REUTER - WORLD NEWS SUMMARY

BELGRADE - Yugoslav leaders press Bosnian Serbs to accept peace plan and invite them to a joint parliamentary session in Belgrade; U.N. accuses Croats of ethnic cleansing in vicious fighting in Mostar.

WASHINGTON - US plan to use force to help rescue Bosnian Moslems is now barely alive as dispute with Europeans over strategy widens and President Clinton seems unsure of where and even whether he wants to lead alliance.

FRANKFURT - Germany's largest union plans to step up pressure on employers to pay a promised wage rise with a day of mass demonstrations in western Germany in support of striking eastern workers.

LONDON - Moslem leaders in Britain condemn Prime Minister John Major’s meeting with Salman Rushdie and say it could further endanger the author, now under an Iranian death order.

AFP: LE MONDE EN BREF


COREE DU NORD - Le Conseil de Sécurité de l’ONU a formellement demandé à la Corée du nord de revenir sans tarder sur sa décision de retrait du Traité de non prolifération nucléaire (TPN) et d’autoriser des inspections de l’Agence Internationale de l’Energie Atomique (AIEA) sur son territoire.

THAILANDE - Deux cent quarante morts ont été dénombrés dans l’incendie qui a ravagé une fabrique de jouets de Bangkok, mais le bilan, devrait s’alourdir de plusieurs centaines d’autres victimes, selon des sources officielles à Bangkok.

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TRADE

FINANCIAL TIMES: Japan mounts offensive

TOKYO - "Japan has fired a potentially explosive shot into the ongoing battle over trade with its key trading partners by accusing them of unfair trade practices in a report released by the government yesteday. The report from Japan, which is often on the receiving end of criticism about its trade practices, aims to counter a widespread perception that it is a frequent violator of international trade rules. It highlights the extent to which Japan’s top 10 trading partners, which are members of the GATT, also resort to unfair trade practices. The advisory committee to the MITI, which prepared the report, explains its purpose as being to adopt 'an impartial approach to unfair trade practices by using internationally accepted rules... (and) to encourage mutual efforts to cope with unfair trade policies by recognising that all countries employ such policies and measures to some degree'... 'The US is without parallel in imposing measures that force its trading partners to abide by unilateral judgments', the report states. 'In our view, the unilateral approach often only impedes the settlement of problems that are appearing... in the international economy'."

FINANCIAL TIMES: US farmers warn on GATT
WASHINGTON - "The American Farm Bureau, the most consistent advocate of farm trade reform within the Uruguay Round, is warning that the US agriculture lobby may withdraw its support if US negotiators accept EC offers on market access for commodities. Today US and EC agriculture negotiators in Washington are scheduled to start the final push to get agreement before the leaders of the G7 industrialised countries meet in July in Tokyo. Mr Dean Kleckner, president of the Farm Bureau, has travelled thousands of miles during the 7 years of the Round negotiations, accepting what he says is increasingly less for the US farm sector as the EC has proved intractable on concessions. However, the final straw could be what Mr Kleckner calls 'padding of the EC’s tariff equivalents 'under the tariffification process, which converts quotas into tariffs.'"

TAX

FINANCIAL TIMES: Clinton to back off on tax credit

WASHINGTON - "President Bill Clinton yesterday tried to regain momentum for his economic programme by appealing to voters in middle America to help him take on the ‘powerful lobbyists’ who are beginning to line up against his proposals. But as he spoke to high school students in Chicago, the White House was already preparing to give ground on one important element of the package, agreeing to abandon its proposal for an investment tax credit and instead to accept a lower increase in the corporate income tax rate than it had originally requested... The proposal included a permanent credit for businesses with sales of less than $5m (£3.2m), as well as a temporary 2-year credit for larger businesses, intended to stimulate the economy in the short run and encourage companies to create new jobs. Together, the 2 credits were expected to cost $24bn over 5 years, but critics said they would at best only bring forward investments that would have been made in any case."

WALL STREET JOURNAL: EC to challenge US taxes on Gas guzzlers

BRUSSELS - "The European Community Commission said it will launch a challenge today against US taxes on gas-guzzling cars on the grounds that the measures discriminate against European luxury-car makers. The EC Commission said it will ask the GATT to establish a dispute-settlement panel on 3 US tax laws. The EC’s move was criticized by environmentalists, who argued that the US laws have led to a significant reduction in fuel consumption in the US. But Sir Leon Brittan, the EC’s foreign trade commissioner, said the US taxes are unfair because they are levied almost exclusively on European cars. ’Environmental measures may be thoroughly admirable in themselves, but it is the potentially discriminatory way in which they are applied that we are objecting to’, Sir Leon said."

LES ECHOS: CEE: éviter une guerre fiscale avec les E.U.

NEW YORK - "Christiane Scrivener a mis en garde hier le gouvernement fédéral américain contre son changement d’attitude en matière de fiscalité des entreprises étrangères oprant aux Etats-Unis. Le commissaire européen chargé de la fiscalité, qui a rencontré hier des responsables du Trésor à Washington pour exprimer son ‘inquiétude’, a redouté qu’à terme ce conflit conduise à des mesures de représailles en Europe contre les filiales de sociétés américaines. Le commissaire européen a ainsi appelé la CEE et les Etats-Unis à trouver des ‘solutions communes’ aux problèmes de fiscalité dans le monde, selon une déclaration remise hier à la presse par la Commission. Pour Mme Scrivener, ‘un nouveau dialogue’ sur la fiscalité entre les Etats-Unis et l’Europe ‘serait très utile et contribuerait au retour de la croissance et de l’emploi’. L’un des plus graves sujets d’inquiétude pour la CEE est la récente décision du gouvernement Clinton d’apporter son soutien indirect à l’Etat de Californie dans le différend qui l’oppose depuis près de 10 ans à la banque britannique Barclays. La Californie applique un système unitaire de taxation qui permet de taxer une filiale de société étrangère sur le pourcentage qu’elle représente dans l’ensemble du groupe (et non sur ses simples revenus dans l’Etat concerné)."

REUTER: EC, Gulf states’ talks on energy tax

BRUSSELS - "The European Community and 6 Mideast Gulf oil exporting countries agreed on Tuesday to continue discussions next month on controversial EC plans for a carbon energy tax. The Gulf states complained the tax would discriminate against oil, which accounts for over 90% of their exports to the Community, and depress trade. ‘The (EC) energy tax is still a long way off’, Rashid Abdullah al-Nuaimi Muaimi, chairman of the Gulf Cooperation Council told reporters after a joint ministerial meeting.
A joint committee will deal specifically with this issue in June and the proposed tax will be re-examined, he added. The tax, which is intended to help reduce carbon dioxide emissions blamed for causing global warming, is due to be discussed by EC finance ministers on June 7. The proposed new tax would discriminate against oil while favouring other more polluting and hazardous fuels, he said. It would also depress international trade and restrict investment by Gulf oil producers to meet future demand. The 6-nation Gulf Cooperation Council consists of Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Oman and Bahrain."