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25 January 1983

LATIN AMERICA REPORT

No. 2637

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MINISTER PREDICTS LOWER ELECTRICITY RATES BY MID-1983

Nassau THE TRIBUNE in English 16 Dec 82 p 1

[Article by Anthony Forbes]

[Text]

ELECTRICITY CONSUMERS' fuel charges will be cut almost in half when Bahamas Electricity Corporation's \$50 million Clifton Pier power plant becomes operational in mid-1983, Works Minister Loftus Roker told parliament.

The Minister, speaking during the Budget debate in the House yesterday, said that electricity rates, which have not increased since 1973, will go up along with water rates, but will not appear on bills until mid-January.

Mr Roker also promised long-suffering telephone subscribers that "one way or the other, come 1983," they will have some sort of relief from the antiquated telephone system, which only has to see clouds to break down.

Debating what he termed an almost "austere" \$383.1 million 1983 budget, Mr Roker told House of Assembly members that Batelco is now in a major expansion and rehabilitation programme of the telephone system.

He said Batelco's last rate increase was in 1973. Since then the Grand Bahama Telephone Company has had two large increases, making their charges "much higher" than Batelco's.

"We at Batelco, in economic

terms ought to increase the rates, but we have not done so," Mr Roker said, adding that profits from the international telephone system of the corporation have enabled it to maintain the costs of the local operations.

"As long as we have a healthy international call-system we could keep our local costs down," he said.

The Minister said Batelco has decided to put telephone systems, similar to the one at Inagua, in Cat Island, Crooked Island, Acklins, Mayaguana and Long Island, all ordered for 1983.

He also said a new telephone system will replace the second-hand system in West End, Grand Bahama, in the not too distant future.

He said a system will be installed in Spanish Wells, Harbour Island and there will be a new \$50 million expansion project in New Providence.

He said he knows of complaints about Batelco and that "one way or the other, come 1983, those long suffering telephone subscribers will have some sort of relief."

Noting that BEC has not had a rate increase since 1973, he said that since then labour costs, material and plant costs have gone up.

In addition, he said, BEC's New Providence operation for many years has had to subsidize the Family Island operations to keep the cost of

electricity down in those islands.

This has caused BEC to end up with a deficit at the end of each year, and the government has had to subsidize BEC each year.

He said the Clifton Pier plant is the oldest and most efficient in New Providence.

In the early 1970's, the rapid growth in the demand for electricity caused BEC to purchase gas turbines, which are now at the Blue Hills power station.

At that time, said Mr Roker, fuel charges were not a significant part of BEC's operations, but there has since been a tremendous escalation of the costs of fuel.

Another problem was the inefficient use of fuel, and when efficiency became questionable, it was decided that it would be better for BEC to go into diesel.

He said fuel accounts for 60 per cent of the operational costs of BEC.

The Minister told the House that three years ago it was decided to go on to diesel generators and into the \$50 million plant at Clifton Pier.

The purpose was to make provision for the increasing demand for electricity and to retire the inefficient gas turbines at Blue Hills frequently the main power supply.

"When the new plant becomes operational in mid-1983, it will almost cut

the fuel surcharge in half," he said.

The Minister said other steps were taken, one of which was to convert the gas turbines to generate electricity from the heat they give off - a process called combined cycle conversion.

The Minister, who produced figures to show that the utility rate increases were similar to the charges by other utilities in the region, said the increased water and electricity rates will not be seen on bills of consumers until mid January.

He said the price, including the new rates, being charged by the Water and Sewer Corporation, does not allow the corporation to make the returns on its investments as required under the World Bank loan.

He said the World Bank required before they assisted the government with the loan, that it had to separate the Water Department from the Treasury making it a public corporation distinct and separate from the Bahamas Treasury.

He said the World Bank wanted the corporation to be run as a business so the loan for the corporation's capital development projects could be repaid.

When the loan was signed, Mr Roker said, the government agreed at a rate of returns of each year of the loan secured from the World Bank and had to subsidize the corporation.

BRIEFS

GASOLINE PRICE INCREASE--The cost of a gallon of gas will rise by 3.75 cents when Government increases the fuel tax, a spokesman for one of the oil companies told The Tribune today. A gallon of high test gas in New Providence currently retails from between \$1.50 and \$1.52. The spokesman said that the tax, which now stands at about 22 cents on a gallon, will be increased to about 25 cents. However, even with the tax increase, the price of gas in the Bahamas is still one of the lowest in this part of the world. The spokesman said that in Barbados, the Government tax on a gallon of gas is between 60 to 70 cents and the tax in Barbados is also significantly higher than that of the Bahamas. [Text] [Nassau THE TRIBUNE in English 13 Dec 82 p 1]

CSO: 3298/240

SENATE WINDS UP DEBATE ON LOAN TO BUY MOBIL ASSETS

Opposition Criticism

Bridgetown THE NATION in English 10 Dec 82 p 24

[Text]

SENATOR Evelyn Greaves (Opposition) suggested Wednesday that Government should have presented a White Paper on the purchase of Mobil Petroleum Corporation's assets in St. Philip.

The acquisition, he said, had very serious and important implications for the country, and Government would do itself well and allay the suspicions in the minds of the public about the transaction, by publishing a White paper on it.

Before the Senate was a resolution for US\$13 million for Government's acquisition of Mobil's assets.

Senator Greaves said that in these difficult economic times, that sum was very hefty and the taxpayers of this country ought to be provided with more information on what they were letting themselves in for.

He stated that for some time, he had been saying that when it came to the financial management of this country, the person or persons on whose shoulders the responsibility rested did not know what they were doing and had placed the country in a very serious financial position.

He queried whether Government was sure about what it was doing about Mobil and whether it was getting its money's worth.

The senator said he felt they were letting themselves in for some problems in that area and he was yet to be convinced they were doing the right thing.

Energy Secretary's Remarks

Bridgetown THE NATION in English 10 Dec 82 p 24

[Text] Parliamentary Secretary responsible for energy, Senator Clyde Griffith warned on Wednesday that "we are still in the throes of an international oil crisis," adding that Barbados has very little control over pricing or supply and demand on the world market.

The Senator was piloting a resolution through the Senate for provision of US\$13 million for purchase of the assets of Mobil Petroleum Corporation of Woodbourne, St Philip.

He said that during its three years in Barbados, Mobil had invested some US \$50 million and had decided to leave Barbados as a move in its cut back in operations.

The Government, while having other options open to it, had decided to take over Mobil, after consulting with reputable experts who told them there was no way Mobil could accept less than US \$15 million. Government acquired the assets for US \$12 million.

He said that Government had to go on the international market to obtain a loan to pay for Mobil and that loan had to be repaid. He noted that if they had been able to get into the international market before the problems associated with Mexico, they might have been able to get the loan on better terms.

Winding up the debate later, Senator Griffith said while Mobil wanted to find enough reserves for an export market, the Government's determination was to satisfy the domestic market and had devised a plan to satisfy domestic demands, because they were still in the throes of an international oil crisis.

The ministry, said Senator Griffith, had projections in terms of total oil reserves of 2.4 million barrels and crude reserves in 40 producing wells invested in by Mobil. There were six wells still pumping oil, he said.

He pointed out that Government had bought producing wells from Mobil and not an exploration field. Production had increased from 700 barrels per day to 1 000 per day since Government take-over in July, with the aid of the one man in Barbados who knows about oil production and development.

Senator Griffith said that Barbadians had been sent abroad for training in the oil business and more will be sent in preparation for the introduction of a National Energy Plan next year.

Griffith-Greaves Exchange

Bridgetown ADVOCATE-NEWS in English 10 Dec 82 p 2

[Text]

When the Barbados Government took over the assets of Mobil Exploration Barbados Inc. it was able to get oil at the price of US\$6 a barrel.

This was stated by Senator Clyde Griffith, Parliamentary Secretary in the Prime Minister's Office, with responsibility for Energy.

He was winding up debate in the Senate yesterday on a Resolution to approve the borrowing of the sum of US\$13 million from the Barbados National Bank, the Morgan Guaranty Trust Company and associated banks for the purpose of financing the purchase of the assets of Mobil Exploration Barbados Inc.

He said that while Government could have acquired all other assets for US\$13 million, Mobil had an independent reappraisal done. He said they even brought a financial proposal to Government which would require them paying \$15 million for oil but Government said "no way".

Senator Griffith said that not only has Government taken over the producing capability and natural resources of this country in a legal way, but also ensured that there will be Barbadians who are experts in their own right in managing the petroleum resources of this country.

Senator Griffith earlier said, in reply to Opposition criticisms that nothing

detailed was given about the oil deal, that there was a comprehensive statement prepared by Prime Minister and Finance Minister, Mr. Tom Adams.

Opposition Senator Evelyn Greaves had asked that they

be told how many barrels of oil they were, stressing that there was only talk of "proven reserves".

But Senator Griffith said: "We did not hear anything about the 883 barrels of proven reserves. Now, we hear somebody saying that they do not know how many barrels of oil we have; and from people who have been instrumental in promoting industrialisation by invitation."

"We have bought a producing field—there is a big difference between exploration and production. We are not going out and drilling dry holes 'willy nilly,'" Senator Griffith said.

He told the Senate that oil production has moved from 700 barrels a day to over 1 000 barrels a day.

"We took advice from people who know...we have gone to Petro-Canada who have a record to stand by", Senator Griffith said.

He also said that Mobil put \$15 million in a seismic survey in the entire country both onshore and offshore, adding: "we have seismic data at our disposal and it has not cost us one red penny".

CSO: 3298/241

BRIEFS

KEROSENE SHORTAGE--Barbadians are experiencing a kerosene oil shortage. New installations being carried out by Mobil Oil Refinery have been given as the reason. According to a spokesman for the company, a new electrical transformer had to be installed, thus the refinery has not been running since last Thursday. The spokesman, however, assured that operations will be back to normal by tomorrow morning and routine deliveries should recommence by afternoon. [Text] [Bridgetown SUNDAY SUN in English 12 Dec 82 p 40]

CSO: 3298/241

ELECTRICITY RATE INCREASE APPROVED, BUT BELCO IN RED

\$36-Million Deficit

Hamilton THE ROYAL GAZETTE in English 1 Dec 82 p 2

[Text]

By the end of 1983 the Bermuda Electric Light Company will be in debt to the tune of more than \$36 million, the Price Commission was told yesterday.

The company's growing deficit — expected to be \$22 million by the end of this year — was outlined when an application was made to slap an average of seven to eight percent on electricity bills.

Five Belco executives replied to 10 objectors, one of which was the Hotel Association, arguing why the extra cash was needed.

Mr. Alfred Oughton, Belco's managing director, said it was necessary because of rising maintenance costs and to provide funds for capital expenditure and loan repayments.

He warned: "Failure to meet this would result in our having to apply for substantially higher increases in the future."

The increase would yield 8½ percent additional revenue in basic rates. In cash terms an additional estimated income of \$1,615,880 was needed for 1983.

A schedule of loan repayments to banks has to be met over the next few years, said Mr. Oughton. These would be in excess of \$3 million in 1984 and \$5 million in 1985.

In the not too distant future consideration would have to be given to installing a generating plant similar to the one being put in now.

Objections were made on two main grounds — that the company should be financed with bond issues and that oil would not be needed in a few years time so they should use "solar power, wind power and burn garbage".

Mr. Oughton said the chances of raising millions of dollars with a bond issue on the local market was not possible. In the past the company had been able to negotiate "useful" interest rates with export credit companies overseas.

"We got in under the wire last time and we already sounded out areas where the export groups were," said Mr. Oughton. "These are already up to 11 to 12 percent."

Mr. Oughton said solar power was not yet economically viable.

He referred to criticism of dividends paid to shareholders but said the actual amount in recent years had been exceedingly small.

Mr. Oughton's predecessor Mr. Llewellyn Vorley said the company would be delighted if the public bought more shares, but they were currently selling at \$8.50 and people were not interested. "It is not a very attractive proposition," he said.

Mr. Vorley said the company had borrowed a lot of money and the figures spoke for themselves. He added: "We are approaching the limit of our borrowing capability."

Another Belco executive Mr. Ken Hodgson said: "I

don't think it is realised by the layman the enormous amount of electricity consumed in Bermuda. It is phenomenal. If you use more you pay more. We are expected to produce this instantaneously."

Mr. Hodgson said the Hotel Association was "basically asking for the Electric Light Company to subsidise the hotel industry".

Electricity consumption at Elbow Beach had increased by 21 percent in four years. The hotel suggested that any increase should be made in two halves.

Asked by Commission member Mr. Cecil Dismont whether the hotels would survive the increase, Mr. Oughton replied: "My own personal opinion is that I don't think they will have to

put up the shutters."

Belco was seen as a monopoly and there was an ill-conceived opinion that shareholders consisted of a few wealthy people, said Mr. Oughton. "They don't," he continued. "They consist of people on fixed incomes. It is not a big ogre which is sitting there gobbling up the money."

Belco wants to put up electricity rates by about 7.8 percent from January 1. A residential consumer using 550 kilowatts a month would pay an extra \$7.23 and for 1,000 kilowatts \$13.22.

Basic rates were last raised in September this year by about seven percent, after a five-month delay ordered by the Commission.

The Commission is expected to give its decision by the end of the week.

7.6 Percent Hike

Hamilton THE ROYAL GAZETTE in English 7 Dec 82 p 1

[Text]

The Price Control Commission yesterday granted permission for electricity charges to be increased from January 1. It will mean an extra 7.6 percent or about \$8 more on an average user's monthly bill.

In agreeing to the hike, the Commission noted that a major factor for expansion at the Bermuda Electric Light Company was the high level of electricity consumption and a rise in commercial demand because of new office development.

It was, therefore, recommended that further increases could be minimised if such new developments were "energy efficient" and Govern-

ment tried to establish a minimum energy-saving criterion which would have to be met before planning approval was given.

The Commission, headed by Senior Magistrate the Wor. Gerald Price, said in a statement yesterday that the rise represented an underlying increase of about 11 percent over rates established in September, 1981.

But the increase was the first for 21 months and expressed at an annual rate over that period the increase was equivalent to 6.2 percent, below the current rate of inflation.

Reasons cited by Belco for the application included high operating

costs and the need to raise money because of a substantial increase in medium term foreign borrowing to finance expansion and replacement of generators.

Objectors, including the Hotel Association, argued that Belco could get the necessary finance at a lower cost by either floating local bond issue or raising further equity.

But the Commission found that such options were not open to Belco "given the financial performance of the company in recent years and the recent low returns to shareholders".

The four-member Commission continued: "Nevertheless, an increase in rates of the size proposed

should enable Belco to provide an adequate, but not excessive, return to shareholders thereby boosting the chances of the company being able in future years to refinance its borrowing, or to finance further investment, by equity issues."

Basic charges will rise by about 8.5 percent while the fuel adjustment charge is not affected. An average householder using 550 kwh a month will see an increase from \$95.69 to \$102.93.

Belco executives had revealed that the company would be in debt by more than \$36 million by the end of next year.

CSO: 3298/263

BRIEFS

ELECTRICITY RATE INCREASE ROW--Georgetown, Fri., (Cana)--In an apparent effort to head off a planned demonstration by the labour movement next Wednesday against a recent 13 percent hike in electricity rates, Guyana's State owned media has given major coverage to a December 3 letter from Energy and Mines Minister Hubert Jack, expressing his willingness to hold further talks on the tariff issue. Under a front page headline: "Jack invites TUC for dialogue," the "Chronicle" newspaper yesterday carried a Guyana news agency report on the letter to the Trades Union Congress, umbrella body for trade unions here, detailing the Minister's invitation to the TUC to form part of a committee to "advise the Ministry on tariffs and related matters on an annual basis," once the proposal has been approved by Cabinet. The TUC has said that the increased tariffs "further eroded the living standards of the workers in Guyana," and that the Congress, through its general secretary, Joseph Pollydore, was "shabbily treated in its representation to have the increase rescinded." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 11 Dec 82 p 4]

CSO: 3298/242

OFFSHORE GEOLOGICAL SURVEY FOR OIL POTENTIAL UNDER WAY

Kingston THE DAILY GLEANER in English 29 Dec 82 p 1

[Text] A seismic geophysical survey has been offshore Jamaica with the help of Petro Canada International Assistance Corporation to further evaluate the country's petroleum prospects.

The seven-week survey began with the arrival of a seismic vessel, The Mai, from Canada on December 14. The survey is being funded through a C\$6.8 million grant from Petro Canada International Assistance Corporation obtained earlier this year.

A source close to the oil exploration team told the Gleaner that there were no immediate plans for further explorations. For the next twelve months the emphasis would be on the evaluation of data obtained from the drillings at the various sites. More field work would be done before embarking on another drilling programme, the source said.

Drilling for oil on land was carried out at various sites earlier this year. Drilling at the third onshore site at Retrieve, Hanover, was completed in October and the entire crew and equipment has been moved and the site abandoned, according to the source. No commercial discoveries were made. In June, the oil exploration crew completed work at the Hartford, Westmoreland and at Windsor, St Ann, with similar results.

Work at Retrieve began on July 28 with drilling reaching a depth of 11,310 feet at its completion.

Onshore drilling was done by the Petroleum Corporation of Jamaica assisted by Petro Canada which is the petroleum agency of the Government of Canada.

Offshore drillings which began in the Pedro Banks in December last year were called off in May without any commercial finds. These wells were sunk by a consortium of Union Texas Petroleum of Houston, U.S.A., and AGIP, the state oil company of Italy.

CSO: 3298/264

NEW DIPS IN TEXACO OUTPUT; CONTINUED OPERATION IN QUESTION

Importation of Fuel

Port-of-Spain TRINIDAD GUARDIAN in English 8 Dec 82 p 6

[Text] San Fernando--Mr George Weekes, President General of the Oilfields Workers Trade Union yesterday alleged that because of Texaco's "deliberate action of destabilisation," the country is now importing liquid petroleum gas (LPG) and jet fuel from Texas and Venezuela.

The supply of Gasoline in Texaco's tank farm is down to two days only. On top of all this, some 44 apprentices at the Texaco Trade School have been given notice this week that they would be sent home at the end of next week.

Other personnel in training are also earmarked for similar treatment.

Texaco officials could not be contacted for comment but it was reliably learnt that National Petroleum Marketing Company Limited imported 40,000 barrels of LPG over the past fortnight.

And the last shipment was delivered to its Sea Lots complex in Port-of-Spain.

It was also learnt that NPMC's road tank wagons are taking petroleum products from Textrin's Pointe-a-Pierre bond and they include motor gasoline, gas oil, kerosene, aviation fuel and LPG.

Officials of NMPC could not be contacted.

Mr Weekes described the above as the latest evidence of Texaco's clearcut strategy of destabilisation, and he so informed Commissioner of Police Mr Randolph Burroughs in his letter seeking permission for a march on Saturday, December 11, throughout the streets of Port-of-Spain.

Mr Weekes said the situation has already begun to have severe repercussions throughout the country and will escalate the already critical social problems facing the nation.

Breakdown

He told the Commissioner that "we refer here particularly to the well-known fact that high unemployment leads to the breakdown of family life."

Mr Weekes said in his letter to the Commissioner that the economic crisis resulted from a number of factors, among them being the severe recession in economies of the United States, Europe and the United Kingdom in the main, "which is affecting us because of the dependent relationship between Trinidad and Tobago and Western economies."

He said since 1979 the union has constantly kept the Government informed by letters and meetings of the situation as it deteriorated.

Mr Weekes said that resulting from the crisis, the employers have brought tremendous dislocation by retrenchment and threats of retrenchment.

Call for Revision of Oil Tax

Port-of-Spain TRINIDAD GUARDIAN in English 8 Dec 82 p 7

[Text] Opposition Member of Parliament, Mr Nizam Mohammed (Tabaquite), Chairman of the United Labour Front, has called on Government to consider revising the petroleum tax structure immediately to save the country from a crisis should Texaco Trinidad Inc. close down its Pointe-a-Pierre refinery.

Mr. Mohammed, speaking to party members at Bonne Aventure, Gasparillo, yesterday said that he intended to bring the matter to the attention of the ULF Central Executive which meets today in San Fernando. According to Mr. Mohammed, a little more than 52 per cent of this country's revenue comes from Texaco and Government's silence on this national issue "is certainly baffling."

SAVE THE JOBS

"It is as if Government's hands are now in the mouth of the lion and something should be done immediately to save the jobs of the thousands of oilworkers and the country at large," he stated.

He said that a large number of voters in his consti-

tuency who depend on the oil industry for a livelihood were expressing concern about the crisis facing the oil industry, particularly at Texaco.

Mr. Mohammed said the time had come for the ministerial committee to urgently take some action to

relieve the fears of the workers and the population as a whole.

"Now that Government has put its hands in the mouth of the lion, Government should take a closer look at the tax structure which Texaco is maintaining should be revised to relieve them of the high taxation in the various areas" Mr. Mohammed added.

A check showed that up to late the Pointe-a-Pierre refinery was still running at 50,000 barrels a day through-put.

Aviation Fuel from Aruba

Port-of-Spain TRINIDAD GUARDIAN in English 9 Dec 82 p 1

[Text]

TEXACO is now importing aviation jet fuel from Aruba and Curacao for re-export, it was reported yesterday.

Stocks at the company's tank farm have plummeted since crude imports were suspended and some local wells capped.

Texaco supplies a number of Caricom countries with refined products include kerosene, gasoline, aviation jet fuel and refined oils.

Texaco declined to give the volume of jet fuel imported and the quantity in store at its Pointe-a-Pierre refinery.

The United States-based multinational intimated to the Oilfields Workers Trade Union two days ago that it could not carry on after the end of next month.

The country's second largest refinery — State-owned Trintoc however would not be able to take up the slack if Texaco shuts down its operations.

A source close to Trintoc said that the company depends entirely on local crude. And the local crude cannot produce in sufficient quantities petroleum products to satisfy local demands.

It was learnt that the country will have to import crude and perhaps petroleum products since the present Trintoc refining capacity which could reach a peak of a little over 80,000 barrels a day, would not be able to produce sufficiently to sustain the local market and fill the

gap created should Texaco call a halt to refining.

In addition Trintoc will have to satisfy its foreign customers.

OFF TO MIAMI

Meanwhile, Mr Lloyd Austin, Texaco's general manager, flew out of Trinidad yesterday morning for Miami to attend Textrin's board meeting which is an annual event. It is understood that Mr. Austin will report to the board on the situation at the Pointe-a-Pierre refinery. It is not known how long he will be away.

Questioned about the situation with the operations of the company's secondary and privately run schools, the company said that Textrin has been having discussions with the Ministry of Education concerning the operations. No further details were given out.

The company said, too, that it was not at present selling kerosene or gasoline to Venezuela, when questioned about the matter.

On the other hand, the company said that it has received aviation jet fuel from

Trintoc for National Petroleum Marketing Company. Also Textrin receive aviation jet fuel from Curacao and Aruba for re-export. The quantities were not disclosed.

Up to late yesterday the Pointe-a-Pierre refinery was still running at 50,000 barrels a day throughput. Questioned about the gasoline situation, the company said that it has re-instated supplies of gasoline while discussions on pricing with government are going on.

It was learnt that Textrin was supplying gasoline on a quota basis to National Petroleum Marketing Company (NPMC).

Meanwhile, a quiet scene is prevailing at the Pointe-a-Pierre refinery with workers continuing to hold group meetings discussing the future of the operations. But there is a "hive" of activity at the Pointe-a-Pierre bond from where NPMC is hauling petroleum products for distribution to its various outlets.

Texaco, it is understood, is awaiting word from Government concerning its offer to sell or lease the refinery.

Release of Contractors

Port-of-Spain TRINIDAD GUARDIAN in English 9 Dec 82 p 3

[Text]

TEXACO Trinidad Inc. has released all its contractors on its refining and producing fields.

This statement was made by Mr Errol McLeod, First Vice-President of the Oilfields Workers' Trade Union (OWTU), yesterday.

In an interview, Mr. McLeod said the company instructed all its private contractors "to leave forth-

with "regardless of whether or not they had completed the jobs they were contracted to do.

He said most of these contractors were hired to do maintenance and construction repairs.

Mr. McLeod also reiterated his claim that Texaco was now refining "somewhere close to 40,000 barrels per day."

He said this output consisted of 12,000 barrels of crude from Trintoc, 28,000 barrels from Texaco in partnership with Trinmar and the rest from reserves.

Mr. McLeod predicted that Texaco would reduce its output to 30,000 b.p.d. soon "which is as bad as shutting the plant down as it would create problems with temperatures and pressures."

Impact of Saudi Crude

Port-of-Spain TRINIDAD GUARDIAN in English 11 Dec 82 p 4

[Text]

THE HIGH cost of Saudi Arabian crude imported for processing in the local refineries; domestic problems and external market influences were attributed for the substantial cutback in the level of refinery throughput in Trinidad and Tobago.

The Central Bank, in its third quarterly review of economy, said the price hike on Saudi Arabian crude adversely affected refinery economics.

Only 1.9 thousand cubic metres of crude was imported from Saudi Arabia in July compared with 169.6 thousand cubic metres in June and 350 thousand cubic metres in May.

The economic bulletin forecast that adjustments in the relative price patterns may stimulate some recovery in local refinery operations in the months ahead.

Reviewing the petroleum industry, the Central Bank said the declining trend in crude production continued in the second quarter and indications were that it would persist in the third.

A MARGINAL LOW

Crude oil production for the second quarter amounted to 2,601.4 thousand cubic metres. This was marginally lower than the 2,627.3 thousand cubic metres produced in the first quarter, but was 4.6 per cent less than output of the second quarter of 1981.

Last July, 888.3 thousand cubic metres of crude was produced. Output for the first seven months of 1982 thus totalled 6,116 thousand metres, reflecting a 5.3 per cent decline from the level recorded over the corresponding period in 1981.

The Bank said if the daily average rate of production of 28.8 thousand cubic metres up to July was maintained, crude oil output for this year would be approximately 10.5 million cubic metres (66.24 million barrels), 4.1 per cent lower than the 10.99 million cubic metres lifted in 1981.

Exports of crude oil in the second quarter amounted to 1,360.9 cubic metres, 1.6 per cent more than in the first quarter but 2.6 per cent below the level of the

second quarter of last year.

Refinery throughput increased by 9.6 per cent to 2,775.2 thousand cubic metres in the second quarter of this year compared with the corresponding quarter of 1981.

The bulletin said it was third consecutive quarterly increase and marked the highest throughput level recorded since the second quarter of 1981 when the throughput was 2,845.9 thousand cubic metres.

The outlook for refinery operations is very uncertain, however, as throughput had fallen considerably in the third quarter.

Last August, throughput at Texaco was reduced to 12.9 thousand cubic metres a day compared with a daily average of 20.2 thousand cubic metres a day during the first six months of the year.

Texaco has indicated that throughput may be reduced further to 8,000 cubic metres a day.

The bulletin said that even if the current level of operations was sustained, refinery throughput for 1982 would amount to 7.8 million cubic metres (48.5 million barrels) 23 per cent below the throughput level for 1981.

Uneconomical Operations

Port-of-Spain TRINIDAD GUARDIAN in English 13 Dec 82 p 24

[Text]

TEXACO'S Pointe-a-Pierre refinery has been running uneconomically for many months.

This was stated by the company when asked whether it was economical to continue to run the refinery up to the end of this year with the problem being experienced, financial and otherwise.

However, Texaco said, it is still continuing to process crude on behalf of Trinidad and Tobago Oil Company Limited (Trintoc) to partially meet National Petroleum Marketing Company's requirements from the bond.

Texaco's current local crude production is about 27,500 barrels per day. The refinery continues its throughput at 50,000 barrels a day.

Auction Sale

Questioned about sale of equipment in view of the situation at the refinery, the company said that an auction sale is planned for December 18 but that would be the normal sale of written-off equipment.

Questioned about the company's supply of petroleum products to Caricom countries, Texaco said that it has alternative sources of supply and therefore supplies to Caricom countries would not be affected.

The company normally imports aviation jet fuel from Curacao or Aruba.

Further Drop in Output

Port-of-Spain TRINIDAD GUARDIAN in English 14 Dec 82 p 1

[Article by Mikey Mahabir]

[Text] Refining throughput at the Pointe-a-Pierre refinery of Texaco Trinidad Inc. has taken a further dive.

The company confirmed yesterday that throughput dropped by 5,000 barrels a day over the weekend and now the refinery is running at an all-time record low of 45,000 barrels a day.

The drop came on the eve of the tripartite talks concerning the future operations of the company in Trinidad and Tobago.

Texaco, the Oilfields Workers' Trade Union and Government are due to resume discussions on the matter today and the company is expected to supply answers to certain questions raised by the union at their last meeting.

Minister of Labour, Social Security and Co-operatives Errol Mahabir, is expected to preside over today's meeting.

The union wants the company to state categorically its intention concerning its operations in Trinidad and Tobago.

"Not One Cent"

It was reported that Texaco has offered to sell or lease its giant refinery to Government and that Government was at the moment looking at assessment of plants and equipment.

As far as the oilworkers and their union are concerned, Government should not pay a single cent for the refinery. The union felt that Texaco has already made its millions in profit over the past 22 years of its operations in the country.

However, it was reliably learnt yesterday that the 45,000 barrels throughput is just 5,000 barrels away from, perhaps, shutdown of refining since the refinery would not be able to rally too long processing at 40,000 barrels a day.

Over the past few weeks the refinery was running at 50,000 barrels a day. The refinery has a capacity production 355,000 barrels.

Bond Busy

Despite the drop in the throughput, a record low, the company said it has sufficient storage of liquified petroleum gas (LPG-cooking gas) and premium gasoline to meet demands for the Christmas and also up to the end of the year.

Meanwhile, the bond department is continuing to be very busy with road tank wagons of National Petroleum Company Limited, taking out petroleum products. It is understood that some 25,000 barrels of petroleum products are being taken out of the bond daily.

Main products being hauled out of the bond include motor gasoline, LPG and gas oil.

It was learnt, too, that the company is continuing to process crude on behalf of Trinidad and Tobago Oil Company Limited (Trintoc) in addition to its own production.

Attack on Union

Port-of-Spain SUNDAY GUARDIAN in English 12 Dec 82 p 3

[Text]

THE GOVERNMENT of Trinidad and Tobago has been accused of failing to develop an oil policy in the national interest. The accusation has been made by the Central Executive of the Opposition United Labour Front (ULF).

The Central Executive met on Wednesday night at ULF headquarters, San Fernando, and discussed the implications of developments in the oil industry.

After the meeting the executive through its Chairman, Rep. Nizam Mohammed (Tabaquite) said that it viewed with deep concern the indifference displayed by the Government to what is now the most critical economic issue facing the country which portends devastating implications for the country and particularly for the workers in the oil industry.

NATIONAL INTEREST.

In a statement, the ULF said: "We know that the disturbing trends in the oil industry were visible since 1978 and the Government has both failed to monitor the

situation and to develop an oil policy in the national interest and a framework within which decision-making could provide a serious and effective programme of action to ensure economic security for the nation."

The ULF has renewed its call for effective national control of the commanding heights of the economy, particularly as it refers to the functioning of the petroleum sector.

The statement added that the ULF is disturbed about Government's reticence and unwillingness to take the country and the Opposition

into its confidence because of the national nature of the problem and the fact that any solution requires national effort and mobilisation of the national will.

It was stated too, that in conformity with a resolution passed at the ULF's fifth annual congress last July 11, the executive "appeals to the Government to provide the public with a comprehensive statement of the facts surrounding the long forecast crisis and particularly the most recent manifestation of that in Texaco's threatened retrenchment and cut-back in production and refining activities."

Texaco Deadline

Bridgetown ADVOCATE-NEWS in English 16 Dec 82 p 3

[Text]

PORT-OF-SPAIN, Trinidad,
Wednesday (CANA) —
Texaco Trinidad Incorporated
(TEXTRIN), an American-
owned oil company which is
trying to sell or lease its
refinery here to the Trinidad
and Tobago Government, is
reported to have set a January
1983 deadline beyond which it
could not operate under
existing circumstances, ac-
cording to press reports.

The Guardian newspaper
also quoted a spokesman for
the Oilfield Workers Trade
Union (OWTU) as saying that
the oil company had outlined
to the labour body several
conditions under which it
would be prepared to continue
operating in the twin-island
state.

At a meeting with OWTU
representatives, Texaco is
reported to have confirmed its
offer to sell or lease the
refinery at Point-a-Pierre —
the biggest here — to the
Trinidad Government.

The spokesman said union

officials were told by the
company that the govern-
ment's ministerial team was
won studying the company's
offer, including a valuation of
plant and equipment.

The paper said, however,
that according to the tone of
the discussions, the union
officers came to the con-
clusion that the oil company
was pushing ahead for
government to buy out the
refinery quickly.

The union said it had
learned during the four-hour
meeting that the future of the
company now lay in the hands
of the government.

Texaco was said to have told
the union officers that the

company could not see itself
operating further than the end
of next month under the
present conditions.

In addition, they were
reportedly told that if the
refinery has to be closed, the
company would keep the
producing fields in operation.

CSO: 3298/244

ULF RAPS GOVERNMENT FOR FAILING TO DEVELOP OIL POLICY

Port-of-Spain TRINIDAD GUARDIAN in English 10 Dec 82 p 20

[Excerpts] The Oilfields Workers' Trade Union has spent more than quarter of a century attacking, insulting, denigrating, ill-speaking, hating, thwarting and doing everything in its power to destroy and expel Texaco Trinidad, Inc. The hypocrisy of it all is that now that "success" is within sight, the OWTU would have us believe that the villain is Texaco. That Texaco wants to go; not that it is being kicked out.

Like Mark Antony in Julius Ceasar, we have come to bury Texaco, not to praise it. The so-called evils that Texaco has done are recalled, magnified and propagated. Again and again and again. The good is interred at the base of abandoned oil wells. So let it be with Texaco.

The OWTU has told the public, again and again and again, that Texaco is not an exemplary company. The inference is unambiguous--that it is holding the country to ransom. It has claimed that workers are being put on the bread line, that indirect as well as direct employment is being sharply reduced, and that the prospect of a closed Pointe-a-Pierre refinery spells CRISIS for Trinidad and Tobago. When these charges are made by top members of the OWTU, we must take them seriously, for Mr Weekes is an honourable man. So are they all honourable men; and if Texaco is at fault for these grievous problems then the company is grievously answering for them.

However, when Texaco found that employees in the "fields" lacked adequate housing, it was moved to launch a major pioneering housing project for its workers. Where once were rolling sugar cane plantations, forest and open ground, there sprouted hundreds of new homes backed up by generous mortgages conditions. New homes that housed new cars and new washing machines and sprouted TV antennae long before these became the norm in Trinidad and Tobago. Did this in Texaco seem uncaring, brutish and ambitious?

Greed

Augustus Long, the one-time enduring head of the New York-based company gave his name to one of the finest hospitals in Trinidad. It is sited amid the sprawling tankage and extensive pipelines of Pointe-a-Pierre.

Many a Texaco worker has had his health restored there. And that of members of his family. If such care and attention have been construed to mean ambition and greed, then surely ambition should be made of sterner stuff.

Texaco has brought sizeable investments and many plants to Trinidad and Tobago including a lubricating oil plant, a naphthalene plant, a sylene plant, and expansion of the Pointe-a-Pierre refinery to make it one of the biggest in the world. The company has also sent drilling rigs deep into forests and far out to sea to risk talent and enormous sums of money searching for new deposits...even before the OPEC price bonanza. Is this supposed to be ambition by a greedy and hostile company?

One of the first places that a muscular young athlete named Hasely Crawford distinguished himself was at the star-studded international Southern Games organised by the same hated Texaco to develop talent by exposing it to the finest competition available. The overseas competitors came in their numbers--from Africa, from America, from Britain, you name it. The Southern Games became palpable demonstrations of goodwill. The company put its money where its mouth was. And all it got was a fist-full of insults! If that situation spelt ambition, then pray, on whose part?

Training, scholarships, promotions, advancements, fulfilment, facilities were all provided by Texaco under the twin motives of promoting efficiency and hence profitability, and of treating its people right. Yet the very company that does what it is supposed to do is charged with being greedy by the same people who have institutionalised irresponsible, unwarranted, unnecessary, banal and vulgar demands of every sort. In this connection, union cries are now reaching a fresh crescendo for yet another reason. With the prospect of closure and redundancy, the OWTU stands to lose hundreds of thousands of dollars because many workers will no longer be able to pay their dues! This is the end product of a curious scenario whereby organised labour gets more and more for fewer and fewer workers until eventually, they get everything for no one. It's called massacring the goose that lays the golden eggs--by people who cannot make geese.

Most important of all, Texaco's revenues did the general coffers fill. Did this in Texaco seem ambitious? Yet all the company "enjoys" is vilification and carefully orchestrated hatred.

Hostility

The underlying tragedy is that as the inevitable slowly took shape, our Government sat by and did nothing. When headed by a historian without a single jot of business experience, it was popular and politic to launch diatribes at all things foreign and especially multi-nationals. For a while, Texaco played the game. But when monumental salaries had to be paid for microscopic output, and when instead of redundancy highly paid individuals were kept on to act as glorified messengers and paper shufflers, then it became clear to Texaco that the end was near. A not surprising conclusion after a mere 25 years or so of non-stop hostility and non-cooperation in a prolonged war that can be summed up in one line--don't trust multinationals.

Without a doubt there have been excesses in the backgrounds of multinationals. But this is a human factor and is not restricted to multinationals. There are even excesses in trade unions, some of which are very current in Trinidad and Tobago.

Of greater sense than prolonged and unproductive carping is the approach of harnessing the tremendous resources available through multinationals. For instance, their research facilities are enormous. Their investment and development budgets are larger than many national budgets, with the correct management and mutual understanding, multinationals can become good and loyal adopted citizens of countries.

Tactics

But this never suited the purpose of the Oilfields Workers' Trade Union because at no stage did it want co-operation, and mutual growth and respect. Preferring the darker back alleys of human intrigue and negative thinking, it has opted to play upon a natural tendency of developing people to feel suspicious of their fellow humans in developed nations. Rather than growing mentally, nourishing a bigness of concept, expanding the breadth of thinking and encouraging broadness of mind, the union has fostered recalcitrance, resistance, suspicion, surliness, non-cooperation and parasitism. All of which nurtured an inferiority complex and hence, more pointless defiance and hatred, and so on. A swirling mass of emotions, spiralling ever downwards, killing our natural urge for upliftment and achievement."

Without an ideological reference point, such tactics would be equated with childish outbursts, immaturity on a mass scale. But when the fight is not only with Texaco, but with all foreign oil companies, then an uneasy feeling begins to take the shape of a serious misgiving concerning the alleged sincerity about "the interests of the worker." When, even beyond that, the cudgel is raised against a principal public utility, and satellites in the bloc of unionism wage relentless war on other utilities and other enterprises, then the shadow of doubt becomes a menacing spectre of leftist ideology.

At first it was novel and entertaining to hear appellations like "comrade" being bandied about but the ensuing language and behaviour leave little room for light-hearted interpretation. The impression gained is that the majority of our trade union leaders are rabid Marxists with but one aim--bringing the established, mixed free enterprise system to a point of total cessation, when the "new order" will take over.

In the process, impossible demands are stockpiled upon impossible demands. Runaway wages bring windfalls for some, retrenchment for the rest. Attrition gnaws into a once vigorous corps of employment. The coming of the crunch brings devitalisation to company performance, less adaptability, less flexibility, a blunting of marketing zeal, decline in product/production efficiency, falling returns and inward collapse. In astronomical terms, an "implosion," as occurs when a quasar collapses on itself.

The chants are shrill about "not a man must go." A very emotive, appealing slogan, cut, alas, impractical if the workers have been priced out of existence...by union skulduggery. Of course, the company gets the blame, since, according to union dicta, the general council is infallible. At all times. We also hear about "the right to work."

CSO: 3298/244

BEAGLE MEDIATION ENTERS NEW STAGE

Buenos Aires LA NACION in Spanish 2 Jan 83 p 1

[Text] Chile's right to submit any sort of complaint against our country to the International Court of Justice at The Hague expired at midnight on 27 December.

The 5 April 1972 General Treaty on the Judicial Settlement of Disputes, which had replaced the former 1902 Arbitration Treaty, lapsed on that day.

The treaty was denounced on 22 January 1982 by then Foreign Minister Costa Mendez, but Chile had until 27 December to avail itself of its provisions concerning the issues it deemed pertinent.

Now, however, the Chilean Government will be able to invoke the treaty only once and exclusively in connection with the southern border dispute. In point of fact, the 15 September 1982 Vatican City Treaty that Argentina and Chile signed stipulates that in the event that the mediation in the Beagle affair should fail, the Chilean Government can come before the tribunal up to 6 months after the Holy Father declares his mission terminated.

As has been said, this is not regarded as very likely, because the two parties have ample confidence in the Church's mediation and because the Church, in accordance with its tradition, would not abandon those who have appealed to it in search of a peaceful settlement for their differences.

A New Stage?

According to diplomatic analysts, the Chilean Government's position shows that a new stage in bilateral relations has begun.

Now that the 1972 treaty has expired, our neighbors have no international legal instrument that could force us to go before the International Court or to enter arbitration.

Furthermore, in recent months Chile's ambassador, Sergio Jarpa Reyes, has been talking to government circles about physical integration and economic cooperation, which leads us to believe that from now on the two nations' disagreements could be settled through direct negotiations.

Perhaps such negotiations could lead to a suitable settlement at the proper political moment for the Laguna del Desierto matter, which until December some officials at San Martin Palace thought the Chilean Foreign Ministry would bring before the Court.

With respect to integration, on 30 December Ambassador Jarpa, after a lengthy visit with the Foreign Relations Ministry policy director, spoke emphatically of the steps that ought to be taken in this regard.

He then pointed out that several agreements had been signed (he recalled the 1955 one as being "very good"), adding, however, that the intentions of the two governments, whether expressed in many or few words, now must have the backing of the regional authorities and community leaders. Jarpa Reyes also talked about the joint efforts that could be undertaken all along our borders, "especially in the south."

Political Opinions

The possibility has not been ruled out that once the Vatican is aware that a settlement is feasible, it will propose a comprehensive final pact, this is conjecture the soundness of which cannot be ascertained.

As most Argentine political forces have stated, an agreement is desired, and they would prefer that the current authorities be the ones to sign it.

Diplomatic circles contend, however, that the military government is probably unwilling to take this step, and they feel that the military will leave a settlement up to a constitutional government.

As to possible alternatives, there is talk of consulting with top party leaders, but the risks that such a move would entail are unknown, and of holding a plebiscite, which, however, would not be opportune at the current political juncture.

Samore's Leadership

As far as the mediation is concerned, both parties would like to reach a settlement under the leadership of Cardinal Samore, "because he knows what we're like and we know what he's like," as a high-level diplomatic source said.

Their reason for wanting to hasten the pace of the negotiations, which are supposed to resume in mid-January after a short recess, is that they fear that the distinguished Vatican mediator's health might soon dictate a protracted rest that would delay the talks.

As we know, the cardinal has recently experienced some health problems, and the doctors are advising him to get more rest than he currently does.

BELIZE, PANAMA, NICARAGUA SIGN HEALTH AGREEMENT

Belize City BELIZE SUNDAY TIMES in English 12 Dec 82 p 9

[Text] Minister of Health, Assad Sheman, met with Lea Guido and Gladys de Lau, Minister of Health of Nicaragua and Vice Minister of Health of Panama, respectively, on November 29th and 30th, to discuss and sign a three-year plan of technical cooperation in Health.

Under the programme, which will be financially supported by the Pan American Health Organization, Belizeans will receive technical and professional training in Panama and Nicaragua, in the fields of Medicine, Radiology, Anaesthesiology, Health Administration, Epidemiology, Environmental Health and Malaria. In addition, Belizean Health workers will participate in Continuing Education Programmes in these countries and in Belize.

The Ministry of Health of Panama will receive eight Belizean patients a year, free of charge, for cancer treatment.

Technical assistance will be provided by Panamanian and Nicaraguan health experts in the development of Malaria Eradication, Environmental Health, Health Education and Community participation, Health planning and Primary Health Care.

Representing the Pan American Health Organization at the meeting was Dr Lelie Calheries, Area Representative of the Central American region, who described the agreement as a historical step forward in regional technical cooperation in Health, that will be an example for other countries. Dr Calheries praised the initiative of the three ministries which was brought to fruition in record time after an initial meeting in Washington in late September, during the Pan American Sanitary Conference.

The Minister of Health of Nicaragua, Lea Guido, noted that it was deeply satisfying for the Nicaraguan people, struggling to develop their war-ravaged economy and having received help from so many countries of the world to be able to offer, for the first time, assistance to the new nation of Belize, whose independence, territorial integrity and development Nicaragua is pledged to support.

Vice Minister Gladys Lam of Panama stated her country's commitment to the cause of Belize and that this plan of cooperation would eventually grow to include other areas of mutual concern and benefit in the process of development.

Previous to his meeting in Managua, Minister Shoman attended an international conference on Education and Production in Grenada where he delivered a paper which was very well received on Health Education in Belize.

CSO: 3298/1187

CARIBBEAN SUGAR ASSOCIATION URGES CARICOM TO SEEK U.S. QUOTA

Bridgetown ADVOCATE-NEWS in English 16 Dec 82 p 15

[Text]

The five-nation Sugar Association of the Caribbean Incorporated (SAC) has said that the Caribbean Community (CARICOM) Secretariat should discuss the possibility of the United States setting an annual CARICOM quota for sugar, according to an official statement issued in Barbados.

The statement was released following the SAC's 42nd annual general meeting in Tobago earlier this month.

The SAC discussed the situation in the United States sugar market, and it was noted that U.S. President Ronald Reagan had designated CARICOM as "one country" to receive cumulative treatment under the rules of origin of the U.S. Generalised System of Preferences (GSP).

"The meeting accordingly approved the recommendation of the CARICOM working party on sugar that the CARICOM Secretariat should explore with the United States Government, the possibility of establishing a regional CARICOM quota for sugar once it is established by the U.S. authorities that the value of sugar shipped to the USA by CARICOM countries would not be added together when the permitted level for continued GSP treatment for sugar is determined in 1983 and subsequent years," the statement said.

The association, comprising Barbados, Guyana, Jamaica, Trinidad and Tobago and St. Kitts-Nevis, also discussed the international sugar market situation. It noted the present level of prices on the world market and what it said was the ineffectiveness of the international sugar agreement.

In this connection, it was noted that the 59-nation London-based International Sugar Organisation (ISO) will hold a meeting this month and next month with the object of calling a negotiating conference in May next year to consider the terms of a new international sugar agreement to become effective from January 1, 1984.

The CARICOM working party on sugar had decided that SAC should consider the implications of this sugar agreement and propose a strategy for CARICOM countries.

The statement said it was agreed that the SAC marketing committee would meet in 1983, following the meeting of the ISO preparatory committee meeting to prepare this plan.

The meeting in Tobago also noted that all SAC member countries had approved the new United Kingdom market premium formula, which was negotiated with sugar refiners Tate and Lyle Limited, and that advance payments had already been made by the

company for the year 1981-82.

The market premium represents a two-thirds share of the premium obtained by the refiners from the sale of sugar on the U.K. market.

The sugar trade between the African, Caribbean and Pacific (ACP) countries and the European Economic Community (EEC) was also discussed, with the concerns expressed by the CARICOM working party being noted.

The meeting approved a resolution asking the CARICOM Secretary-General to apprise governments of the sugar exporting countries of CARICOM of certain points prior to the meeting of the ACP ministerial group on sugar, being held in Brussels Tuesday.

These points related to the need to preserve both the access to, and price provisions of, the sugar protocol.

The statement said that insofar as access is concerned, it was felt that effective pressure could be brought to bear on the EEC to re-allocate shortfalls among the existing member states of the sugar protocol only when the ACP agree among themselves on some definite basis of allocation.

It added that efforts should be made to resolve this matter at the Brussels meeting as the long delay has been to the advantage of the EEC. (CANA)

CARIBBEAN BANK TO HELP REGIONAL AGRICULTURAL PROJECTS

Bridgetown ADVOCATE-NEWS in English 13 Dec 82 p 12

[Text]

CASTRIES, St. Lucia, Sunday (CANA) — The Barbados-based Caribbean Development Bank (CDB) is to provide EC\$8.4 million to the four Windward Islands Banana Associations to set up a regional input revolving fund for the fruit industry, the Windward Islands Banana Association (WINBAN) said today.

