UNITED NATIONS - The Security Council took a step towards monitoring the Yugoslavia-Bosnia border, apparently including air surveillance to check on weapons and other supplies to Bosnian Serbs.

TOKYO - North Korea test-fired a new missile from a site on its Japan Sea coast in late May, and its range makes much of western Japan a potential target, KYODO news agency reported.

LONDON - British Conservative politicians pledged solid support for Prime Minister John Major after he plunged into a new crisis following a barbed attack by his former finance minister.

FINANCIAL TIMES: New GATT chief looks to G7 for leadership

"Failure to reach a market access agreement at next month’s G7 summit in Tokyo could sink prospects of concluding the Uruguay Round world trade reform negotiations, according to Mr Peter Sutherland, the newly-appointed director-general of the GATT. 'If there is a failure to deliver, then I think we have a serious crisis', Mr Sutherland said in an interview with the FINANCIAL TIMES yesterday... He sees the responsibility for the task of dismantling world trade barriers as lying firmly with the industrialised nations. Strong leadership and tough decisions by the US and EC would be required if the round were to be successfully concluded by its December 15 deadline, he said. The G7 meeting in Tokyo would be the key to early progress, and he expected advances on market access. Agreements would then have to be extended beyond G7 countries to the developing world."

FINANCIAL TIMES: Balladur urges caution in market access talks

BRUSSELS - "Mr Edouard Balladur, French prime minister, yesterday called for caution in the Uruguay Round market access negotiations and singled out labour-intensive industries for special treatment. In a rare personal presentation to the European Commission, Mr Balladur said that the high rate of unemployment in Europe meant that EC customs duties on textiles, aluminium, steel and chemicals should be gradual and accompanied by strengthened GATT disciplines. The French prime minister also repeated that the US-EC agreement last year on farm export subsidies, known as the Blair House agreement, was unacceptable in its present form. EC officials had been braced for the ritual denunciation of Blair House, but Mr Balladur’s remarks on market access were viewed as potentially troublesome. One senior EC official said it showed that France intends to keep Sir Leon Brittan, the Commission’s chief trade negotiator, on a tight leash as market access negotiations by the EC, US, Japan and Canada enter a critical stage."

LE FIGARO: Paris prend le risque d’un conflit ouvert avec la CEE

BRUXELLES - "Le premier ministre, Edouard Balladur, qui rencontrera Bill Clinton mardi à Washington, a réaffirmé hier devant la Commission sa détermination de ne pas avaliser le compromis de Blair House concernant la diminution des subventions agricoles. Pour plusieurs pays, cependant, l’intransigeance française crée tous les éléments d’une crise ouverte, tant au sein de la CEE qu’avec les Etats-Unis... ‘Nous ne demandons aucun privilège, simplement que les règles du jeu soient respectées par tout le monde. Dans cette affaire, a ajouté le premier ministre, la France a le sentiment de défendre les intérêts de tous les partenaires européens’. L’intervention du chef du gouvernement a porté sur les points suivants: - Croissance et emploi. Une réflexion doit être menée par l’ensemble des
pays adhérant au GATT, et non pas se limiter à un dialogue CEE-USA. - L’Union monétaire... - Affirmer l’identité européenne."

REUTER: US defends tough new Japan trade policy

WASHINGTON - "One day before an economic showdown with Japan, US officials defended their new tough trade policy on Thursday, denying that it amounts to managed trade. Washington said it was Tokyo which was riding roughshod over market forces with a restrictive trade policy and that time was running short for it to change its ways. 'We're not going to negotiate forever', said US Trade Representative Mickey Kantor. 'We need to look for measurable results and if we can't get them, we ought to take appropriate action'. Threats aside, officials said results are what counts in the new US drive to lop billions off Japan's trade surplus with the US, which hit $50bn last year."

