REUTER - WORLD NEWS SUMMARY

FAIZABAD, India - Indian police drove out thousands of Hindus from the site of an ancient mosque torn down in Ayodhya on Sunday. Over 200 people were killed in riots across India following the mosque’s destruction. The government has vowed to rebuild the mosque.

MOGADISHU - Forty-eight people were reported killed and 50 wounded in clashes between rival Somali gangs as a US-led force of 36,000 troops prepared to deploy to ensure relief supplies reach several million starving people.

In SARAJEVO, Moslems and Serbs waged pitched battles for outlying districts of the city, where the fighting compelled UN workers to keep the airport closed to relief planes.

CAPE TOWN - South African President F.W. de Klerk has vowed to take action against the armed wing of the radical Pan Africanist Congress and Nelson Mandela called the new guerrilla threat to white civilians "extremely regrettable".

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OECD - SOCIAL POLICY

FINANCIAL TIMES: Common health approach

"European countries are adopting similar market-based health care reforms to contain costs and improve efficiency, according to a report published today by the OECD. The OECD says that its 24 member countries continue to face persistent problems in the financing and delivery of their health services. These include rapid increases in health spending and concerns over inefficiency and poor performance. Analysis of reforms introduced in 7 European countries during the 1980s, however, shows convergence in the solutions devised to deal with these problems, despite considerable differences between health care systems... The findings will be discussed at a 2-day conference of OECD social policy ministers in Paris which begins today."

GATT

WALL STREET JOURNAL: EC supports talks despite farm deal doubts

BRUSSELS - "EC ministers expressed deep reservations about the tentative farm-trade deal reached with the US last month. But they agreed to press on with negotiations in Geneva aimed at producing a world trade agreement. After a tense meeting of foreign and agriculture ministers, the EC issued a statement late Monday reminding the US and other countries taking part in the Geneva negotiations that progress is needed in areas other than agriculture before a global accord can be reached. The statement also said ministers would continue debating whether the EC-US agreement on farm trade was in line with last spring’s agreement to overhaul the EC’s farm-subsidy program, the Common Agricultural Policy."

AIRCRAFT

HERALD TRIBUNE: TWA settles with creditors, employees

NEW YORK - "Trans World Airlines announced on Monday a settlement with its creditors, unions, and the US government that is to clear its way out of bankruptcy protection and may lead to its eventual sale to another airline for its valuable routes to Europe. The agreement was reached after a weekend of hard bargaining aimed at forcing the maximum pension guarantee for TWA’s employees out of Carl C. Icahn, the corporate raider who took control of the airline in 1985. A new law directed specifically..."
at Mr. Icahn made his $900 million personal fortune liable to pension claims if he did not settle. According to the government’s Pension Benefit Guarantee Corp., which insures private pension plans, TWA’s plan was $1bn short of money to pay the pensions of 32,000 active and retired employees. Under the agreement announced Monday, Mr. Icahn will provide about $80 million for ongoing pensions and guarantee another $240 million over the next 8 years for the long-range funding of the pension plans."

Herald Tribune: Northwest cancels 74 airbus orders

ST. PAUL, Minnesota - "The struggling Northwest Airlines said Monday that it had agreed with banks, suppliers and unions on $2.2bn in new financing and cost savings, and was canceling or delaying $6.2bn in new aircraft on order. Northwest is canceling $3.5bn in orders for 24 Airbus A-340s and 50 Airbus A-320s, while delaying delivery on $2.7bn in Boeing aircraft - four 747-740s and 40 757s."

Nations Unies - Europe de l'Est

LA TRIBUNE: Les pays de l’Est dans une "phase très dangereuse"

"La profonde récession qui frappe les pays de l’Est et ceux issus de l’ex-Union soviétique s’est accentuée au cours des 12 derniers mois, et les populations s’attendent à une nouvelle diminution de leur niveau de vie, affirme la Commission économique pour l’Europe des Nations unies. "L’enthousiasme populaire a fait place à des sentiments de déception et d’anxiété face à l’avenir"... Pour l’Europe orientale, les Nations unies prévoient une diminution du produit intérieur brut de 10% environ en 1992... La production industrielle a été particulièrement touchée: au 1er semestre de 1992, elle a été en moyenne inférieure de 15% à son niveau de l’année précédente. Dans les républiques de l’ex-Union soviétique, le déclin de l’économie est devenu plus prononcé en 1992. Dans les pays de la CEI, le produit national a baissé en moyenne de 19% au 1er semestre...

Economies de l’OCDE

Allemagne

LIBERATION: Compromis sur le droit d’asile

BERLIN - "Les partis de la coalition au pouvoir (CDU, CSU et libéraux) et l’opposition sociale-démocrate ont accouché, tard dimanche soir, du texte de compromis qui servira d’ébauche à une réforme du droit d’asile, si généreusement garanti par la Constitution allemande. L’article 16 de la Loi fondamentale, formulé de façon très floue, accorde aux persécutés politiques étrangers un droit à l’asile en Allemagne... Le droit d’asile individuel est maintenu, mais l’article 16 est complété, affiné... Jusqu’à présent, les demandeurs d’asile dont la requête avait été rejetée, par exemple, en France ou aux Pays-Bas, pouvaient retenter leur chance en Allemagne... Les Allemands considèrent désormais, à l’unisson de leurs partenaires de Schengen, que le premier pays où le réfugié a posé le pied est responsable de sa requête."

United States

Wall Street Journal: Clinton allies miss deficit goal in fiscal plan

WASHINGTON - "Bill Clinton’s allies at the Progressive Policy Institute offered him a plan Monday that fails to achieve his goal of halving the deficit even though it calls for a slew of controversial tax increases and spending cuts... The budget section of the wide-ranging 388-page book, 'Mandate for Change', embraces Mr. Clinton’s campaign promises, although it tempers some - like the tax cut for the middle class - to save money. The most significant departures from the Clinton campaign program include slashing corporate tax breaks and subsidies targeted at real estate, oil, agriculture and other powerful industries to save $36bn a year by fiscal 1996; imposing the capital gains tax on assets held by the affluent when they die to raise $5bn a year by 1996 and taxing the value of Medicare benefits received by the affluent. It also suggests raising the age for full Social Security retirement benefits from 65 to 66 in 2002 and 67 by 2008 to save billions in the next century... ’The new president’s choice is clear: He can sidestep the controversies and tolerate the spending and revenue drains from special-interest subsidies, or he can break the structural deficit. He cannot do both’, the institute said."
OTTAWA - "Pleading poverty, the federal government has proposed cuts in unemployment-insurance benefits, slashed foreign aid and frozen public-service wages for 2 years in an effort to pare spending by $7.8bn over the next 2 1/2 years. The measures, announced by Finance Minister Donald Mazankowski in an economic statement, were harsher than expected and included only a few small measures aimed at stimulating economic growth... The statement, which resembled a full-blown budget in its range of proposed measures, still predicted a budget deficit in the current year that will be $6.9bn above the earlier forecast, to a new level of $34.4bn. And next year’s deficit target has been increased by more than $10bn, to $32.6bn. The biggest cuts will lop off 10% from spending in 1993-94 and 1994-95, and hit foreign aid, a previous victim of budget-cutting exercises. But 10% cuts will also affect politically sensitive areas such as the environmental Green Plan, agricultural aid, cultural subsidies and some assistance to natives."