
REUTER - WORLD NEWS SUMMARY

NICOSIA - Kurdish rebels in northern Iraq have the upper hand in their battle with Saddam Hussein’s forces and a revolt is still raging in the south, the US administration says. The Kurds claimed the capture of the major oil city of Kirkuk. Shi’ite Moslem groups said fierce fighting was continuing in southern Iraq.

BELGRADE - Serbian President Slobodan Milosevic said he was ready to arm minority Serbs who say they are subject to discrimination in the neighbouring Croatia republic.

WASHINGTON - Polish President Lech Walesa arrived on his first state visit as a US official and said the United States was willing to cancel over half of Poland’s $2.9bn official debt.

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MONETARY UNION

HERALD TRIBUNE: Pöhl calls Germany’s money union a ‘disaster’

"Karl Otto Pöhl told a committee of the European Parliament on Tuesday that Germany’s monetary union had produced a ‘disaster’. The statement caused the Deutsche mark to tumble and the government in Bonn to say tersely that the Bundesbank president had underestimated political ‘pressures’. Mr. Pöhl was using the German experience as a warning against premature steps toward full monetary union in the European Community before the economies of its member countries have converged to a greater degree. He told the committee members in Brussels that the West German mark had been introduced as the currency for united Germany with little preparation and at the wrong rate. ‘So the result is disaster as you can see’, he said... The Deutsche mark dipped rapidly after the statement, and central banks had to intervene to hold back the dollar."

FINANCIAL TIMES: Pöhl: EC monetary union could be created now

BRUSSELS - "Germany and its immediate EC neighbours could create a successful economic and monetary union (Emu) virtually overnight because their policies and performance were now so similar, Mr. karl Otto Pöhl said. But other countries would not be able to join because their inflation rate was twice as high, he told the European Parliament’s economic and monetary affairs committee... Mr. Pöhl said the best market test of economic convergence was interest rate differentials... He repeated forcefully his government’s proposal that the European central bank (ECB) should only be fully established on the very eve of a monetary union, not at the start, around 1994, of the stage 2 transition to Emu."

AFTERMATH OF THE GULF WAR

HERALD TRIBUNE: UN Council agrees to new truce terms

UNITED NATIONS - "The 5 permanent Security Council members have reached broad agreement on the main elements of a new resolution for ending the Gulf war and allowing the withdrawal of US and allied forces, diplomats say. The new resolution will set out again, but in greater detail, the cease-fire terms that the council approved on March 2 in Resolution 686. It is to make clear that once Baghdad has complied with the terms, a permanent cease-fire will take effect... The 5 members envisage the secretary-general being given the task of monitoring Iraq’s compliance and deciding when sufficient progress has been made to justify a cease-fire. Diplomats said an important feature of the negotiations was a decision by President George Bush and Prime Minister John Major of Britain last weekend to add to the terms the destruction of President Saddam Hussein’s remaining chemical and biological weapons and to seek a declaration from him renouncing terrorism."
AFP: Le Japon approuve les grandes lignes d’un plan après-guerre

TOKYO - "Le gouvernement japonais a approuvé mercredi les grandes lignes d’un plan ambitieux en 5 points pour l’après-guerre du Golfe, destiné à aider à la reconstruction mais également à maintenir la paix et la sécurité dans la région, ont indiqué des sources gouvernementales. Parmi les mesures retenues figurent notamment une aide alimentaire et financière pour les Palestiniens dans les territoires occupés ainsi qu’une aide matérielle et technique au Koweït. Selon la presse japonaise, l’aide aux Palestiniens - qui transitera comme dans le passé par des organisations internationales - devrait s’élever à 10 millions de dollars. L’aide au Koweït serait de l’ordre d’un milliard de yens ($7,5 millions)... Le gouvernement japonais se déclare favorable à la tenue d’une conférence internationale sur la paix du Proche Orient et à la mise en place d’une structure internationale visant à garantir la sécurité dans la région."

THE SOVIET UNION

REUTER: Gorbachev announces long-awaited price reforms

MOSCOW - "President Mikhail Gorbachev announced on Tuesday that long-awaited price increases, raising the cost of goods from food to clothes by an average of 60%, would be introduced on April 2. The price rises, as high as 200% for some staple foods, such as meat, are one of the most controversial measures being carried through by Gorbachev as he tries to dismantle the failing state-controlled economy... ’This is one stage in a whole range of reforms, one of the conditions for transition to a market economy’, Prime Minister Nikolai Pavlov said on evening television news."

FINANCIAL TIMES: Soviet miners’ strike gains strength

MOSCOW - "Striking Soviet coal miners, calling for President Mikhail Gorbachev to resign, yesterday formed a national strike committee and called for international support for their action. The strike leaders claimed that 165 pits, and up to 300,000 miners, were now on strike in virtually all the main coalfields of the country. Latest to join the action were 5 of the 10 mines in the Chelyabinsk region of the Urals. They are calling for drastic pay rises, the resignation of Mr. Gorbachev, and abolition of the new 5% presidential sales tax designed to create a social safety net for the planned price rises."

OECD ECONOMIES

United Kingdom

THE INDEPENDENT: Budget: Lamont clears way to June election

"The Chancellor of the Exchequer yesterday drew a 4.25bn pounds sterling sting out of the poll tax, reducing bills by 140 pounds sterling a head with a dramatic switch of taxation to VAT, and in the process threw the door wide open for a June election. Value-added tax will rise from 15% to 17.5% from next month, bringing in 3.9bn pounds sterling in the first year, the equivalent of an extra 1% on the Retail Price Index."

THE GUARDIAN: Lamont offers lifeline to ailing firms

"Companies will be the main beneficiaries of Norman Lamont’s generosity as the government seeks to offset the impact of recession on their finances and to answer industry’s pleas for relief from the financial crisis... Announcing cuts in company, Mr Lamont announced a cut in the rate of corporation tax, a change in tax relief giving an immediate boost to loss-making firms, and VAT and capital gains tax changes to help smaller businesses and the self-employed."

Allemagne

LA TRIBUNE: A l’Est, les Allemands retrouvent la rue

"Les 100.000 personnes manifestant lundi contre le chômage à Leipzig, Chemnitz et Loëbau n’ont guère ému le gouvernement de Bonn. Après leur emport, les Allemands de l’Est ont en effet perdu hier la 2ème sécurité que leur assurait le régime communiste: le droit à un logement à bas prix. Le gouvernement a ainsi décidé hier en Conseil des ministres de relever les loyers à compter du 1er août de 360%."

Japan
"Japan’s gross national product for calendar 1990 expanded 5.6% in real terms from the previous year and 7.6% in nominal terms, the Economic Planning Agency said in a report released Tuesday. However, economic growth slowed to a crawl in the October-December quarter of 1990, dragged down by feeble personal consumption, the EPA said."