... Details of the paper approved by the commissioners were not immediately available, but officials said they matched an outline MacSharry gave farm ministers last week. He said then that only radical action could get the bloc’s agriculture policy back on course... MacSharry’s next move will be formal submission of his plan to farm ministers, who meet again in Brussels on Monday and Tuesday... But the Commission’s go-ahead is good news for the EC’s negotiators at GATT talks."

BRAZIL

REUTER: Wages and prices frozen to kill inflation

RIO DE JANEIRO – "Brazilian Economy Minister Zelia Cardoso de Mello on Thursday froze all prices and wages indefinitely in a surprise bid to kill inflation running at about 20% a month. Cardoso, in a televised speech, announced the closing of banks on Friday, a crackdown on financial speculation and an overnight increase in fuel prices by 46%. 'the present level of price rises is not compatible with economic stability', she said."

END-OF-TEXT