
REUTER - WORLD NEWS SUMMARY

JERUSALEM - The worst violence in months has rocked Israel, as Labour’s Yitzhak Rabin tries to forge a government with leftists who want a Palestinian state.

NEW YORK - A majority of US business leaders support Perot for president but Bush is the favourite of executives at the country’s biggest corporations, according to a new poll.

BONN - Germany’s parliament lifted restrictions on abortion after an all-day debate on the most divisive issue of German unity stretched into a vote in the early hours of Friday.

WASHINGTON - The leader of the US Senate introduced legislation to keep abortion legal in the US, as the US Supreme Court edged closer to a ruling that could drastically curtail a woman’s right to choose.

PARIS - French Maritime Affairs Minister Charles Josselin said he wanted to ensure there was no diplomatic incident between Paris and London over attacks by French boats on British fishing vessels.

CAPE CANAVERAL - The space shuttle Columbia roared skyward carrying 7 astronauts who hope to set a flight record with their 13-day shuttle mission, which includes tests for a space station.

THE OECD ECONOMIC OUTLOOK

FINANCIAL TIMES : Industrial world set for slow growth

"High European interest rates and weak demand in the US and Japan will constrain economic growth across the industrialised world this year. According to the latest OECD Economic Outlook published yesterday, non-residential investment in the OECD area will be flat this year compared with 1991, while unemployment will stay high. OECD-wide company profits will probably expand 'more modestly' over the next few years, compared with the faster pick-up after the previous period of slow world growth in the early 1980s... According to the report, the OECD economy should expand by 1.8% this year after 1% in 1991. Last December, the organisation’s economists projected 1992 growth of 2.2%.

THE GUARDIAN: Hangover cure will be slow and painful

"Hangovers are never pleasant, and the richest countries of the West are now waking up to the morning after the night before, according to their half-yearly health check by the OECD. It has not been difficult for the OECD to come up with its diagnosis. Asset prices in Japan have ceased to defy gravity, the euphoria of German unification has quickly been replaced by the realisation of the full cost of integrating the eastern länder, and the Anglo-Saxon economies are still coming to terms with the debt accrued during the spending binge of the late 1980s. Like all good doctors, however, the OECD has some words of encouragement. The medicine of tough monetary policy is now working, bringing down inflation to around 3% and setting the right conditions for a robust recovery next year... The OECD suggests that even its downbeat assessment of the prospects facing the developed world may prove over-optimistic... The OECD’s detailed breakdown shows that all 3 of the global ‘engines for growth’ - the US, Germany and Japan - have their problems, and it is this that underpins its cautious forecasts for this year."

DAILY TELEGRAPH: Forecast for growth in economy slashed

"... The OECD offered no figures of its own yesterday, but City experts..."
are already talking of an overshoot of £3bn on the forecast deficits of £28bn for this year and £32bn for next... Jon Hibbs, Political Staff, writes: At Westminster, labour said the OECD report demolished the Government’s claims that an early recovery was on the way. Mr John Smith, Shadow Chancellor, also accused the Treasury of supplying misleading figures to the organisation. OECD forecasts should be made entirely independent of member governments, to prevent the risk of political manipulation, he said. "The OECD’s dramatic U-turn reveals both the depth and seriousness of the current recession and the extent to which, in the pre-election period, the Conservative Government gave the OECD a misleading and over-optimistic account of Britain’s economic prospects’.'

LA TRIBUNE: Interview de Shigehara

"Pour le nouveau chef économiste de l’OCDE, si l’activité reprend comme prévu, Tokyo n’a pas besoin de prendre des mesures de relance additionnelles. La presse européenne s’inquiète trop de la baisse de Kabuto-chô. La part des actions est très réduite dans l’épargne des ménages japonais. Le revenu réel des salariés se maintient, et la situation de l’emploi est très bonne."