JAPAN TIMES: Tokyo to offer US 100 ideas

"Japan will suggest about 100 ways, including expansion of savings, for the US to help rectify the bilateral trade imbalance, government sources said Thursday. Japan will make the proposal at a sub-Cabinet-level meeting in Washington Friday being held to establish a new framework for bilateral economic consultations, the sources said... The agenda for what Japan plans to call the Japan-US Committee on market-Oriented Economy and Trade will cover structural and sectoral issues, as well as global and bilateral cooperation on the environment and other areas. Among structural problems, Japan will urge the US to increase measures to lower the budget deficit and promote savings, saying these are the 2 biggest factors behind the current account deficit there."

FINANCIAL TIMES: Washington focuses on six difficult sectors

WASHINGTON - "... The 6 sectors, comprising 65% of Japanese exports to the US, are: cars, car parts, computers, supercomputers, electronics and semiconductors. Mr Mickey Kantor, US trade representative, noted these are the areas where US companies have had difficulty penetrating the Japanese market, despite many previous negotiations and agreements. The lone exception seems to be semiconductors, where the Japanese last year surprised everyone by surpassing an agreed 20% target for foreign penetration. This brought the Clinton administration to a view that 'results-oriented (pacts) work'."

AFP: USA/Allemagne: accord sur les télécommunications

WASHINGTON - Les Etats-Unis et l'Allemagne sont parvenus à un accord dans le domaine des marchés publics en matière de communications, a déclaré jeudi Mickey Kantor, représentant américain pour le Commerce. Les Etats-Unis vont donc lever contre l'Allemagne les sanctions imposées aux différents pays de la CEE, décidées par Washington pour forcer l'ouverture des marchés publics européens aux firmes américaines, a indiqué M. Kantor. Le représentant américain pour le Commerce a révélé l'accord devant la commission des opérations de la Chambre des représentants. Il n'a pas précisé les détails de cet accord ni quand il avait été conclu... Le ministre des Finances allemand, Guenter Rexrodt, avait expliqué cette situation à M. Kantor lors de la venue de ce dernier à Paris début juin pour la réunion de l'OCDE."

UNEMPLOYMENT

FINANCIAL TIMES: W. Europe ‘must tackle joblessness’

MADRID - "Western Europe must tackle high unemployment if it is to compete in the modern world economy, Mr Gary Becker, Nobel economics prize winner said yesterday. ‘Europe has an essentially skilled work-force but its jobless rate is unnecessarily high and must be overcome for it to succeed as well as it might’, Mr Becker told a business seminar... Mr Becker, who won last year’s Nobel economics prize, said that in a free trade era countries with the best-trained people will compete most efficiently, provided companies are not stifled by employment taxes."

IMF/RUSSIA

REUTER: Loan held up, angers Moscow and Washington

WASHINGTON - "IMF Managing Director Michel Camdessus has held up approval of a key $1.5bn loan for Russia in a surprisingly tough stance that has drawn the ire of both Moscow and Washington, monetary sources
said on Thursday. They said Camdessus wants Russia to take some action to put its battered economy in shape before submitting the loan to the IMF’s board for approval... Monetary sources said Camdessus has tentatively agreed to submit the loan to the IMF board on July 2, but they stressed that date is not definite. That date would be in time for the economic summit of the G7 in Tokyo from July 7 to 9. Russian President Boris Yeltsin is expected to meet with leaders of the G7 — Germany, Britain, France, Italy, the US, Canada and Japan — at the summit, and US officials have said they want the IMF loan approved by then."

AFP: L’OPEP gèle sa production, le Koweït rejette l’accord

GENEVE - "L’OPEP a décidé jeudi à Genève de geler son plafond de production de pétrole à 23,6 millions de barils par jour (mbj) au 3ème trimestre, mais le Koweït a rejeté l’accord et l’augmentation de son quota qui lui était proposée, a annoncé le secrétaire général de l’OPEP Dr Subroto. La conférence ministérielle ‘a offert au Koweït une hausse de 10% soit un niveau de production de 1,76 mbj, offre qui a été rejetée par le Koweït qui insistait sur un niveau de 2,16 mbj... Par conséquent, il y a simplement reconduction’ du plafond de production en vigueur."

END-OF-TEXT