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Koreas Are Close To Talks *Seoul Proposal Is Accepted to Discuss Terms*

By Susan Chin
New York Times Service

TOKYO — North Korea agreed Monday to a South Korean proposal for the highest-level political and military talks since the Korean War.

Prime Minister Yon Hyung Mok of North Korea proposed that delegates from each side meet on Feb. 8 at the truce village of Panmunjom to discuss terms for a meeting between Mr. Yon and Prime Minister Kang Young Ho of South Korea.

Mr. Yon made the proposal in a letter to Mr. Kang, according to South Korean news reports.

"The North and the South should remove the state of tension which is driving the people toward disaster," Mr. Yon wrote.

He said the two Koreas should "prepare a firm foundation for peaceful unification."

Both sides have proposed such meetings in the past, most recently South Korea in December.

But North Korea appeared Monday to accept South Korea's latest proposal for high-level talks without the explicit preconditions it has made before, such as abolishing the annual U.S.-South Korean joint military exercises.

Instead, Mr. Yon's letter said that to create a "good atmosphere for the talks," he expected a "proper effort" by Seoul not to hold the exercises this year.

The maneuvers are set to begin late next month and to continue until mid-April.

U.S.-South Korean military exercises have been conducted since 1976.

Mr. Yon also renewed a call for three-way talks between North and

Bonn's Libya Crisis: Complex Anxieties

By Serge Schmemann
New York Times Service

BONN — In the two weeks since West German companies were accused of helping to outfit a suspect chemical plant in Libya, West German officials have gone from a defiant defensiveness to the surprising admission that they knew all about it long before the Americans told them of their concerns.

In no doing, Bonn displayed the complex anxieties of a nation whose economic and military power has outstripped the rest of its self-confidence.

It also disclosed a new, spreading sense of annoyance with the North Atlantic Treaty Organization, an

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alliance whose many impositions and demands no longer seem justified to many Germans by the level of threat from the East they now perceive.

After the admission, even Germans were struck by the quickness with which Chancellor Helmut Kohl and many of his countrymen had indignantly lashed out at a "media campaign" in the United States, though the chancellor's aides knew better and Mr. Kohl might have foreseen the political risk given the information he had.

As one West German commentator suggested, Mr. Kohl really did seem to lose his temper or his nerve. As it now clear, this was not because he assumed Imhausen-Chemie GmbH, the German company that has been the focus of the uproar, to be innocent. More likely, Mr. Kohl, like many Germans, assumed that Washington had leaked the story to embarrass and put pressure on him and his government.

Beyond the political problems was the emotional effect that the charge of producing poison gases had on a nation that pioneered their use in World War I and which the Nazis extended to genocidal practice in the 1940s.

The invocation of Auschwitz in a New York Times column — one widely quoted and commented on — jabbed straight to the Germans' greatest angst, adding an emotional edge to an already sensitive affair.

In the column on Jan. 1, William Safire wrote, "One might think that this generation of Germans, aware

He evidently felt that he had done all he could after President Ronald Reagan had told him of the U.S. suspicion about the Libyan plant at a meeting on Nov. 15.

The chancellor had started clandestine investigations and finally initiated steps to revise West Germany's lax export laws and regulations, which the Americans had sought for many years.

In ordering the new export controls, Mr. Kohl thought he was tacitly accepting the long-standing U.S. charges, at the cost of opening himself up to a barrage of political accusations from the opposition in West Germany's secret sales of nuclear equipment and arms.

Mr. Kohl also stood to take on the power-export lobby, which was irritated by previous U.S. efforts to curtail German high-technology exports to Eastern Europe.

The leaks, moreover, forced the government to disclose its clandestine investigation and to order a public inquiry by finance authorities immediately, knowing that it would turn up nothing.

The repeated insistence by Mr. Kohl's spokesman that the Americans had not provided "evidence that stood up in court" reflected in part the memory that the last time Bonn had acted on U.S. information, in 1984 against Karl Korb Co., which Washington said was involved in building a gas plant in Iraq, the company sued the government and won.