According to WINBAN, this follows talks earlier this month between a CDB team, headed by Dr. Bernard Yankey, representatives of the governments and the banana industries of St. Lucia, Grenada, Dominica and St. Vincent.

The project, which will be executed through WINBAN, will help the individual island associations to provide agricultural inputs, particularly fertiliser, to farmers.

The overall objective of the project is to increase the volume and improve the quality of bananas produced for export.

WINBAN said some of the funds will also be utilised for improvement of rural storage facilities owned by the associations and for meeting administrative expenses for the first two years of the scheme's operations.

At a meeting of CDB and WINBAN officials here last week, it was decided that the agreement for the loan should be signed by mid-January, and that a co-ordination and review committee for the project should meet before the end of January, WINBAN reported.

According to WINBAN, this committee will comprise one representative from each of the four ministries of agricultural Research and development institute (CARDI), the chairman and one staff member of WINBAN.

A tenders committee will also be appointed to determine contracts for the supply of inputs for the revolving fund.

Under the project, the fund will service all banana-producing areas in the four islands. It will also cater for an estimated 30 000 acres of bananas in the first year presently cultivated by the islands 19 000 growers under various levels of management.

WINBAN said it expected that production from this acreage would rise from the present 100 000 tons in the Windwards to 159 000 tons by 1988.

SIX CARIBBEAN STATES TO BENEFIT FROM DEVELOPMENT LOANS

Bridgetown SUNDAY ADVOCATE-NEWS in English 12 Dec 82 p 2

[Text]

The Barbados-based Caribbean Development Bank (CDB) has announced the conditional approval of loans totalling more than US\$11 million to finance development projects in five regional countries.

The decision was among others taken at the CDB's Board of Directors seventh and final meeting for the year, which ended here last Thursday. The loans bring the total approvals for 1982 to US\$54 million.

The countries which will benefit from the latest series of loans totalling US\$11 473 000 are Grenada, St. Vincent and the Grenadines, the Cayman Islands, the British Virgin Islands and Jamaica.

A CDB statement said Grenada would receive US\$2 million to part finance the rehabilitation of 23 rundown agricultural plantations across the country as part of government's drive to maximise production, create jobs and enhance the island's foreign earnings through exports.

The project is to be implemented by the state-run

Grenada Farms Corporation. The 770 hectares of land will be used for sheep rearing and the cultivation of cocoa, nutmeg, coconuts, bananas and other fruit.

The British Virgin Islands, a British colony, is to receive US\$1 035 000 to assist in financing the construction of 20 000 square feet in factory space in Tortola for small hotel industrial enterprises, the CDB statement said.

"There are no industrial estates in the country and the project will enhance the government's efforts to promote local entrepreneurship," the statement added.

The Cayman Islands, another British colony in the Caribbean, will benefit from loans totalling US\$942 000 to finance the construction of two hotels being built by nationals.

For St. Vincent and the Grenadines, the CDB Board of Directors approved US\$496 000 to be used for improving the country's water supply system. In addition, a loan of US\$1.5 million was approved for onlending to agricultural and industrial projects.

The state-run St. Vincent National Development Corporation (DEVCO), the agency which will handle the distribution of the funds for the projects, will also benefit from technical assistance from the CDB, which will post an industrial development specialist and a financial management accountant to the agency.

Jamaica's loan is in the form of a line of credit of US\$6 million to the National Development Bank to assist it in financing a programme of lending to the industrial and tourism sectors through approved institutions, including commercial banks, the CDB statement said.

The funds are primarily for financing the foreign exchange components of activities in the two sectors which need to expand and refurbish their existing facilities in order to better assist the Jamaica Government in its structural adjustment programme which is geared mainly towards earning vital foreign exchange, the statement added.

BRIEFS

OECS CENTRAL BANK--Roseau, Sun., (Cana)--Finance Ministers from the seven member-countries of the Organisation of Eastern Caribbean States (OECS) are to meet in January to initial a draft agreement for the establishment of a Central Bank to serve the group of islands, the Director-General of the OECS, Dr Vaugh Lewis, said here. During a news conference, Dr Lewis said that afterwards member States would pass the relevant legislation which would see the Central Bank operating by April 1983. Members of the OECS are: St Kitts-Nevis, Montserrat, St Vincent, Antigua and Barbuda, Grenada, Dominica and Saint Lucia. They all use the East Caribbean (E.C.) dollar, equivalent to 37 cents U.S. and the flow of the money is regulated by an East Caribbean Currency Authority, now being upgraded to a Central Bank. "The situation is that we have virtually reached the end of a long period of negotiation on the transfer of the currency authority into a Central Bank for the member countries of the OECS," Dr Lewis told reporters. The exact date and the venue for the Finance Ministers meeting were not disclosed. Dr Lewis, who is here on an official visit, has had discussions with Dominica's Prime Minister and Minister of Finance, Eugenia Charles, on the proposed Central Bank. He said that the Bank would use the Eastern Caribbean dollar, but it was unclear if it would remain tied to the United States dollar. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 20 Dec 82 p 15]

BARBADOS PPM LEADER'S TOUR--Leader of the People's Pressure Movement Eric Sealy left the island yesterday for two Caribbean islands where he will be giving an update on his eviction from the House of Assembly. Mr Sealy will be going to Trinidad and Tobago for interviews with two newspapers there before going on to Grenada for similar interviews with the "Free West Indian," and Radio Free Grenada." This, he pointed out before leaving, was his first step in bringing international recognition of his rejection from entering Parliament, a move which he said had infringed his constitutional rights. He is due back home on Saturday and will hold a meeting in the Fairchild Street Market Square on Sunday night beginning at 8 o'clock. [Text] [Bridgetown ADVOCATE-NEWS in English 9 Dec 82 p 2]

NEW NEWSPRINT SHORTAGE--Georgetown, Thurs., (Cana)--Guyana's lone daily, the State-owned "Chronicle," says it has been forced to reduce its daily paper to four tabloid pages and slash its weekday circulation from 65,000 to 20,000 because of serious shortage of newsprint. In a front page statement, acting general manager Ron Phillips said the "Chronicle" was awaiting a shipment of newsprint from Canada but the vessel bringing it was in Venezuela undergoing repairs. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 Dec 82 p 5]

CSO: 3298/275

GOVERNMENT ACCUSES UNION OF BID TO BAR PAN AM FLIGHTS

Port-of-Spain TRINIDAD GUARDIAN in English 13 Dec 82 p 5

[Text]

ST. JOHN'S, Sun., (Cana)
ANTIGUA AND BARBUDA'S Tourism Minister, Hugh Marshall, has accused the Opposition-aligned Antigua Workers' Union (AWU) of trying to stop Pan American World Airways from resuming flights to the twin-island state next Friday.

The charge was made after the union's general secretary, Keithly Smith, claimed that the airline owed \$50,000 to AWU members who were put out of work when Pan Am pulled out of the Caribbean in 1972.

Mr. Marshall, who said the American airline had denied the charge, also accused the trade union of trying to hurt the Antigua and Barbuda economy.

"We feel that the objective (of the union claim) at this time is simply to disrupt the economic programme of the country, and to discourage Pan American World Airways from coming to this country," Mr. Marshall said.

Mr. Marshall told the Press the Antigua and Barbuda Government had been in touch with the airline about the pay claim, adding: "If Pan Am owes....we will see to it that Pan Am pays the money to its employees."

"This Government has asked its offices in New York to discuss with Pan American World Airways what is the de facto position and... what we have been told by Pan Am is that Pan Am paid the workers their severance pay, and to confirm this further, we have asked Pan Am for verification of this in writing," Mr. Marshall said.

ALL REQUIREMENTS

"They said that they had met all the legal requirements to the workers in Antigua, upon their departure, after they had brought in an expert from Trinidad to advise and reach a just settlement between the workers and themselves.

"They said that they are aware that there were two different types of interpretations of the Trinidadian expert, one by Pan American and one by the Antigua Workers' Union."

The Minister said AWU was claiming a bonus to be paid to workers, which was a separate and distinct thing from severance pay.

"Pan American argues that bonus can only be paid to workers who are employed at the given time, and the bonus has to be based on something," he added.

UNION LEADER ASKS GOVERNMENT TO ESTABLISH ARBITRATION BODY

Bridgetown ADVOCATE-NEWS in English 9 Dec 82 p 3

[Text]

ST. JOHN'S, Antigua, Wednesday, (CANA) — General secretary of the Antigua Workers Union (AWU) Keithly Smith has called on Government here to create a body to settle disputes on wages and employment conditions for workers.

Smith, who heads the largest union in the country, said that because there is no such authority to settle issues of this sort, workers were suffering at the hands of their employers, who knew that the courts could not be used to settle matters of this nature, but still referred them there to further prolong such disputes.

"Because of this situation, employers continue to hold out for very long periods before they sign a new collective agreement on better conditions and wages for their workers" he said.

Smith pointed out that the Industrial Court was not constituted to deal with matters such as improved conditions for workers.

"You can look at the Cable and Wireless negotiations in 1978, this was the first negotiation to reach the court, and the court made it quite clear that it could not create new terms and conditions with regards to a collective agreement," Smith said.

Smith said that there were certain improvements that workers would like in contracts which a court cannot give, and which the industrial code says no court can handle.

"Well, it is our view that the courts should be there to settle disputes and if employees want improved conditions, and if the court finds that the employers can pay, then they should be made to pay and give their employees better conditions in which to work."

CSO: 3298/247

BRIEFS

WORKERS UNION CONDEMNS ACTIONS IN SURINAME--St John's, Mon., (Cana)--Antigua Workers' Union (AWU) called today on the Caribbean to put pressure on the ruling military in Suriname and teach it a lesson for cutting down its opponents. AWU General Secretary Keithlyn Smith was reacting to reports of the recent killing of 15 people in the former Dutch colony. The authorities said the men, detained in connection with a coup plot were shot dead by security forces during an escape bid. Smith said: "We have investigated the situation and found there was no plot. We also found that the detainees did not make an escape, but were tortured and then shot." Suriname's leading trade unionist, Cyril Daal, former Sports Minister, Andre Kamperveen, University of Suriname Chairman, Dr Gerard Leckie, and four lawyers were among the 15 victims. The Antiguan trade unionist said the Suriname incident was a "serious and dangerous" precedent in the region and he called on the people of the Caribbean not to let it pass unnoticed. One of the strange things that has happened since this incident is the silence of Caribbean Governments on this matter, which not only shocks the people of the Caribbean but the entire world of free people," Smith said. Saint Lucia is the only Caribbean Community (Caricom) country that has outrightly condemned Suriname's military rulers over the incident, Barbados and Guyana have also voiced their concern. The AWU General Secretary warned that if the action by the Suriname military authorities was not condemned, similar situations could surface again in the future. "...It now seems that a Government can do anything to get rid of its political opponents and if we allow these things to go unnoticed, then all Opposition Leaders in the Caribbean and trade unionists who unselfishly try to pursue better conditions for the working class will be in danger of being exterminated," Smith said. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 21 Dec 82 p 5]

INDUSTRIAL DEVELOPMENT AID--St John's, Antigua, Tuesday, (CANA)--The Canada-based Foundation for International Training (CFIT) and the Barbados-based Caribbean Development Bank (CDB) are to provide assistance to the Antigua and Barbuda Government in setting up an Industrial Development Agency (IDA), it has been announced here. Barbadian economist, Dr Carl Clarke, met recently with officials of the Antigua Ministry of Economic Development to determine the training needs for staff to be assigned to the unit. The foundation and the CDB have offered eight man-hours of training and more, if necessary, to help equip even professionals with specific skills needed for efficient operation of such an agency, a government statement said. The programme will begin by March next year. The two institutions will also assist the industrial development plan as well as a standard operating procedures manual. [Text] [Bridgetown ADVOCATE-NEWS in English 15 Dec 82 p 3]

GOVERNMENT URGED TO REESTABLISH DIALOG WITH POLITICIANS

Buenos Aires LA NACION in Spanish 23 Dec 82 p 8

[Text] The Wage Decision

The wage boost that the government ordered yesterday, after arduous deliberations among ministries, has enabled moderate labor leaders to defuse pressures for another general strike before the year's end.

But if this was an immediate positive consequence for the government, we still have to wonder about the depth and seriousness of the splits that arose within the military government during the debate prior to yesterday's decision.

In this regard, the undisguised charges that certain commanders have leveled at the ministers in charge of economic and social policy, charges that have been particularly harsh in recent hours, do not exactly augur well for the future of the people at the helm in these spheres.

In any event, it would not be unlikely either, as has happened before, that pressure from the military will once again dissipate for lack of practical prospects and that consequently an overhauling of the cabinet will be postponed.

We should note here that more and more observers of and principals in the country's current politics are convinced that one of the few remaining ways for the military regime to refurbish its image is precisely to replace some of its ministers.

Truce for the Interior Ministry

One objective outcome of public attention having turned again to economic and social issues is that, in the meantime, pressure on the political ministry has waned.

What is more, some government circles are commenting that the smoothties between the men in the Interior Ministry and Dr Angel F. Robledo were the groundwork without which it would not have been possible to reach yesterday's wage solution.

In this regard, the underlying political settlement that preceded the boost must have been reached during a confidential meeting among Minister Wehbe, labor leader Triacca and the former interior minister.

Though relieved fleetingly by the blunting of the union offensive, General Bignone's political advisers have not fallen prey to a naive optimism.

They know that the country is approaching the new year in the midst of a full-fledged crisis and that all indications are that after the inevitable summer recess, the government will once again be under broad and probably even stronger attack.

Having made this basic assessment, they have decided to devote their best efforts to the establishment of a new dialog with party leaders, one that should be starting up within the next 48 hours.

Criteria for the Dialog

A reliable government source summarized the conceptual groundwork of the move under way as follows to LA NACION:

- 1) For 5 months the government has complied strictly with its mandate to institutionalize the country, "a mandate," it was said, "that is virtually shared by the Armed Forces and the political leaders who met in the Congress before President Bignone assumed power";
- 2) The current intertwining of social conflicts, strikes, discontent and criticism forces us to seek out a framework for reflection in which a comprehensive reassessment is feasible;
- 3) After that meeting which set the transition in motion, contacts with party leaders have been deliberately discreet, but now the time has come for another formal gathering;
- 4) This time it cannot be an open meeting without clear-cut objectives. To avoid generalizations, consideration should be given to a specific agenda (which is supposedly already being drafted) so that elections can be staged as calmly as possible, which will enable the new authorities to govern effectively;
- 5) Since the general situation would become intolerable if it continued to develop as it has so far, we should not rule out the possibility of seeking "a joint program, a truce among the segments of society";
- 6) Although the main officials in the Interior Ministry would be in direct charge of the dialog, it would not be limited to political issues; it would also encompass the economic and social sphere, which is the major factor influencing the overall political climate.

The Guest List

These points aside, one of the as yet unresolved functional problems is reportedly who to invite when the time comes.

The approach taken for the Congress meeting would no longer do, when only official party leaders were invited.

There are those who feel that the best idea this time would be to extend invitations to as many leaders as possible, whether they hold official posts or not.

The point would be that no one would gain at the expense of his internal opponents, though if we look at the issue from the opposite angle, it could be a way of sharing responsibilities.

The latest developments in Radicalism show that the official leaders are running scared.

8743

CSO: 3348/151

POLITICAL STRATEGISTS PAVE WAY FOR ELECTIONS

Buenos Aires LA NACION in Spanish 26 Dec 82 pp 8-9

["Political Week" Commentary: "The Time for Decision-Making"]

[Text] Politics on Wednesday

Since he became president, General Bignone has not failed to observe the longstanding military tradition of "the Wednesday cleanup."

The military spends Wednesday disinfecting the barracks, tidying up the bunks and washing clothes. The chiefs who have been excused from duty usually head home after noon.

The habit is so ingrained in the president that every Wednesday afternoon he holes up in the Olivos country house, but unlike his periods of active duty, he devotes these quiet hours to political reflection, either with some furtive party leader or some of his closest collaborators.

Last Wednesday, in fact, President Bignone held a lengthy meeting at his residence with the Interior Ministry team to assess the progress and prospects of the political plan.

Their deliberations surely gave rise to the subsequent announcement concerning when the elections would be held (this was actually only an approximation; some day we will find out the exact date) and, what is much more important, led to the decision to hold general elections on a single day.

Technical reasons aside, the dominant view seems to have been that a preliminary balloting might go against certain forces that the military government does not want to discourage too much.

The Law Is Not Innocent

Because our reliable source was sparing of words, we were able to establish in addition only that they had a lively discussion about the terms of the new dialog with the civilian authorities that the current regime intends to establish within the next 45 days, the political timetable and the electoral law.

Probably, the source added, not much progress has been made on the substantive political issues, in other words, the ones that will be influential far beyond the end of the transition, as is the case with the electoral law.

We should clarify in this regard, for the benefit of our readers who might soon find themselves in the midst of heated debate on the issue, that no electoral system is innocent in and of itself.

Even in the best established democracies, election regulations are often amended to achieve certain political ends.

Why shouldn't we then expect such a predisposition in this case, namely, a de facto government that acknowledges a change in our traditional political structure as one of its main goals?

Naive idealism seems out of place on this obvious issue. We are not, of course, questioning the government's proclaimed intention to remain aloof from the election campaign.

Neither should we overlook, however, that the future electoral law--the real key to power--will, whether we like it or not, reflect a clear-cut political choice by the de facto government.

There is no other alternative. Strong or weak, with or without a consensus, with a greater or lesser desire to remain aloof, the military government is obliged to favor someone.

It must realize now that it will not be able to please everyone. Therefore, the question is how long the government will be able to avoid taking a stand under the pretext that it has to hear the views of the various political groups.

From a theoretical perspective, then, making the political decision as soon as possible would seem indispensable.

To put it differently, avoid all euphemisms and address the issue with the realism it warrants, the government ought to find out where its preferences lie.

Today, all indications are that the military has not yet made this decision, shaken as it is by the military defeat in the South Atlantic, the political and economic failure of the Process and the prospects that the war against subversion will be investigated.

Electors or Direct Vote

In the more practical arena, the choice is between maintaining the indirect system of electing a president through electors, as stipulated in the Constitution of 1853/60, or introducing a constitutional amendment establishing direct elections, with a run-off vote in the event that none of the tickets achieves an absolute majority in the first round.

Based on the results of previous elections, analysts feel that the first system clearly favors Peronism, if, as they foresee, it gets its traditional 40 percent of the vote.

We know that there are people in the Interior Ministry who feel that even if Peronism garners that high a percentage, the second place finisher (traditionally it would be Radicalism) could hammer out a pact with the other also-rans.

Precedent contradicts this view, however. In the electoral colleges the Radicals never violated the principle of handing over their votes to the leading vote-getter. Why would they now? ask the experts.

The Amendment Again

The system of a direct election with a run-off, which was employed most recently in the 1973 balloting, would, in contrast, enhance Radicalism's possibilities.

In this regard we must inevitably recall the wizardry performed during those years by Dr Arturo Mor Roig.

"It's true that the system failed on that occasion," comment the experts, "but if it turned out to be reasonable a priori then, with Peron still alive, how much more reasonable might it be today, given the countless signs that Peronism can in no way repeat those vote totals."

To round out their argument, they assert that none of Peronism's potential presidential candidates could compete for the independent vote with the likely Radical presidential hopefuls. Thus, independent voters would once again be faced with the old dilemma.

Hence, pursuant to its constitutional powers the military government should approve the straightforward reestablishment of the Mor Roig amendment or issue a decree-law with the same substance, as was done in 1963.

We would thus have a direct election for president with the possibility of a run-off, a 4-year presidential term, three senators per district instead of two and the same system of electing governors in all provinces.

The Provinces

Currently, only Corrientes, Tucuman and Mendoza have a system of indirect election.

The case of Mendoza is a perfect illustration of the correspondence that we spoke of earlier between election regulations and the sought-after political goals.

Running counter to the historical trend of provincial constitutions towards replacing indirect with direct elections, the Mendoza constitution, which envisioned direct balloting, returned to the indirect method in 1965.

The reason for the change was clearly political: the Radicals, who had no chance in the province, decided to back the Democrats' gubernatorial candidate in exchange for their support of Radicalism's national ticket. The provincial electoral college was put together; the agreement was honored at all costs, and a Democratic governor was elected over a neo-Peronist candidate who had won the most votes.

This precedent shows, in passing, that the much-talked-about Radical aversion to pacts is not that strong, especially in the case of secondary settings that do not jeopardize the party's national image.

Definite Opportunities

It is precisely around this trait of Radicalism that certain leaders of centrist forces with definite possibilities in some provinces have begun to work out their election strategies with a view towards the last quarter of next year.

These leaders, exhausted by the Kafkaesque formalities in establishing a third force, are feeling pressure from their rank and file, who are unwilling to waste concrete political opportunities because of evanescent doctrinary theories.

The understanding is that the individuals most inclined in this direction are Rafael Martinez Raymonda, who with Radical backing could become Santa Fe governor, and Jose Antonio Romero Feris, who might win the Corrientes governor's office by the same method.

The head of the Unity and Renovation Movement in the Corrientes Autonomist Party has already submitted to the judicial interventor, Dr Humberto Carranza, more than 20,000 membership cards and hopes to hand over another 10,000 in the next 2 months. As things now stand, that large a membership would surely be envied by more than one group with national ambitions.

In any event, both Martinez Raymonda and Romero will have to make decisions beforehand about their bonds with the kindred forces with which they have been working so far.

Martinez Raymonda is feeling pressure from the drive that Professor Americo Ghioldi has just launched to hasten an understanding among the PSD [Social Democratic Party], the PDP [People's Democratic Party], the Federal Party (Manrique) and Popular Line.

Romero Feris will have to define his stand vis-a-vis the Popular Federalist Force (FUFEPO), of which he is a member and which will elect a new Board of Directors on 13 January.

What is ultimately at stake is a real chance for solid common ground among the forces in the center of the political spectrum.

We would reassure the orthodox supporters of this system by reminding them that the Mor Roig amendment stipulates that in the event of a run-off election, only the two leading vote-getters will compete if between them they account for at least 66 percent. If they do not and if the third-place finisher has garnered more than 15 percent, then the run-off is between the three, with the possibility of altering the makeup of the tickets.

A Present for Alfonsin

Needless to say, the Radicals' predisposition to these early inducements will largely depend on the resolution of their internal conflict, which has become further complicated this week with the widening of a virtual split in the National Line.

The most striking thing about the fighting within the Balbin faction has unquestionably been the unexpected strength with which Dr Fernando de la Rúa came to the deliberations.

The candidacy of the former senator from the capital has been strengthened by significant support from sectors in the city and province of Buenos Aires; furthermore, the lines that have been extended from Cordoba by former national Deputy Mario Roberto, the main figure in the Sabattino faction, which is opposed to the Cordoba line (Angeloz-Martinez), have provided additional significant backing for De la Rúa.

In spite of the sudden falling out, the group that backs the candidacy of Dr Juan C. Pugliese agrees with De la Rúa's followers that once the holiday season is over, tempers will cool and negotiations can resume.

For the time being, everything that has come to pass must be regarded as an unexpected Christmas present for Raul Alfonsin.

Going Back 10 Years

The year-end messages from the Armed Forces commanders all discreetly broached the issue of an understanding [concertacion] again.

The following paragraph suddenly comes to mind: "We continue to encourage, with Argentine passion, an agreement, an accord, an understanding, a compromise (we endorse the essence of the concept, not a particular word), so that Argentina does not once again experience strife. The government does not want to and cannot impose one; hence, it is promoting one."

Despite the timeliness of the language, the author is not to be found among today's main national actors. The sentence is from a message to the nation delivered on 1 September 1972 by the then minister of the interior, Dr Arturo Mor Roig.

"Although everything seems the same," Mr Roig mistakenly said a few lines later, "everything will be different."

UIA DOCUMENT ADDRESSES POLITICAL, ECONOMIC ISSUES

Buenos Aires LA NACION in Spanish 22 Dec 82 p 16

[Text] The Argentine Industrial Union (UIA) has made public a document in which it discusses the situation in industry during the year drawing to a close and sets forth 18 political and economic policy suggestions that it feels ought to be pursued.

Industrial Output

It notes that 1982 is the third year in a row that industrial output has declined and in which businessmen were forced to compete at a disadvantage under an exchange rate that meant subsidizing imports and with high interest rates, at the same time that "they were being attacked and being blamed for inflation and accused of incompetence," in addition to other criticisms.

After mentioning the changes in government and the conflict in the South Atlantic, it stresses that all this "prompted a high degree of uncertainty and a widespread crisis of confidence, together with large devaluations, a quickening of inflation, a further deterioration of real wages and critical problems in the external sector."

A Dose of Optimism

Nevertheless, the union points out that if anything might enable us to overcome this feeling of frustration and "inject some dose of optimism about the future, it is that Argentine society has behaved prudently and with a spirit of sacrifice even though its people were confronted with situations that went as far as they could take, thus demonstrating not only a high degree of patriotism but also a clear sense of responsibility."

Uncertainty and Ambiguity

It states that one of the incentives has been the process of democratization that the government has undertaken, clarifying, however, that "the transition period that we are in is a long one, and the current level of uncertainty and ambiguity in economic policy must not persist."

The timetable for the real-world economy cannot remain subject to the political timetable, at least not with regard to basic issues."

The UIA then makes some suggestions "that go beyond just our sector and are designed to make a contribution to the society of which Argentine industrialists are a part and which they serve."

The union first of all underscores the importance of private enterprise, profit as a legitimate goal of all production activities and industrialization and industrial jobs as the best way to achieve economic growth and a better quality of life.

It refers later to private and foreign capital investment and emphasizes that inflation must be combated and that price controls merely repress inflation. It states that economic recovery and greater productivity are the best ways to restore and boost the buying power of wages, proposing a stable tariff policy, exports promotion and a financial system that serves production.

Government Spending

It calls for cuts in government spending and the privatization of state-run enterprises. It feels that the buying power of wages must be restored and describes collective bargaining agreements as the ideal instrument for this. It also asks that the wage boosts granted by the government apply to the personnel included in the collective bargaining pacts, not indiscriminately.

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CSO: 3348/151

FIRST IA-63 MILITARY AIRCRAFT TO BE COMPLETED IN 1985

Buenos Aires LA PRENSA in Spanish 3 Jan 83 p 6

[Text] Cordoba (NA)--The construction of the IA-63 military aircraft "is proceeding normally without major incident." The first plane in the series will be ready by late 1985, the Military Aircraft Factory, which is in charge of the project, reported here.

The communique signed by the head of the military plant, Brig Oscar Julia, also reports that the project is currently in its third stage, which involves "the manufacture of prototypes and preliminary measures to prepare for the launching of the model."

Julia thus countered the contention of a high-level Air Force source in the capital that it was "materially impossible" for the IA-63 to be mass produced starting in 1985."

The Air Force source to whom Julia has now tacitly responded had taken it upon himself to deny a news story that the first prototype of the IA-63 would be completed late this year and that mass production would begin in 1985.

The communique from the Military Aircraft Factory clarified that "the IA-63 is an advanced basic training aircraft, not a fighter plane."

Another of the points to which Julia replied was that "the only thing we have in connection with the new plane is a model on display at an international French exhibition," to quote the Air Force spokesman.

"As of now," the plant communique asserts, "we have built several parts of the prototype aircraft and we are in the final stages of overhauling the infrastructure and instrumentation."

"The Argentine Armed Forces have not yet determined the number of aircraft to be produced," the communique says in conclusion; "only tentative estimates have been made for the purposes of medium-term planning."

8743

CSO: 3348/159

UNASSEMBLED DAGGER PLANES ARRIVE IN CLOSED CRATES

Buenos Aires CLARIN in Spanish 20 Dec 82 p 4

[Text] Amid tight security the Air Force yesterday took receipt of an undetermined number of Dagger fighter aircraft (the Israeli version of the French Mirage) and then put them in storage at the metropolitan air depot, military sources disclosed.

The units arrived in the country unassembled and in closed containers, and they will be stored at the aircraft yard only temporarily as they are slated to be sent to garrisons in the interior, added the sources, who also mentioned that the shipment had been accompanied by "Israeli military advisers."

The secret security measures were taken early Sunday morning around the aircraft yard as several Federal Police patrol cars and agents closed off the surrounding streets and avenues, shutting down all traffic.

Subsequent rumors linked the operation to the arrest of six smugglers, though Air Force sources consulted by the Telam agency argued a "national security secret" was involved.

It was learned yesterday afternoon that after the containers were unloaded at the metropolitan port, they were taken to a hangar belonging to the Austral company near Sarmiento Avenue, where Air Force troops had replaced the firm's personnel.

The sources that furnished the information to CLARIN said that the Dagger fighters would be transferred to units in the interior, where they would be assembled. The aircraft will make up for the losses that the Argentine Air Force suffered during the recent fighting in the South Atlantic.

8743

CSO: 3348/159

TEXT OF FINANCE MINISTER HANNA'S 1983 BUDGET SPEECH

Nassau THE TRIBUNE in English 9 Dec 82 pp 8-12

[Text]

GOVERNMENT is to increase fees on motor vehicles, hike customs duties on gasoline, satellite antennas, video recorders and billiard and pool tables. And stamp duties on imports have also been increased by one half of one per cent.

These tax increases amount to \$8.2 million and are to pay for increases in budget requirements for various government ministries.

The full text of Finance Minister A D Hanna's speech follows:

Mr. Speaker,
Just six months ago this Government was returned to power by an overwhelming mandate greater than that which it was given in the last House. This mandate is reflected not only in the amount of votes but also in the increased percentage of the votes cast in the election. My government is grateful to our people for that vote of confidence.

The government, therefore, is conscious of the responsibility it has to our people and our country. We accept that responsibility and as we strive to carry out the pledges that have been made. In doing so we will carry out our duties carefully, sensibly, deliberately, to the best of our abilities and in the interest of our people and our country.

It must be clear to all by now that we have pursued wise policies that have brought the Bahamas to what she is today — a young country whose economy has endured while most other nations have not fared so well and in some cases crumbled in the attempt.

We are able to achieve this because the vast majority of our people were united behind us, we were true to our cause, we carried out our tasks proficiently and honestly, and we allowed nothing to detract us from our goals.

At the same time, however, it is true to say that the deteriorating world economic situation has had a major impact on our own economic growth and development and while we have adopted sound policies that have cushioned the adverse effects, yet, we, too, have experienced some slowdown in our economic activities. The major matters affecting us are slower economic growth and unemployment. We must therefore take new and bold initiatives to seek to overcome these problems.

Our Prime Minister called our attention to this at our Party's last Convention in these words "...tonight I stand astride the Old Frontier and the New Frontier, and, as I stand, I fully appreciate the need for bold new programmes and strategies for social

progress and economic recovery. Being fully aware that the New Frontier leader must shirk off his timidity and discard his mantle of conservatism, I accept the confidence reposed in me on my re-election as leader of this great party and I pledge to you that I am prepared to make bold moves based on careful study, careful planning and full regard to the nation's best interest." And "yes, fellow delegates, many battles have been won but the struggle is far from over. We must continue to build a Bahamas where people feel proud about themselves and about their country. We must still build a Bahamas where the common good supersedes the individual good - a Bahamas where the personal goal is in harmony with the national goal. We still have a heritage to explore and a destiny to create." As for ourselves he said, "Mr Chairman, we will go forward from this great convention with very few, if any, differences of opinion. We will go forward from this great convention in a calm determination to take the lead in making our country large and driving and generous in spirit, ready to embark on great national deeds that will make our hearts swell to call ourselves Bahamians and PLP's."

Mr Speaker, this government has set its targets and its goals. There are some few who do not want us to succeed for they seek power and power alone and there are some fewer still who do not want the Bahamas to move either onward or upward but downward, for envy and hate and malice and false living have destroyed their love for our country; and then there are those who honestly want to achieve progress, but in a way that is not our way, completely ignoring the democratic principle under which we govern ourselves and the important mandate that we are charged to carry out.

But none of these things shall deter us from the road which we must take as we journey onward for the fuller

development of our country and in the interest of our people.

Mr speaker, it is in this spirit that I am pleased to lay on the table of this Honourable House the draft estimates of revenue and expenditure for the year 1983.

INTERNATIONAL ECONOMIC DEVELOPMENTS

The world economic situation so far in 1982 remains basically grim. Prospects for a recovery were dashed as economic growth continued to be sluggish with rising unemployment, stagnation in the volume of world trade and increasing signs of protectionism. Major debt servicing difficulties for developing countries continued. However, despite this bleak outlook, there have been some favourable developments, namely, the abatement in inflation in many industrial countries due largely to restrictive monetary policies, moderation in wage demands and weakening of oil prices.

Earlier forecasts of world economic recovery in 1982 have now been revised downward as a result of the slow growth experienced in the first half of the year. Overall, the industrial countries showed a negative growth rate in the first half of 1982 and it is now expected that growth will remain virtually unchanged from the 1.25% attained in 1981. It is thus becoming apparent that the industrial countries will face a third consecutive year of weak economic activity. Estimates of real GNP for the non-oil developing countries have also been revised downward to some 2.5%, similar to the level posted in 1981. The combined current account surplus of the oil-exporting countries is now projected to decline more sharply to \$25 billion in 1980, while the industrial countries showed a significant turnaround in their current position in the first half of 1982. These countries are expected to record a moderate surplus in 1982 after a deficit of nearly \$4 billion in 1981. However, the position of the

non-oil developing countries is expected to worsen in 1982 due to the sluggish economic growth in industrial countries and a decline in their terms of trade caused mainly by falling commodity prices.

Unemployment has now surpassed inflation as the number one problem in many industrial countries. At mid-1982, unemployment averaged about 8% of the labour force in the major industrial countries as against 5% in 1979. The inflation rate in these countries is expected to slow from 10% in 1981 to about 8% in 1982. A similar downtrend in prices is also anticipated for the non-oil developing countries; however, the actual level of inflation is expected to remain relatively high.

DEVELOPMENTS IN THE UNITED STATES

Recessionary pressures persisted throughout the first quarter of 1982 with real GNP declining at an annual rate of 5.1%. Slight signs of recovery were witnessed as the economy rebounded in the second and third quarters with respective growth rates of 2.1% and 0.8%. For the first 9 months of this year, the rate of inflation slowed to 4.8%, less than half of the 10.1% posted for the same period in 1981. The rate of inflation for the year as a whole is forecast at 5% or lower.

The Federal Reserve Board maintained its restrictive monetary policy stance in a continued effort to curb inflation and inflationary expectation. However, in recent months we have seen an easing of this position as evidenced by repeated drops in the discount rate. A move is now underway to get the economy moving by lowering interest rates. The discount rate, which had remained unchanged at 12% during the first six months of 1982, was lowered in 6 stages to 9.0% by November, the lowest level since November, 1978. The prime rate fluctuated between 16% and 16.5% up to mid-1982, but fell thereafter to 11.5% by the end of October.

The favourable current account position and the improved outlook for inflation had a positive impact on the US dollar in the foreign exchange markets despite the sharp decline in US and Eurodollar rates. The dollar made considerable gains in the third quarter, up by 5.0% against the French franc; 2.5% against the Deutschmark; 2.2% relative to the pound sterling; 3.1% against the Swiss franc and 4.6% in relation to the yen.

DOMESTIC ECONOMIC DEVELOPMENTS

The Bahamian economy showed little resilience in 1982 in the face of the continued adverse international economic situation. External reserves reached the highest level ever of \$167.7 million in June. However, after adjustments, the reserves amounted to some \$137.8 million. Owing to the usual high seasonal demand for foreign goods and services during the second half of the year, external reserves fell to \$129.4 million by the end of October.

The balance of payments performance during the first half of 1982 was most favourable with the current account recording a surplus of \$56.0 million, up from the year earlier surplus of \$47.5 million. The surplus on the capital account was reduced to \$23.3 million from \$43.0 million posted a year earlier. This was due in large part to reduced private long term capital inflows following the completion of an industrial venture in Grand Bahama which has accounted for massive foreign currency inflows last year.

The growth in the narrow money supply (currency in active circulation plus demand deposits) up to late October slowed considerably from a year ago. Narrow money grew by 0.7% to 1.1 million compared with a growth of \$9.7 million or 6.8% last year. Growth in the broader measure of money, which includes savings and fixed deposits, slowed to 0.9% or \$41.6 million compared with 1.2% or \$50.5 million a year ago. Savings deposits accounted for

\$10.3 million and fixed deposits for \$29.7 million of the increase.

For the 10 month period ending October, domestic credit grew by \$55.8 million or 8.27%, compared with \$8.5 million or 1.7% for the same period in 1981. New credit to government expanded by \$19.2 million or 17.6% as against a decline of 12.3% for the corresponding period last year. Credit to the private sector in Bahamian dollars advanced by \$30.9 million or 8.3% down from 9.8% a year earlier.

The price situation was most favourable with the rate of inflation falling in line with developments in the US for the year ended September, the inflation rate moved down to 5.5%, compared with 9.5% a year ago.

A review of construction statistics for New Providence for the nine months ending September revealed that the high level of activity recorded in 1981 continued into 1982 with permits issued, starts and completions all showing significant increases.

The total value of permits issued amounted to \$155.6 million, up significantly from the \$78.1 million recorded a year ago. This resulted largely from the approval of another phase of the Cable Beach Hotel Project together with additional plant capacity at the Clifton Pier Power Station.

Starts were valued at \$108.7 million, while completions totalled \$31.6 million. This represented respective increases of 24.4% and 24.0% over the same period last year.

Mr. Speaker, there has been some suggestion that the government's land policy and the introduction of the Immovable Property Act have had some adverse effect on foreign investment in the Bahamas. While it is true that was the case in the beginning this is not now true.

The government's policy has now caused increased activity in productive use of land sales and all evidence shows that it does not now have adverse effect on foreign investments. In fact, foreign investment has

had its greatest increase in recent years after the government's announcement of its land policy. In any event, I think I ought to make it absolutely clear that the government's land policy and the introduction of the Immovable Property Act were designed for the protection of Bahamian land for Bahamians now and for future generations and for all times and to encourage productive use of Bahamian land by foreigners and foreign investment.

MINISTRY OF TOURISM

When I commented on Tourism in last year's budget communication, the net result was expected to yield \$488,271,822 in 1981, a drop of some 18% below the figure in 1980. I am pleased to be able to report that upon final tally the yield for 1981 was in fact \$639,116,638, or an increase of 7.3% above the figure in 1980.

World Tourism in 1982 has continued to suffer from the ill effects of global recession. Unemployment in particular has meant an overall decline in disposable income such that Americans were forced to take fewer and shorter vacations closer to home. This situation was aggravated by the increased value of the US dollar vis-a-vis some other currencies, to the extent that the cost of holidays for Canadians, Europeans, Central and South Americans increased by 30 - 50% over the last 24 months.

As I predicted a year ago, Jamaica has joined Canada and Mexico amongst the chosen few foreign destinations that enjoy exemption from tax penalties for meetings and conventions held outside the United States. This has continued to weaken the position of the Bahamas in attracting conventions and other business gatherings. At the same time our competitors (Florida, Mexico, Bermuda, Jamaica and Hawaii) launched a fiercely competitive campaign to attract warm weather vacationers. Nevertheless, I am pleased to report that the Bahamas' overall tourism performance in 1982 has turned out better

than most of our competitors. We project by year end a record 1.95 million arrivals, an overall increase of some 10% over 1981. This reflects over 2% increase in air arrivals and a

spectacular 25% increase in sea arrivals. The net result is expected to yield some \$690,000,000 in 1982, an increase of approximately 7.8% over the amount earned in 1981.

In view of the fact that moneys allocated to tourism have consistently been returned at an average rate of 30 dollars for every \$1 spent in good times as well as bad in recent years, I have found it prudent in this budget to place significantly greater funds at the disposal of the Ministry of Tourism. Taking into account greatly increased fixed costs, and high inflation overseas in media and other operating and promotional costs, the Ministry of Tourism's budget will be increased by approximately 39% in 1983 to a sum of \$29,352,600 as compared to just over \$21 million this year. This high allocation of promotional funds for tourism will serve as a clear signal of the government's commitment to the hospitality industry as the main engine of our economy, paving the way for the provision of many new jobs and enterprises at an accelerated rate.

Major new initiatives in marketing strategies will enable us to penetrate further the traditional developing and untapped markets of the United States. Increased scheduled and charter uplift from Canada as well as the United States will follow and we will exploit the European, Latin American and Japanese markets in a timely fashion.

In addition to the increasing thrust being made by the Ministry of Tourism in the marketplaces in cooperation with local and overseas travel industry partners, new emphasis will be placed on product development to strengthen the image of the Bahamas as the best vacation destination in the region. For example, we will highlight

programmes that emphasise the beauty of our country, our culture, our food and lifestyle, sports and recreation, varied new attractions, together with the charming character and national identity of our people within a stable tranquil and viable national atmosphere.

Further, to maintain our leadership as a tourist destination, particular attention will be given to ensuring that the visual attractiveness of our country is maintained. The unique Family Islands and vibrant Grand Bahama will be promoted as vigorously as Nassau, providing an unbeatable choice to the travelling public.

Attention will also be given, in cooperation with various Ministries and with the support of the private sector, to a programme of beautification and improvement of the harbourfront and its environs, as a main central feature of the nation's architecture and history.

In order to meet the greatly increased budget commitment to Tourism promotion and upgrading of infrastructure, the passenger tax will be increased by \$1 per passenger effective 1st January, 1983. It is expected that the local hotel industry and the travel trade will absorb this nominal increase and not pass it on to the consumer. This new tax will be competitive with most resort countries within the region.

By increasing the tourism budget by \$8 million in 1983, it is clear that the Government has demonstrated boldly its faith in Tourism and the people, of our country. The private sector is invited to demonstrate faith in the future economic progress of our country by making similar commitments that would sustain the growth of our principal industry throughout this decade. We call upon Bahamians everywhere to get fully involved and make tourism work for the benefit of all of us.

INDUSTRIAL DEVELOPMENT Mr Speaker,

In our effort to pursue the course of an integrated development programme, for some time now we have been promoting the development of industrial ventures. While there has been some activity, progress has been slow. A specific Ministry has now been created to deal with this matter and a vigorous effort is being made to intensify our development in this field. In this regard, the thrust of the Government's policy will be to encourage the establishment of import substituting industries based as far as possible on locally available resources, export oriented industries and industries which utilise as far as possible Bahamian primary products.

In addition to the strengthening of the existing industrial park, a free trade zone will be established in 1983. Provision is made for a vigorous advertising campaign in major countries abroad in order to establish The Bahamas as an attractive light industrial centre and thereby encourage attractive industries here.

The recently established Bahamas Agricultural and Industrial Corporation will be the prime instrument for this development and I have already signed a loan agreement with the World Bank for the strengthening of the institutional programme and the industrial promotion component of that Corporation.

BAHAMAS DEVELOPMENT BANK

While much effort will be made to attract foreign investment, The Bahamas Development Bank will continue to play an important role in the development of Bahamian involvement in the economy.

1983 will mark the 5th Anniversary of the establishment of The Bahamas Development Bank. The Bank has in its short history established itself as a pioneer in development financing in The

Bahamas. Scores of Bahamian entrepreneurs and small business operators have been provided the opportunity to establish or expand their own business operations in the fields of agriculture, fisheries, light industry, tourism, marine transport and in many service enterprises. Over the past 4½ years the bank has approved loans totalling some \$8.5 million in these various sectors helping to create some 800 new jobs throughout the Islands.

The sector receiving the greatest concentration to date has been the fisheries sector. The year 1983 will see a continued emphasis on increasing the national fishing fleet and thus an increased poundage in fish harvested. Greater emphasis will also be placed on agriculture and light industry projects.

An accelerated programme of Bank visits to Family Islands to carry its services to potential borrowers will be undertaken. In this regard consideration is being given to opening a sub-office of the Bank in Grand Bahama. The resources of The Bahamas Development Bank will be increased when the second line of credit from The Caribbean Development Bank for \$3 million comes on stream. During 1983 the Bank will seek wider involvement from the financial community and the National Insurance Board in making more funds available to assist Bahamians.

To further boost and enhance the finance, banking and insurance sectors of our economy I shall also be introducing an External Insurance Bill which deals specifically with the captive insurance industry.

AGRICULTURE AND FISHERIES

The Government will continue to pursue our agricultural development as a means for the further diversification of the economy and enable us to feed ourselves.

Mr Speaker, over the past 15 years the Government has placed considerable priority on the development of Agriculture

and Fisheries. Through deliberate planning and effective programmes, considerable development has taken place in these areas where Bahamians were previously discouraged. The Government is convinced that the potential for continued growth and development must be fully exploited so as to ensure for all our people the right to enjoy the fruits of their labours.

In the area of agricultural development, the Government is satisfied that investments made in the sector have paid useful dividends, particularly in the areas of improved local technology, improved research and extension facilities and a vastly extended base of professional personnel. Although these improvements in research personnel, credit subsidies and extension services have had very beneficial effects in the areas of winter fruit and vegetable production, and poultry and pork production, the Government is concerned that during this period, the information base that has been developed has not been as effectively utilised to effect agro-industrial development by the private sector as is desired. The Government will therefore intensify its efforts in agro-industrial activity.

In 1983, therefore bold and imaginative steps will be taken toward the implementation of specific agro-industrial ventures. Projects will be selected for their potential to improve food availability, assist in economic growth and generate additional employment. Although many proposals have been received, four of these, all potential foreign investments, have already been selected for serious consideration. They include an edible oil processing plant, a beef cattle project, a compound feed milling project and a high test molasses production entity. These are all very large investment projects and are expected to be located on two of the Family Islands.

Although intended primarily for those islands where land and water resources abound, this agro-industrial drive will

not exclude the south-eastern islands. Islands like Acklins, Crooked Island, Long Island, Cat Island and Mayaguana will have special roles to play in the production of non-perishable crops. In addition to the production of sheep and goats as part of the national mutton production project, small scale poultry and pork production projects will be encouraged with the aim of at least satisfying local demands. Small scale processing ventures involving the primary processing of grain and root crops are expected to be initiated during 1983 as part of the overall Family Islands' development project. Electric corn mills have already been installed in seven islands to assist in this direction.

With regard to the production of fruit and vegetables for the fresh market, the Government has long been concerned that these commodities be available for as much of the year as possible. Accordingly, great efforts have been made in attempting to select and propagate those varieties that would achieve this. A plant propagation facility operated by the Department of Agriculture is expected to be established in 1983. The facility, which will be funded jointly by the European Economic Community and the Government at an investment of approximately \$950,000, will have as its main research and development objectives, the production of fruit trees and ornamentals necessary to more fully exploit the horticultural and floricultural potential of the country.

The continued proper promotion and monitoring of food production, processing and preservation enterprises, require that our research facilities (Bahamas Agricultural Research Centre, Central Agricultural Station and the Food Technology Complex) be maintained at high standards. To achieve this, a programme of refurbishment for these facilities along with an expanded research drive will be undertaken during 1983. The

Food Technology Complex and Pilot Feed - Mill are expected to become operational in 1983 and our programmes in quality control, testing and certification for the food and animal feeds industries will be given new impetus. In addition, construction of a meat technology laboratory and a display and exhibition centre to spotlight potential food processing industries are expected to commence towards the end of 1983. Later in this session the Government proposes to introduce legislation to deal with quality control, testing and certification of foods to ensure that high standards are maintained in the production of processed foods.

1983 will also see a significant expansion of our extension services. It is expected that in addition to the present Islands served, professionally trained agricultural officers will be stationed on Abaco and Cat Island during 1983.

I indicated earlier that over the last decade, satisfactory progress has been made in the production of winter fruit and vegetables, the agricultural programmes I have just outlined will, starting in 1983, go a long way in achieving the objective, as indicated in the speech from the throne, of increased production of meat and dairy products, staples, processed food products and animal feeds. This will be a major step in achieving a more secure food base for the country.

FISHERIES

Early in 1983 the modern fish landing, handling and marketing facility being constructed on Potters Cay is expected to become operational. This facility is designed to improve the conditions under which fish will be marketed at Potters Cay and will provide services for fishermen and other involved in the industry such as sale of ice and fuel, the rental of cold storage space, the provision of rest rooms, storage space and a

canteen. This facility will not only provide a mechanism to enable land based aspects of the industry to proceed in an efficient manner under proper hygienic conditions in order to enhance high standards in the sector but will also be a giant step forward in the development of our fisheries resources.

