AFP: LE MONDE EN BREF

ISRAEL-PALESTINE - "Israël a complètement bouclé mercredi pour 4 jours la bande de Gaza occupée, alors que les forces de sécurité étaient en état d’alerte pour ’prévenir tout attentat anti-israélien pendant les célébrations du Nouvel an juif. Bill Clinton a annulé mercredi une disposition datant de la guerre du Golfe qui bloquait une aide américaine de 30 millions de dollars à la Jordanie et a en personnellement informé le roi Hussein par téléphone, a déclaré un responsable de l’administration. Le Premier ministre israélien, M. Yitzhak Rabin, a critiqué la Syrie en estimant que ce pays tend "une main à la paix et ouvre le feu contre nous avec la deuxième". Yitzhak Rabin a estimé qu’Israël pouvait conclure un accord de paix en 9 mois avec le Liban. Un corridor routier d’environ 150km devra relier Jéricho à la bande Baza, selon un accord secret entre Israël et l’OLP, a affirmé à l’AFP, le chef de la mission diplomatique de la Palestine (OLP) à Athènes, M. Abdallah Abdallah."

GEORGIE - "Les députés géorgiens ont accepté mercredi de suspendre le parlement pour 3 mois, donnant au numéro un géorgien Edouard Chevardnadze les moyens qu’il avait exigés pour restaurer l’ordre dans la république caucasienne, en proie à une rébellion dans l’ouest."

INTERNATIONAL TRADE

THE TIMES: Bid to amend GATT terms finds little support in EC

BRUSSELS - "At a make-or-break meeting in Brussels next Monday, France will try to tie the hands of Sir Leon Brittan, the European Commission’s chief negotiator in the present round of world trade talks. The ‘jumbo’ meeting of foreign and agriculture ministers has been called by France as part of an intensifying campaign to talk down the prospects of a world trade deal by Christmas under the GATT. France also wants to unpick the EC-US deal reached at Blair House in Washington last year on lowering farm subsidies in Europe and America. Jean Puech, the French farm minister, said in Brussels yesterday that Monday’s meeting ‘must decide clearly and cleanly to reopen negotiations with the US’ on the farm sector. He threatened the ’spectre of crisis’ if the EC spurned French demands."

THE TIMES: Brittan still optimistic after US bar changes

WASHINGTON - "Worried US trade officials decided on a wait-and-see policy yesterday after President Clinton’s warning that there must be no going back on the farm subsidies agreement between America and the European community. Mr. Clinton’s remarks were levelled against the EC in the wake of talks between US trade officials and Sir Leon Brittan, vice-president of the European Commission and Commissioner for foreign trade."

WALL STREET JOURNAL: EC Plan to soothe Paris on farm pact

BRUSSELS - "The first signs have emerged of the EC Commission’s strategy for meeting French objections to the EC-US farm accord, which threaten to provoke an EC crisis and sink world trade talks. René Steichen, the EC’s agriculture commissioner, suggested a ’refinement...of the basis’ for the Blair House agreement, reached last year between Washington and the EC on cutting subsidized farm exports. Mr. Steichen, in an interview with Associated Press, said this could be done by phasing in the cuts more slowly. Although he rejected renegotiating the substance of the Blair House pact, he called on the US to give some ground over agriculture. ’If ever a conclusion, they must be more flexible’, Mr. Steichen said. His views were the most explicit yet from an EC commissioner on how to find a way out of the impasse caused by the
hard-line French stance on agriculture.’

HERALD TRIBUNE: Patterns of conflict in clothing trade

PARIS - "Joining forces against Asia’s low-cost clothing exports, US and European industry leaders say they have agreed to resolve a long-standing battle over tariffs, a potential breakthrough on a key issue in world trade talks. What’s more, industry officials say that if global trade negotiations are not concluded by the Dec. 15 deadline, they may propose establishing a giant Euro-North American free-trade zone for textiles and clothing. Such a measure could greatly increase textile trade between the two blocs, now worth nearly $5 billion a year. It would also lay the foundation for a liberalization of world markets that goes far beyond objectives of the current negotiations under the GATT. The European and American textile industries reached an understanding over the weekend that calls for the US to sharply reduce some of its ‘peak tariffs’ - taxes of 15% to 40% - that apply particularly to wool textiles and garments. The understanding also calls for establishing a direct link in the GATT text between market access and the phase-out of textile quotas over the next decade."