LIBERATION: La croissance en retard sur les prévisions

"Au vu de la mollesse désespérante des économies industrialisées depuis le début de l’année, l’OCDE ne pouvait qu’en rabattre sur les perspectives de croissance de 1992. Son rapport semestriel, l’OCDE s’ingénie à tourner des métaphores pour expliquer cet énième retard de la croissance et maquiller ses nouvelles prévisions d’une admirable prudence... On pourrait croire que le credo ultra-libéral de l’OCDE en matière de lutte contre le chômage a baissé d’un ton. Au contraire: la résistance du chômage, malgré l’amorce de reprise, lui permet de démontrer que ce fléau est devenu un phénomène structurel dû, selon le nouveau rapport, à la diffusion des ‘comportements culturels de dépendance’, ce qui, en termes plus clairs, épingle les politiques de traitement social, allocations prolongées et autres mesures en faveur des jeunes qui n’inciteraient pas les chômeurs à chercher un emploi."

NB: Beaucoup d’autres articles dans la presse internationale ce matin.

BLANCHIMENT DE CAPITAUX

AFP: Des experts pour lutter contre la corruption

LUGANO (Suisse) - "La définition de l’argent sale doit être élargie à d’autres infractions que le trafic de drogue, en particulier à la corruption, ont indiqué jeudi les responsables du Groupe d’Action financière sur le blanchiment de capitaux (GAFI) réunis à Lugano... Le GAFI, créé par les chefs d’Etat du G7 en juillet 1989, réunit des fonctionnaires des ministères des Finances, de la Justice et des Affaires étrangères ainsi que des organes de supervision bancaires. Les 24 pays de l’OCDE, le Conseil de la Coopération du Golfe (CCG) ainsi que Hong Kong et Singapour, sont membres de ce groupe ad hoc. Le GAFI recommande en particulier à ses membres ‘d’étendre l’infraction de blanchiment de capitaux provenant du trafic de stupéfiants en incriminant toutes les infractions graves’."

FINANCIAL TIMES: Drug money launderers find new routes

LUGANO - "The volume of laundered drug money, estimated at $85bn in the US and Europe 4 years ago, has remained high in spite of the efforts of a task force set up to combat it by the leading industrialised nations at their 1989 economic summit... Mr Lautenberg, who has chaired the task force in the past year, said that even though many countries, including Switzerland, had introduced measures to prevent drug money laundering, the activity had merely shifted ‘geographically and institutionally’. Money launderers were moving to eastern European and far eastern countries and using unregulated institutions and more circuitous paths."

MER NOIRE - COOPERATION ECONOMIQUE

Les pays riverains de la Mer Noire font marché commun

"... Au bord du Bosphore, dans le palais de Ciragan, 11 chefs d’Etat et de gouvernement de pays riverains de la Mer Noire, des Balkans, du Caucase et de l’Asie centrale - dont 6 Républiques de l’ex-URSS - ont solennellement signé hier la ‘déclaration d’Istanbul’ instaurant une ’Coopération économique de la Mer Noire’ (CEN). Une sorte de marché commun selon l’idée
lancée en janvier 1990 par le président turc, Turgut Ozal... Les participants de ce sommet ont tous des relations difficiles avec leurs voisins."

EUROPEAN FREE TRADE ASSOCIATION

GENEVA - "EFTA said on Thursday it had made progress in talks with Hungary this week on free trade and hoped to conclude an agreement next month. An EFTA spokesman told REUTERS discussions on a similar agreement with Poland, which like the Hungarian negotiations are complicated by problems with basic farm products, had also moved ahead with another round set for early July. The Geneva-based Association links Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland. EFTA already has a free trade agreement with Czechoslovakia, it has begun negotiations with Bulgaria and Romania and opened contacts with Albania.... Austria, Finland, Sweden and Switzerland have applied for membership of the EC, but EFTA officials have suggested the Association could find a new life as a 'training ground' for former communist states who also want to enter the Community.

UNITED STATES

REUTER: US House panel approves $14.4bn tax bill

WASHINGTON - The House of Representatives Ways and Means Committee on Thursday approved a catch-all $14.4bn tax bill offering a tax break for investments in distressed areas and bringing a grab-bag approach to new taxes. Democrats supported the $2.5bn tax break to establish 'enterprise zones', but Republicans scorned its approach as inadequate. The House bill would set up 50 zones, half rural and half urban. To spur development, employers would be given up to a $3,000 tax credit for employees who live and work in the area and allowed extra depreciation for business expenses."