Starting in mid-year the Government with assistance from the United Nations Development Programme plans to conduct a survey of our shallow water fishery resources. This survey will include visual inspection of selected areas of the banks and will provide data necessary for the successful management and efficient exploitation of our fishery resources on the Little and Great Bahama Banks and in the other shallow waters around our Islands.

The Government will continue its assistance programmes to fishermen.

CO-OPERATIVES

The Government will continue its efforts to assist, promote and encourage the development of Co-Operative Businesses as a vital part of our economy.

HEALTH SERVICES

There can be no real doubt in anyone's mind about the seriousness of The Government of the Commonwealth of the Bahamas in its commitment to the concept of "Health For All" of our Bahamian people.

This serious commitment has always been consistently and clearly demonstrated from the inception of this government through its efforts, active interest and encouragement and more tangibly through the allocation of a significant share of its national budget to the health services' sector.

We have done this to ensure that everyone in the Bahamas should have at least a level of Health Care that would enable him or her to lead a productive life and to actively get involved in the social and economic development of our country, whether here in New Providence or in the Family Islands.

We propose in 1983, to effect certain renovations and general improvements to the health facilities at the Princess Margaret Hospital and the Rand Memorial Hospital in Grand Bahama. Active consideration will also be given to necessary improvement at the Sandilands Rehabilitation Centre. Mindful, however, that institutions are no better than the quality of the staff who man them and the equipment at their disposal, we have continued and will continue to upgrade the skills of our health personnel throughout the Bahamas so as to provide efficient and effective services.

In order to strengthen the Family Island Health Services, we are sensitive to the fact that more than capital development is required. We have therefore taken steps to improve the health teams of doctors and nurses and propose to add in the near future trained health ancillary personnel in the Family Islands.

HEALTH EDUCATION

Underpinning all of this activity is the significant development of an aggressive health education programme targeted towards community involvement and participation.

Significant strides have also been made in the area of nursing education and discussions are actively being held to finalise arrangements for the transfer of nursing education courses in 1983 to the College of the Bahamas with a view, ultimately, to our nurses being afforded the opportunity of studying for an Associate Degree in Nursing which would adequately qualify them to function effectively in our Bahamas Health Services' sector.

DENTAL HEALTH

In my 1982 Communication I projected that by year-end we would have made significant strides in our dental health programme. I am pleased to be able to confirm that we have commenced an effective school dental health programme and have already established a Dental Clinic in one of our schools in New Providence

with plans to expand this service in 1983. This is being supplemented by a well structured flouride mouth rinse programme in areas of New Providence and the Family Islands. In addition to the service being provided by Family Island Dentists, dental staff from Princess Margaret Hospital will continue to provide dental health services in the Family Islands.

ENVIRONMENTAL HEALTH

The Government, in the interests of a better quality of life for all Bahamians, remains steadfast in its commitment to the preservation and promotion of a wholesome environment. Towards this end, existing programmes are to be strengthened and new ones initiated in the areas of the collection and disposal of solid waste, beautification schemes and maintenance of public parks, beaches and roadside verges and the removal of derelict and abandoned vehicles. These activities will be further strengthened in 1983.

In the area of solid waste collection, the Department of Environment Health Services has re-organised its collection system to provide a regular weekly household garbage collection service with several local communities already receiving twice weekly collection.

The surveillance and monitoring of industrial operations will receive special attention in 1983. Through a programme of technical assistance and co-operation involving the Pan American Centre for Human Ecology and Health (ECO) of PAHO/WHO, a plan of action has been developed. This plan is actively being considered with a view to its early implementation having regard to our national resources.

INFRASTRUCTURE

Emphasis will continue to be placed on the building and upgrading of roads. The road repairing scheme for New Providence including Subdivisions and Bay Street will be continued throughout

1983. Road works will also be carried out in the Family Islands.

The Government will continue the programme of water schemes in the Family Islands, the most notable in 1983 being a potable water supply for North San Salvador where our attentions are being focused towards the quincentennial of Columbus' landing.

The Government will continue to systematically develop and upgrade airports and other aviation facilities in New Providence and the Family Islands. The Acklins airport is nearing completion and the Exuma airport will be constructed in 1983. At present, work is in progress on the installation of aircraft surveillance radar at the Nassau International Airport. Work is also in progress on the construction of new offices and public facilities at Bahamas Customs Air Cargo Building at the Nassau International Airport and it is proposed to resurface the major runway and extend the aircraft parking apron at that airport.

PORT AND MARINE

It is proposed to repair and upgrade major and minor aids to navigation by the installation of solar panels at light stations where appropriate. This activity will enhance and protect shipping throughout the Family Island. At present, a total of four modern solar panels have been installed.

A new communication system is being examined to co-ordinate communications at sea throughout the Commonwealth, and it is proposed to expand the Harbour Control facilities in the coming year.

With the recent acquisition of the new all-purpose dredger, the shortage of sand has been solved, and sand is now stock-piled at Malcolm's Park.

MARITIME AFFAIRS

The Bahamas is now in a position to enlarge its role as a Maritime Nation, a potential which is being exploited through the activity of ship registration. It is the

Government's intention to promote the Bahamas as a reputable Ship Registration Centre through the establishment of a New York office and the expansion of the London office.

Soon after amendments to the Merchant Shipping Act had been passed in April, 1982, there was a marked increase in registrations.

POSTAL SERVICES

The Bahamas Postal system is second to none in the entire region, nevertheless, there are a few weak areas in the system which have been identified for further upgrading.

There is a need for closer contact between the Post Office and the people it serves and, therefore, it is proposed to locate additional postal services in other areas of New Providence. Consequently, new outlets are planned for Jumbay Village and the Nassau International Airport.

YOUTH

The strength of our small nation lies in our youth. The challenge of our youth therefore is that they should believe in themselves, be positive and make a firm commitment to the concept of National Development. As a means to this end, it is therefore necessary to foster and actively pursue the promotion of youth involvement and participation in all aspects of this nation's development.

In pursuance of our National Youth Development effort, the Government will sponsor programmes and provide service under three major areas:

- (1) Youth Employment and Training;
- (2) Community Education and Leadership Development; and
- (3) Youth Involvement in Community Development.

SPORTS

To turn now to the dynamic and influential area of Sports and Recreation, the Government is most pleased to note that the Bahamas has made many significant developments in sports both

locally and internationally. We are now recognised as a regional sporting power, to which Bahamian from all walks of life have contributed.

The Government in its campaign to promote the Bahamas as a world sporting power will direct the energies of the Ministry of Youth, Sports and Community Affairs in the key areas of concern in realising this lofty goal. To make this dream a reality the Government has identified the areas of National Sports Administration and Management as vital tools in this process. Therefore, in this regard, emphasis will be devoted to promoting local sports administration seminars as well as assisting local sports personnel to participate in International Seminars.

In New Providence, the sports facilities at the Queen Elizabeth Sports Centre along with other community sports fields will continue to be upgraded and expanded on a sports priority basis. Construction of sports facilities will continue in the Family Islands.

A conscious and concentrated assault will be directed at the proper use of conservation of all sports and recreation facilities. For two long now senseless and thoughtless vandalism has frustrated the earnest efforts to maintain these sports and recreation facilities. Our people must exercise discipline, respect and appreciation for the sports and recreation facilities which are utilised by so many.

CULTURAL AFFAIRS

The Government has, for some time now, been deeply concerned about the cultural development of the people of the Bahamas at all levels of creative expression. The Government furthermore realises the need for cultural independence and self-direction in order to preserve and project a national personality which is uniquely and recognisably Bahamian.

It is this pressing need which prompted the Government after the recent General

Election to focus specific attention on Cultural Development.

The significant strides in cultural development made by government agencies, private individuals and organisations over the past fifteen years are fully acknowledged. It has become increasingly evident, however, that as a nation, we should now strive toward consolidation of efforts to provide increased opportunities for the greater participation and involvement of the large majority of the people.

Finally, the Government, has committed itself to the promotion of Sports Power and the results are evident. During 1983, serious attempts will be made to promote a concept which we refer to as People Power for Progress. The establishment of local community self-help projects and examples of people power for progress. It is the collective spirit of our people working together in unity, peace and love to achieve our national goals and objectives.

We have an understanding of Sports Power and now hopefully we will have an appreciation of People Power. Police

Recruitment exercises will continue in 1983 to bring the Police Force up to its required strength. Provision has been made in these estimates for the further training of existing personnel for the purpose of keeping abreast of new techniques of crime prevention and detection as well as establishing and maintaining close liaison with international police agencies such as Interpol.

Further efforts will continue in 1983 to curb the incidence of crime in the nation. The Government plans to provide more police vehicles in 1983 to meet the increased demands for police surveillance. The Police Dog Kennels at Oakes Field will be enlarged.

The Government proposes to replace the existing obsolete communications systems and radio sets with a new UHF communications system and

new radio sets.

Upgrading of existing police stations and construction of new stations are planned for 1983.

PRISONS

Added security measures will be provided at the prisons during the coming year.

There will be continued upgrading of the communications system at the prisons. It is hoped to replace the existing generator with one capable of servicing all units on the Prison's Compound.

Emphasis will continue to be placed on the training of inmates in various trades such as carpentry, masonry, motor mechanics, auto repair and tailoring.

BOYS' AND GIRLS'

INDUSTRIAL SCHOOLS

Phase I of the construction of dormitories at the Boys' Industrial School has been completed. Phase II is expected to commence in 1983 and will comprise a similar project as in phase I with a building containing four separate units of two wings each.

At the Girls' Industrial School, it is proposed to replace the building destroyed by fire with a new building of an area of 1,500 sq ft., which will include a lounge, laundry, two offices, staff toilet, sick bay and store room. It is also proposed to upgrade the existing kitchen and dining facilities and provide furniture for the new buildings.

LABOUR DEPARTMENT

It is proposed to upgrade the services rendered by the Employment Exchange. Towards this end, changes will be made in the method of approach for getting unemployed people to register. The aim of this service will be to ensure the best possible organisation of the employment market as an integral part of the national programme for the achievement and maintenance of full employment.

BAHAMAS MORTGAGE CORPORATION

The Government proposes to take a leading role in removing some of the obstacles

in the path of low and medium income persons to acquire reasonable housing accommodation through a vigorous and diversified housing policy designed to increase the availability of resources for housing; effect the rate of housing production and improve the distribution between income groups and geographic locations throughout the Bahamas.

As no vehicle presently exists to adequately perform these responsibilities the

Government intends to table a bill shortly for the establishment of a mortgage lending institution to be called "The Bahamas Mortgage Corporation."

The Mortgage Corporation's role will be complementary to and not in competition with other private sector lending institutions as its clients would be primarily those lower and medium income persons whose needs are not now adequately met by existing lending institutions.

Loans by the Mortgage Corporation will be made primarily to persons who qualify under the Government's existing mortgage guarantee programme.

A M E N D M E N T S T O HOUSING ACT

The Government intends to place before Parliament various legislative amendments to the Housing Act designed to increase the loan ceiling to \$60,000; reduce the down payment required; increase the length of time allowed for repayment; increase the interest rate for mortgages in excess of \$30,000 and make available loans for older structures than are presently provided for.

A branch of the Department of Housing has been established in Freeport, Grand Bahama and a Housing Commission will be established early in 1983.

The Department of Housing will establish a direct work crew for the purpose of effecting minor repairs to deserving elderly beneficiaries of the Department of Social

Services Home Repair Programme and to maintain public rental units.

THE GRANTS TOWN URBAN IMPROVEMENT PROJECT

The Grants Town Urban Improvement Project has progressed steadily through its conceptual stage and implementation stage to the extent that lessons learned and experience gained within the project area have already begun to be applied and duplicated in other areas of New Providence with very good effect.

The loan between the Government and The World Bank recently agreed to by Parliament was signed in Washington on 22nd October this year.

Highlights of the project are:

- (a) The general improvement of the living conditions of as many disadvantaged and elderly people right where they live;
- (b) Loans to householders for the purpose of making improvements to their homes. The loans were originally limited to a maximum of \$7,000 but experience gained and the effects of inflation have led to a re-evaluation of the ceiling to a maximum of \$8,000, an incentive grant up to a maximum of \$800 is intended to encourage householders to improve their premises;
- (c) Loans to landlords as a means of eliminating sub-standard rented 'shacks.' These loans will only be advanced in cases where landlords agree to charge a reasonable rent, eliminate pit latrines and install water borne sanitation;
- (d) The construction of a Pilot Community Centre which could be duplicated in other areas;
- (e) The construction of ownership houses for sale to needy applicants on land acquired through negotiation or under the Land Acquisition Act;
- (f) The construction of public rental units by the Government for families in the lower income brackets;

- (g) The construction of senior citizens' efficiency apartment units;
- (h) The construction of drainage wells to eliminate flooding in low lying areas;
- (i) The construction of fire wells;
- (j) The provision of more sidewalks and street lights to improve pedestrian safety;
- (k) The provision of street signs and house numbers to facilitate the accurate location of streets and addresses;
- (l) The demolition of derelict eyesores and the removal of abandoned vehicles and rubbish; and
- (m) The construction of new parks and the upgrading of existing parks.

The sum of one million dollars (\$1,000,000) which was expended on the purchase of equipment for the collection of garbage and rubbish has made a significant impact in the project area, where garbage collection has now been increased to twice weekly.

Part and parcel of the Grants

Town Project is the creation of much needed employment in the construction trades through the employment of small groups of workers engaged in the repair and maintenance of homes. The current waiting list of loan applications indicate that these employment opportunities will continue for many years to come.

The Grants Town Improvement Office has recently been moved to a new site at the corner of Market and McPherson Streets to the east of the People's Penny Saving Bank. The staff has been increased to deal with the acceleration of the programme.

BAHAMAS HOUSING AUTHORITY

A significant per centum of our population, because of income levels do not now qualify to obtain their own single family dwelling.

Income levels determine to a large extent how and where people live and a significant

proportion of the income of the poor is expended for the rental of physically delapidated housing facilities.

The unique feature and/or condition of a country determines at any time what its housing policy should be and the extent of governmental involvement and/or intervention.

The Government regards adequate housing as one of the highest social needs of the

Bahamas and has therefore decided upon bold initiatives to redress this problem.

A Bill will be tabled in Parliament during the first half of 1983 for the establishment of a Statutory Corporation called "The Bahamas Housing Authority." The principal functions of the Housing Authority will be:

- (I) To carry out The Grants Town Urban Improvement Programme;
- (II) To construct, for sale either directly or by contract single and multi-family dwellings;
- (III) To construct and maintain significant numbers of Public Rental Apartments for low income persons and senior citizens;
- (IV) To create and develop new subdivisions and new housing schemes; and
- (V) To carry out all of the functions presently performed by the Department of Housing.

SOCIAL SERVICES

During the year 1982, the Department of Social Services was strengthened and the staff was able to respond to the social needs of the public in a more organised and consistent fashion. Case aids were employed on staff and trained to carry out functions in connection with the provisions assistance, in particular to fire victims and persons requiring emergency help.

In order to respond to the needs of disadvantaged persons in the Family Islands, funds were supplied to each commissioner thus allowing decisions to be made locally and assistance made available quickly without the delay of having to refer to Nassau Social Services Office.

Generally speaking, the manner in which staff was deployed and utilised was reviewed and improved to the extent that the same number of staff were capable of responding more positively to a larger number of persons.

During 1982, 4 staff members of the Department of Social Services received diplomas in social work from The College of The Bahamas. The addition of 4 staff members with basic professional training for welfare also increased the general capability of the department to respond to the public's needs.

During 1982, the food allowance programme for Grand Bahama was upgraded and brought on par with the operation as it exists in New Providence. This meant that persons requiring food assistance received a similar rate as those in Nassau and could redeem their coupons at the supermarkets in Grand Bahama.

The Government intends to increase the amounts in assistance to be granted to deserving persons in unemployment assistance, foster care allowances, food allowances, house repair and fire relief. The Minister of Housing and National Insurance will disclose the new rates and advise when they will be brought into force in due course.

In 1983 the Government will increase its support to the Children's Emergency Hostel as well as the Ranfurly Homes and make grants to The Grand Bahama Child Care Centre and the Salvation Army together with other deserving institutions.

The Government proposes to commence the construction of a children's home in New Providence during the latter part of 1983.

Mr Speaker, I have again committed large sums to all the social services and again promise to commit even more if that becomes necessary so that it will be known forever and everywhere that so long as this government remains, no Bahamian anywhere will ever starve.

PERFORMANCE FOR 1982

Mr Speaker, in my communication last year, my comments regarding the recessionary economic conditions which were present in virtually all of our major tourism markets, the United States, Canada and Europe are as much in evidence today as they were exactly one year ago. Increased levels of unemployment and sluggish growth in the industrial countries are now the rule rather than the exception. It should come as no surprise, therefore, that the number of tourists and by extension, the volume of their expenditure are matters of increasing concern for all tourist destinations. The Bahamas, not unlike other nations which depend on tourism as a principal industry, has also experienced the adverse effects of the global decline. While our revenue receipts continue to increase in absolute terms, the rate of increase is not as high as we might have desired.

In the first two quarters of 1982, you might recall Mr Speaker, that interest rates in the United States had escalated to unprecedented levels; the cost of credit increased, and many of our local businesses had to reduce their normal inventory requirements because of stiff or non-existent credit terms. The obvious and immediate result was a drop in the level of business imports and, consequently, a drop in the level of customs duties from that source. It should be noted nevertheless, that, through a combination of providence and an enlightened response to the crisis by our fiscal managers, we were able to weather the storm and actual revenue receipts from customs duties in 1982 were a little in excess of those collected in 1981.

Customs duties constitute approximately fifty percent (50%) of the total revenue and might be regarded as the leading indicator. The moderate increase in this item together with normal and, in some cases, slightly above average increases in other fees, dues, royalties, rentals and excise taxes will

result in total revenue receipts of about \$296 million actually collected in 1982. However, \$10 million would have to be added to this figure as the \$10 million projected as revenue for 1982 was instead collected in the closing days of 1981.

On the matter of actual performance versus projected performance of the 1982 Budget, the figures are, therefore, Estimated Revenue, 1982 \$305.1 million. Revised Estimated Revenue, 1982 \$306 million; Estimated Expenditure, 1982, \$304.1 million; Revised Estimated Expenditure, 1982, \$307 million.

It would appear that the variance between projected revenue and actual revenue was no more than 0.03%, and, the difference between estimated expenditure and actual expenditure is likely to be no more than 1%; Mr Speaker, even the most casual observer of government finances would have to agree that our 1982 budget was precisely on target.

There is a strong indication that my earlier instructions to public officers, to ensure the prompt collection of government's revenue were carried out efficiently and the actual revenue performance in 1982, as compared to 1981, is,

by any measurement, a praiseworthy achievement for some sections of the public service and for The Bahamas.

Mr Speaker, apart from my government's ability to maintain its progressive record for increasing total revenue in each successive year of our terms in office, it should be clearly noted that in the year 1982, a significant portion of our capital development projects were financed directly from our recurrent budget: apart from a small Treasury Bill issue in the third quarter of 1982 the Government did not exercise its option to resort to the local capital market for development funds. This, Mr Speaker, having regard to existing economic circumstances must also be viewed as a noteworthy and laudable achievement by this government.

THE 1983 BUDGET

Mr Speaker,

The Government's policy is dedicated towards increased economic growth and social progress. You will no doubt recall that the Prime Minister outlined the tasks which lay ahead and what direction the Government proposes to take.

My 1983 budget is fashioned for that purpose.

Emphasis has been placed on increased tourism growth for the fuller development of the tourist industry as the prime instrument for economic development. At the same time a vigorous thrust will be undertaken in the development of industries including light industrial enterprises and the agricultural and fisheries industries. I have placed emphasis on the laying of a sound infrastructural base for those purposes. I have also placed emphasis on the social services, education, youth development and the security services.

These are all reflected in the 1983 budget.

The estimated revenue on recurrent account is \$327 million, the estimated expenditure on recurrent account is \$325.8 million, I predict, therefore, a surplus of about \$1.2 million which I propose to contribute to the capital development fund.

The main areas of increased recurrent expenditure are in Education, Health, Tourism and Police. I have allocated a total of \$63.3 million to Education including The College of The Bahamas, an increase of \$2.5 million or 4% over 1982.

The Ministry of Health will receive \$45 million, an increase of \$2.3 million or 5.4% over 1982.

I have increased the Ministry of Tourism's budget by \$8.1 million to \$29.3 million which represents an increase of 38.5% over last year.

Allocation to the Police Department has been increased also by \$0.4 million to \$18.4 million.

The public debt servicing commitment has been reduced by \$2.8 million to \$61.7 million.

Mr Speaker, I have signed an order earlier today increasing customs duties on gasoline, diesel, cigarette paper, cigarettes, cigars, tobacco, satellite antennae and receivers and accessories, video recorders and accessories, boats, funfair games, coin or disc operated gaming machines and gaming equipment.

I have increased the stamp tax on imports by ½%.

I have also signed an order earlier today reducing customs duties on cooking oil, soup and mayonnaise and have eliminated duties altogether on baby formulae.

I have also increased fees payable under The Banks and Trust Companies Regulation Act 1965, as follows:

Authorised Agents and dealers from \$65,500 to \$80,000.

Authorised dealers from \$45,000 to \$50,000.

Authorised agents from \$22,500 to \$30,000.

Other public institutions from \$9,000 to \$10,000.

Restricted bank and trust from \$2,250 to \$3,000.

Restricted banks from \$2,250 to \$3,000.

Restricted trust from \$900 to \$1,500.

Trust (nominee) from \$900 to \$1,500.

Departure tax has been increased to \$5 for adults and \$2.50 for children under 12 years.

Licences and fees relating to the licensing and driving of motor vehicles have been increased and the Government has discriminated in favour of small vehicles for obvious reasons.

I propose to take the opportunity early in 1983 to adjust the real property tax. I propose to reduce the tax payable under the real property tax for developed property by ¼% and increase the tax on large undeveloped property by ½% applicable to everyone in New Providence Bahamians and non-Bahamians alike. By this method the Government hopes to encourage further development and reward those who have already developed their property.

The revenue producing measures that I have introduced are projected to yield about \$8.2 million.

Mr Speaker, old age pension will be increased to \$100 per month and it is expected that the increase will be paid before Christmas if all goes well.

In the case of real property taxes, during this year, relief was granted to those who were not able to pay and exemptions were allowed to those who were not aware of this privilege or simply forgot to make a proper claim. This same relief will be granted again during 1983. However, some property owners who can afford to pay have failed to pay. I have therefore directed that these outstanding amounts be recovered as soon as possible by whatever means that will be necessary in the circumstances.

While there has been a creditable compliance with the Business Licence Act, there are some who have not complied with the Act. I have directed that these provisions be enforced. While I am reluctant to enforce the provision of the Act which, inter alia, makes it an offence to operate a prescribed business without a licence, it is necessary to do so for the protection of the public good and the public revenue and I will not hesitate to do so.

Mr Speaker, we have managed the affairs of this country well. Our efforts have established relative price stability, allowed a more equitable distribution of the national income and provided every Bahamian with proper educational and health facilities. Our social services have assisted in relieving some of the problems of the poor.

We have laid the infrastructure and the climate for further economic growth and we stand ready to meet the challenges of the future.

CAPITAL DEVELOPMENT 1983

Mr Speaker, our thrust is directly expressed in the capital development estimates. I therefore propose to allow \$57 million on this account which will be used as an impetus for our overall undertakings.

If you peruse the draft estimates that I have just laid on the Table you will see that major provisions have been

made for the continued development of infrastructure, the building, upgrading and expansion of airports, the expansion of our educational facilities, the development of sports, increased facilities for the police, the further development of the Family Islands, the meaningful encouragement for the development of industrial enterprises, further expansion of our agricultural and fisheries undertakings and the strengthening of our defence force.

I have no doubt that this investment will pay dividends.

CONCLUSION

Mr Speaker, the Government's efforts are carefully planned after serious and proper study. It has planned for the orderly and systematic development of our country. The Government will never seek to enjoy the luxury of irresponsibility as other competing parties advocate. To be so reckless would cause us to act beyond our means, heap burdensome taxation upon our people and bring disaster down upon all of us. I therefore call upon all of us, particularly those who sit here in this sovereign parliament representing the sovereign people of The Bahamas to assist the Government in making its plan work.

All who benefit or expect to benefit from our development thrust are called upon to make a contribution towards the development of our country.

Mr Speaker, in the Speech from The Throne, it was said that the Government intends to encourage the further development of The Bahamas as a financial centre. In this regard, it is hoped that the financial institutions themselves may be willing to make a useful contribution. The Government believes that meaningful dialogue with these institutions may pave the way for further development of this industry and the further development of these financial institutions themselves in The Bahamas.

In the case of the insurance industry, consultation with interested parties in that industry has assisted the Government greatly in its efforts to encourage the location of captive insurance businesses in The Bahamas.

This effort has, as a first step, resulted in the production of a bill which should lay the ground work for this venture. I propose to introduce this bill in Parliament at the first available opportunity, perhaps today.

Mr Speaker, the Government has laid the infrastructure, provided the stability and economic climate and developed a framework within which all may flourish. It therefore seeks to encourage all those who can make a contribution, particularly the financial and business community to make a more meaningful contribution towards the expansion of the economy in an effort to complement the Government's initiative in generating greater economic activity and increased employment opportunities.

In the same spirit, the Government appeals to the private, commercial and business sectors to expand their business activities in order to assist us in our efforts at widening the economic base for the obvious benefit of all.

The Government, on its part, will continue to maintain a favourable environment in which businesses may flourish and remain sensitive to the legitimate requirements and ambitions of the private sector.

Mr Speaker, next year would mark the tenth anniversary of our assumption of independence. During these years we have struggled to build our little nation and provide a meaningful way of life for our people and, in a great measure, we have succeeded and, for that, we are grateful to the Great Architect of the Universe. But the development of a nation and the sustaining of a good life for a people is a constant unending quest burdened always by efforts of those who seek to hold back the forces of progress.

But that burden has not deterred us in the past nor will it deter us today as we continue to carry out that mandate which our people have bestowed upon us.

TEL AVIV - Israelis were today preparing for another day without the services of government workers whose 48-hour strike has shut down virtually all of the country's large public sector and stopped others who rely on it from working.

IMPACT OF BUDGET IN TAX, PRICE INCREASES HIT IN DEBATE

Consumer Agency's Assessment

Nassau THE TRIBUNE in English 10 Dec 82 p 1

[Article by Anthena Damianos]

[Text] The public was today warned to brace itself for the "tough consequences" that will follow the new round of tax increases announced in Parliament Wednesday.

"It can be expected that a whole new group of people will slip into a lower income bracket," as a result of the tax hikes, Dr Earl Cash, president of the Consumer Protection Agency said today.

The sweeping increase in taxes projected to raise \$8.2 million for revenue to keep the country running was announced by Deputy Prime Minister Arthur Hanna in his Budget speech Wednesday.

Among other things, Bahamians can expect the stamp tax on all imports to be increased from 1-1½ percent (or by 50 percent), an increase of up to 33 percent for car licensing, and higher prices on gas, boats, cigarettes and video equipment.

"When you see the list of taxes that are to be increased, all you can do is throw your hands up in the air. It's that frustrating. It appears to me to be almost an across the board increase," Dr Cash said.

He said the public will be hit twice as hard because of the recent 33 percent increase in water costs and the 20 percent electricity hike.

Dr Cash predicted that the increase in the cost of living when the Bahamas went through a currency change.

"The only difference between now and the '60s was that the economy was much more buoyant and people could have survived the increase then much easier than they can today," he said.

"We can expect everything to cost more, but it is very unlikely that salaries will keep pace with the higher prices. This will have the effect of increasing the number of people who will be in the poorer bracket. It's going to swell that group."

Dr Cash felt that the increase in the gas tax was a double blow because any price movement on oil in the world market will have to be reflected locally.

"It's (tax increases) going to mean that a lot of the poor people are going to have difficulties paying their electricity and water bills," Dr Cash said.

"It means that more people will have their electricity and water cut off because they can't pay their bills. I know a fellow who saved \$200 to have his water connected, but the price was raised to about \$400. He couldn't pay the fee."

Dr Cash advised Bahamians who are feeling the economic pinch to give practical gifts this Christmas.

"It's hard to see a child wake up on Christmas day and all you can give him is the usual tea and bread. Parents should try to buy more practical gifts though--clothing or a book that can be useful in school," he said.

"I'm not being an alarmist. Fuel costs are going up, electricity's gone up. Water's gone up. It should be anticipated that things are going to be very tough in 1983.

"The public by and large might as well brace itself for the tough consequences that will follow," Dr Cash said.

Burden on Imports

Nassau THE TRIBUNE in English 10 Dec 82 p 1

[Text] The increase in stamp tax on all imports from one to 1½ percent will automatically raise the cost of all imported goods for the consumer--everything from food to clothing.

The one percent stamp tax has been upped by a half percent--an increase of 50 percent on the cost, insurance and freight value--effective December 8.

Local business merchants told the Tribune today that in itself the increased stamp tax will only cost the consumer one cent more on every dollar, but that together with all the other price hikes--electricity, car imports, etc, the consumer "is going to hurt."

Norman Solomon, owner of Mademoiselle Ltd, said today that this increase will "cost the buying public in everything.

"No merchant is going to absorb it," he said. "It will obviously be passed on to the public. It will not be an enormous amount on any one item. A \$20 item will now sell for \$1.50 more.

But on a five thousand dollar invoice, Government will be collecting an extra \$250."

Emmett Pritchard of Asa H. Pritchard Ltd, one of the country's largest wholesale food outlets, also agreed that the "consumer would not suffer much from the increased stamp tax."

"We will have to pass it on because we will have to pay it, but I don't think the consumer will even know he is paying," he said.

Peter Sweeting, the buyer for Supervalu Foodstores in New Providence, said that the increase will average out to about one cent more on every dollar the consumer spends.

"If the average housewife comes in and she used to spend \$150 a week on groceries, she will now be paying \$152.25. And someone who only buys \$15 worth of groceries will now pay \$15.08."

In effect, the merchants thought they will feel the bite on the stamp tax increase more than the consumer.

Effect on Motorists

Nassau THE TRIBUNE in English 10 Dec 82 p 1

[Text]

BAHAMIANS who have their cars licensed in time for April, 1983, will be paying up to 33 per cent more for licence plates, and 100 per cent more for drivers' licences.

After Deputy Prime Minister Arthur Hanna delivered his Budget speech, Government tabled an Act to amend the Road Traffic Act. Under the Act a driver's licence will be doubled to \$10.

If passed by Parliament, owners of a car that does not exceed 60 square feet (such as a Morris Mini), will have to pay \$40 instead of \$30 to have it licensed.

A car that exceeds 60 square feet, but does not exceed 70 square feet (such as a Honda civic or Preblue) will cost \$45 to license. The old price was \$37.

A person who owns a car that exceeds 70 square, but not 80 square feet (most Honda

Accords fall in this category) will pay \$55 - a \$10 increase.

A car that exceeds 80 square feet, but does not exceed 90 square feet (like a Datsun 280Z) will cost \$65 to license - up \$10.

A car that exceeds 90 square feet, but not 100 square feet (like a Hornet) will cost \$75 to license - \$10 more.

To license a car that exceeds 100 square feet, but does not exceed 110 square feet (a Citation), you will have to pay \$90 - an increase of \$15.

A car exceeding 110 square feet, but not exceeding 120 square feet (like a Caprice Classic) will cost \$100 to license - up \$15.

And a car that exceeds 120 square feet, but does not exceed 130 square feet (like a Cadillac), will cost \$100 or \$15 dollars more to license.

Criticism by FNM Women

Nassau THE TRIBUNE in English 10 Dec 82 p 1

[Text]

THE NEW tax increases, coupled with the recent electricity and water price hikes, will cause the cost of living to escalate far beyond the means of the majority of Bahamian people, the National Women's Association of the Free National Movement said today.

The Association, headed by Mrs Janet Bostwick, Yamacraw MP, said it viewed with "amazement" and "dismay," the further display of the Progressive Liberal Party government's "ineptitude," "incompetence," and "total irresponsibility."

"The nation was insulted by the generality of the Budget Speech read to Parliament, which indicated major increases in many taxes, but which failed to be specific in any significant respect," the Association said.

"As incredible as it seems, no copy of the Minister of Finance's Budget presentation was made available immediately after it was presented and this level of incompetence is unprecedented even in the term of office of a PLP Government which is not known for a high standard of efficiency."

Copies of the Minister's Budget presentation were available to the Opposition and

Press only yesterday -- about 24 hours after its delivery. But, no one is able to say from reading the document what specific changes will be made in tax laws, although it is particularly stated that there will be an increase to \$100 a month in old age pensions and import duty on baby food will be abolished.

The Women's Association said it would be necessary for the Opposition and the public to do an in depth analysis of the many pieces of Amending Tax Legislation laid on the table of the House before a comprehensive statement can be made.

"At the very outset, however, the Women's Organization condemns the Government for its unconscionable increases in taxes. The people of the Bahamas are too burdened now," the Association said.

"How in God's name are we expected to absorb additional taxes on gasoline, diesel, 100 per cent increase in driving licence fees (from \$5 to \$10), 100 per cent increase in motor vehicle inspection fees (from \$5 to \$10), increases in annual motor car licence fees, increase in licence exchange fees from \$1 to \$5, imposition of real property taxes on all

undeveloped land in New Providence owned by Bahamian and foreigner alike...and the list goes on and on."

The Association said it was obvious that the new tax increases taken together with the recent water, electricity and postal rate increases will cause the cost of living "to rapidly escalate far beyond the means of the majority of Bahamian people."

In view of all of the above, the Association said to expect higher jitney fares, higher food costs, service charges -- everything except adequate wage increases or greater job opportunities.

"It is doubtful whether the decrease of customs duty in baby foods or indeed any other food will be realized by the consumer as merchants will be obliged to include in their prices the increased costs of their overhead expenses, e.g. electricity, water, truckage and gasoline, which costs will unfortunately be passed on to the consumer," the Association said.

"This LOAD has become too heavy. God help us all..." the Association said.

Capital Development Shortfall

Nassau THE TRIBUNE in English 11 Dec 82 p 1

[Article by Athena Damianos]

[Text] Only about half of the \$65,625,820 that was earmarked for capital works for 1982 is likely to be spent.

The Draft Estimates of Revenue and Expenditure for 1983 released in Parliament on Wednesday, estimates that only \$37,328,295 of the \$65,625,820 will be spent this year.

"The Government said it would spend \$65,625,820 on capital works in 1982. I would like to see where they've spent it," a leading economist told The Tribune.

"The answer is that they can't spend what they don't have. That's why the roads are in the condition they are in now, that's why the airport looks like hell and that's why the police cars are falling apart."

It was the view of the economist that the Government will only be able to balance the budget by introducing the sweeping tax increases that are projected to raise \$8.2 million.

The only appreciable increase in the 1983 budget went to the Ministry of Tourism. Tourism's budget for 1983 will be increased by 39 percent to a sum of \$29.3 million (or \$8 million more).

"The problem is that the increases in terms of spending are not anywhere in keeping up with inflation," the economist said.

"When you look at your fixed overhead costs in Government like salaries, water, electricity (all of which have gone up), when you take all these things out there's really no money left."

The economist said that a tremendous amount of surplus is needed to get the economy moving. Of the total \$383.1 million budget package for 1983, \$57.2 million was allocated for capital works--an actual decrease of more than \$8 million over what was allocated last year.

"From my point of view, not only are we standing still, I think we're going backwards," the economist said. If you don't have the money, it's pretty simple, you can't really spend it.

"We have to bear in mind that for the size of the country, we have a pretty hefty public debt." Servicing of the public debt--estimated this year at \$61,676,497--is still the largest single item of recurrent expenditure in the Budget.

"It is my opinion that this Government has put all of its eggs in one basket," the economist said in reference to new casinos and the new multi-million dollar hotel Government is building on Cable Beach.

"I don't know where they are getting the money to pay for it (the hotel)," he said. "Experience has shown that when you introduce new casinos, you don't necessarily get more tourists. Look at Las Vegas. Las Vegas is suffering. People who used to gamble there are going to Atlantic City.

"I think if a new casino in New Providence attracts anybody, it will attract people away from Paradise Island," the economist said. "Look at Playboy (at Cable Beach). I understand that's not doing very well. It's (expanding casinos) not a practical thing to do. It's a false way to plan your economy.

"If you open one shop and it does well, you can open another shop and that might also do well. But, if you open four shops, you might find that you're competing against yourself."

The economist thought that instead of being based on a moral issue, the question of whether the Bahamas should have more casinos should be based on whether sufficient people can be attracted to the Bahamas.

"And the experience is to the contrary," he said.

Opposition Leader's Blast

Nassau THE TRIBUNE in English 16 Dec 82 pp 1, 8

[Article by Gladstone Thurston]

[Text]

OPPOSITION LEADER
Kendal Isaacs yesterday warned Government that trade unions are going to insist on more money for its members to compensate for the increased taxes foreshadowed in the budget and announced recently.

Looking at it entirely from the point of view of the trade unions, Mr Isaacs said they cannot be blamed if they want additional money to pay the taxes and have some to spend on their own.

"These additional taxes are going to cause increased inflation," Mr Isaacs said.

When the economic condition of the country is examined, Mr Isaacs said, the budget "really puts a tax grip on the backs of the Bahamian people. It need not have been if there had been proper policy and good management."

Several tax increases were announced in the budget for 1983, but two significant increases announced before the budget were increases in the cost of electricity and water.

The opposition Free National Movement, he said, has advocated policies that would have put the country back on its feet and provided full employment and reasonable taxation for the people.

"During periods of economic stagnation in which we find ourselves now and in which we have been for quite some time," Mr Isaacs said, "what should be happening is that the Government should be priming the economic pump instead of taxing people who are already suffering economic stagnation.

"Not only is it uncaring on the part of the Government, but it is also bad economics to

be imposing these additional taxes at this time."

The Government, according to the Minister of Finance, wants to add \$8.2 million to the revenue for next year and that is the estimated amount the Government hopes to raise as a result of these new taxes.

"What I would advocate is forget about those taxes," Mr Isaacs said. "Let us get the people back to work. If we had something approaching full employment then that large amount of unemployed people would be making a contribution.

"That contribution they would be making would more than make up this \$8.2 million that the Government obviously finds necessary to raise to meet its objectives for next year.

"But that does not seem to be the policy of the Government and I predict that these increases would cause hardship. They will cause the inflation rate to rise. This unemployment that we have, apart from the additional taxes have caused, in my submission, untold misery to young and old alike."

"I am sure that all of us who do have the interest of the people at heart must realise that these increases would add to the misery in which so many of our people find themselves in today," Mr Isaacs said.

If the increases were to be examined individually, Mr Isaacs said, it probably would not mean too much, but when taken together "we have a snowballing effect. These increases will be passed on to the consumer."

The conditions in which the nation finds itself today, Mr Isaacs said, is unnecessary and would have been unnecessary if the Government had adopted the right and proper policy to begin with.

He described Government's involvement in the private sector - the purchase of hotels in New Providence and Grand Bahama, the operation of Bahamasair, and Hatched Bay Farms - a disaster.

"All of these have had the people's tax dollars invested in them and what is unfortunate, without exception, every one has been a loser," Mr Isaacs said. "My information is that no Government hotel makes a profit or ever made a profit."

He termed the new Cable Beach Hotel "the white elephant of the century." Mr Isaacs said it seemed to him that that hotel, "will end up as a mill stone around the necks of the Bahamian people for years and years to come."

Going by the track record of the Hotel Corporation of the Bahamas, Mr Isaacs said, when completed the Cable Beach Hotel is not going to make a

profit.

He also criticised Government's involvement in the Lucayan Beach Hotel which is presently being renovated at a cost of nearly \$30 million.

"So we have got the Cable Beach Hotel and we have the Lucayan Beach Hotel and the tax dollars of Bahamians are being poured into those ventures when those tax dollars could have caused this Government not to add those additional taxes," Mr Isaacs said.

"That money quite properly should have been spent on infrastructure, on Bay Street and other roads in New Providence, not to mention roads in the Family Islands," Mr Isaacs said. "If the Government wanted additional hotel rooms then I think some of that money could have been spent in other Family Islands where we really need to build up the tourist industry."

"I want the people of the Bahamas to realise that those additional taxes were not necessary and we have those additional taxes because of bad management, bad policy and ego trips by members of the Government. The only reason I could see for the Cable Beach Hotel is that somebody wanted to build a monument for themselves."

Burden on Poor

Nassau THE TRIBUNE in English 16 Dec 82 pp 1, 8

[Article by Anthony Forbes]

[Excerpt]

ST BARNABAS MP Sinclair Outten said last night that the increase in import duties that merchants will have to pay on imported goods will be passed on to consumers.

He told House members during the budget debate that the time had come for Government to look at a more equitable form of taxation to ease the burden of the poor.

"The poor should not be allowed to carry the load indefinitely," Mr Outten said.

Also, in his speech, Mr Outten said he hoped the US Caribbean Basin Initiative (CBI) will work and that the bold step of Prime Minister Pindling at a recent Miami meeting would spur officials in Washington to make the CBI have a meaningful impact on the Caribbean.

Mr Outten said he hoped the Minister of Economic Affairs, Alfred Maycock would make the Government-announced Free Trade Zone concept a

visible reality by 1983 to help ease unemployment among the young.

Wishing the Minister economic success in that area, Mr Outten said the success is needed so jobs could come to those without work to sustain their families.

He said taxation is a way of raising revenue to finance the economy and Finance Minister Arthur Hanna should be congratulated for holding inflation to single digit numbers in 1982.

Reminded by opposition members that inflation in 1982 is 11 per cent, Mr Outten said that compared with other countries in the region the Bahamas had done well.

He said Government derived the lion share of its revenue from import duties, and other portions from areas like casino

taxes, from which \$14.5 million in revenue is expected in 1983.

Increases in import duties is passed on to people at the lower end of the ladder with the small man carrying much of the burden because he uses a great amount of the imported goods.

The duty the merchant pays on imported items is in the final analysis paid by consumers.

He said the business licence was introduced to get additional revenue from merchants.

"The time has come for us to look at a new equitable form of taxation to ease the burden of the poor," he said.

"In short," Mr Outten said, "the tax revenue from import duties and casinos are put to good use for the people by the Government."

Opposition on U.S. Ties

Nassau THE TRIBUNE in English 16 Dec 82 pp 1, 8

[Article by Anthony Forbes]

[Excerpts] Blue Hills MP Arthur Foulkes declared last night that Government's \$383.1 million 1983 budget contains the biggest round of tax increases since the 1970's and will wreak havoc on the country.

He accused Government of heaping burdensome taxes on the Bahamian people and leaving it to Cabinet Ministers to tell the nation to tighten its belt.

Speaking on the first day of the debate on the budget, Mr Foulkes, the Free National Movement's Shadow Minister of Tourism, said the budget may very well be the straw that will break the back of the economy in 1983.

He told House members that people today are suffering more deprivation than at any other time in the country's history.

He said he is in full support of Minister of Tourism Perry Christie, but noted that the Minister has a long way to go to get the full support of his colleagues to fully appreciate tourism.

He said when inflation is taken into consideration, the Ministry of Tourism, which has been given an \$8 million increase next year, has not been given "very much more to work with."

He called on Government to get out of the hotels and into building roads and improving utilities.

Mr Foulkes told House members that the casinos will not bring more gamblers to Grand Bahama. Here in New Providence, he said, the Playboy casino is not doing well.

He said it is the position of the FNM that the Government has failed to establish justification for two more casinos--one each in New Providence and Grand Bahama--in addition to the one at Lucayan Beach.

He said the Opposition will "raise the roof if this man (Victor Sayyah) is allowed to have a casino licence or if it is even suggested by Government."

On foreign affairs, Mr Foulkes said negotiations on the US bases were at a delicate stage, which he called an admission by Government that talks were "not going right."

Commenting on what he sees as an uneasiness in relations between the Bahamas and the United States, he said: "We know that things are not the way they should be." He urged Government to tell the people so.

He pointed out that the Bahamas was given special treatment by the US in terms of travel and now Mexico, Canada and Jamaica have been exempted from the US convention tax.

"That again is another indication that things are not well between these two former friends," Mr Foulkes said.

He noted that during the general election campaign the PLP newspaper, The Herald, made derogatory remarks about Jamaican Prime Minister Edward Seaga, calling him a "lackey" of the US.

That, Mr Foulkes said, showed a bitterness in relations between the Bahamas and the US.

Housing Minister Hubert Ingraham called it journalistic freedom and Crooked Island MP Wilbert Moss rose and stated emphatically: "We will never be a lackey of no nation."

CSO: 3298/249

ELECTION COURT RULES AGAINST TWO PLP PETITIONS

Support for FNM

Nassau THE TRIBUNE in English 10 Dec 82 p 1

[Article by Gladstone Thurston]

[Text]

THE ELECTION Court today dismissed Progressive Liberal Party petitions protesting the return of opposition Free National candidates in Carmichael, Yamacraw, High Rock and Marco City.

The judges — Sir Denis Malone and Mr Kenneth Henry — agreed with submissions by the FNM side that the petitions be dismissed on the ground that they were not served in accordance with the provisions of the Representation of the People Act.

Of the seven election court petitions filed — five by the PLP and two by the FNM — only those against the election of PLP candidates in Holy Cross and St John's have passed the preliminary stage and have been set down for hearing in January.

Preliminary applications against the PLP's petition objecting to the return of FNM chairman Cecil Wallace Whitfield in Pine Ridge, Grand Bahama, is still being heard. The court will also have to rule on an application to have that petition dismissed.

The PLP had asked for a declaration stating that their candidates had received the majority of the lawful votes in those constituencies and ought

to have been returned; a scrutiny; and alternately that the election be declared void.

Official results released showed the FNM's Frank Watson beating Attorney General Paul Adderley 1302-1281, Mrs Janet Bostwick of the FNM in Yamacraw beat the PLP's James O Brown 1930-941; in High Rock, the FNM's Maurice Moore beat the PLP's Russell Franks 1102-1002; and in Marco City the FNM's C A Smith beat the PLP's Wellington Stewart 1272-1140.

Thomas Evans and Brave Davis of Christie and Ingraham represented petitioners Vanda Maldean Moss Ward and Irrington 'Minky' Isaacs in the Carmichael and Yamacraw petition. Paul Knowles of Rolle, Knowles and Company represented petitioners Wendell A Knowles and Philip McPhee in the High Rock and Marco City petitions.

Mr Whitfield represented Mrs Bostwick, Watson, Moore and Smith. Mrs Joan Sawyer of the Attorney General's office represented the Returning Officers and Parliamentary Registrar.

According to the ruling, lawyers for the first respondent in each of the four petitions — Bostwick, Watson, Moore and Smith — filed a summons to

dismiss the petition on the ground that the petition had not been served on him in accordance with the provisions of section 78(3) of the Representation of the People Act (RPA) and the Election Court rules.

In each case the petitioner (PLP side) subsequently filed a notice of motion seeking declarations as to whether the Election Court as constituted on September 6, 1982 is empowered to hear and determine the petition; and, if the Election Court is so empowered the method of service employed for the service of the petition was valid.

The preliminary objection raised to the hearing of the summons in respect of each petition was that the petition itself was not properly before the court and consequently there was no foundation for the summons to dismiss it.

In support of this objection, Mr Evans for the respective petitioners referred to the definition of 'election petition' in section 2 of the RPA, to certain provisions of section 75, 78 and 79 of the RPA, and to Article 51 of the Constitution.

In each case, the ruling stated, the petition was filed within the time prescribed by section 78(3) of the RPA, but appointments to an Election Court were made after the expiration of the time prescribed for service of the petition.

Mr Evans argued, firstly, that an election petition must, by its definition, be presented to an election court.

He also pointed out that since section 79 of the RPA prescribes the time within which a petition may be presented, a petition cannot properly be presented unless an election court is established within that time to hear the petition.

Mr Evans further argued that an election court is not a permanent entity, but is an ad hoc court established by the Chief Justice from time to time as the need arises by appointments made in accordance with the provisions of Article 51 of the Constitution, and that consequently there was at the relevant time no properly constituted election court to which each petition could be presented.

It was the judges view that an election court as an entity is established by Article 51 of the Constitution and is constantly in existence although its membership is not permanent or continuous.

It is for this reason, the judges ruled, different language is used in the Constitution in relation to the establishment of the Supreme Court and the Court of Appeal.

Article 51(4), the ruling said, provides for the leave of a Justice of the Supreme Court to be obtained for the institution of proceedings questioning an election to or membership of the House of Assembly.

