

World News Reports

Courtesy of the Associated Press

◆Arafat, Netanyahu plan meeting

Washington (AP) Israeli Prime Minister Benjamin Netanyahu and Palestinian leader Yasser Arafat agreed Monday to work toward reaching a West Bank accord at a mid-October White House summit, after Netanyahu reported a breakthrough on how much land Israel will yield.

President Clinton, acting as mediator, set up the meeting during a session Monday with Netanyahu and Arafat.

Netanyahu expressed optimism that the long-sought accord could be in hand by next month if the Palestinians reciprocated for Israel's promised pullback from the West Bank with stiffer anti-terrorism measures.

Arafat, meanwhile, hurried back to New York, where in a speech to the U.N. General Assembly he appealed for support for a Palestinian state, but pointedly did not repeat a controversial vow to declare one unilaterally if Israel did not go along.

◆Helmut Kohl ousted

Bonn, Germany (AP) Gerhard Schroeder, Germany's future chancellor, said today his center-left Social Democrats will begin formal talks Friday on forming a government with the environmentalist Greens after ousting Chancellor Helmut Kohl in a sweeping vote for change.

The conservative Kohl, who during 16 years in power oversaw the reunification of Germany and helped usher Europe toward economic union, was no match Sunday for the fresh face of Schroeder, a Social Democrat 14 years Kohl's junior.

In a stinging humiliation for the West's longest-serving leader, Kohl and his Christian Democrats won just 35 percent of the vote, which translates to a loss of 49 of the 294 seats it held in the old parliament.

◆Minks given freedom

Stockholm, Sweden (AP) Saboteurs released about 2,000 minks from a fur farm in northern Sweden overnight Monday, a news agency reported.

No arrests were immediately made, but suspicion fell on animal-rights activists, the news agency, IT, said.

About 1,000 minks were set free earlier this month from the farm in Sundsvall, 210 miles north of Stockholm, by vandals who scrawled "DBF," the Swedish acronym for Animal Liberation Front.

Brazil's economy in peril

By Mary Haldeman
STAFF WRITER

The Brazilian economy edged dangerously close to collapse this month. The stock market was down 50 percent for the year, and the banking system lost \$25 billion in a single month.

"Money is disappearing from Brazil faster than its rainforests, as international confidence in the country's economy and its currency, the *real*, has collapsed," said BBC news.

President Fernando Henrique Cardoso raised interest rates to nearly 50 percent in a desperate attempt to convince investors to keep their money in the country. The capital flight slowed to about \$200 million a day.

However, according to the *Washington Post*, "experts cautioned that the economy is likely to slip into recession, and

could take the rest of Latin America down with it if those interest rates are not reduced in 60 to 90 days."

The International Monetary Fund, the World Bank, and the Institute of International Finance all pledged to support Brazil with as much as \$50 million in aid.

"Institute [of International Finance] officials placed particular emphasis on easing the plight of Brazil, which is the largest Latin American economy and which has come to be seen as a fire wall in the effort to contain the global cri-

sis," said the *Washington Post*.

President Cardoso did not want to openly accept loans from other countries because he is up for reelection on Oct 4th. Cardoso

The effect on world economies would be disastrous if Brazil were forced to devalue its currency.

Robert Williams, a Guilford economics professor, explained that "we have a very fragile financial system." Economic problems in one country spread to the next.

Russia's default and devaluation of the *ruble* in August led to panic among investors, and they pulled their money out of Brazil.

U.S. companies have more than \$26 billion invested in Brazil, and American banks rely on Brazil as an important borrower. According to BBC news, "If Brazil goes under, it could even signal the end of six years of uninterrupted growth in the U.S. economy."

If Brazil defaults on its loans, American banks will have a shortage of cash. This could cause panic in the financial system and disrupt the market.

Williams said that the U.S. could end up with a situation similar to the banking crisis of the 1930s if the financial system is not prepared.

The Federal Reserve's Open Market Committee lowered interest rates last Tuesday, allowing banks to borrow money at low costs.

"In a brief statement, the Fed said it made the move because the United States was starting to feel the effects of the global economic turmoil," said CNN financial news.



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needs to give voters confidence that he can pull the country out of financial disaster without relying on foreign aid.

Cardoso announced plans to cut the budget deficit, which totals more than seven percent of Brazil's gross national product. He declared that the government would stop tax evasion and, if necessary, raise taxes.

The *New York Times* reported that "of the estimated 73 million Brazilians in the work force, only 7.6 million pay income tax, according to government figures."

Student protests in Myanmar

By Laurence Arnold
ASSOCIATED PRESS WRITER

Washington (AP) Safely back at college after a perilous summer, Michele Keegan empathizes with fellow activists who did not share her quick escape from the military dictatorship in Myanmar.

"You saw my family's tears, you saw their fears, but in the end you saw me free," said Keegan, one of 18 activists detained in the former Burma for six days in August. "Right now, there are thousands of Burmese citizens in jail, and I can guarantee you that a lot of (them) are being tortured severely."

Keegan, a 19-year-old sopho-

more at American University in Washington, skipped classes Monday to appear before a joint hearing of House International Relations subcommittees on Asia and human rights.

The chairman of the human rights subcommittee, Rep. Chris Smith, hailed Keegan and other activists for bringing "the focus of the world back to Burma, back to Rangoon."

On Aug. 9th, Keegan and the other activists visited Yangon to hand out small cards bearing this message: "Goodwill Greeting. We are your friends from around the world. We have not forgotten you. We support your hopes for human rights and democracy. Don't forget,

Don't give up."

The last part referred to Aug. 8th, 1988, the start of an uprising against military rule that resulted in a change of leaders but eventually was crushed. An estimated 3,000 people died.

Keegan and two other American University students were distributing the cards when they were apprehended.

During six days in custody, the students received adequate food, water, and bedding, Keegan said, but were "repeatedly lied to" about their case. The 18 activists were tried, convicted of sedition and sentenced to five years in prison, but then expelled immediately.