**REUTERS - WORLD NEWS SUMMARY**

ADDIS ABABA - Hopes of an end to bloodletting in war-torn Ethiopia have faded after rebels who took power in the capital killed demonstrators in the first sign of opposition to the US-backed take-over. Thousands of young residents poured out of the capital's tin-roofed shanty towns chanting anti-US slogans and waving their fists at rebel fighters. The protesters vented their anger at what they called Washington's betrayal of their country.

UNITED NATIONS - Iraq, which has been forced to accept UN inspection teams investigating how they can best blow up Scud missiles, scrap chemical weapons and remove nuclear materials, may have to pay hundreds of millions of dollars for the operation.

**CALL FOR FREEZE ON MISSILE PRODUCTION AND SALES**

FINANCIAL TIMES: Middle East arms curb sought

WASHINGTON - "President George Bush has proposed a freeze on the purchase and production of surface-to-surface missiles in the Middle East and curbs on conventional weapons as part of a plan to control the spread of arms in the region... The controls would apply to the entire region, from the Gulf Co-operation Council states to the Maghreb countries along the Mediterranean coast of North Africa, as well as Israel and its neighbours. In a speech to the US Air Force Academy in Colorado, Mr Bush also proposed initiatives aimed at eventually removing nuclear, chemical and biological weapons from the region."

**EAST-WEST**

THE GUARDIAN: Study: Moscow heading for repression

"The Soviet Union seems more likely to go down the road towards repression and military confrontation than towards democratisation, the International Institute of Strategic Studies (IISS) has concluded. The institute's authoritative annual Strategic Survey, published today, is a gloomy document which casts doubt on the bright, new world order that President George Bush envisages as the successor to East-West confrontation."

OECD: SECRETARY-GENERAL

WALL STREET JOURNAL: Mild recovery likely in 2nd

PARIS - The main Western industrialized economies are likely to pull out of their current depressed state in the second half, but the recovery is likely to be somewhat weak, the head of the OECD said. Jean-Claude Paye said OECD economies as a group should post an annual rate of growth of about 2.5% in the second half, accelerating to 3% in the first and second halves of 1992. Mr Paye warned, however, that there are 'risks' regarding the timing and strength of the upturn. 'All countries agree that the recovery will happen; the only differences are over these risks', he told a group of journalists." (Also LA TRIBUNE and REUTER)

**MINISTERIAL MEETING**

JAPAN TIMES: OECD to foster foreign investment

"Leading industrialized nations will agree in June to treat foreign investment like domestic investment, a government source said Wednesday. Ministers will meet in Paris on June 4 and 5. The OECD will extend the so-called national treatment already defined in the GATT to foreign investment, the source said. National treatment enforces equality for
imports and locally produced goods in areas such as taxes. The rule is one of GATT's pillars, along with the most-favored-nation principle, which also prevents discrimination against foreign goods... The issue was to have been settled at the last annual OECD ministerial meeting in Paris last year. However, the move was blocked by the US's refusal to apply the principle to restrictions imposed by state governments."

INTERNATIONAL TRADE

INDEPENDENT: EC free trade in defence-related goods?

BRUSSELS - "Touching on sensitive political territory, the European Commission served notice yesterday that controls on trade in defence-related goods between EC states should be lifted by 1993, just as for all other consumer products. The Commission is to begin informal contacts with the member states to discuss a harmonisation of national rules governing the export beyond the Community of sensitive products, which, if agreed, would allow free trade between the Twelve. Officials suggested that a 'contract of confidence' had to be established between the customs authorities of the EC nations. If common guidelines were agreed on monitoring the export of sensitive equipment, there would no longer be any need for controls within the Twelve itself."

FINANCIAL TIMES: EC to comply with GATT on oilseeds

GENEVA - "... Brussels’ move, announced in the GATT council, should end a dispute with the US over EC subsidies paid to oilseed crushers, to compensate them for the high prices they pay EC farmers for soyabean and other oilseeds. The decision was included in the farm price package agreed by EC agriculture ministers at the weekend. Under it prices for oilseeds will be cut by 1.5% but, more significantly for US soyabean producers and GATT, ministers also agreed that the EC Commission should submit proposals by July 31 to bring the current oilseed regime into line with the conclusions of the GATT disputes panel."

OECD ECONOMIES

United Kingdom

INDEPENDENT: Speed of recovery slower than expected

"The economy will stay flat this year and the recovery in 1992 will be slow, with unemployment rising to 2.75 million by mid-year, the National Institute for Economic and Social Research said yesterday. In a quarterly review which cast a shadow over the government’s election timetable, the institute predicted that the recovery next year will be led by exports as world demand accelerates again... The NIESR said the UK recession is deeper and likely to last longer than in any of the other major industrial countries. Output is falling again in the first half, and the year-on-year shrinkage will be 2 to 2.5%. But the worst news for the government is that output is expected to be 'virtually flat' throughout 1991, while unemployment will continue rising to a peak of about 2.75 million in summer 1992, the latest date for an election. It will then stick at 2.5 million."

Allemagne

LES ECHOS: Changement de présidence à la Bundesbank

FRANCORT - "Karl Otto Pöhl a annoncé, hier, son intention de quitter la présidence de la Bundesbank dès la fin juillet, soit 3 mois avant la date initialement annoncée pour son départ. Il sera remplacé durant 2 ans par l’actuel vice-président Helmut Schlesinger... Hans Tietmeyer, l’ancien secrétaire d’Etat aux Finances et actuellement membre du directoire de l’institut d’émission, a été nommé vice-président de la banque centrale."

Suisse

JOURNAL DE GENEVE: Politique régionale: bilan OCDE

BERNE - "L’OCDE dresse un bilan plutôt positif de la politique régionale suisse dans un rapport publié mardi. ‘La Suisse apparaît comme le pays où l’Etat n’intervient pas sauf là où c’est nécessaire, qui contraste avec les pays où l’Etat intervient partout sauf là où c’est utile’, écrivent les experts qui ont fait un voyage en Suisse en septembre 1989... Les disparités régionales sont plus faibles en Suisse que dans les autres pays européens. ‘Le niveau de revenu des régions les plus pauvres peut être envié par les régions riches de certains pays de l’OCDE’ lit-on dans le
rapport. Après avoir analysé les mécanismes mis en place (aide aux régions de montagne - LIM - et aidé aux régions économiquement menacées), le rapport aboutit à la conclusion que la politique régionale suisse menée par les cantons et par la Confédération apparaît relativement efficace."

Australia

REUTER: Government welcomes growth figures

SYDNEY - "The Australian government on Thursday welcomed new figures showing slight growth in the country’s recession-hit economy, saying they confirmed the start of a steady move towards recovery. Treasurer Paul Keating, who has predicted an economic upturn by the end of the year, said the 0.1% rise in the gross domestic product (GDP) was encouraging. The rise in the goods and services produced by the economy in the first 3 months of the year was the second successive quarter of growth, Keating said. GDP rose 0.3% in the December 1990 quarter after two quarters of negative growth, which put Australia in recession."