"This clearly indicates that the Constitution contemplates either that an Election Court would be in existence but devoid of membership from whom such leave could be obtained or, as Mr Evans submits, that there would be no Election Court in existence at the time.

"If however, an Election Court only comes into existence when members are appointed to determine a question raised, such a court would never come into existence because there would never be an Election Court before which the question could be raised," the judges ruled.

Victory for Independent Solomon

Nassau THE TRIBUNE in English 14 Dec 82 p 1

[Article by Gladstone Thurston]

[Text]

ATTEMPTS by lawyers for the Progressive Liberal Party to get a key paragraph in the election petition against the return of Peter Bethel in St John's, Eleuthera, thrown out has ended in failure.

The Election Court judges Sir Denis Malone and Mr Kenneth Henry refused the application on the ground that the paragraph complained of "was not inherently bad."

The petition, filed by independent candidate Norman Solomon, claims that he (Solomon) and not the PLP's Bethel obtained the majority of the lawful votes of the voters of St John's constituency.

The petition further alleged "that at least as many as 17 persons voted for Bethel who were not entitled to vote during the June 10 general elections."

Referred to as 5(2) of the petition, that was the paragraph Bethel's lawyer Dr Lloyd Barnett of Jamaica took issue with and moved to have deleted from Solomon's petition.

Dr Barnett argued that 5(2), "stands in stark contrast" to subparagraphs three and four of paragraph five of the petition.

"They each allege non-entitlement but where in the case of sub paragraphs three and four some ground of disenfranchisement is averred, absolutely none is averred in sub paragraph 2," Dr Barnett said. "Indeed the vagueness of

that pleading is indicated by its introduction 'at least as many as' which leaves one in the position that the number of persons affected by that pleading is unknown, as well as the ground alleging their disenfranchisement has not been stated."

Dr Barnett also referred to a letter written by Solomon's lawyer Mr Cecil Wallace Whitfield in response to a letter written him by lawyers for Bethel. In that letter Mr Whitfield stated that the 17 persons were not registered, and their names did not appear on the list of registered voters for St John's at the close of registration on March 31.

Dr Barnett viewed that as a new allegation "being sought to be achieved by subsequent particulars, and it is elementary that subsequent particulars can't amend previous pleadings."

The judges in their ruling noted that a letter written by Bethel's lawyers on September 6 did not on the face of it appear to be a request for particulars, but it may be that during the discussion referred to in Mr Whitfield's response, "it was agreed that it should be so regarded."

However that may be, the judges stated, Mr Whitfield's letter, like paragraph 5(2) of the petition, refers to 17 persons who allegedly voted without being entitled to do so.

The particulars filed on November 25, the court pointed out, referred to 18

such persons.

It was argued that apart from the obvious numerical discrepancy these particulars bear out the submission that allegations in the petition are so general that it is possible to incorporate persons who fall in different categories.

The petitioner, the judges stated, was not able to refer to any authority for increasing in the particulars the number of persons alleged in the petition to have voted without being entitled to do so.

This may well be good ground for striking out all or the offending portion of the particulars, the judges stated.

"It would not however justify striking out paragraph 5(2) of the petition and that was the application before us," the judges said.

"We have already indicated that paragraph 5(1) of the petition in the Holy Cross election petition proceedings (which is similar worded to paragraph 5(2) of this (St John's) petition) was not inherently bad.

"For the reasons set out in our ruling in those proceedings we have arrived at a similar conclusion in relation to paragraph 5(2) of this petition. For these reasons we refuse the application to strike out the paragraph in the petition."

The Holy Cross and St John's election court cases have been set down for hearing in January. Four other petitions by the PLP against the election of FNM members have been dismissed by the court.

'HERALD' UNDER PLP OWNERSHIP; APPEALS FOR SUPPORT

Nassau THE HERALD in English 25 Nov 82 p 3

[Editorial]

[Text]

THE PROGRESSIVE LIBERAL PARTY now owns its own paper. When all of the paper work has been finished, the Progressive Liberal Party through its trustees will be the principle shareholders in a company that publishes The Herald.

MUCH has been said about what we intend to do with The Herald. We have spoken about attempting to broaden our base of readership. We intend to add more columnists and the biggest surprise of all will be the addition of a sports page. There will be news about Freeport as well as from our columnist Miss Allyson Maynard.

THERE IS, however, only so much that those who manage and direct this enterprise can do. The rest is up to the members of the Progressive Liberal Party including Members of Parliament and the Council and ordinary members.

THIS NEWSPAPER can gain respect in this community if there is a clear recognition by members of the public that members of the PLP support the newspaper. Many of us at The Herald have asked ourselves whether PLPs are not embarrassed of The Herald. We can think of no reason why they ought to be, since the newspaper has done its traditional

job well, and provided information on any number of subjects. The three writers, and two columnists are all university trained. The calibre of the writing is excellent, if we may say so, and the columns are open to any member of the Progressive Liberal Party.

AND yet there appears to be a desire like in the biblical story to hide the candle under a bushel instead of out in the open for all to see.

THERE is a lot that makers of PLP policy can do to improve the flow of information for what is a genuine effort by an over-worked group of people to work for and on their behalf. We would not want to give the impression, however, that we can respond to everything. It is a small newspaper and a small staff, but eventually any PLP who needs assistance will be served.

WE would like at this time to thank all of those Members of Parliament and the Cabinet, Members of the National General Council who have supported us in the past. We look forward to their continued support and co-operation. Together we can make it work all the way into 1987, if you get our meaning.

IDEOLOGICAL RIFT IN VANGUARD; MEMBER SAID TO BE IN CUBA

Nassau THE HERALD in English 25 Nov 82 pp 1, 6

[Text]

PERSISTENT RUMOURS indicate that Arthur Hamilton, the Vanguard Nationalist and Socialist party's candidate for the St. Barnabas constituency in the recent general elections is reportedly still on Cuba's Isle of Pines or recently visited the Island.

THE ISLE OF PINES, located off the eastern end of Cuba, is the location of training schools for the youth from other socialist countries throughout the world. Students are said to spend several years on the island studying various subjects . . . from Marxist socialism to science. Angolans, Mozambicans, El Salvadorans, and youth from other Socialist countries make up the population of the island.

A Vanguard hierarchy member told The Herald last week that he was unaware of the whereabouts of Mr. Hamilton. "If Arthur is indeed in Cuba," said the official, "he is there as a private individual and not as an official representative of the Vanguard Nationalist and Socialist party."

MEMBERS of Mr. Hamilton's family could not be contacted up to press time.

MEANWHILE, a deep ideological rift has been mounting in recent months within the party and now threatens to split the organisation into two factions.

Informants say that the organisation, which gathered 181 votes during the general election is now polarised into two groups, Marxist and Castroite.

It is believed that Mr. Hamilton is a vigorous adherent to

the Castro faction of the party, which is led by Mr. Louis Symonette, the Vanguard's candidate for the Fox Hill constituency, known as "12 vote Lou."

Sources say that Dr. McCartney, a former professor at Purdue University in Indiana, vigorously argues that the party adhere strictly to classical Marxist-Leninist philosophy.

Mr. Symonette's thinking, on the other hand, is that Marxist Leninist philosophy has no meaningful bearing on political life in The Bahamas and is for the most part, a predominantly European import with little or no relevance to the experience of the Black West Indian.

Mr. Symonette, who is said to be a staunch admirer of Cuba's President Dr. Fidel Castro and an advocate of Pan-Africanism was reported by friends to have said that the Cuban system provides the best ideological example for countries like The Bahamas.

Sources close to the party say that this is not the first time that such ideological differences have threatened to split the Vanguard. Just a short while back, Mr. James

Delancey, otherwise known as Comrade Eli Mesitumbo, resigned from the party in disgust, charging that Dr. McCartney and the Marxist Leninists of the organisation were "rocking chair revolutionaries." Dion Foulkes and Richard Fawkes have also left the party.

The Herald was told that Mr. Delancey and other members of the Vanguard, some of whom were females, confronted Dr. McCartney. A physical confrontation, we were told, was barely avoided. Mr. Delancey's whereabouts are not known at this time.

But now this new rift inside the party is quickly coming to a head, with some members of the Castro wing talking openly about a "revolution of change from within in the next few months."

A member of the Symonette led Castro wing of the party was quoted as saying that his faction intends to continue their move to the radical left and will not rest until the organisations academics are consigned to the heap of out dated Marxist literature.

PLP ORGAN SLAMS DUPUCH FOR COVERAGE OF DRUG ISSUE

Charge of 'Half-Truths'

Nassau THE HERALD in English 25 Nov 82 pp 1, 6

[Text]

DESPITE clear evidence to the contrary, Etienne Dupuch, the self-appointed "oracle of Shirley Street" continues to attempt to make readers of The Tribune believe that The Bahamas refuses to co-operate with the United States on cur-tailing the flow of illegal drugs through this country.

DUPUCH just would not quit with his steady barrage of half-truths and concoctions, even though no less a person than U.S. President, Ronald Reagan, whom Dupuch is said to admire so much, has publicly thanked this country for its role in reducing the impor-tation of drugs into the U.S.

SAID MR. REAGAN LAST WEEK, while visiting Florida to inspect the work of the South Florida Task Force against drug trafficking, "... We appreciate the assistance we've received from Carib-bean nations, especially The Bahamas. They've made a sig-nificant contribution and we look forward to their continued co-operation in this effort."

AND on Wednesday, Novem-ber 24th, the highest ranking U.S. diplomatic officer in this country, the charge d' affairs of the U.S. Embassy said the United States was appreciative of the government's help in as-sisting the U.S. to reduce the flow of drugs into that country.

THE BAHAMAS "can be complimented for working closely with U.S. law enforcement groups and for helping us re-duce the illegal importation of drugs into the United States by \$3 billion," said Mr. Andrew Antippas.

BUT YET STILL DUPUCH, even though he must be aware of the facts continues to sug-gest that The Bahamas is not doing all it can to curtail this problem.

TO BE SURE, the problem is really not The Bahamas'. For the most part, the smug-gling of drugs through this country is done mainly by U.S. citizens and South Americans. The drugs are destined for the United States, not the Baha-mas.

AND we endorse completely the sentiments expressed by Mr. Antippas, when he said

"The Bahamas cannot be blamed for its geography; for the 700 islands and cays that make the country attractive to smugglers."

DUPUCH even continues to repeat a statement that has absolutely no basis in fact. He says that it has been repeat-edly suggested in the U.S. that Cabinet ministers might be in-volved in drug smuggling. He suggests that it has been denied by the government, but he must know that no less a per-son that Mr. Glen brown, the chief officer of the U.S. Drug Enforcement Agency in The Bahamas has publicly stated that there is no evidence to support that charge.

YES STILL, the Contributing Editor to that maggot box called The Tribune, continues to spout his half-truths in the vain hope that this will have some effect on the popular sup-port of the PLP. He continues to attempt to deceive the Ba-hamian people, even when the truth is clear.

WILL he not one day tell us the truth? We doubt it. After all if he refuses to accept the words of officers of the govern-ment of the country which he has often called "the greatest nation on earth" what more can we expect?

Nassau THE HERALD in English 25 Nov 82 p 3

[Editorial]

[Text]

IT is a favourite trick of the aging editor of The Tribune to tell the Bahamian people that the Government of the United States does not support the efforts of the Government of The Bahamas. He and his newspaper have conducted a most vicious campaign of lies and half-truths in an unseemly attempt to unseat the Progressive Liberal Party.

WHAT IS THE REASON FOR THIS? It is quite simple. Etienne Dupuch is a man of mixed racial ancestry. That caused him to have a peculiar set of problems that many others have had no difficulty dealing with, but which Etienne cannot seem to overcome. Alas, he is over 80 now, and so all hope for him is lost. His problem is that he has dark skin and hair that rolls up after it comes out of the shower. If you notice, he keeps it cut closely to his head so that the

rolls might not show.

ETIENNE DUPUCH IS A MULLATTO, in the truest sense of that word. Traditionally, he has opposed everything and every cause in the country that stands for Black. He is not unlike many others of his generation who were taught that everything white was good and acceptable, and everything Black was not acceptable. It was no mistake when Dr. W. E. B. Dubois said that the problem of the 20th. century would be the problem of the colour line. And so it appears to be with Etienne.

DUPUCH also has another propensity, and that is the re-writing of history. He has written two books which give his version of the facts. There are many who would argue with his version of the facts. Somehow many people remember things differently from him. His favourite story is how

he single-handedly broke down the racial barriers in the country.

ACCORDING TO DUPUCH he championed the cause of the Black man. He was responsible for a resolution which saw the break down of public discrimination. Yet he cannot understand why his people have rejected him. The answer is quite simple. One has only to go back to the report of the Committee in 1956 and see that Dupuch voted with the white majority and the UBP for a watered down resolution, which the then Mr. Gerald Cash pointed out did not go far enough in causing discrimination to break down. So much for the facts.

WE GO THROUGH THIS LONG STORY to point out to Dupuch, his supporters, his daughter Eileen and son-in-law Roger, that last week the U.S. President Ronald Reagan spoke highly of the efforts of the Government of the Bahamas toward fighting drug running. This is directly contrary to what Etienne has been trying to tell us, and directly opposite of what Eileen and Roger have been perpetrating in their columns.

NEXT TIME TELL US THE TRUTH ETIENNE.

PINDLING HITS CHAMBER OF COMMERCE, ASKS ITS SUPPORT

Nassau THE HERALD in English 2 Dec 82 pp 1, 4

[Text] In a two-fisted attack on the hypocrisy of the Bahamas Chamber of Commerce, Prime Minister Pindling last night called on the organisation to assist in the training of young people for employment.

"Your country," Mr Pindling told members of the Chamber assembled for a dinner meeting at the Ambassador Beach Hotel, "has done a lot for you. I think it is now time that you make a conscious and concerted effort to do something for the country."

Mr Pindling asked Chamber members comprised largely of rich Bay Street Merchants to support an Industrial Training Bill that will be introduced in Parliament in 1983. The bill will call for the establishment of an industrial training council comprised of representatives of the government and of employers for the industrial technical, and vocational training of young Bahamians; the establishment of an industrial training fund which will be built up by contributions from the government and employers. Employers of a certain minimum of workers he said, may be required to pay a prescribed levy into the fund to defray the cost of training; the industrial technical and vocational training taking place in formal classes in an educational institution or on the job or both. In one case the fund may support the educational institution and in the other case it may pay a trainee a stipend, while he learns his trade at Taylor Industries, for example. The fund may also pay employers who put on training courses approved by council.

Mr Pindling told Chamber members that wealthy residents of other countries often expressed their gratitude for reaping great rewards through what their country did for them by making it possible for others to get opportunities they would not otherwise have got.

The Chamber's "1982 Study of Economic Trends" released several months before the recent general election was lambasted by the Prime Minister for its hypocrisy. He said that the report made ten suggestions of which the Chamber proposed to do only three. Those three were economic, social and political in their composition.

The political suggestion by the Chamber was that its members may "make a contribution toward increased employment creation by helping to change the government."

"You probably thought that these were three very good ideas," said Mr Pindling, "but it does not appear that anything happened. Perhaps nothing happened because Chamber members spent too much time on number three and had no time left for either of the other two."

The Chamber's stand on politics was the only new attitude it had adopted in the last 185 years, said Mr Pindling. Their other objectives are closely related to the economic objectives of the government "but Chamber members still failed to take advantage of economic situations like those offered in the conventions of Lome I and Lome II."

Mr Pindling warned that if Chamber members failed to make the necessary attitudinal changes they may be left behind--a prospect the country cannot afford.

CSO: 3298/248

PLP ORGAN ASSESSES APPOINTMENT OF U.S. AMBASSADOR

Nassau THE HERALD in English 9 Dec 82 p 3

[Editorial]

[Text]

AFTER TWO YEARS at the head of the Government of the United States, Ronald Reagan has nominated an Ambassador for the Bahamas. He is Dr. Lev Dobriansky, an economist and advocate of the oppressed in Eastern Europe. He appeared before the U.S. Senate's Foreign Relations Committee this week.

DR. DOBRIANSKY as Ambassador to The Bahamas is surprising because of his background. This background would suggest a hardliner on ideological matters, and that he would be better suited to Eastern Europe. Both he and a colleague at Washington, D.C.'s Georgetown University argue that he is not a hardliner, that his positions vary according to the issues. If this is true, it assures us that no anti-Communist hysteria will accompany his stint in The Bahamas.

ONE THING IS certain, and that is, Dr. Dobriansky has a line to the corridors of power. He is said to know half of the Senate Foreign Relations Committee and is a personal friend of Congressman Dan Rostenkowski, chairman of the U.S. House Ways and Means Committee.

MR. ROSTENKOWSKI will be able to tell the Ambassador designate from a recent torrid exchange with our Prime

Minister in Ocho Rios, Jamaica that we like to do things properly in The Bahamas. Dr. Dobriansky should also know that there is a creeping suspicion in this country at the moment is that the U.S. Government wishes to see us reduced to beggars, so that we may come hat in hand.

WE ARE UNDER NO illusions that we can stop this, if that is what Washington wants. But why should Washington want another group coming hat in hand?

WE NEED THE TAX EXEMPTION for Convention business by U.S. associations in The Bahamas. With it we can fill our hotels. When he is confirmed as Ambassador, Dr. Dobriansky will have to use all of his charm, authority and contacts to bring this exemption about. The degree of his success on this will be the major yardstick by which his tenure will be judged. Apart from that, we welcome any new U.S. Ambassador with open arms, and assure him that if there is a relationship of non-interference in our internal affairs and if there is respect for us as we respect the U.S., The Bahamas will be an interesting and pleasant assignment for him.

BRIEFS

PLP POSITIONS--Mr Russell Franks has been re-appointed PLP Regional vice-Chairman for the northern Bahamas district. Mr Franks, who was first appointed to that post in October 1980, will serve as vice-Chairman to the General Council for the northern Bahamas which includes such islands as Abaco, Bimini, and Grand Bahama. He was born on May 21st, 1939 in New Providence. He attended the Western Junior and Senior High Schools and the Government High School. He is married and has five children. The re-appointed vice-Chairman is an Accountant by profession and has worked at Batelco for 12 years. Since relocating to Grand Bahama, he was Office Manager of Freeport Power and Light, then later he was promoted to vice-President. He was also Vice-President of the Grand Bahama Service Company. Mr Franks unsuccessfully contested the High Rock constituency seat for the party in the recent general election. [Text] [Nassau THE HERALD in English 25 Nov 82 p 1]

CSO: 3298/250

SENATOR QUESTIONS VALUE OF ARRANGEMENTS WITH IMF

Bridgetown ADVOCATE-NEWS in English 9 Dec 82 p 1

[Text]

One of Barbados' leading economists has warned that nothing good can come from the island's arrangements with the International Monetary Fund.

Independent Senator, Wendell McClean, yesterday questioned Barbados' entering into an agreement with that financial institution "at this time".

"If you are going to the IMF you are telling the world that our financial situation is precarious," he said in the Senate Chamber.

The Senate was debating a Resolution to approve the borrowing of the sum of US\$13 million from the Barbados National Bank, the Morgan Guaranty Trust Company and associated banks for the purpose of financing the purchase of the assets of Mobil Exploration Barbados Inc.

Senator McClean urged Government to pay the IMF and regain control of our economic policy.

He said if we did not do this within the next six months or so we will find conditions in this country will so deteriorate that we will have to accept

conditions laid down by the IMF which will lead to a decline in our economy.

A report out of New York last week quoted an IMF official as saying that the Barbados Government has agreed to introduce stiff fiscal measures as part of a qualification for a US\$48 million loan.

But Prime Minister Tom Adams subsequently said that there was nothing mysterious about Barbados' agreement with that institution. He said that since borrowing from the IMF, unemployment and inflation had declined and things in this island had showed signs of if not getting better at least not getting worse.

But Senator McClean saw no reason why Barbados should have rushed to the IMF to give them "control over our economic policy" and asked for more details on the agreement. He said the involvement with the IMF is a result of bad economic analysis.

While supporting the Resolution before the Senate, the Independent Senator said close attention must be paid to its implication for debt servicing problems for Barbados. He noted that this year's

Estimates showed a projected increase in the cost of debt service. He said the \$16.341 million shown should be a source of some alarm and was a self-inflicted wound as far as management of our affairs was concerned.

"I am not so sure that we have not fairly well reached the limits of our capacity to increase our debts" Senator McClean said.

He said there was a subsequent deterioration in the financial management of the affairs of this country during the last 12 months or so.

Senator McClean, quoting Central Bank statistics, could not understand why Government would be confronted with the situation where it has to pay out in excess of 16 per cent for the average interest rate on Treasury Bills.

He said he could only put this down to "bad management".

Senator McClean felt the measure of taking the Mobil assets was to be desired. He cautioned, however, that we have to make sure "that we so manage our affairs that we can come out on the good side of things despite the bad state of the economy at the present moment."

GOVERNMENT FURTHER DEFINES STAND ON REGIONAL AIR SERVICES

St John Comment

Bridgetown THE NATION in English 8 Dec 82 p 40

[Text]

THE Barbados Government had no intention of abandoning its existing arrangements for air transportation services to the islands until a proper system was worked out which would see the setting up of an umbrella air transport organisation to serve the needs of the Eastern Caribbean.

This declaration was made yesterday by Minister of Trade and Civil Aviation, Bernard St. John, during his wind-up of the debate in the House of Assembly on the money resolu-

tion seeking \$1.5 million from Government's Consolidated Fund.

St. John stated that his Government's stated intention was to continually seek the improvement of air services between the Caribbean islands.

He said there was need for a multi-government arrangement for air services which would also interact with existing airlines.

He added that there were two important conditions necessary for such an arrangement to be successful, one that third part governments relax their restric-

tions regarding the negotiations of air agreements and two, that other Caribbean Governments lend their entire support to any proposed new air transport body.

St. John noted that the Barbados Government had just put forward to the governments of the United States, Venezuela and Canada that it was prepared to delegate as its national carrier the Trinidad and Tobago-government owned national airline British West Indies Airways (BWIA).

Initiation of Varig Service

Bridgetown THE NATION in English 8 Dec 82 p 40

[Text]

BRAZIL'S biggest airline, Varig Cruzeiro do Sul, is to begin a once weekly service to Barbados from the middle of next month.

Director of the Barbados Board of Tourism, Patrick Hinds, said yesterday, the airline would be using 727 aircraft with a seating capacity of 118.

The flight will originate in Rio de Janeiro with stops at the Brazilian city of Manaus, and at Port-of-Spain, in Trinidad, and return the same route.

Hinds said that the once week-

ly service (Wednesday) would leave Rio at 1345 hours and arrive here at 2015 departing Barbados at 2115 hours and arriving in Rio at 0700 the next day.

"This early arrival would allow for connections to other parts of South America," he said.

Tourist arrivals here from Brazil for the first nine months of the year stood at 318 compared to 366 for the same period January-September 1981 — a decline of 13.1 percent.

European Service

Bridgetown THE NATION in English 9 Dec 82 p 18

[Text]

THE Barbados Government is assured of continual airline services from Europe until May next year and is hoping soon to conclude talks for further services until the summer of 1984.

This was stated by Minister of Trade and Civil Aviation, Bernard St. John on Tuesday in Parliament while winding up debate on a money resolution seeking an additional \$1.5 million from the Consolidated Fund.

The money is to buy equity in certain private enterprises, including CARICARGO and Caribbean Airways.

St. John said that visitor arrivals from Europe had become as important to Barbados as visitors from Canada and the United States and the

pattern of European travel (which was during the summer), was complementary to the winter travel of North American visitors.

"The effect of this is that we are now having a year-round tourist business," he declared.

St. John said that in 1970, visitor arrivals from Europe were about 15 000. This figure rose to 42 627 in 1976, and last year stood at 101 711.

Comparatively, for 1981, visitor arrivals from Canada were 69 000; from the United States 74 000 and from the Commonwealth Caribbean 87 450.

About 72 000 visitors came from Britain and 29 000 from other European countries.

Aero Services Purchase

Bridgetown ADVOCATE-NEWS in English 11 Dec 82 p 1

[Excerpts]

The Barbados Government is taking steps to buy the assets of Aero Services Limited, a company now in receivership.

Prime Minister Mr. Tom Adams told the House of Assembly yesterday that a new company is to be established in which Government would be the principal shareholder and Barclays Bank International Limited would hold the remaining shares.

He explained to the House that this company which is involved in aircraft maintenance and passenger transport was necessary to run the airwing of the Barbados Defence Force.

He was piloting a Resolution which asked the House to approve the use of the sum of Bds\$3.7 million to be borrowed from Barclays Bank for the purchase of the assets of Aero Services Limited.

He said that the decision to form a new company was taken on the basis of continuing participation by Barclays and a writing off of a large part of the debts owed.

Government is holding 75 per cent of the shares and the Bank 25 per cent. Barclays will also make a substantial overdraft available to the new company and lend any monies necessary for Government to buy shares, Mr. Adams said.

The 25-year loan at four per cent interest is to be issued

under the Special Loans Act and will be repaid in one instalment in the year 2007.

Government had agreed to sell all uneconomical aircraft, he said; and a committee is to be established to work on making the airline viable in the future.

Mr. Adams said that Government had already started negotiating contracts for the new company.

In respect of redundancy at the company, the Prime Minister said that Barclays had accepted responsibility for any necessary severance to be paid to employees but he assured that this might only be necessary in respect of one or two people. The company presently employs 47 people, he said.

Description of Aero Role

Bridgetown ADVOCATE-NEWS in English 11 Dec 82 p 1

[Text] Prime Minister and Minister of Finance Mr. Tom Adams has said that Aero Services is an asset to this country and to Government and the existence of it allows Safari Tours to carry on its business.

The Prime Minister was making his winding-up speech on a Resolution to buy the assets of Aero Services, stating that the cost of Aero Services was modest.

He said that he considered Aero Services a "real contribution" to Barbados and it was playing a significant part in attracting tourists to the country.

According to the Prime Minister, Caricargo had been making enquiries about the possibility of having Aero Services carry cargo from Barbados to the smaller islands.

He said too that "the whole future has possibilities".

Mr. Adams further told the House that the whole operation would involve relationships with Caricargo for cargo; with LIAT, for carrying surplus passengers; the Barbados Defence Force in assisting in air and sea rescue operations; and it would assist in the newly-formed Regional Security Organisation.

He said that Aero Services started out as an under-capitalised company, and when it was bought over, the money went to pay off debts and the company never had any capital.

The Prime Minister said that Barclays had advanced the company Bds \$2 million and it was the interest on that which made it not viable.

However, he said that some of the commercial operations were viable.

Mr. Adams said that it was anticipated that the Defence Force and the Regional Safety Organisation between them would contribute more to Aero Services.

He added that Aero Services operations had saved Government thousands of dollars in air fares and it had carried delegations to the various Caribbean territories.

The Prime Minister said that there was a commitment with Aero Services which provides for two pilots on standby 24 hours a day and for a plane to be always available for the purposes of the Defence Force.

He described it as a "highly concessional loan for praiseworthy purposes".

The Resolution was passed.

Opposition Objections

Bridgetown ADVOCATE-NEWS in English 11 Dec 82 p 1

[Text] Mr. Bernard St. John, Minister of Civil Aviation, has suggested that the company to be established by Government to replace Aero Services Limited could be economically viable if the flight operations are segregated from the maintenance aspect.

He told the House of Assembly yesterday that his Ministry's investigations had revealed that the maintenance aspect of the company was making a profit and with certain aggressive marketing strategies, this profit could be expanded.

He noted, however, that the flying aspect was operating at a loss and would continue to do so unless it could be integrated within the context of an overall plan for air services in the Eastern Caribbean, becoming complementary to LIAT with compatible equipment so that it would be guaranteed work during peak periods.

He said that a committee of

experts set up to do projections for the company had agreed with his Ministry's assessment.

He urged the rationalisation of air services in the Eastern Caribbean.

But Opposition MP Mr. Branford Taitt accused Government of playing "Sir Galahad" and seeking to rescue Barclays Bank by taking over the company.

He said that Government would receive all burdens from the venture and no benefits and he warned Government that the country was in no position to absorb any more public debt ... "we can ill afford this excursion", the Opposition MP said.

Opposition MP Dr. Richie Haynes in his contribution noted that the commercial aspects of Aero Services Limited had been a dead loss for some years and warned Government to be careful of what it was getting into.

He wanted to know what plans Government had for

restructuring the company so that such losses were not incurred in the future.

He said that unless Government had people with the technical capacity to turn the company into a service company, attracting more work than it was now doing, and scaling down its non-service operations then it would continue to suffer a loss.

He also suggested to Government that although its immediate reason for taking over the company stemmed from the need to maintain the airwing of the Defence and Security Division, it must ensure that its operations shift from that area and that that contract had no further bearing on the company's operations than providing revenue.

He said that this must become a peripheral activity and not a central activity in the interest of the future of the company.

Barrow on Air Issues

Bridgetown ADVOCATE-NEWS in English 11 Dec 82 p 1

[Excerpt]

Leader of the Opposition Mr. Errol Barrow, has been critical of the Government's decision to purchase the assets of Aero Services Limited.

"It's a sad story", Mr. Barrow told a large gathering yesterday at the official opening of this country's newest travel agency, Ursa Travel Limited, at Beckwith Mall, Bridgetown.

The House of Assembly last night voted in agreement for Government to borrow Bds \$3.7 million from Barclays Bank International Limited, for the take-over of the airline which was previously operated by the Bank and interested citizens.

Said Mr. Barrow, "That kind of machination does not improve the sort of viability of Barbados as a tourist destination. If anything, it

damages Barbados."

Another action of the Government which has caused some concern to Mr. Barrow, is the move to allow "another foreign country to operate our air services for us".

"I do not see how giving up our air services to the Government of Trinidad and Tobago is going to increase either the frequency or the quality of the services which we now have," Mr. Barrow

stated. "Anything that is done in aviation should be with a view of providing services."

Mr. Barrow said he was shocked that "at this late stage of our development we are surrendering our sovereignty without any guarantee of increase in either the quality or frequency of services which would fly in and out of Barbados."

Welcome for Pan Am

Bridgetown ADVOCATE-NEWS in English 16 Dec 82 p 1

[Text]

Parliamentary Secretary in the Ministry of Tourism, Mr. Leroy Sisnett, said yesterday that the return of Pan American Airways to Barbados augers well for the future of this country's tourism.

He was speaking at the Grantley Adams International Airport shortly after the Pan Am inaugural flight arrived there from the United States with a total of 168 passengers, of whom 149 were for Barbados.

Mr. Sisnett said that the re-introduction of Pan Am to Barbados at this time is most timely.

"What better way can we open our 1983 winter season today than with the arrival of Pan American Airways to Barbados" said Mr. Sisnett.

He recalled that when Pan Am pulled out of Barbados a few years ago, it was said that there was only a question of time before the airline returned. "Today is living testimony that Pan Am has returned."

Mr. Sisnett said that the Government of Barbados, the Ministry of Tourism, and the Board of Tourism, "applaud the airline for taking the initiative in re-opening this new season through New York to Barbados."

"It is timely, at a point in time when there is a downturn in world tourism" said Mr. Sisnett. "We applaud you, we appreciate you," he added.

Mr. Sisnett said he hoped that other United States air carriers would follow on the heels of Pan Am and take advantage of a recently concluded air services agreement between the Government of Barbados and the United States thereby permitting more United States charters to take full advantage of this country as a destination.

Officials of the Tourist Board and the Immigration Department, as well as senior representatives of Pan American World Airways, including senior vice president for marketing, Mr. Martin Shugrue, and the Regional Managing Director for Venezuela and the Caribbean, Mr. Tony Lutz, were on hand for the special reception at the airport.

Mr. Sisnett was presented

with a plaque commemorating the return of Pan Am to Barbados; as well as the airline flag which is to be flown at the airport alongside the flags of the other airlines now operating here.

The Pan Am Vice president for marketing, Mr. Shugrue, said that the airline saw Barbados as a highly successful commercial venture.

He later told reporters they decided to come back to Barbados, because "we think Barbados is a dynamite destination for us".

Mr. Shugrue said too that the airline saw it as a tremendous business opportunity to develop tourism and to return tourism in this country to a level in years past "and Pam Am is prepared to be committed to doing that at this stage of our development."

He said that the airline was confident that there is a market in Barbados "otherwise we would not be here."

CSO: 3298/251

EXPORT OFFICIAL REVIEWS STATUS OF TRADE WITH CARICOM

Bridgetown ADVOCATE-NEWS in English 9 Dec 82 p 1

[Text]

Barbados' exports to CARICOM countries increased by 13 per cent during the year April 1981 to March 1982, as compared with the previous year, with Trinidad and Tobago being this country's most lucrative market.

Chairman of the Board of the Barbados Export Promotion Corporation, Mr. Duncan Turney, made this disclosure yesterday, shortly before he handed over a copy of the report for 1981-82 to Deputy Prime Minister and Minister responsible for Trade and Industry Mr. Bernard St. John.

Speaking during a special meeting of the Board of Export Promotion Corporation, Mr. Turney noted that the increased exports to CARICOM was heartening. He added that the rise was mainly attributed to the garment industry, ably supported by the furniture industry.

Mr. Turney observed that exports to Guyana continued

to lose ground, despite attempts by the Corporation to get things moving in that country where Barbados' goods are concerned.

The Chairman said that local exporters were still being plagued not only by bureaucracy but lack of licences and more importantly, long delays in payment.

"Looking to the future" said Mr. Turney, "In this period of world-wide recession we must not only seek to reverse the imbalance of trade between some of our CARICOM members, but to strive to get some of what are now appearing to be formidable barriers to the growth of trade for Barbados removed."

Mr. Turney made special reference to Guyana and Jamaica, and said he hoped that especially in the case of Guyana, a solution could be worked out whereby local manufacturers could have confidence in the export possibilities in that country,

"for at the moment, our exporters have given them up as a lost cause."

With reference to Jamaica, Mr. Turney said that while the Corporation sympathised with some of their departmental problems, "we must ask that they try wherever possible to remove the cumbersome and burdensome licensing systems that poses so many problems to our exporters."

Mr. Turney said it appeared that Jamaica sometimes only paid lip service to the Corporation's suggestions, and added "we want all of our CARICOM neighbours to know we want to increase trade with them."

The Corporation Chairman also took the opportunity to chide his fellow exporters for neglecting the Windward and Leeward Islands. "I exhort them to pay more attention to these areas" said Mr. Turney, adding that these territories made a total of \$24.5 million in goods during the year under review.

UNION HITS WALCOTT FOR OBJECTIONS TO INDUSTRIAL COURT

Bridgetown ADVOCATE-NEWS in English 14 Dec 82 p 2

[Text]

The National United Workers Union (NUWU) has taken issue with General Secretary of the Barbados Workers' Union (BWU) Frank Walcott who has objected to the setting up of an industrial court here.

Last Friday Mr. Walcott in reacting to the suggestion of setting up the court said Barbados does not need such an institution adding he could not understand the specific problems that would justify the need for an industrial court.

But NUWU said "it totally condemns such a statement which it hoped may have been an error. The NUWU totally supports the establishment of an industrial court in Barbados."

The union said the many problems confronting workers

in Barbados demand that an industrial court be set up.

It pointed out that its executive had long been in close contact with the industrial court in Trinidad and Tobago, receiving copies of all their judgements.

"If a Barbados court operates along the lines of that of Trinidad and Tobago's, workers would be granted expeditious justice and employers would not arbitrarily dismiss their workers for the most frivolous offences," the union added.

Meantime, some new appointments have been made within the ranks of the NUWU.

General Secretary is Miss Alewechi Rudder, with Anthony Walton being the Assistant; Imtiaz Ali is Public Relations Officer; F. Pile and D. Miller junior organisers.

BWU LEADER WALCOTT SAYS GOVERNMENT SETS STANDARD FOR WAGES

Bridgetown ADVOCATE-NEWS in English 15 Dec 82 p 1

[Text]

Private contractors, even when they can do better, tend to follow the pattern of Government when it uses its power to depress wages and salaries in the construction industry.

This has been stated by Mr. Frank Walcott, General Secretary of the Barbados Workers' Union (BWU).

He was addressing a luncheon of the Barbados Institute of Architects at the Hilton Hotel yesterday.

Mr. Walcott said Government was expected to set standards in the field of industrial relations for other firms to follow. He said it was expected that Government would set standards for private contractors.

He added that Government, however, occupied an "anomalous position" in the industry.

He said that through its fiscal and monetary policy it

could manipulate the economy as it affected the construction industry, as has been demonstrated by the tight monetary policy.

"So that, at a time when Government uses its power to depress wage-salaries in this sector, private contractors, even when they can do better, tend to follow the pattern of Government", Mr. Walcott said.

Mr. Walcott noted that one of the pressing problems facing the construction industry was that some companies did not show a particular pro-union attitude.

He said that where there was a large concentration of workers in a workplace, the chance that many of them were already unionised.

In some cases, he added, where the company was between major contracts, some workers union membership might have lapsed.

"The company, by creating an atmosphere where the

union can proceed with the business of unionisation, can contribute to a healthy industrial atmosphere," he said.

Mr. Walcott said that unfortunately, many contracting companies engaged in anti-union activities.

He said that even when the union succeeded in organising a majority of the workers, contractors were unwilling to adopt normal industrial relations practices.

Furthermore, by adopting unilateral action, facing delegates with serious problems, they tried to test the confidence of the workers and their elected representatives.

"Where such practices are widely adopted it is often left to the union to try to reintroduce calm at the workplace", Mr. Walcott said.

But he added that unfortunately, once a certain spirit of antagonism appears at a worksite, it is often difficult to erase the resulting anxiety and uneasiness.

CSO: 3298/253

DEVELOPMENT BANK INCREASES ANNUAL LOANS BY 86.8 PERCENT

Bridgetown THE NATION in English 14 Dec 82 p 24

[Text]

THE Barbados Development Bank (BDB) for its financial year March 1981 to March 1982, increased its loans from \$11 million to \$20.6 million, a rise of 86.8 percent.

The bank's just released 13th annual report also stated that loan approvals for the year under review rose by 37 percent, to number 296 and commitments to industry for the first time exceeded those to tourism.

It noted that there was a very substantial increase in the number and the dollar value of loans to small business, this sector recording total loans of \$5.1 million, an increase of \$2 million or 65.9 percent over the previous year.

Small manufacturing also recorded very good increases in both the number and dollar value of loans made, moving from nine to 31 and from \$0.3 million to \$0.8 million respectively.

Job opportunities numbering 601 were created from the loan commitments made during the year, an increase of 65 or 12.1 percent over the 1980/81 figures. Industry contributed 230 opportunities with small business at 166 being another major contributor.

The report noted that during 1981, Real Gross Domestic Product in the Barbados economy declined by 2.6 percent to \$783 million from \$804 million in 1980.

The inflation rate increased by 0.2 percent to 14.6 percent and despite moderate growth rates in nominal terms, real output in the manufacturing and tourism sectors fell by 5.5 percent and 9.1 percent respectively.

The report also said it was the first time in six years that negative growth was experienced in the domestic economy, which was severely affected by the recession in the economies of its main trading partners.

Gross Capital Formation, nevertheless, increased its share of total expenditure to 25 percent from 23 percent in 1980. This increase was said to be very encouraging, as it reflected some resilience in the economy's productive capacity, inspite of the recession in its export sector.

WINTER TOURIST HOTEL OCCUPANCY RATE AT 10-YEAR LOW

Bridgetown SUNDAY SUN in English 12 Dec 82 p 1

[Text]

ALL hope for a good winter season, on which Barbados' tourism was heavily depending now seems lost.

For, with just four days before the official start of the 1983/1984 season, most hotels are still projecting very low occupancies, much lower than last year, and probably the lowest in ten years.

This winter will be a continuation of the very poor summer recorded, when many hotels had to "virtually give away rooms" to get them occupied.

Charles Ward of Treasure Beach Hotel, a 27-room property on the west coast, which had a 93 percent occupancy for November, said that although they had a high occupancy throughout the summer, they had to give unprecedented special rates to achieve this.

This meant that the rooms were filled but the revenue earned was much lower than last year, he added.

Treasure Beach is among the few hotels looking to a 80 percent occupancy this month and next month and an above 90 percent

in February, which Ward said would be about the same as last year.

Another hotel, which expects to hold its own this winter is Southern Palms -- a 100-room luxury property.

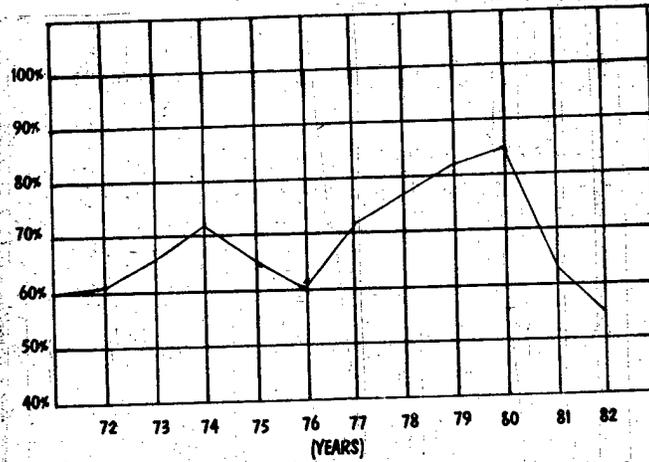
Mike Whittaker, general manager, said the hotel would be full over the Christmas period and he was confident that they would retain their share of the market-place.

He has projected a 75 percent occupancy for this month; 70 percent for next month and a 75 percent for February.

However, almost every other hotel has projected decreases for the winter.

The prospects are gloomy and although some hoteliers have dared to make projections for February and March, they prefer to take each month at a time.

Also, unlike previous years when rooms were booked from around mid-year for the Christmas period; clients are booking at the last minute, sometimes just seven days in advance.



THE above graph shows bed occupancy rates during the winter season for the past ten years. All indications show that occupancies this season will be the lowest recorded for a ten-year period.

This late booking, along with the high number of cancellations being received, have made it very tough for the hoteliers to project occupancies accurately.

Of 34 hotels contacted by the SUN, only 11 have projected over 70 percent occupancy for this month, with only one going above 90 percent. For January seven have projected over 70 percent.

Figures from the Barbados Hotel Association show an overall projection for the 6 000 odd rooms, of 55 percent for this month, down from 69 percent last December; 56 percent for January, a decrease of 10 per-

cent below last January's figure and for February 63.7 percent, down from 77 last February.

Occupancy for October was recorded at 39.3 percent, a drop from the 56 percent recorded last year and November was down 16 percent from the 67 percent recorded last year.

These are some of the lowest figures to be recorded in the past ten years and can be matched only to 1975/1976 when the effects of the fuel crisis were being felt. Since then there was a steady rise peaking in 1979/1980, followed by this sharp downturn.

CSO: 3298/253

BRIEFS

TIES WITH ARGENTINA--Barbados is seeking to improve its relations with Argentina following the difficulties which arose over the Falklands crisis; and in this connection Barbados is seeking to have a visa abolition agreement with that South American country. In disclosing these plans Prime Minister Tom Adams said that his Government had asked a senior official of an international organisation to intercede with the Argentine government in this respect. He said that a number of hotels in Barbados had enjoyed some favourable trade because of Argentinians visiting the country. [Text] [Bridgetown THE NATION in English 8 Dec 82 p 1]

FISHING PROJECT--The Barbados Government is pushing ahead with the multi-million dollar Bridgetown Fisheries Project and the Planning and Priorities Committee is expected to give a final approval to the project today. According to Minister of Agriculture Dr Johnny Cheltenham, a paper outlining the extensive development scheme is to be discussed by the committee and he fully expects approval. The next step, he said, would be for the Government to begin immediate negotiations with the Inter-American Development Bank (IDB) to secure the necessary financing. Cheltenham, speaking from the Hyatt Regency Hotel in Miami on Wednesday, pointed out that the IDB had already approved the concept of the fishing port, leaving the details of the project and its financing to be discussed and negotiated. He said that although it was difficult to give a precise cost at this time, the project would cost about \$27 million. Cheltenham is hoping that construction will begin sometime within the next 12 months. [Excerpt] [Bridgetown THE NATION in English 10 Dec 82 p 40]

CSO: 3298/253

RIO GRANDE DO SUL GOVERNOR-ELECT JAIR SOARES ON PLANS, AIMS

Rio de Janeiro MANCHETE in Portuguese 25 Dec 82 pp 54,55

[Interview with Jair Soares, governor-elect of Rio Grande do Sul, by Marina Wodtke in Porto Alegre: "Jair Soares: 'I Want To Improve the Quality of Life of the Gaucho People'"; date of interview not given]

[Text] Although elected by the scant margin of 22,000 votes, Jair Soares of the PDS [Social Democratic Party], 48, promises to govern Rio Grande do Sul as though he had been supported by all the people of the state. In this exclusive interview the former social security minister describes his government's plans, based upon health and education, and explains why his candidate for reelection as president is Joao Figueiredo.

MANCHETE: What is the financial condition of Rio Grande do Sul?

[Answer] As are all the other states, Rio Grande do Sul is in financial difficulties resulting from the growing trend of financial power to be concentrated in the hands of the federal government. But I have faith in the potential of Rio Grande do Sul, in its primary- and secondary-sector resources, and in the creative capacity of the Rio Grande people to produce, industrialize and sell the fruit of their labor. We are, furthermore, rich in human resources and these resources must be encouraged so our economy can meet the challenges. It is necessary to accept these difficulties and also to plan and execute, working constantly to create new wealth in order to generate more ICM [Tax on circulation of merchandise] and IPI [Finished Goods Tax], developing a policy to create more employment. To improve the state's financial condition, we first need more thorough tax reform, furnishing the states with more funds to carry out their programs.

New Government to Give Priority to Health, Education

[Question] What are your priorities for the Gaucho government?

[Answer] The great objective of my government--and it was always clear in defining goals and priorities--is improvement of the quality of life of the people of Rio Grande do Sul. That is why I chose health and education as the basis for my platform, which we shall achieve through effective and coordinated action, especially in agriculture, to spread progress, and by increasing our manufacturing capacity

to create new jobs. We shall seek support for farming and livestock, the mainstays of our economy. I advocate a policy of fair prices, adequate rural credit, a market for all our products, technical assistance, aid to research, integration of crop and livestock farming and development of cooperatives.

I also favor more industrialization in areas where raw materials are produced. I shall support small and medium-sized business and the petrochemical complex, which will represent a great leap forward for our industry. I advocate tax reform, inauguration of a tax policy and modernization of our administrative processes. I shall seek to consolidate a program of more public security for all, developing low-cost housing in both town and country. I shall allocate substantial funds for basic infrastructure of highways, urban mass transit, storage facilities, rural electrification and telephone service. We shall try to extend to the rural resident everything now enjoyed by the city dweller, in order to slow the rural exodus. My governing plan will be a synthesis of the ideas and suggestions I am continuing to receive, democratically, within my party and from the various segments of our society.

[Question] What solution will you adopt for the problem of education?

[Answer] As a priority item for the future administration, along with health, it will merit special attention. I consider education a fundamental human right and a social duty. For that reason I shall encourage the family's freedom of choice for the type of education it prefers. We will make primary and secondary education free of charge.

Education must be carried out according to the principle of cooperation by the family, school and community working together.

Within the philosophy that will guide education, I propose to conduct projects for developing human resources, reviewing the career prospects of the teaching profession to improve and upgrade the teacher, assistance to education through the school-lunch program, teaching materials and health care. I also intend to build and equip new agricultural technical schools for farm children. I shall maintain a permanent dialogue with the teaching profession through the Education Secretariat and related bodies, striving always to improve the quality of education and support of the teaching profession.

[Question] What is the situation of health conditions in the state?

[Answer] When I was health secretary, for a period of 8 consecutive years, I sought first of all to create an awareness of hygiene among the people of the state, working jointly with the Education Secretariat. The next step was for the Health Secretariat to build 600 health stations as a base for the large-scale vaccination campaigns that benefited all Rio Grande do Sul children, practically eradicating diseases such as polio, measles, mumps, whooping cough, tetanus, meningitis and tuberculosis. We used more than 40 million shots of vaccine in this campaign. We built a pharmaceutical laboratory to make and distribute free of charge about 100 different products, from pills to antibiotics.

As social security minister, I provided funds to equip hospitals and clinics, I accredited physicians and dentists to humanize welfare. As governor, I intend

to strengthen this policy of health care, building at least 400 more health stations on the outskirts of large cities and in small rural communities. I also intend to expand medical care and the supply of free medicine, incorporate technological advances and new techniques in health administration, manpower training and extension of health care, to protect the greatest wealth a man has, which is his own health.