EUROPEAN COMMUNITY

FINANCIAL TIMES: Return of capital controls raised by Delors

STRASBOURG, MADRID, LONDON - "Mr. Jacques Delors, president of the European Commission, yesterday raised the possibility of a partial reintroduction of controls on the movement of capital, to combat the sort of currency speculation which led to this summer’s crisis in the European exchange rate mechanism. ‘Cars are free to drive’ said Mr. Delors, the original animator of the economic and monetary union project, ‘but they are subject to traffic rules. I see no reason why at international level we shouldn’t study means of limiting monetary traffic.’ Mr. Delors suggested that the safeguard clauses in the EC directive on the free movement of capital could be used by the 12 in concert. ‘Why can’t what one country does be done by all together?’ Mr. Delors argued. The free movement of capital is one of the foundation stones of the European single market, but Mr. Delors seemed to imply that what he was putting forward would not conflict with internal market rules."

UNCTAD REPORT

FINANCIAL TIMES: Big Bang ends in a whimper

"Trade projection, weak commodity prices and high levels of indebtedness continue to dog the development efforts of many poor countries, the United Nations Conference on Trade and Development says in its annual report published today. In a controversial challenge to current economic orthodoxies ahead of the IMF/World Bank meeting later this month, Unctad calls for fiscal reflation combined with a one-off wealth tax to pull the industrialised nations - and the global economy - out of recession. It also questions the shock therapy prescription for developing and former communist countries. Unctad, the main UN body for discussing north-south issues and a consistent critic of laissez-faire capitalism, says industrialised countries need a co-ordinated reflation to boost demand and cut unemployment. High budget deficits and government debt, which now constrain expansionary policies, should be reduced through privatisation and a levy on private financial assets."

OECD ECONOMIES

United Kingdom

THE INDEPENDENT: Recover wobbles as inflation reaches 1.7%

"Disappointing inflation and high street spending figures yesterday wiped £9bn off the value of the stock market and undermined hopes of a robust recovery combined with low price increases. High street prices rose by 1.7% in the year to August, the highest inflation rate since March and up from 1.4% in the year to July. High street spending volume rose on the month by an unexpectedly weak 0.1%. The jump in inflation fuelled the row over the Government’s attempts to freeze the public sector pay bill next year. Steven Dorrell, financial Secretary to the Treasury, called on Tuesday for pay to reflect an ‘inflation-free world’. Labour challenged the Chancellor to drop plans to impose VAT on fuel, which would boost inflation."

France
LES ECHOS: Air France: nouvelle cure d’amaigrissement

"Air France a présenté hier son troisième plan de restructuration en trois ans. Il prévoit la suppression de 4.000 emplois d’ici à la fin de l’an prochain et table sur un rééquilibrage en 1995 des comptes. Subissant de plein fouet le crise du transport aérien, la compagnie - qui pourrait voir ses pertes gonfler à 5,5 milliards cette année contre 3,2 milliards l’an dernier - est ‘en danger de mort’ si sa restructuration échoue, estime Bernard Bosson, ministre des Transports. Air France prévoit d’économiser 5,1 milliards d’ici à la fin 1995. Cette annonce intervient au moment où d’autres entreprises préparent ou confirment des plans de réduction d’emplois: chez Peugeot (près de 4.000), Citroën (près de 2.000), Bull (6.500), Thomson-CSF (plus de 1.600), la SNECMA (775)…"

NON-OECD MEMBERS

Hungary

FINANCIAL TIMES: IMF seals pact with Hungary

BUDAPEST - "The board of the IMF yesterday approved a new agreement with Hungary providing a SDR340m (£312m) standby loan facility and giving the go-ahead to further funding from international institutions. The IMF and Hungary suspended their previous agreement in the first half of last year when the budget deficit ran over target. The new accord restores Hungary’s financial respectability. It triggers the release of a $100m (£65m) credit tranche from the World Bank and Japan’s Eximbanks, and a further $100m World Bank loan in support of Hungary’s privatisation programme."

Argentina

FINANCIAL TIMES: Strong economic growth and record low inflation

BUENOS AIRES - "Argentina forecasts record low inflation, continued strong growth and a smaller trade deficit in its 1994 budget, sent to Congress on Tuesday evening. Economy minister Domingo Cavallo once again plans to balance the federal government’s books. Rock-solid government finances were one of the keys to suppressing hyper-inflation and unleashing rapid growth. One of the budget’s key assumptions is a forecast 4% inflation rate, the lowest in Argentina’s recent history. Independent economists believe this is attainable and should strengthen confidence in the ability to sustain Argentina’s fixed exchange rate."