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In any case, Mr. Kohl apparently considered the disclosure unfair.

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Martin Luther King Jr. Is Remembered

Edward J. Perkins, the U.S. ambassador to South Africa, unveiled a bust Monday of the Reverend Martin Luther King Jr. at the embassy in Pretoria. In Washington, President-elect George Bush praised Mr. King on the holiday marking the civil rights leader's birthday. Page 6.

Soviet Harvest Falls Short After Dry '88 Season

By Craig R. Whitney
New York Times Service

MOSCOW — A Soviet official said Monday that the country's grain harvest last year had fallen 40 million metric tons short of the planned target of 235 million tons, according to preliminary estimates.

A U.S. Embassy official said that dry weather in the Soviet Union had affected the harvest just as it had in the United States and Canada last summer and that the Soviets were likely to make up the shortfall by buying grain, mainly for livestock, on Western markets.

Stepan Saryan, the first deputy chairman of the State Planning Committee, estimated the harvest at 195 million tons in answer to a question at a news conference. In September, the U.S. Agriculture Department had estimated that the total would be closer to 205 million tons, and more recently it had downgraded that to 200 million.

The U.S. interest in the harvest stems from the effect of Soviet grain purchases on the price of wheat and corn on international markets. When the Soviet Union first stepped in unexpectedly and began buying in a big way in the early 1970s, the effect was to sow chaos in the U.S. domestic market.

The U.S. government tried to restore order by bilateral agreements to make purchases more predictable.

After the Soviet Union sent troops into Afghanistan at the end of 1979, President Jimmy Carter embargoed U.S. grain exports, and since then Moscow has diversified its purchases, buying from Argentina, Canada and Australia.

Last November, the Soviet Union committed itself to buying no less than 9 million tons of American grain a year over the next two years and to consulting with the Agriculture Department if it needed

Report	54,000,000	1,000	100,000	1,000
Books	250	100	400	100
Periodicals	1,000,000	100	1,000,000	100
Reports	10,000	100	100,000	100
Estates	1,000,000	100	10,000,000	100
Carriers	10,000	100	100,000	100
Coops	1,000,000	100	10,000,000	100
Events	1,000,000	100	10,000,000	100
Press	1,000,000	100	10,000,000	100
Services	270,000	100	2,700,000	100
Great Britain	1,000,000	100	10,000,000	100
U.S. News	1,000,000	100	10,000,000	100
Canada	1,000,000	100	10,000,000	100

India	100,000	100	1,000,000	100
Japan	100,000	100	1,000,000	100
South Korea	100,000	100	1,000,000	100
Other	100,000	100	1,000,000	100
Total	100,000	100	1,000,000	100

y's Central Committee secretary responsible for agriculture. The year after that, the harvest fell to 179 million tons, and 1981 was a disastrous 158-million-ton. Mr. Gorbachev's last year in charge of agriculture, 1983, was his best, but the harvest was still only 192 million tons.

Since he became the country's leader in 1985, Soviet imports of grain from abroad have run close to 30 million tons a year. In 1984, the harvest was only 173 million tons, and the country had to buy more than 55 million tons abroad.

In 1987, the total was 211 million tons.

This year the Soviet Union has forecast that it would import 35 million tons, but some European grain traders quoted by Reuters said they thought it might actually buy closer to 40 million tons from abroad.

The shortfall in grain is one reason for the difficulty the Soviet government has in supplying the population with food, but only one. Soviet agriculture still feels the lingering effects of Stalin's forced collectivization of the farms and the deaths of millions of peasants in the 1930s.

Recently, Mr. Gorbachev has sought to encourage more efficient production of food, mainly by encouraging the private sector to take a bigger stake in the farm economy, but nothing much has changed out in the fields.

Last September, he put his conservative rival in the Politburo, Yegor K. Ligachev, in charge of the agricultural sector. In March, the Central Committee is to meet to see what else can be done to improve the situation.

Lease Protection

Mr. Gorbachev has urged that immediate steps be taken to protect