Dialogue With Opposition Will Not Impede PDS Program

[Question] Do you intend to build more hospitals?

[Answer] Of course, to preserve public health we shall take preventive measures; to recover it, we shall have a policy of rapid and efficient care. Our hospital system is still inadequate, especially in caring for the worker in big cities and small rural communities. We shall provide funds, in agreements with the federal and local governments, to build new hospitals, equipping them properly. We shall give sufficient help to the charity hospitals, Sao Pedro Hospital, Porto Alegre Hospital, private hospitals, encouraging private initiative as much as possible to invest in this area so important to the community. We must increase the number of beds, clinical analysis laboratories, rest homes, and manpower training, so that patients receive the best possible care.

[Question] What kind of help do you expect to get from the federal government?

[Answer] I am quite certain we can count on federal aid. We are a large producer of raw materials, our industry is the nation's most advanced, we are the second largest exporter of semimanufactured goods. For large-scale projects such as sanitation, low-cost housing, highways, among others, we shall call upon the federal government, especially because it still follows a policy of centralizing funds that impoverishes states and municipalities. But Rio Grande do Sul has always merited the best attention to its projects on the part of federal authorities. I am sure that policy will remain in force.

[Question] What will be your relationship with the opposition in the state?

[Answer] I don't expect great difficulties in administration with the opposition parties. I shall try to maintain the best relationship, because I believe that their members also want to work for the good of the people who elected them. I want to be the governor of all the people and for that I am counting upon the collaboration of those who find themselves vested with the power given them by the people themselves through their vote. At the moment, it is hard to speak of compromise. Of course, whenever the highest interests of the state are at stake, I shall seek dialogue and, if necessary, compromise. But I will be guided by the policies of our party.

[Question] To what do you attribute your victory?

[Answer] The election victory was a positive reply by the Rio Grande do Sul people to our message of work, especially for the benefit of the most needy. Our campaign was objective, frank and sincere. We never stooped to personal attack or retaliation. We kept the campaign on a high level. Furthermore, all the state's

voters had already known us a long time. We did not ask for their vote as an unknown quantity. We have evidence of buildings, work, dedication to the public cause in various sectors of state administration and, more recently, in the federal government. Our presence is an undeniable fact in our 244 municipalities. There are 600 health stations, a pharmaceutical laboratory, vaccination campaigns and hygiene awareness, accreditation of physicians, dentists, hospitals and laboratories. Our slogan: "He did it before; he'll do it again" was well understood and represented a vote of confidence to which we will respond with much work and dedication.

I want once again to call attention to the effective and decisive participation of President Joao Figueiredo in the election campaign. His presence in the state, at the rallies in Santa Maria and Pelotas, his determination to establish a free and democratic society through elections that he himself promised and guaranteed, strengthened the trust of the state's electorate. I also want to call attention to the untiring work of women and youth, very important causes for our victory.

[Question] What are the criteria for forming your cabinet?

[Answer] We are going through a process of democratic liberalization. Our party ranks have members of great distinction who are capable of filling these positions that, it must be remembered, are all positions of trust. In choosing names, I will want to hear from state and municipal political leaders so that the future cabinet represents the party's consensus and, moreover, that it be a real team, devoted entirely to the good of the state. I want to reiterate today my intention to appoint a woman to the cabinet and to offer key positions to the youth who will help us in the future government. This is a commitment I made in the political campaign and that I will faithfully fulfill.

[Question] Who will be the mayor of Porto Alegre?

[Answer] The name of the future mayor of Porto Alegre will be submitted at the appropriate time. Before then we must meet with political leaders of our party and other segments of the Rio Grande do Sul community. I want the next mayor of the state's capital to be a politician who is trusted by the state's governor, so that we can have an administration devoted to the outskirts, our villages, which have the biggest problems of health, safety and housing.

[Question] Do you favor direct election of mayors of state capitals?

[Answer] I am in favor of direct election at all levels, which includes mayors of state capitals. As a party member, I have to know what is the consensus of the majority. I am accustomed to adopting the position of the party's majority: I will adopt whatever is decided. My own personal position--and I have run in two direct elections--is in favor of direct election for mayors of state capitals. But democracy takes more than direct elections.

[Question] Are you for or against direct election of the president? Why do you advocate the candidacy of President Figueiredo for reelection? Do you think he would accept?

[Answer] President Joao Figueiredo is the man who is now in the best position to consolidate the process of democratic liberalization, conducted by him. The president is the big winner of the 15 November elections. And these elections, as we know, represented a new and important step toward institutionalizing the social democracy we are establishing. As for the possibility of President Joao Figueiredo allowing his name to be proposed for reelection, I am sure that the facts and the Brazilian people must surely convince him that this would be the best solution for Brazil. Brazilian legislation currently stipulates that the next presidential election shall be indirect. So there's no point in discussing that problem now.

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CSO: 3342/48

DETERIORATION IN FIGUEIREDO'S RELATIONS WITH PRESS CITED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Dec 82 p 5

[Text] Brasilia--The relationship between President Joao Figueiredo and the press is bad and in one aspect there is agreement between the reporters accredited to Planalto Palace and presidential aides themselves: it is getting even worse. Despite repeated conciliatory attempts by both sides, the president's reaction has always been negative, and small incidents have been frequent. Currently, whenever a reporter approaches Figueiredo to ask a question he already knows the possibilities of obtaining a reply are slim; he is most likely to hear an emotional outburst, often harsh.

The current situation contrasts sharply with the cordial and respectful relationship between newsmen and General Figueiredo during his campaign before becoming president and even in the first 2 years of his term. The rupture occurred after the Riocentro events, in which the government's passiveness in facing up to the problem was portrayed by the press and the internal disagreements in the power structure culminated in the dismissal of General Golbery do Couto e Silva, also discontent with the impunity of those accused of terrorist acts. From then on reporters began to endure the president's frequent displeasure, even during the campaign for the November elections.

At the same time, being annoyed for various reasons, for months the president has done without daily press coverage to transmit his ideas and governmental policies. This function became absorbed by the weekly Globo TV program, "The People and the President," in which for 15 minutes--with an average audience of 30 percent, considered excellent for the hour--he addresses the Brazilian public without restraint. There are no uncomfortable questions, the personal contacts with reporters disappear and replies are studied in advance.

Moreover, the program is transcribed the next day by most Brazilian newspapers, increasing the audience reached by the presidential message. Although there are letters sent and selected in advance, there are always questions about current topics and about which President Figueiredo would like to make an explanation. Examples: On the program immediately preceding the elections, Figueiredo gave his message about it; the same thing happened later, when he spoke on controversial topics such as the wage law and productivity indices that affect wage increases; or even the visit of President Reagan and Brazil's relations with the United States.

Whereas Figueiredo's participation in the Globo TV program became increasingly pleasant and relaxed, to the point of being practically unrehearsed, with impromptu questions and answers being used entirely by the production, in his appointments with the press Figueiredo showed increasing irritation with the presence of the press. During the most intense phase of the campaign, he postponed several appointments, but recording the Globo TV program received priority: no matter how many trips he made, he had to return--if only for 1 day--to Brasilia to record the program in Alvorada Palace.

Another indication of the president's change of attitude since the beginning of his administration is the publications of the Planalto Palace press secretariat. There are no longer any interviews, but previously they were bound in books and distributed. From April to December 1978--hence before he took office--there are 48 interviews listed in the volume "The Candidate and the Press," totaling 234 pages. Later, Said Farhat was dismissed as media minister and even accused of having made contacts between the president and the press, which had been direct, too informal.

In recent months, nearly all the restrictions on the work of newsmen, even those accredited by his press secretary, were by authority of General Figueiredo himself. He is unmoved by the advice of his aides and, without organized interviews or regular periodic meetings, every time the president appears reporters try to get some sort of statement out of him, sometimes in inappropriate circumstances. The president's reactions have been gruff and he no longer hides his dislike for the press in general and for some organs, such as O ESTADO DE SAO PAULO, in particular.

Former president Geisel never granted an interview in Brazil, doing so only on his trips abroad, a practice later followed by Figueiredo. However, on his recent trips the interviews, which previously were correct and serious, are no longer held and will probably not be held until he changes his attitude toward the press. This antipathy is limited to the Brazilian press and does not extend to foreign media. Since Figueiredo spoke at the United Nations and his speech was reported in a small one-column item with a picture on the NEW YORK TIMES front page, this edition has been reproduced and placed in an ornate aluminum frame on the wall of the main office of Planalto Palace's Information and Publication Secretariat.

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CSO: 3342/48

GOVERNMENT TO SPEND OVER 80 BILLION CRUZEIROS ON S&T BY 1984

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Dec 82 p 29

[Text] Brasilia--The government will invest 80 billion cruzeiros by 1984 to develop science and technology in industry, according to projections made yesterday in Brasilia by the chairman of the subcommittee for industry of the Consultative Council on Science and Technology of the CNPq [National Scientific and Technological Development Council], Jose Israel Vargas. In the presence of government authorities, business leaders and industrial managers, the council announced yesterday the entire program in science and technology for industry, formalizing dozens of projects in this area and opening the way for the debate about some legal aspects related to scientific and technological development.

Vargas asserted, for example, that the possibility should now be debated of allowing business firms a discount on their income tax for investment in projects of scientific and technological development. "We have given only financial incentives to firms, whereas there are really other forms of incentives, such as technology. This would also be a way of getting around GATT, as other countries channel a good part of their incentives to science and technology, while in Brazil, as the incentives are financial, there are problems with GATT."

Among legal and institutional mechanisms for industrial technology that merit attention, Vargas mentioned the example of South Korea, which created a fund to develop its own technology with funds equivalent to the cost of importing technology. He also commented that the economic crisis will not affect technology, noting that Brazilian technology is always developed in moments of crisis. "The much-talked-about decrease of \$6 billion in imports, for example, will result in a need to produce in Brazil what was imported, and for this we shall need technology," he asserted.

Imports

This year expenditures on technology imports will be less than \$500 million, Jose Israel Vargas asserted, saying that the amount of \$2 billion reported recently was incorrect. The biggest contracts for importing technology this year were in petrochemicals, steel and nuclear energy, while the biggest contracts for exporting technology were in the areas of alcohol (distilleries and projects), natural resources and tropical agriculture, "technologies that only Brazil has and can export."

The program for the industrial sector, announced yesterday by the CNPq, emphasizes energy, import substitution and increased production of mass consumption goods, Vargas said. For the CNPq president, Linaldo Cavalcanti de Albuquerque, there was much criticism because the III PBDCT (Basic Plan for Scientific and Technological Development) is a summary document, without physical goals or an estimate of funding, a problem that was solved with approval of the "Programmed Actions" prepared with the participation of business leaders, technological institutions, government authorities and scientists, "which gives great legitimacy to the plans."

Activities in the industrial sector are divided into groups for "capital goods," "consumer goods," "instrumentation," "chemicals, petrochemicals and pharmaceuticals," "transport materials," and "basic metallurgy and intermediate metallic, cement, cellulose and paper goods."

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CSO: 3342/48

OPPOSITION TO CONTROL 75 PERCENT OF GDP IN 10 RICHEST STATES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Dec 82 p 11

[Text] Brasilia--Now that the tally has been finished for the 15 November elections--except for some challenges that should not change the outcome--it is confirmed that the opposition has conquered the bigger share of the nation, in economic as well as in demographic and electoral terms.

The 10 states that starting next year will be governed by the opposition--Acre, Amazonas, Para, Goias, Mato Grosso do Sul, Minas Gerais, Espirito Santo, Sao Paulo and Parana by the PMDB [Brazilian Democratic Mobilization Party] and Rio de Janeiro by the PDT [Democratic Labor Party]--represent 62.1 percent of the nation's electorate, 59.5 percent of the population, 74.9 percent of gross domestic product (GDP) and 74.05 percent of revenues from the tax on circulation of merchandise [ICM] throughout Brazil (1981 data).

The 12 states that continue in the hands of the PDS [Social Democratic Party]--Maranhao, Piaui, Ceara, Rio Grande do Norte, Paraiba, Pernambuco, Alagoas, Sergipe, Bahia, Santa Catarina, Rio Grande do Sul and Mato Grosso--represent 37.9 percent of the nation's electorate, 40.5 percent of the population, 23.9 percent of GDP and 25.2 percent of ICM revenue.

The opposition thus represents almost two-thirds of the national territory--about 60 percent of the Brazilian population, more than 60 percent of the electorate--and dominates the most important area from an economic point of view, an area that contributes three-fourths of the GDP and three-fourths of the ICM receipts of the entire nation. It also has a combined majority in the Chamber of Deputies. It will not have a majority in the Senate due only to the great number of "bionic" [appointed] senators still loyal to the government, nor in the electoral college (thanks to the artifice of Amendment 22, which gave proportionately more representation to the small states) that will elect President Figueiredo's successor early in 1985.

In view of this situation, neither PDS nor opposition politicians believe Figueiredo can, in the words attributed to him, "turn the map of Brazil upside down and govern with the Northeast." According to PDS president Senator Jose Sarney, this was merely "a manner of speaking in which the president sought to convey his satisfaction with the PDS electoral results in the Northeast."

Politico-Economic Situation

Key:

1. States where the opposition was victorious
2. State
3. Electorate
4. Population
5. Percentage of GDP
6. 1981 ICM Revenue
7. Acre
8. Amazonas
9. Para
10. Minas Gerais
11. Espirito Santo
12. Sao Paulo
13. Parana
14. Mato Grosso do Sul
15. Goias
16. Rio de Janeiro
17. States where the PDS was victorious
18. Maranhao
19. Piaui
20. Ceara
21. Rio Grande do Norte
22. Paraiba
23. Pernambuco
24. Alagoas
25. Sergipe
26. Bahia
27. Santa Catarina
28. Rio Grande do Sul
29. Mato Grosso

QUADRO POLÍTICO-ECONÔMICO					
ESTADOS ONDE A OPOSIÇÃO FOI VITORIOSA: (1)					
PMDB:	(3)	(4)	(5)	(6)	
SIGLA (2)	ELEITORADO	POPULAÇÃO	PIB %	ICM-81	%
AC (7)	115.474	302.662	0,13	375	0,04
AM (8)	542.449	1.427.784	0,69	6.559	0,75
PA (9)	1.522.999	3.410.088	1,07	5.321	0,61
MG (10)	6.855.241	13.389.605	8,37	85.250	9,74
ES (11)	971.658	2.019.877	1,12	14.620	1,67
SP (12)	13.144.018	25.036.171	39,29	368.451	12,09
PR (13)	4.173.922	7.729.405	5,48	44.000	5,02
MS (14)	750.047	1.367.197	0,50	13.225	1,51
GO (15)	2.048.618	3.864.629	1,57	16.432	1,87
TOTAL	30.124.426	55.040.740	—	554.233	63,30
PDT:					
RJ (16)	6.204.480	11.300.665	16,68	94.170	10,75
TOTAL	36.328.906	66.341.405	74,90	648.403	74,05
Estados onde o PDS foi vitorioso: (17)					
MA. (18)	1.447.578	4.000.083	0,84	4.426	0,50
PI. (19)	970.888	2.138.790	0,38	2.648	0,30
CE. (20)	2.498.671	5.297.750	1,50	12.220	1,40
RN. (21)	955.932	1.901.745	0,57	4.250	0,48
PB. (22)	1.275.613	2.769.521	0,76	7.000	0,80
PE. (23)	2.542.935	6.147.080	3,03	27.174	3,11
AL. (24)	734.325	1.989.703	0,67	7.204	0,82
SE. (25)	470.471	1.136.951	0,37	3.200	0,36
BA. (25) (26)	4.258.736	9.472.523	3,51	38.838	4,44
SC. (27)	2.136.563	3.631.368	2,75	28.000	3,20
RS. (28)	4.329.552	7.778.162	8,91	80.040	9,15
MT. (28)	580.483	1.138.866	0,61	5.633	0,64
TOTAL (29)	22.501.747	47.402.542	23,90	220.633	25,20

The region, according to Sarney, voted heavily for the PDS "as a sign of its gratitude for what the government has been doing for it." And this policy of special aid for the Northeast, intended to reduce the economic gap separating that region from the developed Center-South, the senator promises, will continue. "It is not intended to harm the Center-South, but to benefit Brazil as a whole. Nor would the Center-South want to see an underdeveloped Northeast that is a permanent focus for social tensions," he remarked.

Hence, according to the PDS president, there will be no change in the federal government's policy toward the states and regions due to voting results. The federal government "will maintain with the states governed by the opposition a relationship based upon constitutional rules and favoring the nation's best interests."

Opposition congressmen are also certain this will occur. The president, they believe, may, in occasional flights of eloquence, express his preference or gratitude for the Northeast, but national interests will compel him to provide fair treatment for the oppositionist Center-South, as the region, they note, comprises the economic heart of Brazil. After all, states such as Sao Paulo, Parana, Minas Gerais and Rio de Janeiro provide a major part of Brazil's exports. Espirito Santo has works considered of great importance for the nation, such as the plant and port of Tubarao; Para has the Carajas project; Rio de Janeiro has the first nuclear plants.

It is impossible for the president to "turn the map of Brazil upside down," failing to pay attention to the nation's economically most active region in order to "pour money into the Northeast to reward the local political bosses who assured the PDS victory," the opposition warns.

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CSO: 3342/48

COLUMNIST ANALYZES CHANGES IN PRESIDENT'S ECONOMIC PLAN

Santiago LA TERCERA DE LA HORA in Spanish 12 Dec 82 p 3

[Editorial by Pablo Rodriguez]

[Text] Both the opposition and the right are uneasy about the president's most recent statements on increasing the government's concern for the most disadvantaged Chileans. Both sectors will use all means at their disposal to provoke a split between the people and the Armed Forces, the former with the intention of weakening and destroying the regime, the latter with the goal of keeping their superiority--until now decisive--in the government. Nothing better, then, than to brand the president's rapprochement with working men and women as "populism" and to define that term in a pejorative way as the demagogic and interested blandishments of the president toward the people. Some people in desperation have dared to predict that these events show an intrinsic weakness in the regime, which can only be strong as long as it does not stray far from the elite and/or the classes that call themselves enlightened. As always happens, the truth is very different from the way the partisan and pseudoaristocratic branch describes it.

Until 1981, two sectors had predominant influence in the military government: the civilian group that manages the economic system, known as the "Chicago boys," and the so-called "unionism" that originated in the Catholic University and almost monopolistically supported the public duties given to civilians. They are the ones who drew up the economic plan and had the greatest influence in the institutional project and the country's political course during the past few years. The Fernandes De Castro cabinet--which lasted almost 4 years--best encompassed both influences, which complemented each other, forming, as the minister of the interior at that time said, a harmonious and indissoluble whole.

The recession that developed in 1982 showed two things: first, that the economic plan had been badly applied, tripling the effects of the crisis and its consequences; and second, that the civilian support offered by "unionism" (closely linked to the financial plutocracy) split, showing itself unable to overcome the emergency. From that moment on there have been signs of the work of the large economic groups which for years, instead of creating wealth through productive investment of resources, prefer the financial game of building houses of cards that collapse at the first breeze. "Unionism," avoiding its responsibility, suddenly calls for ideological debate and the creation of consensus and national unity in an easy-going rapprochement with political sectors that had been supplanted until yesterday....

In this scenario, can the government adhere to its original political strategy? Where will the weakening of its fundamental pillars lead? Can it conclude its political plan if its support continues to come from an elitist faction and a very tiny nucleus of ultraliberal technocrats?

I have the impression that his excellency the president sees the need to change strategy, without changing the goal the Armed Forces set for itself when it came to power. It is an indisputable fact that none of its major goals can be reached without creating a grassroots force which can neutralize the forces which, both inside and outside Chile, make weak but noisy partisan scenes in recess. Obviously, if they are unopposed they will be successful, and soon, if they are able, exploit the economic difficulties and cause a political crisis for us. This is confirmed by the nimble shift by some government "partisans" toward an "opening" position. So a restatement of the situation is timely. To approach the people, their worries and needs; neutralize the abuses of the civilian group which, until now, has held most of the power; punish the serious legal infractions and the moral excesses that have taken place in the financial administration; attempt a fair redistribution of national income; and arbitrate the measures to fairly divide the burden of the crisis, is not a populist strategy, but rather popular, and the only one that can be reconciled with the goals of the military government. Thus it has nothing to do with an opportunistic outlook. Those who present it that way are doing nothing but revealing their fears and their ancestral repugnance for true democracy, which is built with the people and not in elitist cocktail parties or by calling for the reinstatement of a selective and outdated partisanism.

8587

CSO: 3348/150

COUNCIL APPROVES LAWS, SETS UP SECRETARIAT OF PRESIDENCY

Santiago EL MERCURIO in Spanish 17 Dec 82 p C 3

[Text] In yesterday afternoon's ordinary session, the Government Junta approved three bills, among them the creation of the Secretariat General of the Presidency, an organism that will be the only direct advisor to the president.

The other legal bills approved by the Junta include one to extend the period for the Production Development Corporation [CORFO] to divest themselves of property they still hold, and a bill of agreement, which approves the trade agreement between Chile and El Salvador.

Moreover, the top organ of the Legislative Branch recognized three messages sent by the office of the president. The first one adds a fifth temporary article to Decree-Law 2145 of 1978, the intent of which is to correct the situation affecting the career of some judicial officials, caused by the creation of the President Aguirre Cerda Court of Appeals. It was established in the Second Legislative Committee, by ordinary proceedings. The second is the Bill of Agreement approving the agreement creating the Latin American Consultative Board of Directors of Geological Services, signed by referendum by Chile in Caracas on 7 June 1982. It was sent to the Fourth Committee, by ordinary proceedings. The third was the Bill of Agreement approving the Treaty on Recognition of Studies and Exercise of Professions, signed with Colombia in Bogota on 17 June 1981. That also remained in the Fourth Committee with the usual proceedings.

Secretariat of the Presidency

This bill, which was handled in the Fourth Committee with simple urgency creates a secretariat under the direct control of the president, to advise him on administrative and co-legislative matters; to facilitate the performance of his duties and the powers that the constitution and the laws of the republic give the president; and to provide the coordination and information necessary for the president to make decisions regarding national policy.

Terms for CORFO

This bill, coming from the First Committee by ordinary proceedings, among other things is intended to extend the period for CORFO to divest itself of property until 31 December 1984.

8587

CSO: 3348/150

FREE TRADE ZONES' TOTALS FOR 1982 ESTIMATED

Santiago EL MERCURIO in Spanish 17 Dec 82 p C 13

[Article by Francisco Enterovic]

[Text] Punta Arenas--Trade in the two free trade zones of Iquique and Punta Arenas is estimated at \$1.2 billion this year.

That fact may be concluded following statements this morning by Zofri [Iquique Free Trade Zone] manager Patricio Pina, who was invited to the southern district by the intendent there, Maj Gen Juan Guillermo Toro Davila.

The volume of trade in far north free trade zone will be \$800 million; figure for the southern zone will reach \$400 million.

Since they were created in the second half of 1977, the two zones have recorded total trade volume of \$6.2 billion.

Last year, Iquique showed trade worth \$1.266 billion, while Punta Arenas produced \$484 million. The Zofri executive remarked, "Last year was good. This year imports and tourists have both declined."

Perspectives

He said that the free trade zones "really aspired to become the warehouse of the Southern Cone and are trying to become the mechanisms for bringing in national merchandise."

Law 18.110 permits bringing national products into the free zone, he said, "and we have had a volume worth 80 million pesos in that area since August." He also is trying to increase trade with the Peruvian, Bolivian, and Argentine markets: "We are even studying the possibility of establishing some representatives with their own offices in those areas in order to have a full-time presence."

He reported that they had continuous contact with the administrative association of the Punta Arenas free zone, which allows them to continue to improve the system, because "one very important advantage that the free zones should offer is speed and low cost."

Parenazon

Leandro Omega, director of Parenazon [Punta Arenas Free Trade Zone], expressed support for creation of a seaport, permitting Punta Arenas to offer an alternative for hundreds of ships that cross the Strait of Magellan, offering supplies and service docks.

"We are confident that when the crisis affecting not just Chile but the entire world has been resolved, we would, gradually, consolidate the triangular trade aspect," he said.

The infrastructure of the Strait of Magellan free zone, with over 60,000 square meters of buildings and warehouses representing an investment of about \$35 million, is a good alternative for storing the products of Brazil, Paraguay, Uruguay, Argentina, South Africa, and from there sending them on the the rest of the country of to four [other] countries.

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CSO: 3348/150

RISQUET DISCUSSES SNTMPP ACTIVITIES

Havana GRANMA in Spanish 26 Nov 82 p 3

[Article by Gladys Hernandez]

[Text] "It is fair to underline the role played by bulk sugar terminal port workers in the past sugar harvest when, in close coordination with the sugar mills and transport workers, they succeeded in shipping the production of a big harvest without causing significant difficulties or bottlenecks in the systems and networks. They set a record for a month in the long Cuban sugar exporting history by shipping 1.182 million tons of bulk sugar in March," Jorge Risquet, member of the Party Politburo and Secretariat, has noted at the closing session of the second congress of the National Merchant Marine, Port and Fishing Workers Union [SNTMPP].

This important labor meeting, explained Risquet, is called the second congress because the fishing workers joined the merchant marine and port workers in the previous one. However, it could very well be called the third if one takes into account the historic plenum chaired by Fidel 11 years ago from which a new stage in the union's existence emerged -- the Aracelio Iglesias Union.

He then noted that the main report, enhanced by the participation of many delegates, analyzed the work done over the past 5 years by the more than 62,000 union members and their contribution to national economic development.

The party leader underscored the forcefulness and determination with which several delegates -- Ignacio Martinez, Jesus Gonzalez Zelada and Jorge Fernandez -- spoke against the antisocial elements who commit crimes in the ports. He said these are small groups that have nothing to do with the true port workers and are parasites against whom the most resolute labor action will be undertaken from this moment on to eradicate them.

Achievements

Risquet said the port workers' effort and dedication over these years have been supplemented by a number of economic measures taken by the revolutionary government since the plenum with Fidel which have contributed decisively to the achievements attained. The most salient achievements are:

-- Construction of 13 new wharves and reconstruction of 11 others for general cargo operations.

- The new grain terminal in Cienfuegos and expansion of the one in Havana.
- Improvement of working conditions by the introduction of mechanization for unloading bulk fertilizers and of the unitized cargo method.
- Assignment of hundreds of technological equipment to the ports, such as hoists and cranes of different types, tractors, trailers, among others.
- Substantial increase of palletization.
- Noteworthy increase of containerized cargo.
- Creation of schools for training port specialists from which more than 700 mid-level technicians and 200 engineers have graduated.

Efficient Operation of Ship-Port-Transport-Domestic Trade Chain

"The party, state and labor movement over recent years have devoted their attention to the efficient operation of the ship-port-transport-domestic trade chain, in which ports and ships are two of its fundamental links," explained the party leader.

He then pointed out that in response to the call of the party, local people's government organs, CTC [Central Organization of Cuban Trade Unions] and Transportation Ministry, the port workers, truckers, railroad workers and those of the domestic trade warehouses took on the task of revising this complex merchandise distribution system, detecting and eliminating bottlenecks that were obstructing the flow of shipments.

He added: "The labor feats accomplished and technical-organizational measures adopted to solve this problem have been countless. As a result, the risk of incurring significant foreign exchange losses was eliminated."

He went on to explain that despite the achievements in this vital activity which affects the entire national economy, quite a few deficiencies and insufficiencies still exist.

Regarding deficiencies in the chain, he emphasized that several Havana port comrades who spoke at the congress explained that the excessive storage of merchandise obstructs the operation of ships.

"It is necessary that the state central administration agencies and their enterprises throughout the country, particularly in Havana City, continue to commit themselves to the measures designed to eliminate the existing deficiencies in the system of merchandise distribution from the ports to domestic trade warehouses. All the workers in the chain have expressed their will vigorously. The work of the Administration must be equal to the effort made by the working class," said Risquet.

Increased Tonnage of National Fleet

Risquet stressed in his remarks that 18 new ships with a capacity of 286,000 deadweight tons were added to the Mambisa Shipping Enterprise, thereby increasing by 24 percent the fleet's capacity which currently amounts to 877,000 deadweight tons.

He then said: "If we were to compare this with the 14 ships with a capacity of 58,000 tons that existed at the triumph of the revolution, we could see that ships with a total capacity five times greater were acquired for one of the shipping enterprises in only 5 years."

Referring to the lower yield of the fleet's capacity, he emphasized that over the first 9 months of this year the capacities lost to eventual repairs, in many cases as a result of breakdowns, were the equivalent of having had four ships of 10,000 deadweight tons each inactive for a year.

Continuing, he added: "It is obvious that there has been a serious deterioration of the technical condition of the merchant fleet over these years. This has been caused by negative factors of various sorts, the most salient being the deficient work of administrative and labor management organizations, relaxation of labor discipline, lack of exigency and certain limitations of a material nature."

The [Transportation] Ministry adopted adequate measures to correct this state of affairs and the union also paid the necessary attention to the work of union sections in the merchant fleet. In both cases, it was necessary to change cadres and to radically change the work style, added the Politburo member.

Concluding with this subject, he said: "Today we have confirmed with satisfaction the favorable changes being made in the Mambisa Shipping Enterprise's merchant fleet." He added that the seamen's enthusiastic reception of the "Red Hot Socialist Emulation in the Fleet" and the initiatives which this movement has generated are encouraging.

He further emphasized that the Caribbean Shipping Enterprise, for its part, added a total of 18 freighters with a total capacity of 73,000 deadweight tons to its fleet over the past 5 years, and it now has 37 freighters with a total capacity of 164,000 deadweight tons.

Risquet stressed the importance of coastal shipping in our country -- as clearly defined by our commander in chief at the union's 1971 national plenum -- and the need to develop it to the maximum. He added that workers of Caribbean Shipping Enterprise ships often are heard to say that their effort is lost either because their tanker ship is used as a warehouse or the sum agreed upon is not paid for the product being shipped.

Risquet criticized the instability of passenger service to the Isle of Youth on Kometa launches, adding: "We believe it is imperative that the Caribbean Shipping Enterprise and the Transportation Ministry's maritime section find the causes of this situation and take action to correct it."

Systematic Objective of Fishing: Raising Efficiency of Capacity

"Fishermen know that increased efficiency in the utilization of fishing capacities of the fleets is a systematic objective. The aim is to attain more fishing days. Over recent years, meeting the number of fishing days has been affected by repair problems, logistic support, and fishing resource limitations in one area or another which require the relocation of vessels, cause expenditures on fuel and reduce fishing days," he said.

He emphasized that efforts, already materialized, must continue to offer products that the people can consume easily, which also makes the job of a working woman easier. And he added: In this regard, the Domestic Consumer Demand Institute must support the effort of the Fishing Industry Ministry by conducting investigations and surveys to determine the tastes of the population.

He went on to say that the sustained trend of increasing fish exports every year is a challenge to the Fishing Industry Ministry and represents a need for the nation's economy. "We are certain that the fishermen will respond," he stressed.

In his remarks, Risquet likewise referred to the importance of pisciculture as a strategic source of food for the people, saying its growth must continue.

He emphasized that pisciculture researchers should expand their work to respond to the country's prospects for total fish catches, whose potentials are incalculable. He then added: "The established pledge to fish 12,000 tons this year must be increased annually so as to honor the Third Party Congress with an over-fulfillment of the 35,000 tons expected for the 5-year period [1981-85]. We are certain that it will be achieved because the revolution has confidence in the mass of Cuban fishermen."

General Wage Reform

The work of the ministry and union, emphasized Risquet, has resulted in implementation of the General Wage Reform. We now must follow closely how the system of pay for piecework with bonuses to fishermen works so that it always represents the fair pay that society makes for this hard and selfless work for the benefit of the people.

He immediately said: The work to adjust the [pay] systems to include industrial workers must be concluded promptly so that there can be adequate income comparability between the different types of fisheries workers who interdependent work guarantees the quality and offer of products.

He attached great importance to the problems presented by delegates concerning working conditions and wages of workers of fish processing centers.

He also emphasized that the union worked hard to implement the General Wage Reform, which in the merchant and fishing fleets represented a substantial pay rise for the crews.

He said the General Wage Reform in the ports is approaching its gratifying materialization, following a long period of studies -- longer than necessary -- discussions and adjustments.

Elsewhere in his remarks, Risquet referred to the struggle to save and recover spare parts. He added that the production of parts where feasible and profitable, the recovery of fishing equipment at all fisheries where possible, and the adequate use of fuel, lubricants and other energy sources are, among others, activities that must be intensified by the enterprises and ministry.

He said the fishing industry has been cutting costs little by little, but the profitability level still is not high. He added that the task of cutting costs must be the goal in every ship, every shop and every production center.

He further emphasized that management must raise the quality of economic analyses, thereby producing plans on specific measures that guarantee their timely fulfillment.

Further on he referred to the advances, although modest ones, that have been made in occupational health and safety where the accident rate has been cut by 34 percent. He added that the workers are constantly concerned over the timely delivery of safety equipment as well as over the quality of some of the equipment, particularly gloves. "It is necessary that the respective ministries make a special study of these difficulties and pursue possible solutions with the pertinent organizations," said Risquet.

This is a Congress of Successes

After noting the importance of production meetings and of the struggle that must be waged against the deficiencies that affect such meetings, and the significance of the "Red Hot Emulation" in the ports, Risquet said: "We do not exaggerate when we assert, with absolute conviction, that this is a congress of successes. In almost all the branches of work covered by this union, there have been advances, higher production and productivity, and improvement of the principal economic efficiency indicators."

Concluding, he said: "The leadership of our party is satisfied with the achievements you have attained, more so because we are certain that what you have achieved is the starting point toward new successes.

"Our heartfelt congratulations to comrade Evaristo Baranda and to the members of the Secretariat and National Committee elected by this congress. We wish them new successes in their work."

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CSO: 3248/397

BRIEFS

BLAST AT SURINAME--Roseau, Mon., (AP)--Dominica Civil Service Association has called for the exclusion of Suriname from all Caribbean Community (Caricom) organisations until constitutional Government is restored in the former Dutch colony. The petition was made in a cable to the Caribbean Congress of Labour during its meeting in Bridgetown Barbados, to discuss the position of Suriname's labour unions in the wake of the shooting deaths of at least 15 persons accused of planning a Christmas Day coup. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 17 Dec 82 p 5]

CSO: 3298/275

BRIEFS

EQUIPMENT FROM CUBA--St George's, Fri., (Cana)--Grenada has taken delivery of more than two million dollars (one EC dollar--37 cents U.S.) worth of agricultural equipment from Cuba with which it established diplomatic relations at ambassadorial level three years ago. According to the State-owned "Radio Free Grenada," the 23 tractors, 12 ploughs, 18 planters, 40 accessories and two years supply of spare parts will help in the development of the country's agricultural sector. The radio report quoted an official of the Ministry of Agriculture here as saying that the agricultural equipment will form the nucleus of a national machinery pool which is expected to become operational early next year. According to a Cuban embassy official here, 17 more tractors are to be delivered next February. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 11 Dec 82 p 4]

AGRICULTURAL TRAINING SCHOOL--The People's Revolutionary Government of Grenada has opened its agricultural training schools--the latest at Six Roads in Carriacou. It has been named the Fitzroy Dick Agricultural Training Centre in commemoration of a Carriacouian member of the PRG who was accidentally killed in training two years ago. Construction of the centre started late in March and received a boost when students of the Institute for Further Education gave up a part of their summer holidays to assist. The completed buildings house two sets of classrooms, a library, an assembly hall, an administrative section, offices and housing for staff and a kitchen and dining area. The school has a 90-acre farm--the largest of the three agricultural schools--and already three acres have been planted in onions and beans. This has been undertaken by the 20 students who registered in advance of formal classes beginning next January. At that time five more students will be registered. [Text] [Bridgetown THE NATION in English 7 Dec 82 p 7]

YOUTH ARRESTS--St George's, Grenada, Sunday, (CANA)--Grenada police on Friday raided a run down area of the capital, St George's, arresting more than 15 youths for questioning in connection with a series of recent crimes mainly theft, informed sources said yesterday. The sources said police cordoned off the area and detained the youths who included members of the Rastafarian Movement. [Text] [Bridgetown ADVOCATE-NEWS in English 13 Dec 82 p 12]

CSO: 3298/255

BURNHAM EXPOUNDS ON DEVELOPMENT AT PLANT OPENING CEREMONY

Bridgetown ADVOCATE-NEWS in English 7 Dec 82 p 3

[Text]

GEORGETOWN, Guyana, Monday, (CANA) — President Forbes Burnham says the Guyana Government has no objection to overseas private investment provided the terms are clearly identified and agreed upon.

He made the statement while welcoming private investment from abroad in a \$32 million plant of the Seals and Packaging Industries Limited (SAPIL) on the East Bank of the Demerara River.

Speaking to hundreds of guests including local and foreign dignitaries, President Burnham said there were two conditions for development — the sincerity of the government to give encouragement to those who want to develop the country and co-operation from every sector of the economy.

"I should hope that as we gaze upon this edifice we will

all remember that all of us have to make a contribution to true real development," he said.

The plant is a joint project between government and private investors with its various financiers including the United States Export Bank and the Caribbean Development Bank (CDB).

The plant is designed to produce corrugated board and cardboard cartons and is already turning out 16 000 boxes an hour at 30 per cent of its production capacity. Forty people are employed.

Yesu Persaud, head of the Guyana Liquor Corporation team which co-ordinated the execution of the project, said the plant was the largest and most modern of its kind in the Caribbean and would employ 65 people when it goes into full production.

Noting that major inputs into the plant of paper, cardboard, starch and glue have to

be imported, President Burnham urged that the use of recycled paper and cardboard be explored.

He said the Ministry of Agriculture intended to produce trees with a five to seven-year maturation period for the plant.

He also called on Guyanese to make sacrifices for the sake of development. "We cannot scatter away our resources on conspicuous consumption on commodities not necessary for survival and expect to prosper," he said.

And these sacrifices have to be made by all... not only by the ordinary man but also by those who smuggle out the money they make in the country."

Project coordinator Jesu Persaud is expected to visit several Caribbean countries and establish markets for the plant's products shortly.

DUNCAN RESIGNS AS GENERAL SECRETARY OF PEOPLES NATIONAL PARTY

Kingston THE DAILY GLEANER in English 18 Dec 82 p 1

[Text]

Dr. D. K. Duncan, General Secretary of the People's National Party, handed in his resignation from that post to Party President Michael Manley on Monday, December 13, a source told the *Gleaner* yesterday.

Dr. Duncan the PNP's Member of Parliament for East Central St. Andrew, attempted to resign the post earlier this year but it was reported that the Party's executive did not accept his letter of resignation.

The resignation hinged on Dr. Duncan's trial in the Gun Court, as he stated in his letter that although he knew that he was innocent of the charges he wished to save the Party any embarrassment. He added too, that he wished to concentrate on his dental practice. Dr. Duncan was cleared of the Gun Court charges on March 10.

A source close to the PNP said that Dr. Duncan was resigning to devote more time to his dental practice. The National Executive Committee will consider Dr. Duncan's letter of resignation in early January.

In October, prior to the PNP's annual conference, Dr. Duncan again offered to resign as General Secretary of the Party but following discussions at the level of the National Executive Council, "a resolution was passed unanimously calling on him to continue in the post whereupon he indicated his willingness to continue to serve."

Dr. Duncan, 42, was elected unopposed as General Secretary of the Party in June, 1974 succeeding Mr. Kenneth Chin-Onn. He attended Jamaica College and graduated from McGill University in 1967, returning home to practise dentistry in Kingston and Brown's Town.

CSO: 3298/276

PROVISIONS OF AMENDMENTS TO GUN COURT ACT REVIEWED

Kingston THE DAILY GLEANER in English 18 Dec 82 pp 1, 13

[Text]

Act (Amendment) was accepted by House on Tuesday, one of the highlights was the amendment to Subsection (5) of Section 20 of the Firearms Act.

in possession of a firearm but associated with someone else who is, only if there is evidence that he was present aiding and abetting the person who carried the firearm.

Editor, the Minister of National Security and Justice Mr. Winston Spaulding has summarised the highlights of the Gun Court (Amendment) Bill.

Gun Court will now have full discretion to adjust the level of sentence to the circumstances of the offence and the record of the offender.

Section 20 of the Firearms Act

provision... person who carried the firearm.

Children under 14 years of age are no longer to be tried in the Gun Court unless they are involved in a joint trial with a person over 14 years.

The Juveniles Court which is the most suitable forum for dealing with cases affecting children will thus be restored to its proper position in firearms offences.

although tried in the Gun Court will now have the benefit of a recommendation from the Court that they be detained in some place other than a prison.

- Authority is now given to the Resident Magistrate attached to the Gun Court to handle all ancillary matters that may arise before the actual day of trial and thus reduce the time currently wasted in making applications on the day of trial itself.
- The Resident Magistrate's Court in all parishes except Kingston, St. Andrew and St. Catherine will be able to decide whether a particular charge could well be dealt with in the Resident Magistrate's Court itself or needs to be tried in the Gun Court.
- A Resident Magistrate in any parish other than Kingston, St. Andrew or St. Catherine will be empowered — (a) to commit, without holding a preliminary examination, a person charged with a firearm or offence which is not a capital offence, for trial during the next ensuing sitting of the Circuit

Court for that parish before the Circuit Court Judge sitting as the High Court Division of the Gun Court; (b) to hold a preliminary examination where the person is charged with a capital offence.

Provision is also made in the Bill for a Resident Magistrate after consultation with the Registrar of the Supreme Court, to assign cases referred to in paragraph 8 above for trial in another parish. The Resident Magistrate is also given a discretion to grant bail to any person whose case is being transferred to the Gun Court for trial.

As previously stated on several occasions the review of the cases of persons now serving mandatory sentences of life imprisonment will be undertaken by the appropriate authority under Section 90 of the Constitution of Jamaica."

MAJOR CHANGES IN KINGSTON TRANSPORTATION PROJECTED

Kingston THE DAILY GLEANER in English 18 Dec 82 p 10

[Text]

'Revolutionary changes' including the introduction of a traffic ticket system, a proper taxi system, changes in the road code and an overall proper manageable transportation system in the Corporate Area will be taking place next year.

The Public Utilities Minister, the Hon. Parnell Charles in announcing these changes also called for the abolition of the Act Policy dealing with motor vehicle insurance.

Minister Charles who was speaking at the 13th annual Road Angel Award Ceremony of the Insurance Company of the West Indies (ICWI) on Wednesday, said that there were problems with traffic and the road system in the Kingston Metropolitan Region.

He said that the draft of the Kingston Metropolitan Region Transportation system was completed and sent off to the World Bank to be evaluated on Wednesday and that it was hoped the report from

the World Bank would be back for the introduction of 'a proper, manageable transportation system for the Kingston Metropolitan Region'. He said that as a country we could not invite people to visit without providing proper transport for them.

Turning to the situation where many persons used their small cars as taxis at nights, Mr Charles said that the government was desirous of having a proper taxi system for Kingston and St Andrew specifically in light of the hosting of the International Seabed Authority. He said that they would also be looking at one for the rest of the island.

The Minister said that he was seeking the co-operation of the insurance companies in establishing a proper metered taxi system and telephone system where customers could telephone for a taxi and have it properly sent to them with a working meter. 'Without this I would not consider my job done next year', he said.

He added that people should prepare themselves for proper meters and depots where customers could telephone for taxi service. However, a proper transport system needed good insurance and improved discipline.

Mr Charles stated that he thought it unfair to ask the minibus drivers to have insurance of \$400,000 to cover passengers, when there were persons 'out there driving with a thing called Act Policy'. 'I want to call for the abolition of the Act Policy. I think that if you have a taxi carrying people's lives in there, you must be properly insured. I am seeking the co-operation of the insurance companies to see to it that proper insurance is given to people who are carrying other people', the Minister said.

Under the Act Policy, the traffic law requires that anybody operating public passenger vehicles, must have minimum insurance of \$10,000 for injuries for

may be hit down. Mr Charles pointed out that the policy only covered persons, there was no compensation if that vehicle hit another. 'We want a reorganisation. We want it to cover motor vehicles'.

Turning to discipline, he said that there was a new spirit in the Police Force, specifically in the Traffic section, pointing out that much time was spent by the Police in the Traffic Court. He said that next year there would be the introduction of a traffic ticket system in Kingston and St Andrew. 'The Police are not going to be tied up all day in the Traffic Court and those people who have an accident every week are not going to have a licence', the Minister stated.

'There is going to be a revolutionary change in the whole transportaion discipline in Kingston and St Andrew next year...there are going to be some revolutionary changes in the road code next year', the Minister declared. He said that this was now being worked out by the Ministries of Works, Justice and Public Utilities and an appropriate announcement would be made early next year.

He said that the indiscipline in driving was a reflection of what went on in the society and if it was not corrected then we would continue to have 'road hogs'. This, he said, would not just be the work of the police and the law, but he was looking forward to developing a

system where people's own understanding of each other would make it unnecessary to have laws.

Mr Charles also complained about the problem with valuation of cars before they were insured. He said he was wondering if a revolutionary approach could not be taken in the Insurance Industry where, when someone wanted his car to be insured, he could have somebody to value it.

He commended the winners of awards pointing out that safety on the roads was very important and that efforts would have to be made to work with the Police, drivers and insurance companies to bring back discipline to the country.

CSO: 3298/276

CANADA TO PROVIDE VETERINARY DRUGS, OTHER ASSISTANCE

Kingston THE DAILY GLEANER in English 18 Dec 82 p 19

[Text]

The Minister of Industry and Commerce, the Hon. Douglas Vaz, and the Canadian High Commissioner, Mr. David Reece, headed local officials on Thursday morning at Port Bustamante, to view the first bulk shipment of veterinary drugs and laboratory equipment valued at \$1,628,961, provided under a line of credit from the Canadian Government through the Canadian International Development Agency (C.I.D.A.)

The second bulk shipment under the \$14.5 million line of credit signed in August last year is slated to arrive in February. The loan is interest-free with a grace period of ten years and a repayment period of 40 years.

The agreement provides for the supply of veterinary drugs, laboratory equipment and trucks for the agricultural sector. The fertilizers have already been supplied while the trucks are scheduled to arrive early next year. Both items will be for use in the

banana, sugar and dairy industries.

Falling under the preventative, curative, diagnostic and surgical categories, the drugs will be used to treat cattle, pigs, goats and poultry. Twelve per cent will be distributed to the Ministry of Agriculture with the rest going to the private sector.

Speaking at dock-side yesterday morning, Mr. Reece disclosed that negotiations were going on for a major loan which could exceed \$28 million. The loan would provide raw materials for local blending of fertilizer over a three-year period.

Mr. Vaz said because of the great time and effort involved in the importation of such goods, Jamaica was giving high priority in terms of economic co-operation.

Mr. Vaz, in reply, noted the Canadian Government's interest in the development of local agriculture. He assured Mr. Reece that the goods

imported would be used in the most efficient manner to achieve the Government's stated goal of increased agricultural production. Canadian co-operation in the economic field was highly appreciated, he said.

Mr. Vaz said that the outlook for the livestock industry next year was very good. Farmers should have a good year, he said.

The Jamaica Commodity Trading Company is handling the negotiations and arrangements leading to the procurement of the goods. The company's role in the matter was saluted by Mr. Reece.

Projects financed by C.I.D.A. have included other lines of credit for spare parts, additional equipment and seed potatoes.

The surgical and x-ray equipment and also refrigerators, as well as the drugs, arrived on Tuesday aboard the M.V. Nord Wind.

MINISTER CALLS FOR DEFINITION OF ROLE OF LOCAL GOVERNMENT

Kingston THE DAILY GLEANER in English 18 Dec 82 p 17

[Text]

Construction Minister, Senator Bruce Golding has said that there is need for the role of Parish Councillors and Members of Parliament in the Local Government system to be clearly defined in order for them to better serve the people.

He said that the distinction had been constantly blurred and it was now time that the Association of Local Government Authorities (ALGA) ensure that there was a clearly defined and accepted role for Local Government in Jamaica.

Senator Golding was speaking at the 54th annual general meeting of ALGA held at the New Kingston Hotel on Tuesday. He told the Councillors that it was time for them to do some self-searching and examination in terms of how they themselves tried to administer and operate the system.

