REUTER - WORLD NEWS SUMMARY

DHAHRAN, Saudi Arabia - US and allied forces plunged deeper into western Iraq looking for a showdown battle with Saddam Hussein’s elite Republican Guard.

MOSCOW - President Mikhail Gorbachev has gone on the offensive in his first official trip within the Soviet Union for more than a year, saying a radical campaign against him could touch off a civil war.

ST. DENIS DE LA REUNION - French paratroopers were deployed to protect government buildings and keep the peace in Reunion’s capital after 8 people were killed in riots on France’s Indian Ocean island.

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THE GULF WAR

FINANCIAL TIMES: Baghdad ‘must accept all 12 resolutions’

UN (New York) - "The 5 permanent members of the UN Security Council agreed yesterday that any Gulf ceasefire must be accompanied by Iraq’s public acceptance of all 12 resolutions adopted by the world body in the 7-month crisis, diplomats said. The accord, reported following a private conference in the US mission, was seen as a political victory for the Western allies. They rejected an earlier Soviet attempt to have the Council declare a truce in response to President Saddam Hussein’s order to his troops to quit Kuwait."

HERALD TRIBUNE: Lay down arms, Bush tells Iraqis

WASHINGTON - "President George Bush, scorning Iraq’s announcement that it was withdrawing from Kuwait as ‘an outrage’, said Tuesday that coalition forces would pursue the battle for Kuwait with undiminished intensity. ‘It is time for all Iraqi forces in the theater of operation - those occupying Kuwait, those supporting the occupation of Kuwait - to lay down their arms’, the president said. ‘And that will stop the bloodshed’.”

REUTER: United Nations forming peace-keeping force for Kuwait

SUVA - "The United Nations has begun organising a peace-keeping force to send to Kuwait, but no date has been set for the force’s arrival, the Fiji government said on Wednesday. Fiji was approached by the United Nations last Friday to take part in an observer mission in Kuwait once the country was liberated."

REUTER: US wants demilitarised zone in Iraq after war

WASHINGTON - "The United States will push for a demilitarised zone patrolled by Arab and Moslem troops along the Kuwait-Iraq border after the Gulf War is over, according to a US television report on Tuesday."

REUTER: Iraq says its troops complete Kuwait withdrawal

NICOSIA - "Iraq said its troops completed their withdrawal from Kuwait at dawn on Wednesday. A military spokesman, quoted by Baghdad Radio, said: 'The last military unit withdrew from Kuwait at first light this morning February 27, 1991.'"

HERALD TRIBUNE: Gorbachev: Gulf straining fragile US ties

MOSCOW - "President Mikhail S. Gorbachev said Tuesday that US-Soviet relations were still ‘fragile’, hinting that they could deteriorate if the United States did not quickly accept a cease-fire in the Gulf. As his spokesman in Moscow said that Saddam Hussein ‘has practically put up the
white flag’ of surrender, Mr Gorbachev told factory workers in Minsk that 'a great sense of responsibility' was required not to upset progress in relations between Moscow and Washington, according to the TASS press agency."

OECD: FINANCIAL SITUATION OF EASTERN EUROPE

FINANCIAL TIMES: OECD says attitude to East Europe hardening

"A ‘sharp deterioration’ of market sentiment towards central and Eastern Europe has led the international financial community completely to change its views of the credit-worthiness of the region, according to the OECD. This had been triggered by the rising level of debt, higher borrowing and uncertainties in the process of moving towards market economies, said the latest edition of ‘Financial Market Trends’. It noted that private institutions were actively seeking to reduce their exposure and had ‘no interest in sovereign lending’ except to Czechoslovakia and Hungary... Poland, Hungary and Czechoslovakia should be able meet external financing requirements with increased official funding but the slow reformers, Bulgaria, Romania and the Soviet Union, ‘may face difficulties’ leading to increasing liquidity pressures. The report expressed special concern for the Soviet Union where ‘the sharp rise in debt has been accompanied by a virtual collapse of central control over international payments’.

EUROPEAN MONETARY UNION

THE GUARDIAN: Germany raises pressure

BRUSSELS - "The German government yesterday rejected suggestions that it intended to line up with Britain to slow progress to full European economic and monetary union. In new proposals submitted to an inter-governmental conference on monetary union in Brussels, the Germans also made it clear they would oppose Britain’s plan for an alternative ‘hard ecu’. Horst Koehler, state secretary at the German finance ministry, said yesterday: 'Germany remains committed to economic and monetary union. We are ready to give up national sovereignty... although we know this will not make it easier for the British’. Mr Koehler said EC countries should look to move directly to the third stage of EMU including a single currency and a supra-national EC central banking system.”

ECONOMIES OCDE

Allemagne

LA TRIBUNE: Hausses fiscales massives

MUNICH - "Deux mois à peine après avoir été élu, Helmut Kohl et ses partenaires de la coalition ont dû se résoudre à augmenter la pression fiscale. Les contribuables allemands vont passer à la caisse pour financer l’unité allemande, contrairement à tout ce qu’avait promis le chancelier avant sa réélection. Après l’augmentation de 2 points de la cotisation retraite décidée en janvier et l’augmentation du téléphone, la CDU, la CSU et le FDP se sont mis d’accord sur tout un paquet de hausses destinées à financer l’imposante masse des dépenses engendrées par l’unification et par la guerre du Golfe. Solidarité oblige, les contribuables et les entreprises verront leurs impôts directs, à compter du 1er juillet et pour une durée d’un an, augmenter de 7,5%. Il leur faudra prévoir en plus un relèvement de leurs primes d’assurances, l’impôt sur les assurances grimpant de 3%. En passant dans les stations-service au début de leurs vacances, ils noteront d’autre part une augmentation de 25 pfennigs par litre de l’essence ordinaire... Par ailleurs, le tabac augmentera au 1er janvier 1992.”

Canada

REUTER: Radical new plan to make country competitive

OTTAWA - "Canada’s Conservative government, facing a revenue squeeze amid a tough recession and the Gulf war, unveiled a new budget on Tuesday to keep the country’s mounting debt under control. ‘In this budget we are acting to restore fiscal balance and attain price stability’, Finance Minister Michael Wilson told the House of Commons. ‘This will strengthen our ability to compete in a tough economic world’. Wilson, the veteran finance minister in Prime Minister Brian Mulroney’s generally pro-business government, presented a $159bn ($US 138bn) budget for the 1991-92 fiscal year that begins on April 1... The government’s debt load is still high by international standards. The total debt load is expected to top 400bn
($347bn) this year, or about $15,000 (13,000 US) for every man, woman and child in Canada."

France

LE MONDE: Le chômage augmente de 0,4% en un mois

"Le chômage a de nouveau augmenté en janvier, selon les statistiques publiées le 26 février par le ministère du travail... La hausse est de 0,4% en un mois (10 400 de plus) et de 1,8% en un an (44 900 de plus), et porte le nombre de chômeurs à 2 542 000. Le taux de chômage par rapport à la population active, qui était revenu à 8,9% en octobre 1990, s’élève maintenant à 9,1%."

END-OF-TEXT