He said that often times he was very disappointed with their behaviour and told them that despite the difficult

circumstances under which they had to operate, "if you yourselves do not operate at a level that respects the responsibilities of the people you are going to undermine that goodwill that still exists".

The Minister said that while the Association had sought to hold the Local Government system together and championed many reforms, there was need for it to look in the immediate future and recognise that its greatest challenge of all was still left to be taken up. This challenge, he said, was to ensure that there was a clearly defined and accepted role for Local Government in Jamaica.

He said that the matter had to be brought to the attention of Central Government and in doing so they had to get the people involved. "I think that in their interest and for your own survival as an institution, you need to pursue those discussions, public participatory exercises, that may be necessary to bring the collective mind of the country to bear on the issue and to see if once

and for all you can come up with a clear, precise understanding and definition of the role of Local Government and its relationship with other institutions", he stated.

The matter, he said, was critically important and "if you do not do that you are going to continue to have a situation where persons who are put up when it is appropriate to do so and who are put aside very quickly when it is appropriate to do so".

Senator Golding pointed out that it was a long-standing issue and a number of attempts had been made to deal with it, but none had properly addressed the problem. The removal of Members of Parliament from the Councils was seen as an opportunity to give the Coun-

cillors their independence, autonomy. The "watchful eyes" of the Members of Parliament had been removed but it had created an ambiguity and a distance in the relationship between Councillors and themselves that was causing the people to suffer.

The Minister said he was aware of the problems with resources and that they were caught in the trap where, if they did not perform they would not get the money but the money was needed in order for them to perform.

The Minister said he was blaming the Councillors to some extent because he did not think that the public was sufficiently informed and educated on the circumstances under which they performed.

CSO: 3298/276

SEMINAR DISCUSSES PROSPECTS OF TRADE WITH HONG KONG

Kingston THE SUNDAY GLEANER in English 19 Dec 82 p 20

[Text]

TRADE and investment links between Jamaica and Hong Kong were explored during a seminar held at the Jamaica Pegasus Hotel last week, chaired by the Hon. Carlton Alexander.

The seminar took advantage of a visit to Jamaica by the Executive Director of the Hong Kong Trade Development Council, Mr. Len Dunning, and the acting Senior Representative for the Americas, Mr. Alan Wong. The Hong Kong trade officials were visiting Jamaica as guests of the Jamaica National Export Corporation (J.N.E.C.).

Speaking to the group of local manufacturers and exporters attending the seminar, Mr. Alexander, who is chairman of the J.N.E.C., which sponsored the seminar, recalled the "massive success" of Hong Kong as an export nation and a financial centre, but he also pointed to important similarities which

exist between the two islands.

Mr. Alexander said Jamaica could learn how Hong Kong structured its successful trade and investment promotion drive; how Jamaican businessmen could reduce costs by sourcing supplies directly from Hong Kong instead of through intermediaries; how Jamaica could attract investment from Hong Kong through aggressive marketing of this island's preferential access to major markets; and how the

Hong Kong Council, through its linkage with the J.N.E.C., could assist in increasing local exports to Hong Kong.

EXPANSION

Mr. Dunning, for his part, spoke of the low level of economic relations presently existing between Jamaica and Hong Kong.

and the...
opportunities for expanding business links between the two countries.

He noted the high level of Asian-made electronic goods brought into the island from the U.S.A. and said that this meant higher prices to the consumer than would be the case without the American middleman.

"The situation seems to me to indicate that lines of direct communication and business lines between Jamaica and the suppliers have not yet been adequately developed," he said.

Mr. Dunning also...
of the need for an...
information, in combination with other important ingredients of successful trading including quality, design and price.

He praised the J.N.E.C. role in promoting Jamaica's trade worldwide, especially through its Trade Commissioner Service, saying that Hong Kong had found it vital to have a strong presence in major markets.

Mr. Dunning enumerated the advantages to Jamaica of trade with Hong Kong: its high import requirement, active re-export business and position as the gateway of Asia, lack of restrictions, trade barriers or import duties, minimal administrative formalities, and economic vitality.

"While by no means immune from the effects of the world recession, Hong Kong does have money to invest as well as know-how, and has the means to invest in the developing world," he said.

Mr. Dunning...
offered access to Europe through the Lome Convention, to the U.S. through the Caribbean Basin Initiative, and to neighbouring countries through CARICOM. In addition, the Kingston Export Free Zone offered favourable terms for investors, and Jamaica was the Caribbean's principal shipping centre.

This added up to an attractive package for Hong Kong investors, but there was a need for increased promotional activity to get the message across, he said.

CSO: 3298/277

SEAGA DISCUSSES BANKING ACTIVITIES, IMPACT OF INTEREST

Kingston THE DAILY GLEANER in English 20 Dec 82 p 1

[Text] Prime Minister Edward Seaga, who is also Minister of Finance, said yesterday that there was no need for the commercial banks to "overreact" by scrambling for new deposits because of an upward movement of interest rates due to a tightening liquidity situation in the banking system.

Mr Seaga was reacting to a report in the Gleaner on Friday to the effect that there was a "scramble by the banks" for new deposits to meet higher reserve requirements which were being enforced so that the Government may be able to meet the next IMF domestic assets test.

In a statement yesterday the Prime Minister made no reference to the IMF test but said it was not correct to state that the Government has raised the reserve requirements of the banks.

Mr Seaga said:

"A front page story in the Daily Gleaner on Friday, December 17, 1982 indicated that interest rates in commercial banks are beginning to move upwards leading to a "scramble by the banks" for new deposits to meet higher reserve requirements of the Government.

"Interest rates have in fact been moving upwards in recent weeks due to a tightening liquidity situation in the banking system as investment demand continues to increase; but it is not correct to state that the Government has raised the reserve requirements of the banks.

"Under the Banking Act the required liquidity ratio can be up to 40 percent of deposits. Although the statutory ratio is 29 and 1/2 percent there has been in force since January 1979 an arrangement voluntarily agreed on between the commercial banks and the Bank of Jamaica for maintenance of a 40 percent ratio. During the period of almost four years since then the banks have adhered to this agreement but recently due to the fact that loans and advances have been rising faster than deposits, the liquid assets held by the banks have fallen to a ratio of 37.5 percent of deposits, that is, 2.5 percent below the agreed ratio. The Bank of Jamaica has been holding discussions with the commercial banks with a view to restoring the agreed ratio, particularly as money supply has been growing at a faster rate than is desirable.

"In view of the tightening liquidity situation it is not surprising that there has been some upward movement in these rates just as there was a downward movement in these rates when there was excess liquidity in the banking system earlier this year. It is expected that liquidity in the banking system will return to more normal levels in the first quarter of 1983 and that this will have a moderating influence on interest rates.

"The maintenance of the agreed liquid assets ratio at this time, together with the ceilings on consumer credit, are intended to control the level of foreign exchange expenditure to guard against inflationary pressures, and to ensure that an adequate share of such credit as is available is directed to the productive sectors of the economy.

"The return to the 40 percent liquidity ratio will be on a timely basis as liquidity improves to ensure that there will be no dislocation of the investment programme. The banks will be involved in discussions with the Bank of Jamaica and there is no need for them to over-react by intensifying competition for available money."

CSO: 3298/277

STATUS, FUTURE OF SUGAR INDUSTRY DEBATED IN HOUSE

Kingston THE DAILY GLEANER in English 20 Dec 82 pp 1, 21

[Text]

A total of \$132 million in re-financing has been made available to the Sugar Industry, of which \$72 million is for re-scheduling of loans, held by the commercial banks, \$10 million in equity for the fiscal year 1981/82, and a further \$25 million in credit to meet the "crop year" programme for 1982/83 for spare parts and other capital goods, and a loan of \$25 million from the non-banking sector.

Prime Minister, the Rt. Hon Edward Seaga stated this in the House of Representatives Wednesday evening as he sought approval of a Government guarantee under the Approved Organizations and Authorities Loan (Government Guarantee) Act for the conclusion

of a loan agreement between National Sugar Company Limited and Life of Jamaica Limited for \$25,145,000.

The Prime Minister said it was final chance for the industry. "They have been given a second chance to do well again, there will not be a third chance after this."

The purpose of the loan is for the provision of funds needed by the company in its recovery programme with the aim of putting the company in a viable position by 1983/84 crop year, the Prime Minister said.

Explaining the terms and conditions of the loan, the Prime Minister said it is part of a comprehensive re-financing exercise the government is carrying out in respect of the sugar industry, having seen a steep decline in production and fortune over a succession of years, resulting in considerable financial losses with the prospect of the viability of the industry considerably diminished. This had consequences for those who worked in the industry and also for the national economy.

REFERRING TO the attempts made by the government last year in re-structuring the industry with the taking over of the sugar co-ops which were unsuccessful and putting in the managerial expertise to provide the necessary competence to increase output, Mr. Seaga said that this year it had become necessary to address other facets of the industry to ensure that this crop when planted will be properly fertilized, since for several years this was not done and production fell.

He said that the application of fertilizer this year has been the best by far, and that adequate transportation and tillage equipment were made available to give the factories a more consistent flow. Having done all this, Mr. Seaga said, the government this year has turned towards the financing of the company as part of an overall financial programme which is required for the industry.

The Prime Minister said the loans would be put under "very strict monitoring." A strict monitoring programme will be fed to him on a monthly basis dealing with monthly cash flow, profit and loss, financial statements on each factory, among other areas of financial management.

The Ministry of Finance, he said, intends to see that the funds produce results and that consumers will not be called upon to pay for incompetence and inefficiency.

The intention, the Prime Minister said, is that the company must operate as a viable operation within three years. "To ensure this we start by keeping track on the direction and development of the company on a weekly basis," Mr. Seaga said, adding that "the priority placed on sugar is not a mis-placed priority, but it will be mis-placed if there is further failure."

Everybody in the industry must know that they have a role to play so as not to have any further failure, from the management at the top to the worker at the bottom, the Prime Minister declared.

MR. HORACE CLARKE, speaking for the Opposition, said that the price of sugar was increased by 57 per cent last year and by a further 31 percent announced by the Minister of Agriculture whom, he said had given several forecasts about the sugar production none of which were accurate. He said that for this year it is hardly likely the industry will reach 290,000 tons.

He said that the loans which the country has to pay back must be based on forecasts that will allow revenue to flow in. He added, "what is not said or thought about is as the price of sugar increases the ability of the consumer to pay diminishes, and therefore the industry will realise diminishing returns."

Mr. Clarke said that the revenue hoped for in the new increase would not be realised. He said that the Opposition had anticipated and expected an increase in the price of sugar since "we have stated earlier that it is a condition of the World Bank Agreement."

He maintained that the revenue would not be realised because if the capacity of the consumer did not reflect the ability to purchase at the higher rate, they will purchase the same \$1 quantity they usually purchase.

Mr. Clarke said that he recognised that the industry required a lot of attention, and he expressed the hope that in the third year of this exercise "we won't come back here and hear that another amount is required."

MISS PORTIA SIMPSON of the Opposition said that while there was a serious need for the re-structuring of the industry, there was another serious need to be addressed, the need of the consumer.

"Last year December we had a heavy increase, and for this year we have another one, a very serious one," she said, adding that other commodities such as milk that are related to sugar will also be increased and this was a serious blow to the consumer.

She asked the government to think seriously about the increase for if people are to have a well-balanced diet they must have sugar. She called on the government to "roll back" the price of sugar on behalf of the poor people of the country.

Miss Simpson said that when the last increase was given retailers looking at the profit margin removed sugar from the shelves. She urged the government to look in this area and see that sugar is not removed from the shelves. "It was done already and I don't want to see it happen again," she said.

The Minister of Agriculture, the Hon. Dr. Percival Broderick said that there were 50,000 persons employed in the industry, and with their dependants this represents some half million persons or 12½ per cent of the population. The government, he added, could not turn around and say "we don't care about them."

He said that in January 1979 the price of sugar increased by 75 per cent and in December 1979 it moved by another 46 percent. In 1972 he said, 4,580,653 tons of cane yielded 383,216 tons of sugar; but by 1979 only 2.9 million tons of cane were produced yielding 265,903 tons of sugar. It had fallen from 4 million to 2 million.

It was a decline taking place over a number of years so "we had to look towards tightening up the efficiency and operation of the factories," Dr. Broderick said.

MR. TERENCE GILLETTE, Opposition member, said that in only two years the government had increased the price of sugar by 89 per cent. He called upon the government to set up a study group to look into the effects of sugar on the Jamaican economy and what alternatives could be substituted since sugar for export was a dying industry. This was not the fault of succeeding governments, but a world trend.

The Parliamentary Secretary in the Ministry of Agriculture, Mr. Astil Sangster said that the experiments of the last administration had placed the National Sugar Company in \$102 million debt. He said that from the manner in which the government had taken over the industry it would take at least three years to bring about a recovery.

Closing the debate the Prime Minister said that the industry was being given the best chance in many years. However this did not mean it would recover; it would only survive if the workers want it to survive.

He said that proper financing has been arranged, proper management is the next step: "It is all part of a total plan that can give sugar a second chance and only the people in the industry can assist," the Prime Minister said, adding that the consumers cannot be called upon to support incompetence, greediness and other things that happen in the industry.

"This is the second chance. They better understand it. There will be no third chance," the Prime Minister declared.

The resolution was approved.

HONDURAN FISHERMEN FINED FOR FISHING ILLEGALLY

Kingston THE DAILY GLEANER in English 29 Dec 82 p 2

[Text]

A Honduran boat which was suspected to be fishing in Jamaican waters at the Pedro Banks in December, sank while being chased by the Jamaican Coast Guard but all 40 men aboard were rescued.

The Sutton Street RM Court in Kingston was told this last Thursday when eight Hondurans arrested while fishing in Jamaican territorial waters off Pedro Cays in December, were fined a total of \$1,100.

Resident Magistrate Mr C.A. Harris imposed the fines.

The eight were among 88 Hondurans held by the Jamaican Coast Guard and Marine Police at the Pedro Banks on December 17 and who appeared in court. They included a nine-year-old and two 13-year-old boys.

Coast Guard officer,

Lt. A Simpson, told the court that when two Honduran boats, **Captain Cholo** and **Don Jose**, were spotted at the Pedro Banks, the occupants were fishing. A search of the boats revealed fresh lobster and turtle meat.

Another Honduran fishing boat, which was also spotted in the area by the Jamaican Coast Guard, sank offshore. The 40 men aboard were rescued by the Jamaican Coast Guard and were taken ashore but were not charged with any offence.

A/C. J. Bremmer, of the Marine Police, also gave evidence.

On Thursday when the Hondurans appeared in court they pleaded guilty, their pleas being interpreted by a member of the Security Forces.

However, they later

claimed that they had gone to Pedro Cays to fish but when they were caught the refrigerating unit in one of the boats had broken down and they had stopped fishing.

Captain Ramon Martinez agreed with the Jamaican Coast Guard that fresh lobsters and turtle meat were found in his boat, the **Don Jose**.

Since it was felt that some of the Hondurans did not know where they were - even while the case was being heard - the prosecution decided to proceed against four of the principals of each boat, including the two masters.

Captain Martinez and Captain Wilton Nyes were each fined \$400 while the other six were fined \$50 each.

All 128 Hondurans left Jamaica for home on Christmas Eve.

BRIEFS

SUMMER TOURIST FIGURES--Figures for hotel room occupancy for the period June-September this year have been released by the Ministry of Tourism. They show a low rate of occupancy for what is regarded as the summer tourist season. June had an occupancy of 36.4 percent which is well below break-even point. July was slightly better, at 42.4 percent, and August, generally the peak month of the season recorded 55.2 percent. September fell back to 38 percent. Commenting on the figures, an industry source said that despite hopes that the summer season would show an upturn, it was clear that these hopes were not realised with the occupancy being well below average as confirmed by the Ministry's own count. Recalling that some hotels, even in these lean days, were claiming high occupancy figures, the source said that this sort of "double-talk" was doing no good for the industry. "Why don't they level with the public and give the true picture?" he asked. [Text] [Kingston THE DAILY GLEANER in English 18 Dec 82 p 12]

CSO: 3298/277

CNTE PROTESTS DOMINATION OF SNTE BY JONGUITUD

Mexico City UNOMASUNO in Spanish 11 Dec 82 p 4

[Text] Teacher dissidents yesterday staged a protest march from the Teachers' Training College to the Secretariat of Administration to request moral reform "resulting in an end to the domination of the National Union of Educational Workers [SNTE] by Carlos Jonguitud Barrios."

During the march, which was joined by a group of teachers from Oaxaca, the National Coordinating Committee for Educational Workers [CNTE], called for the establishment of democratic congresses in all sections of SNTE.

CNTE members issued a reminder that next January, when the SNTE National Congress is being held, marks the second anniversary of the assassination of professor Misael Nunez Acosta, which occurred in the town of Tulpetlac.

During the march, councils for the teachers' struggle from Morelos, the Valley of Mexico and Hidalgo denounced several irregularities in the preliminary assemblies of sectional congresses, such as the appointment "by a slim margin" of Revolutionary Vanguard delegates, and the buying of votes in the election for general secretary in section 36 "in an attempt to impose Idulio Cortes."

At the end of the march, a large contingent of marchers continued on to the SNTE section 9 facilities at 32 Belisario Dominguez where a sectional conference was being held which had been opened in the morning by the General secretary of SNTE, Ramon Martinez Martin, who according to CNTE, "is one of those responsible for the assassination of Misael Nunez Acosta."

9787

CSO: 3284/392

SNTE LEGAL ADVISOR SHOT TO DEATH

Mexico City EXCELSIOR in Spanish 14 Dec 82 pp 1-A, 9-A

[Article by A. Jimenez]

[Text] Castulo Campos Merino, legal advisor for the National Union of Educational Workers [SNTE], was shot to death in front of the main door to the offices for sections 9, 10 and 11 of the organization, at 37 Belisario Dominguez. He was shot seven times, twice in the head. Enrique Flores Vicente, secretary of labor disputes, was also wounded.

Four or more youths between 25 and 30 years of age arrived yesterday at 3:30 pm in front of the building housing the union sections and fired point-blank at least 20 times at Campos Merino who was leaving the building at that moment.

According to witnesses, the attackers ran down Belisario Dominguez Street to Republica de Cuba where they got into an automobile in which there were at least two other people.

It was apparently a personal attack against Castulo Campos, but one of the shots hit Flores Vicente who was leaving the building.

Following the incident, several Red Cross workers arrived and found Campos Merino still alive, but he died after being taken to Red Cross headquarters.

Professor Flores Vicente, who was wounded in the left leg, remains under care at the hospital in Polanco. His condition is serious.

Campos Merino, 55 years of age, had come to the SNTE section offices to greet and congratulate some of the union leaders.

According to members of section 11, which is comprised of manual laborers and administrative and technical workers for SNTE, Flores Vicente had nothing to do with Campos Merino, and they probably did not even know each other.

In police circles, it was believed that revenge by those in opposition to SNTE may have been the motive for the attack.

CUT IN WORK FORCE OR REDUCED WORKWEEK FACES NISSAN

Mexico City EL DIA in Spanish 14 Dec 82 p 2

[Article by Javier Pineda]

[Text]--Cuernavaca, Morelos 13 Dec--A cut in the union work force or a shortening of the workweek by 1 day without pay are the alternatives presented by the Mexican Nissan Company to the executive committee for the workers' union in an official communique.

Rafael Dirzo, head of the 2,200 union workers, stated that the reasons given in company directives for the decision to offer these alternatives to the union were a lack of raw materials, a decrease in production and problems in maintaining a large payroll at this time.

He also indicated that the company informed them that under the first alternative, 20 percent of the union workers would lose their jobs, and under the second alternative, the company would cut the workweek by 1 day without pay to avoid leaving 440 workers without work.

Immediately after receiving the communique from the company, Rafael Dirzo called a special general assembly in which, with the approval of the workers, two counterproposals were drawn up which will soon be presented to the company.

The first counterproposal points out that there are employees who wish to leave work voluntarily but who demand that they be discharged according to the Federal Work Law and the second provides that they be paid at least a half-day's salary while they are not working.

The union leader concluded by saying that the union executive committee will meet tomorrow with management representatives to reach a satisfactory solution to the problem.

9787

CSO: 3284/392

BRIEFS

BRYANT TO LONDON--Basseterre, St Kitts, Thursday, (CANA)--Chairman of the opposition St Kitts-Nevis Labour Party, Fitzroy Bryant, left here yesterday to attend discussions in London a a new constitution and an independence date for this British associated state after clearing hurdles that forced him to miss the opening of the conference. Mr Bryant left for Antigua and Barbuda, saying he hoped to pick up a connection flight there for the conference, resuming today. He told reporters he had got back a passport surrendered to the authorities here during a court hearing and a tax clearance certificate. His passport had been surrendered as part of a bail arrangement after he was arrested last September 4 and charged with incitement to violence at a public meeting. The passport was returned last Thursday on a High Court order but the Inland Revenue Department refused to give a tax clearance certificate because a company of which Bryant is secretary owes taxes. [Text] [Bridgetown ADVOCATE-NEWS in English 10 Dec 83 p 3]

CSO: 3298/258

SLP SPLIT DEEPENS WITH SELECTION OF FACTION LEADERS

Bridgetown ADVOCATE-NEWS in English 10 Dec 82 p 3

[Text]

CASTRIES, St. Lucia, Thursday (CANA) — The opposition St. Lucia Labour Party (SLP) now has two leaders — elected by rival factions.

Late last August, one faction met and elected parliamentarian Cecil Lay as political leader, with former Cabinet Minister Peter Josie as his deputy.

And, last Sunday, the other faction, headed by Leader of the parliamentary Opposition, Neville Cenac, elected him as Leader. Cenac is the younger brother of former Prime Minister, Winston Cenac, whose SLP Administration was forced out of office last January under public pressure.

But Josie has already indicated that the split within the party and the claims to authority by both factions would have to be resolved by the Court.

Last Sunday's conference saw three former SLP ministers being voted into key positions in the Cenac faction. Former Party Leader and Attorney-General, Kenneth Foster, was made deputy leader, former secretary, Evans Calderon, who was also an Attorney-General in the last SLP Administration, was made secretary and former Minister of Health, Bruce

Williams was elected chairman.

The results of the elections have only re-emphasised the ideological split within the party, with Lay and Josie heading the "progressive" wing and Cenac and the others, the conservative elements.

During Sunday's meeting Cenac traced the history of the SLP from its formation in 1951 and concluded that the fight for power between 1979 and 1981, which led to the SLP governments collapse, was the only "black mark" against the party. He vowed to return the SLP to power.

He said: "The leadership struggle (when the then foreign Minister George Odlum unsuccessfully challenged Prime Minister Allan Louisy for the leadership of the government) has resolved itself. It is clear that all those who were involved in the leadership struggle have been exiled to the political wilderness. They will remain there as an eternal warning against others who will be tempted to abandon the rules and regulations of their party's own constitution, to influence others and degrade the constitution in a savage, back-biting attempt to wrest leadership from the political

leaders of the party."

Cenac was taken to have been referring to Odlum, who has since formed his own party, as well as Josie, who sided with Odlum at the beginning of the leadership controversy, but later withdrew this support, claiming that he was fed up with the whole thing.

Both Odlum and Josie contested general elections here last May as party leaders and lost their House of Assembly seats.

Cenac said the fact that the leadership struggle occurred in the House of Assembly gave the party the worst publicity possible and created "unnecessary social consequences which cannot be linked with any policies or practices of the party itself."

Meanwhile, a meeting of the Cenac executive, scheduled for today, will consider, among other things, a special conference early next year to deal with resolutions amending the SLP Constitution to "protect the leadership and prevent any member of the executive from making public statements against the party," an SLP release said yesterday.

CENAC REACTS SHARPLY TO OUSTER OF GOVERNOR GENERAL

Port-of-Spain TRINIDAD GUARDIAN in English 13 Dec 82 p 5

[Text]

CASTRIES, Sun., (AP):

OPPOSITION LEADER, Neville Cenac, charged today that the removal from office of Governor General Boswell Williams was politically motivated, and warned he would take all legal action necessary to prevent violation of Saint Lucia's Constitution.

Williams, 56, was removed from office by Queen Elizabeth II, after Prime Minister John Compton failed to convince him to resign voluntarily. He will be succeeded by former Governor General, Sir Allen Lewis, who is to take office tomorrow.

Cenac, who was elected last weekend to lead one faction of the divided Opposition Saint Lucia Labour Party (SLP), reiterated Williams's charge that his removal as Governor General was an act of political victimisation, because of his prior links with that party.

Williams had been a member of the House of Assembly for the SLP, until shortly before his appointment as Governor General, in February of 1980.

His appointment had been opposed both by the then Opposition United Workers' Party (UWP), and by the SLP faction seeking to unseat then Prime Minister Allan Louisy.

In announcing Williams's removal from office, the Government said the Governor General was unacceptable to the majority of Saint Lucians.

In a signed statement issued today, Cenac said political considerations

should not be a factor in the office of Governor General, whose constitutional duties cut across party lines.

If the Governor General could be removed at the whim and fancy of the Government, then the measure of independence which he had been given by the Constitution to act in his own deliberate judgment was reduced to a mere farce, Cenac said.

He added that if a Governor General could be removed for political reasons, in contravention of the Constitution, then no person in Saint Lucia could consider himself to be immune from political victimisation.

The Opposition Leader said his party had empowered him to initiate all legal action to prevent what he termed the rape, or attempted rape of Saint Lucia's Constitution.

He did not indicate what legal action was being considered.

BRIEFS

CATO RETURN TO DUTY--Kingstown, St Vincent, Tuesday, (CANA)--St Vincent and the Grenadines Prime Minister Milton Cato has resumed duties here after suffering from a slipped disc and pinched nerve in the spine. Mr Cato had been away from office since the middle of November. Acting Prime Minister Hudson Tannis, in the only official statement on Mr Cato's illness announced late last month that the Prime Minister was suffering from a slipped disc and pinched nerve in the spine which was causing him "some degree of pain along the back and up to a certain portion of the leg," and that he was finding it uncomfortable to move. [Text] [Bridgetown ADVOCATE-NEWS in English 15 Dec 83 p 1]

CSO: 3298/258

TEXT OF CHAMBERS' 1983 BUDGET SPEECH TO PARLIAMENT

Port-of-Spain SUNDAY GUARDIAN, TRINIDAD GUARDIAN in English 19-23 Dec 82

[19 Dec 82 pp 7-8]

[Text]

FOLLOWING is the text of the Prime Minister's 1983 Budget Speech presented in the House on Friday.

IN PRESENTING the Budget for fiscal year 1982, I indicated to honourable members and to the nation at large that 1982 was a year for review and consolidation.

The country had experienced eight years of uninterrupted growth and significant improvements in the standard of living.

The level of unemployment had been reduced from 15 per cent in 1975 to 10 per cent in 1981, and consumption expenditure had grown in real terms at 8 per cent per year.

The Government had used successive budgets to convert the windfall earnings of the oil industry into essential social and economic infrastructure for the country while at the same time ensuring the immediate distribution of some of the benefits of this unprecedented growth to the population through a comprehensive programme of transfers, subsidies and other welfare payments.

Notwithstanding these gains, I drew attention to a number of challenges which confront us as a people and warned that the fete was over and the country was required to go back to work.

It was clear that the underlying economic circumstances which had permitted this period of easy

expansion had begun to change. The major industrial economies were experiencing great difficulty in the fight against inflation, low economic growth, stagnation and in some cases negative growth, while the developing countries as a group faced chronic intractable economic problems with some among them on the verge of collapse.

The question was how would Trinidad and Tobago steer a safe course in this environment? It was to determine this, as you will recall, Sir, that I emphasised that the time had undoubtedly come for a comprehensive and sustained analysis of the development issues and problems confronting our country.

That process of intensive review of the current position of our economy and of its prospects has advanced considerably in the course of the year, and we have begun to see the broad outlines of

a strategy for ensuring continued economic and social stability.

We are also examining in some detail specific policies required for the successful pursuit of that strategy.

Trinidad and Tobago, I remain convinced, possesses the human, physical and natural resources to protect the economic gains achieved in recent years.

What, however, is clear, Mr. Speaker, is that the indispensable ingredients to realise our full economic potential are self-reliance of self-discipline.

These are not economic policy prescriptions, but fundamental human characteristics which as a people I know we possess.

During 1983 and the years immediately ahead we must draw on these strengths which may have remained too long dormant and particularly so during the years of the oil-fueled economic boom.

In recognition of the significance of external events for the economic fortunes of Trinidad and Tobago, I shall now turn to an assessment of some of the more pertinent developments which have taken place in the international economy since my last Budget Statement.

The International Economic Environment

The current year — 1982 — marks the third successive year in which real output and income of the developed industrial economies have stagnated.

In response to these conditions, governments in the major industrialised countries have adopted strict economic policies with the primary objective of lowering the current rate of inflation.

While it is true that in the course of this year there has been some success in lowering the rate of inflation, many observers believe that the underlying circumstances have not improved significantly. For example, there is still much evidence of large fiscal deficits, stagnating productivity and high — though declining — rates of increase in wages.

Indeed, the world economy has experienced persistent dislocation during most of the last ten years. The major industrial countries have witnessed excessively high rates of inflation, side by side with weak economic growth, increasing instability of exchange rates and very high interest rates.

Although it is fashionable to attribute much of this dislocation of the world economy to the so-called 'oil price shocks' of 1973/1974 and 1979/1980, the underlying cause are more fundamental and may be traced back to the second half of the decade of the 1960s.

The restrictive economic policies in force in the industrial countries are very costly for themselves and have disturbing consequences for developing countries.

In the case of the industrial countries, the most dramatic effect is the rise in unemployment to levels

similar to those experienced during the depression of the 1930s.

The following data published by the International Monetary Fund show the rise in unemployment experienced by Trinidad and Tobago's major trading partners since the end of 1979:

Country	Unemployment Rate (%)	
	1979	1982
U.S.A.	5.8	9.5
U.K.	5.4	12.0
Japan	2.1	2.3
Canada	7.5	10.3
West Germany	3.3	6.5
France	5.9	8.9

These data are averages for the year as a whole. Figures for the most recent month show that the present position in several countries is much worse.

For example, the rate of unemployment in the U.S.A. and Canada in November, 1982, stood at 10.8 per cent and 12.7 per cent respectively and at 14 per cent in the U.K. for September, 1982.

Profitability of business enterprises declined and there has been a significant increase in bankruptcies, including major corporations in sectors such as electronics, petroleum and air transport.

Private sector investment in new plant and machinery has also fallen significantly.

For the developing countries, the adverse impact of the recession in the industrial economies has been transmitted through the virtual stagnation of the volume of world trade over the last three years.

The low level of economic activity has resulted in a sharp decline in the prices of primary commodities (other than oil) to an extent that in real terms, the average prices of primary commodities in mid-1982 were lower than at any other time for three decades and as much as 20 per cent lower than in 1975 which itself was a year of short and sharp recession.

In addition those developing countries which

now have competitive manufacturing sectors are finding it increasingly difficult to sell their products due to the rising tide of protectionism reminiscent of the 1930s. The recent inconclusive Ministerial meeting of the General Agreement on Tariffs and Trade is an ominous reminder of the extent to which the policy of protectionism has become entrenched.

To make matters worse, the difficulties of the developing countries resulting from the reduction in their export earnings, have been compounded by the decline in official assistance and by the high cost of borrowing from the private international capital market for those few countries which are still able to gain access thereto.

The question which immediately arises of significance to Trinidad and Tobago is what effect has the world economic recession had on the demand for and market price of oil? World oil production has declined by about 12 per cent since 1979, with such decline being particularly steep in the oil exporting countries.

The real price of oil which had increased sharply in the previous two years, declined by about 7 per cent in 1982.

As a result, the major oil exporting countries have experienced a fall in their real GDP over the last three years and a sharp reduction of their balance of payments current account surplus from U.S. \$116 billion in 1980 to an estimated U.S. \$25 billion in 1982.

Three members of the Organisation of Petroleum Exporting Countries (OPEC) and another large oil exporting country have encountered varying degrees of difficulty in raising new loans and in some instances, in servicing outstanding external debt in 1982.

I turn now to the performance of the domestic economy in 1982.

Performance of the Domestic Economy in 1982.

The document entitled 'Review of the Economy 1982' which has been tabled for general information contains a detailed analysis of the performance of the

economy. Therefore, I shall simply highlight some key developments.

Notwithstanding the difficult international economic environment, the economy of Trinidad and Tobago continued to grow in real terms during 1982.

The growth recorded in 1982 was largely due to the dynamism of the construction and services sectors which continued to respond to the stimulus injected into the economy through government spending.

The petroleum, agriculture and manufacturing sectors have performed poorly this year.

The production of crude oil during the first half of the year was about 5 per cent lower than in the corresponding period last year and refinery throughout declined precipitously reaching as low as 50,000 barrels per day, on occasion, at the Pointe-a-Pierre refinery.

The Government sustained a high level of expenditure in 1982. This resulted from the continuing emphasis on capital expenditure and the need to pay substantial wage increases to public sector employees, including retroactive increase in respect of 1981. The payment of additional wages and salaries alone cost \$1,820 million.

As a result, the revised budget estimates for 1982 show an overall deficit of \$3,229 million or approximately 17 per cent of the country's GDP compared with a surplus equivalent to cent of GDP in 1981.

The country was able to afford this level of expenditure, particularly the wage increases, primarily because of the prudence of the Government in previous years. This is what enabled the Government of Trinidad and Tobago to build up savings of \$5,510 million by the end of 1981.

In the absence of such savings, which may I remind you, Sir, were derived entirely from the unexpected increase in oil prices, we would not have been able to finance this level of expenditure in 1982. Neither would the economy have been able to sustain a responsible rate of growth.

Although Government spending had positive

effects on the growth of the economy, it also resulted in a high level of liquidity in the banking system, owing to the fact that Government's purchases of domestic goods and services greatly exceeded its revenues from the taxation of domestic incomes and transactions.

The relatively easy availability of credit contributed to the continuing buoyant demand for imports which together with the fall in petroleum exports led to the emergence of a balance of payments deficit for the first time since 1973.

The Central Bank continued to impose a marginal reserve requirement on the commercial banks in an effort to restrain the growth of credit.

At the end of November, 1982, the marginal reserve requirement alone was equivalent to 6.8 per cent of deposit liabilities or \$415 million.

In spite of the withdrawal of these resources from the banking system, total loans and advances continued to increase at a rate of around 24 per cent per year which is high in relation to the growth of the economy.

Much of the buying power represented by this increase in credit spilled over into the purchase of imports which grew by 23.4 per cent in the first half of 1982 while export earnings fell by 18 per cent.

The country has had to draw upon its foreign exchange reserves to finance the resulting balance of payments deficit.

At the end of November, the country's liquid foreign exchange reserves stood at \$6,857 million or \$90 million lower than at the beginning of the year.

However, when compared with the position in November, 1981, the country's reserves have declined by about \$264 million or 4 per cent.

The rate of inflation during the first nine months of the year was 11.8 per cent compared with 15.0 per cent in the corresponding period last year.

This decline has been an encouraging feature of our economic performance in 1982.

In response to action by the Government in the form of the Rent Restriction (Dwelling Houses) Act, the cost of rentals fell in absolute terms.

Other factors which contributed to the lower rate of inflation include the effective appreciation of the domestic currency against all major currencies other than the U.S. dollar as well as the fall in inflation in the major economies from which Trinidad and Tobago imports much of its supplies.

Although the economy as a whole continued to grow during the year, there was evidence of contraction in certain sectors which are particularly sensitive to the developments in the international economy to which I referred previously.

The poor performance of the oil industry has had an immediate impact on employment among contractors servicing this industry. Available information suggests that approximately 600 persons or 20 per cent of the work force in such firms have already been retrenched.

In terms of the likely impact on the general level of employment, the threat of further retrenchment in the industry consequent on the downturn in refinery utilisation is of greater significance and this is a matter to which I shall later return.

But the oil sector was not the only one adversely affected. Altogether over 2,000 industrial jobs were lost in manufacturing, construction and marine engineering.

This Government has always emphasised job creation and job security and, therefore, yields place to no one in its concern for the families affected by retrenchment.

I draw attention to the fact, however, that by contrast, between 1975 and 1981 about 50,000 new jobs were created with the result that the rate of unemployment was brought down from 15 per cent to 10 per cent over the period.

Mr. Speaker, a review of the international economy and of the domestic economy for the year 1982 would be insufficient to convey a full appreciation of

the economic crisis facing the world.

This can only be fully appreciated by an examination of the international economic outlook for 1983 and beyond in order to gain a clearer perspective of the implications for the economy of Trinidad and Tobago.

The Outlook for 1983 and beyond — International

The immediate future is expected to follow closely the pattern of the last three years, except that the rate of inflation may remain at a single digit level and that nominal interest rates are unlikely to rise to the level recorded in 1981-'82.

In respect of both inflation and interest rates, the ability of governments to reduce their deficits will be critically important.

However, in several of the developed industrial economies experience in recent years has shown that it is not possible to rely on cuts in expenditure as the main means of reducing Government deficits.

The growth in the post-war period of various kinds of welfare programmes incorporating a degree of automatic entitlement and adjustments for inflation is one of the major factors — along with defence outlays — limiting the scope of cuts in public expenditure.

Governments in those countries are also finding it

very difficult to deal with the problem of deficits by increased taxation.

In view, therefore, of the limited flexibility in fiscal policy it cannot be confidently assumed that even the recent gains in lowering inflation and nominal interest rates will be sustained in 1983 and beyond.

The major industrial economies taken together are expected to achieve little or no growth of their GDP in 1983 — perhaps no more than 2 per cent. This reflects the fact that governments in most of these countries are determined to pursue restrictive fiscal and monetary policies with the sole purpose of maintaining inflation at a single digit rate. Largely

because of these policies private investment in new plant and equipment is not expected to be buoyant and consumer expenditure will also tend to be weak.

Since government spending, as a matter of policy, will not grow significantly, it is difficult to identify where the stimulus for recovery and growth will originate.

The governments seem willing to accept the costs of low growth, high unemployment and company bankruptcies because—in the words of the Managing Director of the International Monetary Fund—"recourse to shortsighted policies such as reflating demand or protectionist trade measures could in no circumstances offer a short-cut to the essential adjustment process."

The engines of economic growth seem to have been shut off temporarily until such time as there is confidence that growth can be sustained without triggering off new waves of inflation. Moreover, these countries have shown a clear preference to protect vulnerable domestic industries from external competition.

The combination of weak economic growth and vigorous application of various protectionist devices, means that world trade will continue to stagnate particularly for sensitive manufactured products in which the newly-industrialising countries have demonstrated their competitiveness.

Against this background, the outlook for the developing countries — oil and non-oil alike — is daunting. The demand for primary products and, therefore, the prices of these products will remain weak.

As a result, the non-oil developing countries will continue to have large balance of payments deficits. The demand for oil is not likely to increase substantially.

Informed opinion holds that nominal prices for crude oil and its products may remain unchanged until 1985, and may even decline.

In other words, the prospect is that the price of oil in real terms may decline further over the next three years.

Most of the older oil refineries including those in

the Caribbean area which produce a high proportion of fuel oil will continue to find the processing of crude uneconomic.

The developing countries will face increasing difficulty in financing their balance of payments deficits. This will be accentuated by the actions of the international banks which is seeking to limit their bad-debt exposure can be expected to tighten their lending conditions significantly.

Mr Speaker, the overall world economic outlook for 1983 is depressing. There are

not many persons prepared to project strong recovery after 1983.

Indeed, there is a view that the world economy

may have arrived at a stage where its normal rate of growth may be much lower than that to which we have

grown accustomed since the end of World War II.

The eminent West Indian economist, Sir Arthur

Lewis, explored the theme of "the slowing down of the engine of growth" in his Nobel Memorial Lecture delivered in 1979 and several observers have seriously drawn parallels between the present anaemic state of the world economy and the situation during the so-called 'Great Depression' which persisted from 1873 to the start of the twentieth century.

Although we do not share the ultra-pessimistic view of such commentators, there is little doubt that we cannot expect strong resurgence of the world economy in the near future.

That, Mr Speaker, is the context in which we must view the outlook for the economy of Trinidad and Tobago over the next two to three years, knowing full well that we are too small to be insulated from developments in the world economy, whether they be favourable to us--as was the case from 1974 to 1980--or unfavourable as appears to be the outlook to the middle of the decade of the 1980s.

Outlook for 1983 and beyond--Domestic

The fact is that the Trinidad and Tobago economy is on the threshold of a very difficult period. Growth, buoyant revenues and a high level of activity

in the domestic economy have been based on petroleum.

While the boom was on the taxation of oil companies provided a ready source of fiscal revenues, savings and foreign exchange and also facilitated the growth of consumption such as we have experienced in recent years.

But, Mr. Speaker, an oil dependent growth process requires an ever increasing level of oil revenues in order to sustain its momentum. Regrettably this is not the forecast.

In my 1982 Budget Statement, my Independence Day Message and, more recently, in my Convention

Address, I endeavoured to articulate for the population the hazards and difficulties of the international scenario for our situation.

The decline of oil revenues, the escalation of recurrent expenditure, the increasing food import bill, the effects of low productivity, the underperformance of the utilities, and the increasing likelihood that the earnings from the energy-based industries will not, before the end of the decade, offset the decline in petroleum revenues to the extent originally contemplated -- these are some of the fac-

tors which have increasingly focused attention on the vulnerability of our economic situation.

These problems have been evolving for some time and underline the need to pursue economic development on as broad a front as possible.

Thus, long before recession had become the "in" expression in Trinidad and Tobago I had sounded note of warning and urged the people of this country to take cognisance of and recognise the problems and the dangers they posed for our continued prosperity.

Furthermore, I had indicated that development of the non-oil sector, and the

broadening of the base of the economy had to be moved centre stage.

In light of the foregoing, we can no longer be content with a light manufacturing industrial sector which makes little or no contribution to earning the foreign exchange which it requires to pay for plant and equipment and other inputs.

The sector, it is recognised, has its origins in the first attempts made to satisfy some of the needs of the community with products made in Trinidad and Tobago.

Therefore, it is to the meeting of domestic demand that the sector has, of necessity, been geared so far.

The time has now arrived when effective participation in the international economy must be the goal of the industrial thrust of Trinidad and Tobago.

Nothing less than such a fundamental reorientation of that sector will suffice.

In the short term, efforts must centre on ensuring that, as a whole, industry contributes no less to the economy in terms of employment, incomes and share of the national product, than it has done in the recent past.

I realise that even this minimum objective will tax the capacities of several of our industries, some of which, for reasons which have been repeatedly stated, have been forced to contract, with the attendant social and economic consequences.

In this situation, industry may be well advised to recognise the areas of strength in the economy and to make the most of the opportunities which they provide.

Here I refer specifically to the potential for further diversification of the secondary manufacturing sector, which derives from Government's initiatives to implant certain core industries based on the hydrocarbon and energy resources of the country.

Our immediate strategy must be to capitalise and consolidate on the base so created by means of an active programme of development for the domestic and regional markets at least, of secondary and tertiary plants utilising ISCOIT's wire rods.

In this regard the Industrial Development Corporation and the Development

Finance Company have already been meeting both between themselves and with some manufacturers who are now engaged in the manufacture of steel products, to advance plans in 1983 for extending the range and quality of such products made in Trinidad and Tobago.

Agriculture

Agriculture, too, must contribute in a more positive way to the conservation of foreign exchange.

As is well known, the country's food import bill has escalated significantly in recent years owing to the rapidly rising income of the population and the inability of domestic agricultural

production to keep up with the increasing demand for various food products.

This is not to say, Mr. Speaker, that domestic agriculture is in decline.

The common perception of agricultural stagnation in Trinidad and Tobago is very much a reflection of the state of traditional export agriculture.

There have been encouraging gains in domestic food production particularly in areas such as poultry, pigs and vegetables.

The production of fresh milk by farmers settled on state lands projects has increased significantly and fishermen have benefited

from higher prices owing to the entry of the National Fisheries Company into wholesale purchasing.

The expansion of production of domestic food crops requires that suitable resources of land, labour and capital are channelled into this sector and that effective linkages are made between agricultural production on the one hand and marketing and processing on the other.

In respect of the sugar industry, which is not today and is most unlikely ever again to be internationally competitive, the strategy which has emerged for the better utilisation of these valuable natural resources, while simultaneously attacking the vital issue of national food security, involves the conversion of suitable lands now devoted to sugarcane to new, dynamic and modern agricultural development.

Caroni Limited has already re-organised itself in order to facilitate the production of a range of food crops, and the rearing of livestock on a commercial basis.

In October, the company started a pilot project aimed at the large scale production of rice.

The first crop will be harvested early in 1983 and will be processed at the rice mill which the Government will soon transfer to the Rice Company of Trinidad and Tobago Limited.

The project is expected to give valuable insights into the problems of water management, use of machinery and the applicability of the techniques of aerial sowing of seed and spraying for weed controls.

Caroni Limited is also expanding its dairy and beef herds at Mon Jaloux and Mora Valley and Cabinet recently approved funds for a feasibility study ascertain the scope for converting Orange Grove into a food production area under a variety of crops.

At the meantime, Orange Grove is already cultivating sorrel, pigeon peas, corn and bananas on a limited scale. The Food & Agriculture Corporation will continue to collaborate with the sugar companies in the implementation of these projects.

I wish to restate, Sir, that it is Government's policy to maintain sugar production at a level which will be sufficient to satisfy domestic consumption including the requirements of the rum industry.

Industry must also come more firmly to the support of agriculture.

Up to the present time the food processing sector has not provided the stimulus to domestic agriculture which Government expected of it, when incentives were granted for the establishment of processing plants.

Nor has there been the spread of processing technology to a wider range of fruits and vegetables which we grow in the country, on a scale which compensates the efforts of researchers in the Ministry of Agriculture, Lands and Food

Production, the University of the West Indies and CARIRI.

Having recognised this weakness, Government through the Food & Agriculture Corporation is developing projects aimed at reinforcing the link between the farm and the processor.

The essence of such projects is the creation of systems for growing strategic food crops under contractual arrangements which permit quality control from the preharvest stage of production through to processing or the sale of produce on the fresh market and which will also ensure that production losses at all stages are reduced.

These are but some of the directions in which industry and agriculture may go to conserve foreign exchange.

An equally critical consideration is to make industry a net foreign exchange earner in the future.

In my 1982 Budget presentation, I stated that a Committee of officials had been appointed to examine export development in the non-oil sector, to identify constraints to the development of exports in manufactured and processed goods from Trinidad and Tobago to the Caricom and international markets, to recommend measures for the removal of such constraints and to make proposals for accelerating the development and extension of the export sector through the use of fiscal and other incentives.

The report of that Committee was laid in this Honourable House and was eventually made available for public information.

There is therefore no need for me to elaborate on the findings and the conclusions of the Committee. Suffice it to say that the Committee has concluded that a strategy of outward-looking industrialisation in which export-led growth would serve as the potential prime mover of the economy could best be stimulated by Government.

The Committee has emphasised that a condition precedent to the creation of a climate condu-

cive to a national export thrust is the active collaboration of both the private sector and the labour movement.

The Committee further posited that a more dynamic posture towards export development would require:

- An awareness and consciousness in every fabric of the society of the crucial importance of exports to the economy;
- An appropriate institutional framework to harness development in the field of exports;
- Strong incentives for exports.

Accordingly, the Committee has recommended that a regime of incentives designed to stimulate investment in export manufacturing and to promote export sales be introduced for fifteen year period in the first instance subject to review in the twelfth year. The regime is to include:-

- Fiscal measures
- Direct financial assistance
- Comprehensive export financing facilities

These recommendations have been agreed to in principle and I shall provide details of the regime to be introduced later on in this statement.

The question of an appropriate institutional framework in Government to impart the impetus to export development that the country requires has provoked much thought and discussion.

You see, Mr. Speaker, there are already so many specialised Government agencies performing varying functions that one recoils at the prospect of adding to that number.

After much deliberation of the arrangements which would be best suited to achieving this objective in a cost effective manner, Government has decided to create a specialised Export Development Corporation to undertake the functions of export promotion and the

provision of export financing facilities. To this end it is proposed to:

1. Unhinge the Trinidad and Tobago Export Credit Insurance Company Ltd. from the Development Finance Company and to widen the scope of its operations to include pre and post-shipment facilities, supported by rediscounting facilities at the Central Bank;

2. Sever the Export Promotions Division from the Industrial Development Corporation and the International Marketing Corporation and to incorporate it in a new Statutory Authority, the Export Development Corporation, of which EX-ICO will be a subsidiary under a common Board of Directors;

3. Wind up the International Marketing Corporation as soon as possible;

4. Orient activity in the Embassies and Missions of Trinidad and Tobago in the direction of the development of the exports of the country.

The time has undoubtedly come, Mr. Speaker, when the overseas missions must as a matter of urgent national priority adopt a high profile in the commercial representation of Trinidad and Tobago.

I consider it imperative that staff of these Missions see themselves in the first place as salesmen for Trinidad and Tobago and its products.

Accordingly, the Missions will be reinforced with staff

specially selected and trained in export promotion and appropriate internal organisational arrangements will be made in the Ministry of External Affairs to facilitate the performance of this function.

In a word, Mr. Speaker, the bias towards export performance will permeate all incentives in aid of industry in future. Accordingly in 1983 it is proposed not only to introduce the new incentives along the lines recommended by the Committee on Non-Oil Exports but also to review the existing fiscal incentives, two important elements of which are:

Duty free concessions granted under the Customs Ordinance as set out in the third and fourth schedules to the Customs tariff; and

The Fiscal Incentives Act 1979 in which the principles of harmonisation of fiscal incentives of Caricom are enshrined.

It has been the practice since 1969 to seek parliamentary approval for the continuation of duty free concessions every five years. An opportunity to review these concessions will arise in 1983 and it is proposed that such a review will be informed by the following broad principles:

1. Discouraging manufacturing operations with minimal depth of processor transformation. Already in the administration of the regime the IDC no

longer grants these concessions for such operations as liberally as in the early days of our industrialisation effort;

2. Discouraging food processing operations which utilise foreign inputs exclusively. Such a position would be consonant with the policy to encourage more food production at home;

3. Encouraging the deepening of manufacturing processes, say, by relating the level of duty exemption to local value added;

4. A clear and unambiguous bias in favour of export performance.

The other major support which industry enjoys from Government is protection from competition from third countries. The Government has been willing to extend a reasonable degree of protection to domestic producers,

particularly where it is clear that the goods being imported into the country are being dumped and to help manufacturers overcome the limitations of market size.

Moreover one just has to take a look at the policies of the major international trading countries in the developed world which have steadily built new trade barriers to save national jobs and industries to recognize the protectionist policies have their place in the armoury of every country.

[20 Dec 82 p 20]

[Text]

BUT as a general principle of development, protection does not provide the full answer to the problems we face. Protectionism increases the cost to the local consumer and it does not strengthen our capacity to export.

It is in recognition of this principle that a process of review of the negative list is underway with a view to ensuring that only deserving industries remain protected.

The policy decision has already been taken that additions to the negative list will be extremely selective, will be for specified limited periods only and subject to review thereafter.

Already we have introduced a programme of liberalisation of imports in which a large number of food and electronic items were effectively removed from import licensing control.

The full impact of this relaxation of controls instituted in 1981, became

evident by the third quarter of 1982 when the large volume of resulting imports began to affect adversely domestic producers of similar goods.

But that, Mr. Speaker, is symptomatic of the nature of the adjustment to the forces of international competition which some of our industries will be required to make in the future.

The anticipated outcome of the review will be the

publication of the first official comprehensive Negative List, significantly reduced through the deletion of products of industries which are mature enough to be able to survive without protection and products for which we have not been able to develop production capability.

The system will be further improved with the publication of explicit import quotas related to those items under control.

Mr. Speaker, in the pursuit of our objectives in industry - namely the development of non-oil exports to international markets - an in agriculture - namely increased domestic food production - the country must confront directly the fundamental problem that in too many areas, our costs of production are higher than those of our competitors both in Caricom and in the wider world.

The nation can no longer ignore the imperative that unless we achieve a significant reduction in costs, the present level of employment and the prevailing standard of living cannot be sustained.

Thus, lowering costs of production in all spheres of economic activity must now become a national objective; that is to say again that we must all dedicate ourselves to the cause of the higher productivity.

As was recognised at the National Productivity Consultation, in order to raise levels of productivity in the country, coherent policies must be developed for:-

The application of science and technology in the production process;

Sustaining a healthy industrial relations climate shorn of unproductive confrontation; and

Maintaining a viable relationship between wages and productivity.

Treating first with the application of science and technology to the production process, the Government considers it essential to substantially deepen the national scientific and technological infrastructure aimed at encouraging the formulation and testing of new ideas, the tapping of the inventive

powers of the people and increasing their expertise and self-confidence as the prerequisite for the assimilation of sophisticated technology.

This determination is fully articulated in Government's White Paper on Science and Technology which this House has approved.

This was the rationale behind the proposal to establish the National Institute of Higher (Research, Science and Technology)-NIHERS^T.

Modernisation and upgrading of levels of technology must be the preferred route by which both industry and agriculture make themselves competitive.

The Government recognises that, as a result, there will be need to import new machinery and its associated know-how and will give tangible encouragement to such efforts through fiscal and other measures which I shall later announce.

Moving now to the question of a healthy industrial relations climate.

Government reaffirms its commitment to the principle of industrial democracy in which free collective bargaining is the main instrument for regulating terms and conditions of employment.

MATURITY

However, if the collective bargaining process is to serve the purpose for which it is intended, certain prerequisites are absolutely essential:

The parties involved must demonstrate a certain level of maturity and responsibility;

Terms and conditions of employment must be related to economic realities;

While the parties utilising the bargaining process must seek to protect their respective self-interests, they must at the same time be always mindful of the national interests; and

Since differences will undoubtedly arise from time to time between parties engaged in the collective bargaining process, procedures and rules for resolving differences must be respected and scrupulously observed.

Without seeking to apportion blame, however, there is no denying the fact that the system has come under increasing strain within recent years.

It was in recognition of these strains and sensing that the future of the economy will demand of the population the exercise of the utmost discipline that labour and business have joined with Government in a untied effort to examine dispassionately, ways and means of resolving conflicts and promoting industrial peace.

I refer, Mr. Speaker, to the Tripartite Talks initiated by the Minister of Labour, Social Security and Co-operatives earlier this year.

These discussions have so far led to an identification of the following priority list of items:

(i) **Retrenchment and Severance Pay**

(ii) **Labour Cost and Price Escalation**

(iii) **Disputes settlement and Amendments to Labour Laws**

(iv) **Code of Industrial Relations Practice**

(v) **Nationalisation of Oil Industry (and orders)**

(vi) **Taxation**

(vii) **Export Markets.**

To date there has been substantial agreement by the parties on many of the principles on which legislation covering Redundancy and Severance benefits should be based.

Where opinions have differed on this matter, the issues have, by agreement, been forwarded to the Minister of Labour, Social Security and Co-operatives for formulating his recommendations to the Cabinet.

TO PROMOTE

Discussions are continuing on the other items on the priority list.

These Tripartite discussions are intended to be an on-going exercise which it is hoped will serve to promote a new and constructive dimension industrial relations in the country.

The issue of a meaningful relationship between wages and productivity is perhaps the most crucial element in

our endeavour to enhance our competitiveness.

High levels of conspicuous consumption which have become widespread in the population can be seen to have fueled inflation, adversely affected our competitiveness in export markets and diverted foreign exchange to non-essentials.

The sooner we distinguish between the illusion of prosperity and the realities of the current situation, the better able will we do to preserve the real gains which have accrued, and to venture confidently into the increasingly difficult international market place.

Let me, therefore, offer a word of advice to the country and suggest that the time has come for a return to the habits of thrift which were characteristic of the society in an earlier era.

To-day, especially because of the establishment by the Government of a variety of mechanisms for the promotion of saving, for instance, tax free savings bonds and the Unit Trust, opportunities for saving and investment are available to population at large.

The prudent use of income can redound to the benefit and serve the interests of the individual, the family, and the nation.

Generally speaking, Sir, incomes in this country are high even by standards

prevailing in some developed countries.

What is more, increases in salaries and wages have undoubtedly outstripped productivity. This, too, is a direct result of the benefits which the country has enjoyed from being an oil producer.

But it must be recognised that the fortunes of oil have changed and this demands a re-assessment of expectations on the part of every individual coupled with the exercise of restraint particularly in the area of salary and wage demands.

Nothing short of a concerted effort to raise levels of productivity will safeguard the levels of living which we have achieved and reinforce the national endeavour to be competitive in what we produce.

COMPLEXITY

But it is not only to the industrial and agricultural sectors that we must look to find scope for growth in 1983 and beyond.

The Trinidad and Tobago economy is sufficiently mature for deliberate steps to be taken to capitalise on the development of our professions and our institutions, financial and otherwise, to take advantage of our location and stability by the export of services to the rest of the world.

Take construction for example, as a direct consequence of the number and complexity of projects which were undertaken in the seventies by Government and the private sector, a growing cadre of consulting companies in this field has emerged on the Trinidad and Tobago scene.

Within these companies resides a wealth of relevant professional expertise which by virtue of experience gained at home should now be ready to offer services and undertake complex jobs abroad, independently or in joint ventures.

The export of such specialised skills is not new; what would be new is the systematic organisation of these skills by local companies either individually or in combination, in order the better to compete in the international marketplace.

Just as international firms of consulting and contracting companies have won contracts in Trinidad and Tobago and brought some of their required skilled people, so too should local contracting companies be seeking to do business abroad.

That disposition to imitate which is ingrained in the national psyche could for a change, be put to noble and positive use.

[21 Dec 82 pp 14, 16]

[Text]

OF THOSE invisible exports with potential for growth perhaps none ranks higher than the tourism industry. The economic and social gains from deliberately expanding this industry outweigh the possible ills that may be attendant upon a large influx of visitor population as tourists.

This was stated by Prime Minister George Chambers, Minister of Finance, in the 1983 Budget speech made in Parliament last Friday.

The Budget speech (continued from yesterday):

What is true of the construction industry is also true in other service industries and professions; take insurance and financial services as another example.

Banking, financial intermediation and related activities, are areas of the international economy in which Trinidad and Tobago is now poised to participate; we have the basic infrastructure, the expertise is available in significant enough quantities to enable us to effectively deliver services to clients overseas on a sustained basis, without

prejudice to servicing obligations at home.

TREMENDOUS SCOPE

We have made a modest start in this direction. Within recent times a few local businesses have been prompted to expand their operations overseas because of the level of foreign export earnings which such

overseas operations seem likely to sustain. Greater attention will be given in the future to the allocation of foreign exchange resources to enterprises and business ventures for the purpose of establishing operations abroad if the potential for net foreign exchange earnings for the country can be demonstrated.

Of those invisible exports with potential for growth perhaps none ranks higher than the tourism industry. I trust, Mr. Speaker, that no one will cavil at the proposition that there is tremendous scope for growth of this industry in Trinidad and Tobago and at the further proposition that the economic and social gains from deliberately expanding this industry outweigh the possible ills that may be attendant upon a large influx of visitor population as tourists to our islands.

It is well known that this Government has proceeded with deliberate care, some even say with too much caution, in the encouragement given to this industry. It is also well known that the Government has enshrined in its policy towards this industry the principle that the amenities, recreational and otherwise, that are developed in the country are principally for the enjoyment of the people of the country and must be available to them. There are other controls to which the Government is wedded such as our policy in respect of casinos and other forms of organised gambling in our resort facilities.

Within the framework of such safeguards and having regard to the recognised linkages of the tourism industry to the construction sector, in the first instance, linkages to the agricultural sector in the increased demand for food to be supplied to the visitor population, linkages to handicraft, art and culture to satisfy the thirst of the visitor for indigenous works of art and entertainment, the tourism sector must now be placed on a footing to become an important growth point in the economy.

QUITE SENSITIVE

Currently, the industry though by no means fully developed, makes a not insignificant contribution to foreign exchange earnings; in 1980 for example, it is estimated that tourism contributed \$362.7m of foreign exchange to the economy, a contribution exceeded only by the earnings of the petroleum sector and interest earned on Central Bank investments.

In advocating a higher priority for tourism, I am not unmindful of the fact that this is an industry which is quite sensitive to the ups and downs of the international economy; and that, in this context, many countries in the Caribbean which are established destinations in the industry have within recent times been experiencing a fall-off in visitor traffic. However, the policies of diversification of the economy which we have been pursuing and which are to be intensified are designed to reduce our exposure to the hazards of the cyclical trends in the industry.

On the whole, however, it must be remembered that notwithstanding the recurrence of recessionary conditions in the international economy in the post-war world, no industry has grown more consistently and more rapidly than international tourism. So it is to the medium and long-term perspectives that I am addressing myself bearing in mind that any decisions taken in 1983 to add much needed resort accommodation in Trinidad and Tobago and to provide other basic infrastructural facilities such as upgraded airport facilities in Tobago, would come to fruition three or four years hence, having regard to the normal gestation period of such projects.

I have so far been emphasising the services sector as a growth point in the future, in the context of the export sector of the economy. Concurrently, the demand for services in the domestic sector, to satisfy the needs and wants of a local population with higher

disposable incomes and more time for leisure and recreation can also be expected to grow. Indeed the evidence of the growth of this sector in the last five to seven years is all around us — in banking and insurance, food services and maintenance and repairs to a growing range of equipment and vehicles to name a few examples. These activities tend to be labour-intensive creating new job opportunities which will replace those lost in declining sectors of the economy.

SPECIFIC MATTERS ON WHICH ACTION WAS CONTEMPLATED IN FISCAL 1982 — PROGRESS REPORT

Mr. Speaker, in my 1982 Budget presentation, I identified certain matters for action in 1982. I wish to take this opportunity to advise you and the national community of the progress made to date on those subjects which are not specifically discussed elsewhere in this statement.

PRODUCTIVITY

It is now a matter of record that the National Consultation on Productivity was convened in two plenary sessions in March and May respectively. The Consultation itself appointed a National Productivity Council fully representative of the varied interest groups which participated in the Consultation and the Council was officially inaugurated by me on July 1st. One of the main responsibilities of the Council is to evaluate the recommendations submitted to the Consultation and to advise Government with respect to their implementation.

I have received the first report of the Council covering the period July to October, which indicates that the Council has been able to complete its examination of the recommendations relative to the subjects "The role of Management in Productivity" and "Quality of the Labour Force, Work Attitudes and Worker Participation". It has also been

able to make a partial analysis of the remaining recommendations of the other Groups.

In the course of its deliberations the Council has been meeting with organisations, both public and private and has reported that it has found those encounters useful in assessing the difficulties which may be involved in implementation. Those recommendations which have been endorsed by the Council as well as those made on its own behalf are now receiving Cabinet's attention.

It should be noted that the Council has also identified some recommendations submitted to the Consultation about which it has reservations and which in its view should not be implemented. A Cabinet Committee is now considering the Council's request for staff as well as its proposed budget for 1983.

IMPROVING THE EFFICIENCY OF STATE ENTERPRISES

The evaluation of State Enterprises to assess their economic viability and their role in the economy has begun and a Special Adviser to the Minister of State Enterprises has been appointed to take direct responsibility for this function. To be of real value these evaluations must be expertly conducted and the assistance of local management

consultants is being sought in this exercise.

Priority has been given to the performance/management audit of the operations of Trinidad and Tobago (BWIA International) Airways Corporation for which the services of a team of local consultants were engaged. An interim report was received in November and a final report is expected in March 1983.

This House and the public should also know that during 1982 the Ministry of State Enterprises introduced procedures approved by Cabinet governing the negotiation of new collective agreements and the determination of revised terms and conditions of employment for non-unionised employees in these enterprises. The procedures enable the Ministry to set, for the strict observance by the enterprise concerned, guidelines within which settlements may be concluded in respect of unionised employees and changes in the wages, salaries, fringe benefits and other terms and conditions of employment with respect to non-unionised employees.

This action was taken, Mr. Speaker, in response to the perceived need to ensure a measure of co-ordination and discipline in these matters and, in particular to discourage the wide disparities at certain

levels between public service pay and fringe benefits and those being agreed to or offered by State Enterprises.

ADMINISTRATIVE IMPROVEMENT IN THE PUBLIC SERVICE:

The Permanent Secretaries have prepared a plan for implementation of their recommendations on "Improvement of Efficiency in the Public Service."

Already implemented are their proposals that more authority should be delegated to Permanent Secretaries in financial matters. To this end, Cabinet has decided that the ceiling on the value of goods and services which may be purchased on the authority of Permanent Secretaries be increased to \$25,000. Cabinet has also agreed that the financial limit of Ministerial Tenders' Committee be raised to \$100,000.

There are two measures in their plan, much of which calls for action by the Permanent Secretaries themselves, which I single out for special attention. First, the need to undertake manpower inventories and manpower audits in each Ministry and Department in the context of a comprehensive examination of the size of the establishment of the public service and of the possibilities which exist for the redeployment of personnel.

[22 Dec 82 pp 9, 12, 15-16]

[Text] Secondly, the introduction of more widespread use of computerisation in the operations of the public service will be treated with greater urgency. I have no doubt, Mr. Speaker, that a large part of the inertia which the Public Service displays and which reflects itself in the level of efficiency, can be attributed to the fact that in this age of the microchip and mini-computer, the systems and procedures, many of which are repetitious in nature, have not been modernised.

A start has been made, however, to introduce new systems involving the use of computers. For this purpose, the Swedish Firm, Statskonsult, was commissioner and it has completed studies in the following areas:

--Customs Administration;

- Vehicle and Drivers Permit Registration;
- Basic Population Registration;
- Land Registration;
- Company Registration;—
- Court Proceedings;
- Law Enforcement Registers;
- Passport and Immigration control.

The Service Commissions have prepared proposals for streamlining disciplinary procedures in the Public Service, which involve amendments to the Service Commissions' Regulations as well as the Constitution of the Republic. The Legislation Review Committee of Cabinet is currently examining the former.

CONSUMER PROTECTION:

The following legislation has been drafted and published for public comment:—

1. An Act to amend the Sale of Goods Act;
2. An Act to make provision with respect to the protection and safety of consumers and others;
3. The Unfair Contract Terms Act, 1982;
4. An Act to amend the law relating to innocent misrepresentations;
5. An Act to amend the Merchandise Marks Act.

The deadline date for submission of public comments on these bills is December 20, 1982; I understand, however, that appeals have been made for an extension beyond this date. Meanwhile, the Hire Purchase Act was amended during the year to raise the present ceiling in respect of which the Act applies from \$8,000 to \$15,000.

CARE AND TREATMENT OF OUR SENIOR CITIZENS:

During the year further progress was made in streamlining the system of payment of welfare benefits, namely old age pension and public assistance and the distribution of food stamps to our senior citizens. This has been done especially with a view to relieving our senior citizens of any distress. Accordingly, with effect from June 22, 1982, all commercial banks have been used for the payment of old age pension and public assistance and the distribution of food stamps. From that date and until December 31, 1982, such payments are being

made on two days only per month.

Effective January 1, 1983, it is proposed to abolish the food stamp programme and replace it with a cash food subsidy, equivalent to the value of the food stamps given to recipients. This subsidy will be incorporated in one cheque payable to the recipients of the old age pension and public assistance.

Computer processing of the old age pension and public assistance payments is expected to be put into effect from the January 1, 1983 with the co-operation of the National Insurance Board. From that date, therefore, these cheques may be encashed or deposited during normal banking hours on any day of the relevant month.

REFORM OF LOCAL GOVERNMENT AND CITIZEN PARTICIPATION IN GOVERNMENT

The Minister of Community Development and Local Government has submitted to me a draft policy paper on this subject, which will shortly be put to Cabinet for its consideration.

In addition, Cabinet considered and approved a policy paper covering the operations of the new Ministry of Information. This document was made public in September last and the approved policy is being implemented.

EDUCATION

In my last Budget Statement, I emphasised qualitative improvements in the education system especially in the areas of science and technology, and announced that the Bill for the incorporation of the National Institute of Higher Education (Research, Science and Technology) would be finalised in 1982.

Since that Statement, divergent views have been expressed concerning the role which that body should play and this has necessitated further legislative re-drafting.

The final draft of the Bill is now before the Legislation Review Committee of the Cabinet and I anticipate its early introduction in this Honourable House.

REVIEW OF LAND ACQUISITION PROCEDURES

A Committee was appointed during the year to

examine the issues involved in the proposals to amend Government's land acquisition procedures in order to achieve the following objectives:

That payment for land acquired should be at current market values.

That payment for idle land acquired for any public purpose should be met 50 per cent in cash and 50 per cent in bonds and

That payment for all land in excess of one acre acquired for housing should be met on a similar basis: 50 per cent in cash and 50 per cent in bonds.

The Committee's report was received yesterday.

MULTI-SECTORAL PLANNING TASK FORCE

The Task Force has been appointed under the chairmanship of the President of the Caribbean Development Bank to undertake a comprehensive re-assessment along the lines indicated in my last budget statement. I expect that it will be reporting formally by the end of the first quarter of 1983.

It is proposed to submit the report of the Task Force to the National Economic Planning Commission immediately upon its receipt prior to tabling it in this Honourable House for debate.

Meanwhile Cabinet has agreed that the National Economic Planning Commission should be constituted as follows:—

The Minister of Finance & Planning — Chairman, The Minister of Agriculture, Lands and Food Production; The Minister of Labour, Social Security and Cooperatives; The Ministry of Industry Commerce and Consumer Affairs, The Minister of Energy and Natural Resources; The Minister with responsibility for the administration of Tobago; The Minister of State Enterprises; A representative of the Tobago House of Assembly; The Governor of the Central Bank.

Three representatives from the business community as follows:— A representative from Banking and Finance; representative from the Manufacturing Sector; representative from the Small Business Sector.

Three representatives from the Labour Movement, a representative from the University of the West Indies, The Permanent Secretary in the Ministry of Finance and Planning — Member/Secretary.

SPECIFIC MATTERS ON WHICH ACTION IS CONTEMPLATED IN 1983

Mr. Speaker, in the course of the debate which will ensue from this Statement many Ministers will be intervening to speak on matters within their respective portfolios. There are a few matters, however, about which I wish to comment briefly.

Review of salaries and other conditions of service of holders of offices under the purview of the Salaries Review Commission

I received the seventh Report of the Commission on Friday last and have referred it to the Cabinet for early consideration.

National Technological Consultancy Service

Consideration will be given to the establishment of a National Technological Consultancy Service as a vehicle for promoting the application of a greater input of science and technology in production.

Information - Channel 9

The media offers substantial opportunities to provide information, to hasten the progress of education, to disseminate scientific and technical knowledge and to promote development.

Clearly, we must utilise the nation's investment in radio and television to achieve these objectives. To this end, Channel 9 of Trinidad and Tobago Television will be activated as a

public service channel and dedicated almost exclusively to public information and education. Because of the possibility of reaching a very wide audience through radio and television, action

will also be initiated to study the use of both media forms for training and instruction.

School Feeding Programme

The School Feeding Programme will be the subject of a comprehensive review in 1983. Pending such review the financial allocation to the programme will be maintained at existing levels except in the case of Tobago where it is anticipated that the Programme will be launched this year.

Easing of the Traffic Burden

In 1979 Maxi Taxis were introduced on an experimental basis with the objective of improving the efficiency of the transportation system.

It is generally conceded that the experiment has been an unqualified success. Accordingly, it is proposed to phase out four and five seater taxis as a regular mode of commuter transport and to replace them by maxi taxis, thus facilitating the movement of more persons in fewer vehicles on the roads.

The concessions now applicable to four and five seater taxis will be withdrawn and transferred to the maxi taxis. The existing arrangements relating to taxis associated with the tourist industry will continue as at present.

Rationalisation of the Funds for Long Term Development

The device of the Special Funds was introduced to reserve surplus revenues for capital expenditures on programmes and projects which were being developed. Inasmuch as current projections indicate a narrow-

ing of the gap between revenues and expenditures, the number of Funds have already been reduced from 47 to 18 and action aimed at a further reduction will continue in the Ministry of Finance and Planning.

Financial Management and Control of Public Expenditure

Greater control was exercised over disbursements in 1982 with the result that there was more effective utilisation of financial resources.

This activity will be intensified in 1983 and State Enterprises in particular, will be required to operate within the cash limits established for them by the Ministry of Finance and Planning in consultation with the Ministry of State Enterprises.

Establishment of a Mortgage Market

At present, although a number of institutions are active in the mortgage market, the volume of lending is still substantially below the demand for mortgage loans, with Government providing a significant proportion of the funds.

To improve this situation a Mortgage Bank will be established with the primary objective of creating a secondary mortgage market.

Legislation

Early legislative action is contemplated in respect of the following Bills:

- Copyright
- Occupational Safety and Health
- Telecommunications
- Integrity
- Professions Supplementary to Medicine
- Legal Profession
- Companies
- Limitation on deductions of Covenants.

Sales Tax: We have been giving consideration for sometime to the introduction of a general sales tax. I am advised that there are numerous problems in the administration of such a tax.

I, therefore, propose to seek the assistance of the International Monetary Fund as to the form which would be most appropriate in our circumstances.

National Health Improvement Scheme: For all practical purposes the Health Services are free; not only do they cost a great deal of money to provide, but we are also continually expanding and upgrading them.

In the light of declining revenues it is not unreasonable to ask the population to meet directly some part of the cost of such services.

Consideration will, therefore, be given in 1983 to the introduction of a National Health Insurance Scheme.

The Petroleum Industry:

Mr. Speaker, I specifically wish to address the question of the local petroleum industry. The critical role which this industry has played in the economic development of the country, particularly within the last decade, cannot be over-emphasised.

It has been the principal source of the revenues

which made possible the tremendous improvements in the country's social and economic infrastructure, undertaken by the Government since the middle of the 1970s.

THE DIFFICULTIES

It should also be emphasised that the Government expenditure programmes provided the major stimulus for the growth of output and employment in the non-oil sectors of the economy during this period.

In addition, it is mainly because of the foreign

exchange earned by this industry that the country has been able to sustain such a high level of imports of goods and services for purposes of investment as well as for consumption.

It is inevitable, therefore, that the Government must be concerned with any developments, be they local or foreign, which threaten the efficient operation of the industry.

The difficulties surrounding the international petroleum industry have been most pronounced in the market for petroleum products where the sharp reduction in demand has

been accentuated by the growth in refinery capacity within OPEC countries.

These developments have led to significant reductions in the utilisation of refining capacity worldwide and to the permanent closure of a large number of plants.

In my recent Convention Address I went into some detail on this matter for the information of the public, with particular reference to the considerable surplus capacity which now exists in Western Europe, the U.S.A., Canada, the Middle East, Japan and the Caribbean as well as in China and the Soviet Bloc countries.

I gave an idea too of the number of closures and shut-ins of refineries which have been taking place throughout the world.

The decline in world demand for petroleum products as a whole has been accompanied by major shifts in the pattern of demand for individual product items. The most seriously affected are fuel oils, which face severe competition from alternative energy sources such as coal and natural gas.

As a consequence, in most cases fuel oil prices are now substantially lower than the prices of the crude petroleum from which it is processed.

Throughput Cut

These development [as published] have had a significant impact on the domestic refining industry. The Trinidad and Tobago refineries, like other Caribbean export-oriented refineries, were developed within the context of the international operations of the major petroleum companies.

These circumstances dictated that the greater proportion of refining capacity be geared to the production of fuel oils, the very items which it is no longer economic to produce.

In these market conditions, given the configuration of our refineries, there has been a significant reduction in capacity utilisation in the domestic industry.

At the Pointe-a-Pierre refinery which relies heavily on imported crudes for its operations, throughput has been reduced progressively from a high of 327,000 barrels per day in 1972 to a current level of about 50,000 barrels per day.

The throughput at the Trintoc refinery also declined from 67,000 barrels per day in 1972 to just over 50,000 barrels per day at present.

Against this background, it is quite obvious that only the cost competitive and efficient operators will survive in the international refinery industry.

Two important developments relating to the pattern of ownership of the industry have already been brought to the attention of this Honourable House.

I refer to the negotiations between the Government and Tesoro Petroleum Corporation and the discussions between the Government and Texaco.

With respect to the former, earlier this year, the Minister of State Enterprises advised this House that pursuant to an offer by Tesoro to sell its shares in Trinidad Tesoro, a team of Government Ministers had been appointed to commence negotiations with Tesoro with a view to fixing the price of such shares.

To date, the parties have been unable to reach agreement and it has been agreed that the matter will go to the joint auditors for a determination of the fair market value of Tesoro's shareholding.

With respect to the latter, it will undoubtedly be recalled that in July, this year, I announced in this Honourable House the appointment of a Ministerial team to commence discussions with Texaco at the highest level, on the future role that company may be expected to play in this country.

While these discussions are still continuing, it is clear from what has emerged so far, that Texaco does not see itself in the position to continue to play the important role which it has traditionally performed in the domestic oil industry.

Offer to Sell

In this connection, I would like to remind the country that in 1975, Government formally proposed to Texaco a majority participation in the refining operations of that company.

Texaco's reaction was emphatically negative and the company stressed the complexities which were likely to arise through Government's participation in the refinery whose expansion over the years, was conceived and constructed not to provide supplies to the Trinidad and Tobago market but to fit into Texaco's international operations.

By contrast, on this occasion, the company has taken the initiative and has offered to sell its refinery to the Government. It is not without

significance, Sir, that in the previous period, prices and profits in the industry were buoyant while today most refineries of the Pointe-a-Pierre type are operating at a loss.

Moreover, this offer has come at a time when Texaco Trinidad has been advised that the processor, Texaco Trader, does not intend to continue the processing of crude oil at the Pointe-a-Pierre refinery in the light of current deteriorating market conditions.

In fact, the refinery is being kept on stream at present essentially because of a processing arrangement with Trintoc.

In the Interim

It is clear, Mr. Speaker, that the national interest demands that there be a

rationalisation of the refining operations in Trinidad and Tobago and that in formulating a new refining structure, discussions must encompass all of the oil companies operating locally.

Meanwhile, in order to permit negotiations and discussions to proceed to determine the future of our refining operations, the following interim arrangements have been proposed to Texaco to cover the period January to March, 1983:

(1) The crude throughput to be maintained at 65,000 barrels a day increasing from the current level of 50,000 barrels per day as soon as logistics facilitate.

(2) Included in the 65,000 barrels must be indigenous crude produced by Texaco Trinidad Incorporated at a minimum of 28,000 barrels a day which Texaco must process for its own account.

(3) Trintoc will conclude processing arrangements with Texaco to refine on a fee basis 37,000 barrels a day.

(4) Trintoc will maintain the right to offtake products from its processed crude on an agreed yield basis, with Texaco taking products not required by Trintoc, on terms to be agreed.

WIDER RANGE

(5) Texaco must import feed stock to meet the lube oil plant manufacturing requirements.

(6) Trintoc and Texaco will explore the possibility

of Texaco supplying to Trintoc, a "wide range" naphtha stream and some fuel oil (long residue) for processing at the Trintoc refinery to produce jet fuel/kerosene and bitumen.

(7) If Texaco so requires, some platformate produced at Point Fortin will be returned to Pointe-a-Pierre for producing motor gasoline.

(8) The processing fee charged by Texaco for processing Trintoc crude must have no profit element and must be subject to check by Trintoc, and any changes which impact on the cost of refining must be commensurately reflected by the processing fee.

These temporary arrangements will provide the slate of products required for the domestic market and some regional requirements.

It is our hope the discussions on refinery rationalisation will be concluded long before the end of the interim period so that a normal state of operations can be established.

Whatever interim arrangements we may make, Mr. Speaker, and however the discussions on refining operations turn out, it is absolutely clear that the time has come to breathe life into the legislation which we enacted since 1969 to provide for the establishment of a National Petroleum Company, which has as its principal objective promoting the economy of Trinidad and Tobago, by

undertaking the exploration, exploitation and management of the petroleum resources of the country.

And by ensuring the more effective participation of the people of Trinidad and Tobago in the development and utilisation of these resources.

Fiscal and Other Measures for 1983

Mr. Speaker, our specific achievements in 1982 and the strategy which I have briefly outlined for the decade of the 1980s fit into a pattern of economic progress and continuing advancement for this country made possible by the judicious management of the financial resources by this Government.

I wish, Sir, before elaborating on the fiscal measures for 1983 to review briefly some indicators of our economic development in recent years.

The significantly enlarged income which flowed into the Treasury as a result of the escalation in the price of petroleum has been used to strengthen the social and economic infrastructure which is essential for ensuring the future growth of the economy.

It also facilitated substantial improvements in the standard of living of citizens throughout the country and increases in their purchasing power by virtue of enhanced real earnings and an extensive programme of subsidies and transfer payments.

\$1,193m SUBSIDIES

The evidence is there for all to see whether in education, housing, health, roads, industrial diversification, water, employment or the cheap and efficient transit system now operated along the Priority 'Bus Route.

In the case of subsidies, the direct cost in 1982 alone, excluding the subsidy on petroleum products and agriculture, was \$1,193 million — a figure which is approximately the same as total expenditure in 1975.

Let me emphasise, Sir, that these are merely a few indicators of the results achieved in recent years. As I pointed out in my review of the domestic economy, expenditure by the Government has been a major stimulus to the sustained growth of the economy in real terms.

STRIKE BALANCE

The Government injects substantial new financial resources into the economy each year since it spends much more on purchasing goods and services from the non-oil sector than it extracts from that sector

by way of taxation and borrowing.

In spite of creating favourable conditions for national economic prosperity by means of this process, the Government still managed the economy in such a way that Trinidad and Tobago built up official foreign exchange reserves valued at \$6,857 million at the end of November or the equivalent of about 14 months' worth of payment for imports.

In addition, the Government itself accumulated fiscal savings valued at \$3,065 million at the end of November despite drawing on its savings in the course of the year.

During the years of the oil boom the Government was able to strike a balance between prudent financial management and its role as the dynamic promoter of economic development in Trinidad and Tobago. It intends to maintain this balance which is so essential for building on the significant gains which we have already achieved.

But, Sir, in light of all I have said so far this afternoon it must be patently obvious to all that the circumstances have now

changed: the outlook for revenue growth under present fiscal policies is modest, while at the same time we recognise that a

drastic and sudden cutback in Government expenditure could result in a situation of little or no real growth in the economy, with attendant consequences.

Accordingly, the Government is planning to undertake a larger capital expenditure programme in 1983 than it has accomplished this year, in spite of the fact that higher negotiated wages mean that the recurrent budget exceeds the original 1982 estimates and revenues are expected to be lower than in 1982. In the circumstances, two courses of action must inevitably be pursued:

(1) There must be a further drawdown on the accumulated fiscal surpluses.

(2) The recurrent budget must be made to finance its adequate share of the capital budget, that is, the recurrent budget must be managed so as to contribute to the financing of investment. In short this means, Mr. Speaker, new revenue measures.

[23 Dec 82 pp 11-12, 19]

[Text] Announcing a package of increased taxation in the 1983 Budget, Prime Minister George Chambers, Minister of Finance, stressed the importance of self-reliance and self-discipline in these times of severe economic recession worldwide and the concomitant slow-down in the domestic economy of this country.

Speaking in the House of Representatives last Friday, Mr Chambers said it was important to secure a re-allocation of resources between consumption and saving and discourage the use of foreign exchange reserves for consumption of inessential foreign goods and services.

The Budget Speech (continued from yesterday):

I have stressed the importance of self-reliance and of self-discipline in these times of severe economic recession worldwide and the concomitant slow-down in our domestic economy.

We must, therefore, whether we like it or not, through our own efforts, begin the necessary adjustment and squarely face the economic realities-- both external and domestic.

Should we fail to do so and seek to delude ourselves in the belief that we can sustain the conditions of the boom years we will, before very long, have financial discipline thrust upon us by outside agencies to whom we will inevitably have to turn.

Soft Landing

The consequences of this latter option can be gauged from the experience of the several countries--oil exporting and oil-importing--which failed to come to terms with the imperatives of adjustment until it was forced upon them as a condition of assistance by the International Monetary Fund.

As a Government we have unquestionably managed our financial affairs competently in the years of economic boom. The prudence displayed in those years has left us with the financial resources to effect a soft landing in an orderly transition to a period of slower economic growth. In these circumstances, it is important to secure a reallocation of resources between consumption and saving and in particular to discourage the use of our strategic reserve of foreign exchange for the consumption of inessential foreign goods and services.

The Government will introduce appropriate fiscal measures in 1983 to ensure that its current savings finance an acceptable share of the expanded capital budget. I now enumerate these measures.

1. Subsidies:

(a) The subsidy on petroleum products amounted to \$350 million in 1982 and the net cost to the Exchequer was \$175 million. I propose to reduce the loss to the Exchequer in 1983 to \$78 million by increasing the prices of petroleum products to consumers as follows:

Product	Current Price	New Price
(i) Premium gasoline (¢ per litre)	28	55
(ii) Regular gasoline (¢ " ")	23	45
(iii) Domestic kerosene (¢ " ")	11	35
(iv) Industrial Kerosene (¢ " ")	28	40
(v) Gas Oil (¢ " ")	28	45
(vi) Diesel Oil (¢ " ")	23	40
(vii) Domestic gasoline (¢ " ")	23	45
(viii) LPG:		
20 lb. cylinders	\$10.00	\$13.00
100 lb cylinders	\$50.00	\$65.00

A new Price of Petroleum Products Order will be published today. The new prices remain well below the equivalent price for these products in international trade and indeed, will still be among the lowest in the world. These increases are expected to have some effect on the cost of transportation and other goods and services. The Government intends to monitor the situation very closely and will take such action as the circumstances dictate in defence of consumers.

A Small Share

(b) The subsidy on cement will be removed with immediate effect. This measure will yield \$79 million. The retail price of a 94 lb. bag of cement will rise from \$6.60 to \$9.40; the ex-factory and wholesale prices will be adjusted accordingly. The cost of cement is but a small share of the total cost of construction, particularly residential construction, so that this change by itself should not cause undue escalation in the cost of housing.

(c) The total subsidy paid for basic food items and for poultry and livestock feed rose from \$30.5 million in 1974 to \$297.2 million in 1982. It is impossible to maintain this level of subsidy and also finance development at a time when revenues are declining. Accordingly, subsidies for flour, rice, cooking oil, poultry feed, poultry meat and livestock feed will be reduced with immediate effect. This measure is expected to yield \$88.0 million. The effect of this change on retail prices will be as follows:

Commodity	Unit of Quantity	Current Price	New Price
Rice	1kg	\$ 1.30	\$ 1.56
Flour (bakers)	45kg	\$19.84	\$31.14
Flour	1kg	0.53	0.83
Cooking Oil	1 litre	\$ 2.82	\$ 3.35
Poultry Feed	45kg	\$24.03	\$31.55
Poultry Meat	1kg	\$ 4.87	\$ 5.25
Livestock Feed	45kg	\$13.18	\$23.65

In general, the Government will in 1983 be reviewing the entire structure of agricultural subsidies, with a view to paying subsidies in relation to production achieved. This review is already underway in the Ministry of Agriculture, Lands and Food Production and upon its completion and approval of recommendations by Cabinet, the changes will be announced by the Minister concerned.

2. Utility Tariffs:

As I indicated in the 1982 Budget Statement, the time has long passed for the various public utilities to introduce more meaningful tariffs. The Trinidad and Tobago Telephone Company (Telco) has already filed an application with the Public Utilities Commission for a rate increase. The Trinidad and Tobago Electricity Commission (T&TEC), the Port Authority and the Public Transport Service Corporation are expected to apply for rate increases in 1983. Telco and T&TEC will be required as a matter of policy to cease reliance on the Exchequer by 1984.

Even after a programme of tariff adjustments, the average citizen in Trinidad and Tobago will pay less than his counterpart elsewhere in the Caribbean although he enjoys a much higher level of income.

3. Taxes on Consumption:

Mr. Speaker, with the exception of taxation of the oil companies, no new taxes have been introduced in Trinidad and Tobago since 1973. Indeed, for several years the population has benefited from more and more concessions. In the light of the overall fiscal position for 1983 and the medium-term outlook for the economy, I propose to impose additional taxation in 1983 by revising existing rates of purchase tax, motor vehicles tax, excise duties and airport departure tax and by introducing a new levy on sales of airline tickets.

The relevant rates will be published by Order and will be effective immediately.

(a) Purchase Tax:

The rates of purchase tax on domestic and imported goods will be increased by 30 per cent. As a result, the following changes will occur:

Where the existing rate is 10 per cent, the new rate will be 13 per cent.

Where the existing rate is 15 per cent, the new rate will be 19 per cent.

Where the existing rate is 20 per cent, the new rate will be 26 per cent.

Where the existing rate is 25 per cent, the new rate will be 33 per cent.

Where the existing rate is 30 per cent, the new rate will be 40 per cent.

Where the existing rate is 35 per cent, the new rate will be 45 per cent.

Where the existing rate is 40 per cent, the new rate will be 52 per cent.

Where the existing rate is 45 per cent, the new rate will be 58 per cent.

Purchase tax at the rate of 15 per cent will be reintroduced on various cosmetic items, such as, perfumes, toilet water, haircreams, shaving creams, powder and shampoos.

This measure is expected to yield \$45 million of additional revenue. Mr.

Speaker, I wish to remind you and the nation that purchase taxes were reduced in 1973, 1975, 1976 and

again in 1977 when it was abolished on several items and lowered by a margin ranging from 33 1/3 per cent to 50 per cent on many

others. The proposals which I have just listed will not restore purchase tax rates even to the already reduced level of 1977.

(b) EXCISE DUTY:

The rate of excise duty for various products will be increased as follows:

Commodity	Existing Rate	New Rate
Beer	\$1.50 per gallon	45 cents per litre
Deodorised Edible Oil	10 cents per gallon	3 cents per litre
Lard substitute	42 cents per 100 lbs	60 cents per 50 kg.
Matches	6 cents per gross of boxes	10 cents per gross of boxes

Rum	\$12.00 per gallon at proof	
Rum Punch	\$12.00 per gallon at proof	\$3.50 per litre at proof
Gin	\$15.00 per gallon at proof	\$4.30 per litre at proof
Blended Whisky	\$21.00 per gallon at proof	
Cordials and Liqueurs	\$15.00 per gallon at proof	\$6.00 per litre at proof
Other Potable Spirits	\$15.00 per gallon at proof	\$4.30 per litre at proof
Spirits for use in the manufacture of Bay Rum and Perfumed Spirit	\$1.80 per gallon at proof	50 cents per litre at proof
Spirits for use in the manufacture of cigarettes	\$1.80 per gallon at proof	50 cents per litre at proof
Spirits for use in the manufacturing essence	\$2.50 per gallon at proof	70 cents per litre at proof
Spirits for use in the preparation of medicinal spirits	\$1.20 per gallon at proof	35 cents per litre at proof

The yield from excise duties is expected to increase by \$7 million.

(c) AIRPORT DEPARTURE TAX:

The rate of the Airport Departure Tax will be increased from \$5.00 per traveller to \$20.00 per traveller. The anticipated yield is \$6 million.

(d) FOREIGN TRAVEL:

Current trends reveal that the importance of foreign exchange as an economic resource to a small country such as

Trinidad and Tobago is not fully appreciated. For example, in 1982 as a nation we have spent on average for each of the first six months \$30 million on vacation travel and \$7 million on business travel. In some areas there appears to be wholesale abuse of facilities provided for the convenience of people with a legiti-

mate need. During the first six months of 1982, a total of \$20 million was sent abroad under the guise of gifts and donations. Put another way Sir, each month the people of this country have been exporting \$3.4 million as gifts to persons residing abroad.

STRICT SCRUTINY

The Central Bank will today withdraw the

authority which it had delegated to commercial banks to approve applications to remit funds overseas as gifts and donations. The Bank will hereafter receive all applications which will be subject to the strictest scrutiny.

From January 1, 1983, a tax of 5 per cent will be levied on airline ticket

sales, excluding the sale of tickets for travel on the airbridge between Trinidad and Tobago. This is estimated to yield \$10 million.

(e) MOTOR VEHICLE TAXATION:

Under this heading, I refer to purchase tax on motor vehicles, motor vehicle licence fees and drivers' permits. You will recall, Sir, that motor vehicle purchase tax was reduced in 1973, 1974 and again in 1975. With the increase in income levels, the explosion in car-ownership and the escalating cost of highway construction and maintenance, it is appropriate that we look again at this particular tax base. Accordingly, I propose to make the following changes in the rates of motor vehicle tax:

Where the rate was 5 per cent, it will now be 7½ per cent.

Where the rate was 7½ per cent, it will now be 11 per cent.

Where the rate was 10 per cent, it will now be 15 per cent.

Where the rate was 12½ per cent, it will now be 19 per cent.

Where the rate was 15 per cent, it will now be 22½ per cent.

Where the rate was 17½ per cent, it will now be 26 per cent.

Where the rate was 30 per cent, it will now be 45 per cent.

Where the rate was 35 per cent, it will now be 52 per cent.

Where the rate was 40 per cent, it will now be 60 per cent.

In each case the basic tax, that is to say, the element of the tax which is in the form of an absolute dollar payment will remain unchanged.

This measure is expected to yield \$30 million.

In respect of motor vehicle licences, all rates will be raised across the board by 25 per cent. This measure will yield \$3 million. Perhaps, this is an appropriate time to inform the public that Station Wagons licensed "T" will henceforth be required to pay the same motor vehicle

tax and licence fee, and will be allowed to carry the same number of passengers, as if licensed "P".

Existing concessions to agriculture and bona fide small businessmen will be retained.

The cost of the three-year driving permit will be raised from \$40 to \$75. In doing so, however, Mr. Speaker, I wish to deal with an inequitable situation involving senior citizens over the age of 65 years. These citizens are required to obtain a medical certificate each year as a condition of holding a licence so that in effect they pay much more than other citizens in order to be licensed. I therefore propose to abolish the licence renewal fee for senior citizens over the age of 65.

The increase in the fee is expected to yield \$2.6 million.

The changes in respect of vehicle licence fees will take effect from January 1, 1983, while the changes in motor vehicle tax and the fee for issue of a driver's permit will be effective immediately.

(f) Gambling and Betting:

The Betting Office licence fee will be raised to \$100,000 per annum and during the year, the system of administration of the ad valorem tax on the placing of bets will be reviewed.

(g) Other:

All premises which are used for the purpose of operating video and electronic games machines on a commercial basis will be required to obtain a licence for which an appropriate fee will be charged. Enabling legislation will be introduced in due course.

4. Measures to promote development of the Non-Oil Sector

One of the main pillars in our new industrial strategy, as I earlier indicated is a dynamic export thrust. In addition to the institutional changes which I have already announced, in its earnestness in this regard, Government proposes to encourage the search for and active development of

export markets outside Caricom and as recommended by the Warner Committee, the following new measures will be introduced with effect from January 1, 1983.

(a) Export Allowance

The existing principles and conditions relating to the grant of export allowances as set out in the Finance Act of 1976 will be replaced by the following: The Export Allowance will be calculated as the percentage of export sales to total sales applied to chargeable profit, i.e.

$$\text{Export Allowance} = \frac{\text{Export Sales} \times \text{Chargeable Profit}}{\text{Total Sales}}$$
and there will be no minimum percentage of export to total sales.

The Export Allowance will be extended to all industries with the exception of: — the petroleum industry; — pioneer products during the tax holiday period; — products enjoying the benefits of the Fiscal Incentives Act during the tax holiday period.

(b) Tax Deductible Promotional Expenses

Promotional expenses incurred by local firms in order to develop exports will be tax deductible as an expense equivalent to 150 per cent of the actual outlay.

Tax Deductible Promotional Expenses will be defined to include: — Advertising in foreign markets; — Promotional literature for overseas distribution; — Participation in trade fairs, trade missions and similar promotional activities; — Overseas travel for the purpose of conducting promotional exercises;

- Providing free samples and technical information on products to clients;
- Inviting potential buyers to Trinidad and Tobago;
- Recruitment of specialist sales personnel for a maximum of two years. During this period local personnel must be trained to assume the responsibility.

(c) Market Development Grants

A Market Development Grant will be introduced along the following lines:

(i) fifty (50) per cent of approved expenditure, subject to a minimum of \$5,000, except in special circumstances, e.g. small business ventures;

(ii) the Grant will be tax free.

The following expenses will qualify for assistance in the form of Market Development Grants:

- Costs incurred in undertaking research in foreign markets;
- Market testing of potential products in large markets abroad;
- Product design and consultancy;
- Overseas travel for the purpose of conducting research and other market identification exercises;
- Product testing by approved foreign institutes and similar agencies for ensuring adherence to standards and other statutory requirements.

Companies enjoying concessions under the Fiscal Incentives Act, 1979 will be eligible for both the Tax Deductible Promotional Expenses and Market Development Grants.

(d) Export Financing

The Government of Trinidad and Tobago will introduce a comprehensive package of export financing facilities comprising:

- pre-shipment guarantees;
- post-shipment guarantees;
- re-discounting facilities at concessionary rates.

The incentive measures introduced at (a) to (c) above will apply only in respect of exports to countries outside Caricom.

In addition, in order to stimulate investment in the modernisation of plant and equipment, with effect from January 1, 1983, the following measures will be introduced:

(e) Investment Allowance

The rate of investment allowance on plant and equipment installed after

January 1, 1983, will be increased from 20% to 30%.

(f) Initial Allowance

The initial allowance on plant and machinery installed after January 1, 1983, will be increased from 40% to 50%.

Manufacturing enterprises other than those engaged in the production of petroleum, petrochemicals, iron and steel and sugar will be eligible for these incentives which will permit such enterprises to recover, in the year of expenditure, almost the full cost of any capital investment undertaken to modernise plant and equipment.

5. Other Measures

(a) A fundamental aspect of the adjustment which the changing economic circumstances have forced upon us, is the need to channel more of our personal incomes into savings and investment. In view of this and of the perception expressed by some groups that personal taxation is high, I propose to provide citizens with the opportunity of reducing their individual tax liability through increased savings. In respect of the National Tax Free Bonds which were first issued in 1977 the value of purchases allowed as a tax deduction each year will be increased from \$7,500 to \$12,000 and the total holding on which interest may be earned tax free will be raised to \$60,000.

(b) Mr. Speaker, the pensioners — both retired public officers and other senior citizens — as a group merit special consideration. Accordingly, the pensions payable to these persons will be increased as follows:

(i) For Public Officers who retired — before December 31, 1970 — an increase of 20% of the basic pension at December 31,

1982, subject to a minimum of \$50 and a maximum of \$150 per month.

Between January 1, 1971 and December 31, 1980 — an increase of 10% of the basic pension at December 31, 1982, subject to a minimum of \$30 and a maximum of \$100 per month.

This proposal will cost \$8.5 million and benefit about 8,490 retired public officers.

(ii) Old Age Pensioners — the old age pension will be increased, with effect from January 1, 1983, from \$125 per month to \$200 per month, excluding the cash benefit of the food stamp. Corresponding adjustments will be made in public assistance payments. This measure will cost approximately \$63 million per year.

(c) The Government must adopt measures which will facilitate the spread of the benefit of National Housing Authority mortgages to as large a number of persons as possible. Accordingly, the NHA will be allowed to introduce in its new mortgages a provision whereby interest rates will be reviewed at specified intervals so as to ensure that the interest rate being paid at any given time accords with the rate applicable to the beneficiaries' current income.

This is intended to supplement the funds available for housing.

Mr. Speaker, on the basis of the Estimates which have already been tabled and the additions proposed in the Statement of Amendments to be moved at the Finance Committee stage, the recurrent revenue for 1983 is estimated to be \$6,353.1 million, while recurrent expenditure is expected to be \$5,644.3 million. The resulting surplus of \$708.8 million together with the net yield of \$460 million from the fiscal measures which I propose to introduce, means that we will generate total current savings of \$1,168.8 million.

This sum will finance 27.4 per cent of the capital programme for 1983. The balance of the financing will be obtained from capital receipts, by drawing upon past savings to the extent of \$2,150 million and by borrowing a net amount of \$988 million which will be raised on both the local and overseas capital markets.

Mr. Speaker, the one charge which may not be laid against this Budget Statement is that it lacks candour. I have stressed two fundamental characteristics which I know we as a people possess, namely, self-reliance and self-discipline. The various policy measures which the Government has announced in respect of 1983 will serve to buttress the resolve of the population; they are not and cannot be a substitute for that resolve.

The Budget Statement indicates to the national community the options now available to it. In sum, we may choose on the one hand, to demonstrate cohesiveness as a society, maturity as a people, restraint in our expectations and the courage and determination to do what is right for Trinidad and Tobago, in which event we will collectively move with the caution necessary to emerge from the dark tunnel of international economic recession chastened, but undoubtedly with greater national resolve into a bright future. On the other hand, we may choose the path of rampant individualism, indiscipline, injudicious spending habits and disregard for the national interest, in which event, Sir, I hesitate to contemplate the outcome.

I continue to be optimistic and remain convinced that the of Trinidad and Tobago will exercise the tough option.

WHEN THE doctor has finished a nice man will roll your bed into a large room with other kids. There will be plenty of toys — and others to have fun with them. A lady may come to draw a little blood from you. It only hurts for a minute if you lie still (continued tomorrow).

Editor's Note: Issues of the TRINIDAD AND SUNDAY GUARDIAN through 27 December 1982 were not found to carry the promised continuation of the prime minister's budget speech.]

CSO: 3298/278

GOVERNMENT'S 1983 BUDGET ELICITS BROAD REACTION

'GUARDIAN' Comment

Port-of-Spain SUNDAY GUARDIAN in English 19 Dec 82 p 8

[Text]

LONG heralded by many voices, the morn of reality has arrived. The Prime Minister of Trinidad and Tobago has admitted that this country is on the threshold of a difficult period. Oil production is down and not even the makeshift arrangements reached with Texaco to continue refining will help much.

Not only is production down but prices have been declining and are expected to continue to decline.

The turnaround in our oil fortunes is being accompanied by rising unemployment and it does take considerable blind faith for anyone to believe that the activities of non-oil companies will be so fruitful that they will help make up for revenues lost through the deteriorating oil situation.

The Prime Minister's Budget Speech sounded remarkably as if the Government is absolving itself of all blame for the prodigal conduct of the country's affairs, when the record will show that it is the Government itself which consistently led the way in the Carnival of spending during the petrodollar years.

We are left, therefore, at a loss to understand just how we are going to make the serious export effort that the Prime Minister is hoping for. First of all, what is it that we are really going to export? Traditionally we bemoan the fact that we cannot easily get into world markets with our high-cost labour working on a limited range of products. So poor has been our market penetration that we have closed down the marketing office in Geneva after several futile years.

The Prime Minister did not attempt to spell out the items being counted on.

We are at a loss, too, to understand why the Government has waited until now to attempt to boost tourism — when 10-14 per cent unemployment and reduced incomes are ravaging the industrial countries most likely to send us tourists.

Everyone knows that the main source of our discomfiture has nothing to do with world recession or depression but — we repeat it with even sterner conviction than before — with our own profligacy.

In order to cling to power the Government, with its eyes wide open and its hands dripping with generosity, overpaid the public service — and this at a time when the public got little service — mollycoddled portworkers, encouraged DEWD in every trick of avoiding work and pyramiding pay, and saddled the real producers of the country with the bill for all this, plus the wanton expenditure of billions on prestige projects.

PH TAXIS

The people followed fashion. If the Government could say "money is not the problem," the people could show that the statement was true in all sorts of ways, so they set out, jet-setting to the States, to Europe, through the Caribbean, scooting there for shopping, whipping over to some other place for a sporting event, developing more expensive tastes by the second for liquors and fancy goods, and generally having a ball.

It is most surprising that it is only now that the Government has come to realise that millions have been leaving the country through "travel," and has hastily concocted means of reducing the drain.

In any event, unless the Government can come up with failproof methods of blocking collusion between some travel agents, and their customers, the drain will continue, perhaps even grow.

In another sphere, we have the Prime Minister telling us that raising the cost of a bag of cement by \$2.80 (to \$9.40) will not cause 'undue escalation in the cost of housing.'

We wish we could believe that: the reality is that individual homeowners are already paying above \$10 a bag for cement; we have heard tales of cement going at \$15 and above per bag, so we should like to see the monitoring that the Prime Minister promises put to work with fullest force.

The Prime Minister thinks, evidently, that by promising to phase out the four and five-seater taxis he will force commuters into maxi taxis and buses and so achieve the objective of having fewer vehicles on the road and consequently reducing the cost of road upkeep. What we think will happen is that the number of PH taxis will multiply.

The Prime Minister has promised to monitor price escalation: in the light of the increases in the prices of motoring oil and gas, we should like to hear soon, how the Cabinet proposes to prevent commuters from being skinned by taxidrivers.

We thought we would have heard in the Budget resolute promise to plug up the holes so that those persons who have been carrying on lifelong evasion of income taxes, for instance, would now be easily

caught and dealt with but it seems that this is one aspect of Budget operation that the Government does not intend to deal with.

Instead of this, we have been rendered liable to pay increased purchase taxes and the Prime Minister has also referred to the possibility of a general sales tax.

We are not arguing here that there should not be any increase in taxation: what we are concerned with is that we cannot and will not countenance waste, condoning of evasion of taxes, corruption of public funds, and the facile allocation of blame to the people.

In January the Prime Minister made a big song-and-dance in the Budget about three Government-to-Government programmes that had gone wrong. He had not informed us about the current status of the programmes. Is it that the grave news of January is even more sour in December?

The increase in the price of food will work much hardship upon many families we can think of and upon individual workers forced to eat away from home through the nature of their jobs. These will come upon them at a time when their hold on their jobs will be at best uncertain.

ONR Expectations

Port-of-Spain TRINIDAD GUARDIAN in English 17 Dec 82 p 16

[Text]

MR. SURUJ RAMBACHAN, Deputy Political Leader of the Organisation for National Reconstruction (ONR), said on Wednesday that there were five serious factors which the Government must consider in its presentation of the 1983 Budget:

(A) A rapid downturn in the oil economy with consequential impacts upon related and dependent sectors.

(B) The real prospect of rising underemployment and unemployment, a feature of the economy that will become more pronounced as Government cuts back its capital expenditure programme, private enterprise institutes efficiency measures to cut costs and maintain profits.

The financial sector, especially the banking community, exhibits a greater degree of caution in its lending policies to new business and entrepreneurial business.

In particular, the individual in the economic scene decides to save his money as a measure of economic security in an unsure and unstable economic environment, and the individual cuts back

his spending on conspicuous consumption.

(C) A sharp increase in the cost of living engendered by four important factors:

(D) A heavy and high reluctance on the part of employers to agree to wage increases like those experienced over the last five to seven years.

(E) A rise in the crime rate and a disruption of the social order and family life.

The four factors to which Mr. Rambachan said would be responsible for the sharp increase in the cost of living were removal of subsidies on basic items (and he named as examples, rice, sugar, oil); removal of subsidies on cement and possibly other construction materials as Government attempts to make losing State enterprises viable propositions by dint of price increases with

housing showing substantial increases; expected increases in gasoline and diesel prices, as well as kerosene, domestic gas and LPG, thus affecting transportation costs and housewives kitchen costs; expected increases in the cost of utilities, for example, electricity, telephones and water.

He added: "It is obvious that the utilities cannot continue to function in the manner they have been allowed to. Subsidies cannot continue forever. This is but a stark reality."

The ONR Deputy Leader declared: "the essential problem with the Government of Trinidad and Tobago at the moment lies in its unwillingness to adopt policies and programmes consistent with the social and economic environment.

"A country faced with the problems that now rear their ugly heads in Trinidad and Tobago, would move swiftly to achieve the following in the shortest possible time:

1 — Self-sufficiency in the food and nutritional requirements of the nation, thus reducing and counteracting the high cost of living with regard to food.

2 — Adequate shelter and housing for the population with a strong focus on rural housing development and stress on housing should be part of a broader rural community development.

3 — Development of the manufacturing sector towards self-sufficiency in a number of areas where our import bill is fairly high.

Mr. Rambachan discussing the self-sufficiency in food further, said. "We too often lay blame and pass the buck with regard to agricultural development by suggesting that people do not want to work in agriculture and are gravitating to jobs in the cities. This is an excuse for a fundamental failure to appreciate the true dimension of the agricultural problem. The problem of declining agriculture is a problem

rooted in the decline of the village society

"Rural development," he said the enhancement of the rural community and life therein, has not come about in Trinidad and Tobago, and after 25 years our Prime Minister Mr. George Chambers only recently discovers the conditions of agricultural life in the Eastern Counties (the PM himself was a Minister of Agriculture) and after 25 years the Ombudsman, Mr. Evan Rees, asks how could people in the Oropouche lagoon, once the foodbasket of Trinidad and Tobago, live under the conditions he saw and experienced?

Proposal for Mortgage Bank

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 82 p 1

[Article by Kit Roxburgh]

[Text] Government will establish a Mortgage Bank next year in an effort to relieve the acute demand for housing loans.

Prime Minister George Chambers announced this in Parliament yesterday after pointing out that although a large number of financial institutions (a significant amount of them government-backed) existed for the purpose, the demand for loans far outstripped the ability to supply.

Apart from this statement, Mr Chambers made little reference to housing in his 1983 budget presentation.

He referred to the National Housing Authority's (NHA) periodic review of mortgages.

On Tuesday last, while handing over 48 finished homes in the overdue Valencia housing project, Minister in the Ministry of Housing and Resettlement, Mrs Elmina Clarke-Allen explained:

"In its discretion, the National Housing Authority could modify the repayment schedule for the first five years of the mortgage.

"In this way, half the instalment would be repayable during this period and the full instalment during the remainder of the life of the mortgage."

Under Government's rules for provision of houses and building lots, applications from families whose joint incomes are over \$4,500 a month will not be considered.

Only a few hours before the Prime Minister's budget speech, officials of the Central Tenders Board and the NHA saw seven tenders being submitted for the construction of 1,500 flats for rental in North and South Trinidad.

The exercise took place at Riverside Plaza, Port of Spain. Beginning at noon, it lasted until 12.45 p.m.

The project is expected to cost between \$300 million and \$350 million and is said

by the Housing Ministry to be geared for the provision of homes for families whose incomes do not exceed \$1,950 a month.

Five foreign firms and two locals (Emile Elias Con-

struction and Lange Ballast Co.) gave bids for the project which will involve approximately 300 units being built on five sites.

It is estimated that at one of the sites.

'Gravy' for Non-oil Sector

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 82 p 11

[Article by Jeff Hackett]

[Text]

THE NON-OIL export sectors were the ones to receive the "gravy" in the 1983 budget in the form of a package of incentives to stimulate exports.

What Government in fact did was to implement the major recommendations of the Eldon Warner Committee which submitted its report to Parliament in May.

Prime Minister George Chambers, outlining the measures, which will have effect from January 1, explained that "one of the main pillars in our new industrial strategy" was a "dynamic export thrust".

These industries will get:

- An export allowance which will be calculated as the percentage of export sales to total sales applied to chargeable profit.

- Promotional expenses incurred by local firms in order to develop exports will be tax deductible to 150 per cent of the original outlay.

- A market development grant which will be 50 per

cent of approved expenditure subject to a minimum of \$5,000 except in special circumstances like small business ventures. The grant will be tax free.

OUTSIDE CARICOM

- A comprehensive package of export financing facilities comprising pre-shipment guarantees, post-shipment guarantees and rediscounting facilities at concessionary rates.

- The rate of investment allowance on plant and equipment installed after January 1 will be increased from 20 per cent to 30 per cent.

- The initial allowance on plant and machinery installed after January will be increased from 40 per cent to 50 per cent.

Mr Chambers indicated that the measures were designed to "encourage the search for and active development of export markets outside Caricom."

The Prime Minister also disclosed that Government had decided "to create a specialised Export Development Corporation to undertake the functions of export promotion and the provisions of export financing facilities."

He explained that to do this Government proposed to:

- Unhinge the Trinidad and Tobago Export Credit Insurance Company Ltd (EXICO) from the Development Finance Company (DFC) and to widen the scope of its operations to include pre and post-shipment facilities, supported by rediscounting facilities at the Central Bank.

- Sever the Export Promotions Divisions from the industrial Development Corporation (IDC) and the International Marketing Corporation (IMC) and to incorporate it in a new Statutory Authority, the Export Development Corporation, of which EXICO will be a subsidiary under a common board of directors.

- Wind up the IMC as soon as possible.

- Orient activity in the Embassies and missions in the direction of the exports of the country.

The Prime Minister further stressed that "the bias towards export performance will permeate all incentives in aid of industry in the future."

Senator Best's Reaction

Port-of-Spain SUNDAY GUARDIAN in English 19 Dec 82 pp 1, 2

[Text]

FRIDAY'S Budget for the year 1983 is a typically and tragically amateur offering from the Chambers's Administration. It is palpably weak on economics; it is insensitive on politics.

It is also dangerously casual about the kind of public administration required for the successful implementation of austerity programmes which necessarily increase the stress on the underpinnings of civic society, especially when programmes are introduced by vaps and when the tasks of diplomatic and political persuasion are approached with less than the highest skill.

First of all, the Budget lacks any real grasp of the origins of the so-called recession. It fails to achieve anything like lucidity on the implications of the current crisis for the generation of income and employment and for the raising of output and productivity.

It therefore arrives at no sane judgments concerning the kinds of strategic interventions which may currently be feasible.

Secondly, the Budget seems to be perilously innocent of the context within which public policy must at present be implemented.

Nothing which has been said suggests that there is, and that it is meet and right that there should be a fierce competition for advantage taking place between social classes, ethnic groups, geographical regions, separate islands, business interests, and of course, between the different political constituencies in Trinidad and Tobago.

The Minister of Finance seems not even to have perceived the need to set out for the country very clearly the differential impact of his measures on Business as distinct from Labour and on Government as distinct from both.

(If he had, he might have noticed that there are more effective ways than taxation and the removal of subsidies for transferring resources to the Minister of Development.)

We are left with no clear picture of the different angles of vision from which the same matter is seen, and must necessarily be seen, by producers as against consumers, by

savers as against spenders, by importers as against exporters, or even by those who are involved in the dynamic industries and sectors with the potential for saving us from perdition as against those industries where pirates are simply spinning money by exploiting our colonial dependence on entirely the wrong kinds of consumption and investment.

Moreover, the Budget stolidly refuses to take any account of the errors perpetrated in the past by a Government which has grown fat on the most imprudent economic and financial management.

We are told that we have put aside resources in the Special Funds.

But we are left to judge the adequacy of these savings only in terms of the opinion of a Minister not particularly known for any kind of economic or political competence.

We are not asked to make the judgment in terms of the adequacy of the savings to finance the vast outstanding claims of reconstruction in the crude oil sector, in the refinery sector, at Point Lisas, in the fabrication industries, in domestic agriculture, in export agriculture and indeed, in almost every part of a tired economy.

We earned some \$35b over the years of the windfall. We saved \$7b., we blew huge sums on all kinds of excesses, and now we have a bill for national reconstruction amounting to some \$40b or \$50b and yet we are rejoicing about how well we have done.

On top of that, the Minister has the insufferable impertinence to invoke self-discipline and self-reliance on the part of the public.

The implication is of course that the gross distortions in the economy have resulted from the absence of these virtues. Which is true.

But what is left unsaid is that self-discipline and self-reliance cannot be effectively exercised by the individual unless there exists a framework of government,

administration, planning and management which present sane and feasible choices to the general public.

What we have had all along has been a Government governing for the Government and the party and refusing to take the options which would govern for the whole of Trinidad, Tobago and the Indies.

It is to Mr Chambers' credit that he is hoping now somehow to turn that around.

But if he is serious, he must acknowledge that no turning around would be possible which did not take into account the irresponsible habits we have so sedulously cultivated over the years.

Any amateur attempt to place the country on another course would simply precipitate us into political conflict.

There is certain to be comprehensive popular resistance to steeply rising prices.

Organised Labour cannot sit idly by and accept a radical change in the equation between incomes and prices or between profits and wages.

It is therefore not enough to attempt to hold hostile responses in check merely by pious exhortation.

What is required is exact diagnosis of what is wrong, of what has brought us to this parlous state and of how the resources of statecraft could now be addressed to making what is admittedly desirable on economic grounds become operable and feasible on political grounds.

Much of the burden of the immediate adjustment to our deteriorating fortunes has been laid at the door of fiscal measures. A very large part in the scheme is to be played by what appears to be simple measures of taxation and simple reductions in subsidy payments.

But apart from the problems which will surely multiply as a result of the rising cost of living and the darkening of the mood in industrial relations, there are also going to be difficulties with the system of money, banking and finance.

The system is already highly liquid and the ultimate source of the liquidity is that the only outlet which the financial agencies are properly equipped to service are "commercial" outlets. In spite of the prattle about the Unit Trust, the Stock Exchange, the Merchant Bank and the diversification of financial intermediation, what is going on in Trinidad and Tobago is essentially the financing of the consumption of imported goods and services.

The totally inept management of the past has not only failed to put aside enough of the oil bonanza.

It has also created an economy where almost all of employment and income generation depends not only on consumption but worse than that. It depends on the huge consumption of gratuitous and unnecessary imports.

Almost all of the mechanisms of home production based on home resources and on indigenously formed tastes and indigenously devised techniques of production have ignominiously collapsed.

Most of the activity is no activity at all.

Employment and work have in recent years become two entirely different concepts.

Manufacturing has come to mean not converting innovative ideas about materials and markets and techniques into profitable opportunities but slavishly assembling imported parts in order to make a gigantic rip-off. Trinidad and Tobago today is in exactly the state that Spain and Portugal found themselves in during the 16th century.

There has been a gigantic gold-rush which can continue only with the

survival of the ubiquitous petro-dollar.

In other words, consumption and waste have become the dynamic factor behind the economy. The assembling of orange juice and motor-cars has become the hub of the industrial expansion.

The employment in these assembly industries, much like DEWD and other public sector employment, is merely another aspect of distributing the oil bonanza. It would perhaps have made much more sense for the Government to give everybody the cash and let them import finished goods to their hearts' desire. We have not been involved in anything which can remotely be described as economic development or economic transformation. When the oil money runs out, as run out it will, all of these parasitical activities will simply collapse.

Hudson-Phillips Criticism

Port-of-Spain SUNDAY GUARDIAN in English 19 Dec 82 p 1

[Text]

POLITICAL Leader of the Organisation for National Reconstruction Mr Karl Hudson-Phillips has stated that the 1983 budget will seriously affect the working class and the poor people most.

The budget was presented by Prime Minister and Minister of Finance and Planning Mr George Chambers on Friday.

Mr. Hudson-Phillips said "I disagree with Mr Chambers when he said that he was being candid.

"One thing remarkable about the budget speech was that it was lacking in candour"

The ONR leader claimed that every device was used to disguise the true facts either by omitting to say what the true position was or putting it in terms not easily understood.

Mr Hudson-Phillips said "for instance while the metrication board is doing a good job it would have been better to state that premium gasoline had been increased from \$1.25 a gallon to \$2.47 a gallon ...

people would understand that.

He said that the thrust to encourage exports is farcial, and that because of past government policy there is nothing to export."

He claimed that what would happen is that there will be massive inflation in 1983 increasing losses by State enterprises and spiralling interest rates.

The ONR leader stated "we will also see an increase in unemployment and underemployment. The fact of the matter is that at the last general elections the ruling party did not educate the population or campaign for anything in particular.

"It had no programme, therefore it does not know how to start to explain to the population what went wrong.

He added "as I have said before, the Government created the problem, and therefore cannot solve the it."

'GUARDIAN' on Export Issue

Port-of-Spain TRINIDAD GUARDIAN in English 21 Dec 82 p 8

[Editorial]

[Text] It needed no profound economic wisdom on our part to point out in advance of the Budget the necessity for developing the non-oil sector of our

economy. Others before had urged it. Simple common sense dictated it. Our long-term economic welfare depends on it.

The fact is we must export to earn foreign exchange to pay for the many things we buy from other countries and to maintain a good credit rating. It was fool hardy for us to depend so exclusively on petroleum exports to continue to do this for us. Now that the oil bonanza is over, we must proceed to develop new export-oriented industries.

So we take no special credit for the emphasis which the Prime Minister and Minister of Finance has given to this matter in his Budget Speech.

GROSS IMBALANCE

However late in the day, we think that Mr. Chambers has responded very positively to the obvious need to rectify the gross imbalance in our economic development. He has proposed some vigorous measures and his Government will offer a wide range of sensible incentives to the business community designed to stimulate "a dynamic export thrust."

To spearhead this thrust, a new statutory authority, the Export Development Corporation, will be established and activity of our embassies and missions will be duly expanded and harnessed to this objective.

In creating this new "institutional framework," however, we doubt whether Mr. Chambers has seriously taken into account the tedious and frustrating nature of the bureaucracy over which his Government presides. And the fact that its complex and cumbersome nature plus the lethargy, insensitivity and low productivity

of those engaged in it now present the most serious handicap to the operations and enterprise of private sector and organisations.

Surely, if the intention is to move full speed ahead with machinery for developing and promoting exports, then it would be self-defeating to impose upon it the stultifying modus operandi of another statutory authority. We would suggest a change in the administrative nature of the EDC, making it instead a State Enterprise with close links to the TMA and drawing its expertise from the successful ranks of the private sector.

We would urge the Government to seek the active participation of both labour and private enterprise in the shaping of this "new industrial strategy" for its ultimate success will depend upon the extent to which it is conceived and accepted as a national effort.

We hope too that our businessmen will rise to the challenge. The tendency of local investors has been to get involved in "safe" ventures in commerce, finance and services which have expanded enormously in recent times. What we now need is a new breed of industrial export-minded entrepreneurs.

Thirty-four-year-old electrical engineer Roger Vieira shows that a local manufacturer can penetrate the markets of the world. His blenders, made at Diamond Vale, are now exported to Latin America, England, the United States and parts of Europe. The success of the Charles Candy company is another case in point. Their chocolate bars are catching on as far as Ireland and they are selling expertise to Malta.

Panday Remarks to House

Port-of-Spain TRINIDAD GUARDIAN in English 22 Dec 82 p 1

[Article by Norris Solomon]

[Text]

THE 1983 Budget will result in the deterioration of the industrial relations climate, according to the Leader of the Opposition, Rep. Basdeo Panday.

He warned of the possibility of confrontation and conflict between capital and labour... employers and employees.

The Budget measures, he said, would cause a rise in the cost of living and resultant fall in the standard of living, and workers would try to recoup their losses by fighting for higher wages.

"Any resistance on the part of the employers," he warned "will result in deterioration in the industrial relations climate in the country."

Mr. Panday, who is leader of the All Trinidad Sugar Estates and General Workers Trade Union and a vice president of the Trinidad and Tobago Labour Congress, was leading off the debate for the Opposition on the 1983 Budget.

The Budget was presented last Friday in the House of Representatives by Prime Minister and Minister of Finance, Mr. George Chambers.

Mr. Panday stated that all those persons with fixed budgets would feel the impact of the Budget most.

"The Prime Minister", he said "has fixed the burden for economic survival squarely on the shoulders of the poor."

In a contribution lasting almost two hours, Mr. Panday said that if the demands of workers were not met then "one can expect confrontation" and he went on to state that it could take several forms including strike action or withdrawal of enthusiasm.

HIGH PROPOSALS

Pointing to the increases which resulted from measures in the Budget affecting petroleum products, food-stuffs and transportation, Mr. Panday said that even if a man stopped drinking alcoholic beverages his cost of living would increase by about 270 per cent and if he drank it would be increased by another 30 per cent.

"We can expect a series of very high proposals," Mr. Panday stated.

"If the Prime Minister wants to unite the people he must decide how the burden of cost must be

distributed. The Budget places the entire burden for change on one section of the community... the working people," he added.

The Opposition Leader described the Budget as "one without hope."

He said: "When one looks at the Budget one gets the impression that some proposals are designed to curb spending.

"What he had done is curbed the spending of the people, not the spending of the Government. He is hoping the public will spend less... to halt inflation but when one looks at the Budget you will see Government removing spending from the people so that it can carry on its own spending."

The Opposition Leader also claimed that the PNM Government had thrown away \$29 billion in eight years.

"Since 1976 we have been saying that Government has been squandering and we were laughed at and no one took us on. When we criticised the steel mill we were laughed at," he said.

"When we criticised the Racing Complex no one took us on," he declared. It was clear, he claimed, that Government intended to continue the same pattern of spending as when it had the windfall in oil.

A PROBLEM

Now that they had become a problem, Government, he charged, had decided to take the money from the pockets of the people but had not stated how it would actually spend the money... not that there were not figures in the Development Estimates... but Government had not stated the institutional measures for dealing with the spending and with corruption.

Pointing out that Budget measures would increase cost of production with removal of subsidies, he noted that Government had made proposals to raise

prices which would increase the cost of production while at the same time calling on the private sector to increase exports.

There should be some mechanism to prevent increased cost of production.

"Referring to the Prime Minister's call for self restraint and self reliance, he said they could not change the situation by

mere exhortation but it could only be changed by setting up instruments to facilitate the change.

Referring to Government's plans for export promotion, Mr. Panday asked where the local exporter was going to find his market in a situation where restrictive barriers were being set up in foreign markets in certain countries.

The infrastructure, too, had not been developed for export, he said, and he felt that the country should look towards exporting to Latin American countries rather than to Europe.

It was only now, he claimed, that Government was providing staff for embassies to "beef up exports" and he claimed that the foreign service was a place where jobs were given because of political patronage."

He said, too, that manufacturers had been shutting down for days because of shortages of water and electrical outages... "How can they compete when the public utilities act as constraints on manufacturers and exporters?" he asked.

Mr. Panday said, too, that Government should determine the policy of the media and what it would do for the nation.

An Alliance Government, he said, would make use of the media to effect attitudinal change in the people and to provide incentives.

The Opposition Leader also stated that it was silly and foolish for Government to state that it was going to phase out four and five seater taxis. He said no thought was given to long haul and feeder routes.

Panday Charges

Port-of-Spain TRINIDAD GUARDIAN in English 22 Dec 82 p 1

[Text]

OPPOSITION Leader Basdeo Panday said in the House of Representatives yesterday that the Opposition agreed that the country should try to live without subsidies and that there should be a move towards a removal of subsidies.

But he told the Government during the debate on the 1983 Budget: "What you have done is merely to remove the subsidy without taking measures to widen the goods and services the country will need."

Earlier, Mr Panday claimed that the Budget was one without direction..." It is a Budget of adhoc measures," he said.

The Opposition Leader also claimed that debate on the Budget was an exercise in futility, and was a colossal waste of time since there was nothing that the Opposition could say that would alter one comma, or one line in the Budget proposals.

Before the Budget has even been debated, he said, the prices of bread, gas and food-stuffs have increased.

He said that while many people believed that the Budget debate was meaningful, the Opposition participated to expose the futility.

"If by participation we succeed in raising the consciousness of the people that there is need for change in the system and for reform then it is worth it and time well spent."

The Opposition Leader claimed that the Prime Minister did not appear to have a proper understanding of the problems facing the country.

Speaking about the Steel Mill, he claimed that the mill had become a "millstone around our necks" and very little was said about its potential revenue. The Racing Complex, he said, was on track off tomorrow and on again.

The Budget he said had not really tackled the problems that faced the country and he charged that the Government was concerned only about how to win elections.

Mr Panday said that there was no suggestion in the Budget as to how DEWD would be reorganised so that money spent would be spent wisely.

"How can you ask people to tighten their belts when you give no hope that things would be different?" he asked.

The Opposition Leader said: "This Budget has changed nothing in the economy except that the money was coming from a different source."

Earlier he questioned what measures Government had for dealing with corruption and added that the DC-9 affair and the Sam P Wallace affair were "all finished."

'No Devaluation' Pledge

Port-of-Spain TRINIDAD GUARDIAN in English 22 Dec 82 p 1

[Text] Government is not prepared to devalue the currency of Trinidad and Tobago. This was stated by Rep. Dr. Cuthbert Joseph, Minister of Local Government and Community Development, during debate on the 1983 Budget in the House of Representatives yesterday.

He said that Government had been given a mandate to manage and it would continue to do so.

"We cannot retrench. We are not prepared to devalue the currency and we cannot embark on any deflationary measures," he declared.

Dr. Joseph's comments came after two members of the Opposition,--Opposition Leader Basdeo Panday and Rep. Winston Dookeran--had made their contributions to the debate.

Dr. Joseph, the first Government Minister to speak, was commenting on earlier suggestions by Mr. Panday that the country should seek export markets in Latin America and comments from Mr. Dookeran that the Budget represented a traditional IMF response to the problems of developing countries.

Two Alternatives

Dr. Joseph said: "We cannot reduce our level of capital and public spending. It is the very level that has kept the economy going."

The Minister said that there were two alternatives for the country; "either we find ourselves in a situation like countries like Mexico, Ecuador, and Brazil, and the International Monetary Fund (IMF) comes in and takes away economic independence from our own hands, or on the basis of our own democracy we take the tough road to preserve our independence and our own flexibility to manage our affairs."

"It is either freedom or imposition," he said, adding, "On this side we say freedom...freedom to choose."

Referring to the Opposition Leader's suggestion on Latin America, as an area for economic thrust, Dr. Joseph read from an international news magazine report which reported that in Latin America "the Carnival is over."

He quoted the depressing financial and economic situations those countries are in at present and asked: "Is this what we want to tie ourselves to?"

In stating that this country had to organise itself to relate to the international [word illegible] Dr. Joseph quoted unemployment figures from Western countries.

Union Blast at Pricing Practices

Port-of-Spain TRINIDAD GUARDIAN in English 23 Dec 82 p 3

[Text]

SIX major Public Service trade unions have sharply criticised Government for "gross contempt for Parliamentary procedure" by implementing price increases, as announced in the Budget Speech, without Parliamentary approval.

And the joint negotiating team, which represents the unions, in a Press statement, warned that "we must desist from creating a creeping dictatorship."

The Public Services Association (PSA), the Prison Services Association, Fire Services Association, Trinidad and Tobago Unified Teachers Association (TFU-

TA) the Police Service Association and the Postmen's Association condemned Government's action when they met yesterday.

The statement signed by Dr. Ralph Henry, chairman, stated:

"The unions are appalled by the manner in which the increases proposed in the Budget speech are being implemented before the approval of Parliament.

GROSS CONTEMPT

"This in the view of the associations, constitutes gross contempt for parliamentary procedure and for the institution of Parliament in our young nation.

"Moreover, it represents a growing tendency for Cabinet and the ruling party to usurp functions

that properly belong elsewhere. The country can ill afford to institutionalise procedures that cut against the grain of normal democratic principles. We must desist from creating a creeping dictatorship.

"The formal approval of Parliament must be had before any Bill becomes law."

The unions stressed that "the price increases announced in the Budget do not yet have the force of law."

The statement continued:

"We are already witnessing the confusion that has been caused by the increases in taxi fares and food prices.

"The Government, almost in collusion with other interests, has allowed

working people of this country to be ripped off by the unscrupulous."

MAJOR PRINCIPLE

The unions felt that "the adherence to the best democratic principles would ensure that certain democ-

atic principles in our system would make the administration of the affairs of the country more understandable, predictable and humane to the masses."

The unions promised to issue their statement

shortly on the Budget proposals and made it clear that they issued yesterday's statement "to express, immediately, our concern about a major principle relating to the role and functions of Parliament as a law maker."

Opposition Research Office

Port-of-Spain TRINIDAD GUARDIAN in English 27 Dec 82 p 1

[Text]

CABINET has agreed to the establishment of a political research unit in the office of the Leader of the Opposition, who will have the power to hire and fire, Prime Minister George Chambers told the House of Representatives Thursday night.

He made the announcement while winding up the debate on the 1983 Budget — a debate that had lasted over 24 hours.

The Prime Minister recalled that it was during the debate on either the 1980 or 1981 Budget that he drew attention to the fact that the time had come when the

Government must recognise the responsibility of providing private supporting staff for the Opposition to prepare themselves for the Budget Debate.

The Organisation and Management Division of the Ministry of Finance held discussions on the matter with the Opposition Leader.

The discussions revealed that the Opposition Leader would require, in addition to a senior research officer, a State Counsel Four, a senior Research Officer (political), a senior economist (political) and one clerk/stenographer.

Government, the Prime Minister added, had agreed to the establishment proposed by O&M division, and instruction were given to provide for it in the 1983 estimates.

Subsequently, Mr. Chambers said, the Opposition Leader wrote him expressing some reservation, which he, Mr. Chambers, did not wish to put into the records of Parliament.

Mr. Chambers said he took the matter back to Cabinet to be reconsidered. This was done and Cabinet agreed to the establishment of the political research unit with the Opposition Leader having the authority to hire and fire.

Tobago Issue

Port-of-Spain TRINIDAD GUARDIAN in English 27 Dec 82 p 1

[Article by John Babb]

[Text] Prime Minister George Chambers told Parliament Thursday night, if was clear to him that there were certain elements in Trinidad who were determined to ensure that the apparent misunderstanding between the Central Government and the Tobago House of Assembly should continue.

He said it was the practice of those elements to leak information from one side to the other side.

"But I think we have passed that stage," said the Prime Minister, "because I have no difficulty talking to anybody."

Replying in the debate on the 1983 Budget, the Prime Minister assured the two Tobago members in the House that he had taken note of what they had said about the decrease in budget allocation in respect to Tobago.

"Elsewhere I have already discussed this matter and have given certain assurances. I do not think you need have any concern," he told them.

Mr. Chambers, indirectly, was referring to talks he has held with Mr. A.N.R. Robinson, Chairman of the Tobago House of Assembly with respect to the Budget.

He assured that amicable discussions were proceeding on the matter.

In terms of budget allocations, Mr. Chambers explained to members that they should not only look at the allocations in respect of the Tobago House of Assembly.

CAPITAL SIDE

He urged that they also look at the allocation for the Central Administration Services, as well as allocations in Trinidad which concern Tobago, like the coastal steamer service, subsidies paid in Tobago. Also, other areas in which allocations for Tobago did not show up — areas like electricity, water, public transport, telephones. And on

the capital side — like the Police Service.

"So when you look at it and lump them all together," said the Prime Minister, "you will find a significant increase over the figure which you gave. But that has nothing to do with certain assurances I have given elsewhere, should the Tobago House of Assembly find itself in difficulty," he added.

CSO: 3298/278/279/280

REVIEW OF CONFLICTING PERCEPTIONS IN TOBAGO ISSUE

Port-of-Spain TRINIDAD GUARDIAN in English 24 Dec 82 p 8

[Article by Ernest Tracey]

[Text] THERE seems to be every indication that the issue of internal self-government for Tobago has been put on the back-burner of national decision-making. This is not a totally unexpected happening.

The nation is presently in the throes of an introspective search for the means of survival. At such a time, it is only natural that the national attention and energy be focused on attempts to remove the most immediate of the threats to the nation's survival.

It is very difficult in times of unsettling national economic circumstances to expect the Trinidad public, or their elected representatives, to give priority consideration to the problem of internal self-government for Tobago.

Regardless, the tactical priority of the present economic and industrial relations problems, the nation's continuance within the frame-work of an acceptable union between the sister islands must remain the ultimate goal of our national strategy.

Every effort must be made to overcome the danger of becoming locked into attitudinal positions which become increasingly frozen with the passage of time. We cannot afford the luxury of pretending that the problem is not as severe as so many of our Tobago nationals tell us that it is.

Meanwhile, the difficulties between Trinidad and Tobago continue.

The Tobago problem is basic and it is long-standing. The problem may be put on "hold" by the Central Government but it will not go away of its own accord.

Recent discussions with opinion formers in both islands suggest a sharp decline in the inter-island relationship. The mood of the people in each country is such that they are developing antagonistic, negative stereotypes of each other.

ATTITUDES

Negative attitudes and opinions are readily developed, supported and magnified within the stressful context of the national and/or international economic crisis.

A quick look at a few expressions of stereotypic attitudes on both sides may help to illustrate the urgency of the problem.

Summaries of the divergent positions are juxtaposed below to facilitate comparability.

On exploitation —
Trinidad: We reconstructed Tobago after they had been totally devastated by Hurricane Flora. How quickly some of them have forgotten? So many of them seem to be so completely ungrateful. They have nothing to offer now but criticism.

Their false pride will be their undoing. We should let them try to go it alone without our assistance — see how far they would get!

Tobago: Tobagonians will always be grateful for the assistance provided after Flora. However, Trinidadians seem to confuse subservience with gratitude. Times, conditions and Tobagonians have changed since Flora.

We cannot be expected to respond to new development needs by using only the old emotional afterglow of Hurricane Flora.

On dependence —
Trinidad: Tobago cannot survive without our money. Their annual budget comes from monies generated by taxes and other revenues collected in Trinidad.

Look at what happened to their infrastructure when Doc punished them for defeating the PNM. In addition, how could they survive without our transport system?

Their commerce and tourist trade would come to a grinding halt without our financial support. They should stop biting the hand that feeds them.

Tobago: We are fully aware of what happened during the period of reprisal and punishment. We are also aware of the Trinidadian obsession with money and merchandise. Tobagonians will continue to maintain a fierce pride in and loyalty to their country.

Tobagonians concede that life without Trinidad would be difficult. However, it would not be impossible.

Contrary to the Trinidadian belief, the present inter-island transport system is not an unmitigated blessing to Tobago. The present system caters to an internal tourism from Trinidad.

Trinidad's one-day tourists spend little in Tobago. Transportation costs are paid in Trinidad and they bring food and drink from Trinidad.

The major deposit made in Tobago by Trinidad one day tourists is beach pollution. Store Bay is becoming unattractive to long-term tourists because of the congestion created by the heavy influx of one-day tourists from Trinidad.

On the media Trinidad: The Trinidad news media try to give equal billing to happenings in Tobago. Let's face it though, most of the nation's news is generated in Trinidad.

The claim that our media devotes more space to Grenada than it does to Tobago is silly.

Grenada is dealt with as an external threat to the nation. Tobago as a national partner should understand this concern.

Biased coverage Tobago: The Trinidadian writers for the two daily newspaper provide very biased coverage of Tobago affairs. Only two topics receive much attention: tourism and politics. Both of these topics are narrowly treated within the context of a financial and constitutional framework.

DIFFICULTIES

From this perspective most of the real difficulties between the two islands are reduced to non-issues. The strawman of the constitutional indivisibility of the two countries is flogged to death, while the important historical and demographical distinctions between the two countries go unobserved.

On racism Trinidad: Tobagonian politicians exploit

the xenophobic fears of their constituents. They talk one way on the Alliance platform in Trinidad but say something quite different for home consumption.

It is a cynical and disruptive game that is being played at the expense of national unity.

Tobago: We are not a racist society in Tobago. However, there can be no denying that we have a growing concern over the social problem imported from Trinidad.

It appears as if Trinidad is attempting to export its racial problem to Tobago by encouraging and subsidising the one-day tourist of different ethnic background.

The commendable policies of the Alliance party and the DAC in Tobago have not yet been translated into accommodative behaviour at the level of the man on the street, or on the beach.

Tobago is having a difficult time adjusting to the large influx of one-day ethnic visitors from Trinidad.

On politicians — Trinidad: ANR Robinson is acting like a little dictator. He is taking out his frustration on the people of Trinidad and Tobago. He has become embittered over this failure to gain control of the PNM.

He now suffers a Napoleonic complex. He seems to want to take Trinidad and Tobago down the same road as Maurice Bishop has taken Grenada.

Tobago: Under the leadership of ANR Robinson, Tobago's DAC Party has consistently beaten Trinidad's PNM at the polls. The PNM has never forgiven ANR and Tobago for those defeats.

Mr. Robinson's record of dedicated service to the nation is difficult to match. He moves in the honest, confident but unobtrusive style of the true Tobagonian.

If the PNM politicians think they can undermine ANR's authority in Tobago by applying heavy-handed budgetary constraints to the Tobago House of Assem-

bly, they are sadly mistaken.

It is still, "Forward with DAC," in most of Tobago. **On national unity —**

Trinidad: Tobago seems to want to have their cake and eat it too. If the nation is to achieve the unification envisaged in our constitution, there must be some compromise on both sides.

Each of the sister islands will have to surrender some of its insular functional autonomy in order to reap the benefits of the greater national unity.

Tobago: Tobagonians want to work with Trinidadians to make the nation a showpiece of regional democracy. However, we insist that this be done on the basis of a true partnership.

The status of minor colony has no appeal to the majority of Tobagonians, notwithstanding the material/political consequences of this declaration.

A summary of stereotypes —

Trinidad: At the extreme, Tobago is viewed as a quarrelsome, ungrateful, resource-deficient administrative millstone.

Tobago: At the extreme, Trinidad is viewed as: insensitive, imperialistic, corrupt, bureaucratic bully.

Final comment:

There is probably some justification for segments of the stereotypic images which individuals in each island have expressed about inter-island relationship. It seems safe to assume that a status quo approach to the problem will affect no lasting change.

Some risks must be taken by the respective political parties concerned.

With this in mind, it should be possible to form a joint task force made up of appropriate representatives of both the Central Government and the Tobago House of Assembly.

A joint chairmanship could help to overcome the protocol impasse that now exists between the two levels of authority. Something must be done, now!

HIGH GOV'T OFFICIALS DUE PAY RAISES THROUGH 1983

Port-of-Spain TRINIDAD GUARDIAN in English 24 Dec 82 p 1

[Article by John Babb]

[Text]

SINCE it has been setting salaries for the hierarchy of the Public Service, the Salaries Review Commission, for the first time, has hit a new low — recommending a 20 per cent salary increase for 1982, from the President down.

In 1983 they will receive a ten per cent hike.

There is some 1981 backpay for some Government Ministers as a result of anomalies that had been created by the CPO's award to the Public Service.

According to the seventh report of the Salaries Review Commission laid in Parliament yesterday, among those who will receive a 20 per cent hike in pay for 1982, will be the President, the Prime Minister, the Chief Justice, judges, parliamentarians, the Governor of the Central Bank, and his deputy, and all chairmen and members of Commissions.

As a result, President Ellis Clarke, who by law, receives the only tax-free salary, and who now receives a monthly salary of \$10,000, moves to \$12,000 this year, and to \$13,200 next year.

BACKPAY

Prime Minister George Chambers who now receives \$9,000 per month, moves up to \$10,800 for 1982, and to \$11,880 in 1983.

Chief Justice, Sir Isaac Hyattali, who receives the same pay as the Prime

Minister, will also receive similar increases.

Government Ministers, because of anomalies created when increases were last announced, will receive a backpay for 1981 amounting to \$12,960 each. The Commission has adjusted their salaries to read: Existing — \$6,000; 1981 — \$7,080; 1982 — \$7,859 and 1983 — \$8,645 per month.

As a result, the only politicians who will get a backpay for 1981 are the Ministers.

Overall, the Commission gave them an 18 per cent increase, and Permanent

Secretaries and other officials, who were in an anomalous situation, received a 17 per cent hike for 1981. For 1982, the Ministers got an 11 per cent jump, and for 1983, a ten per cent increase.

In general, no office holder — for the years 1981, 1982 and 1983 — has received more than a 20 per cent increase at maximum, and a ten per cent maximum in 1983.

In an apparent explanation of the low increases, the Commission said in its report: "A review commis-

sion cannot function in an economic vacuum. We have always recognised the need to operate the due regard to current economic realities and to work within national guidelines — formal or informal."

The Permanent Secretary to the Prime Minister, who now receives \$6,000 monthly, had his salary hiked to \$7,020 for 1981; \$7,792 for 1982, and \$8,571 in 1983.

The Permanent Secretary in the Ministry of Finance moves from \$6,000, up a similar scale as the Permanent Secretary to the Prime Minister.

Other Permanent Secretaries, now receiving \$5,659 — also earmarked for a backpay in 1981 — are listed as \$6,621 for 1981; \$7,349 for 1982, and \$8,084 in 1983.

VACATION LEAVE

In addition, judicial and legal officers have been brought in with the public officers to get a 17 per cent increase in 1981.

Also, for the first time, the Commission has introduced vacation leave — 30 days annually — for members of Cabinet.

In the increases announced, the Commission has dealt only with salaries and has left all allowances severely alone.

The only exception is in the case of the Local Government bodies.

The Commission has proposed the abolition of the

"out-of-pocket" allowance and "honorarium," and substitute a salary and appropriate allowances (traveling) in line with the structure of the Tobago House of Assembly.

Chairmen and members of Commissions and Boards also fall into the 20 per cent increase for 1982, and ten per cent for 1983.

The Commission has also recommended for the first

time that joint machinery should be established between the Central Government and the Tobago House of Assembly, like a Joint Consultative Committee.

Like their Trinidad colleagues, members of the Tobago House of Assembly also stand to receive a 20 per cent jump in salary this year, and ten per cent next year.

CSO: 3298/280

'GUARDIAN' EDITORIAL SCORES REGIME IN SURINAME

Port-of-Spain TRINIDAD GUARDIAN in English 16 Dec 82 p 8

[Text]

THE recent bloody affair in Suriname confirms our worst fears about the political direction of the former Dutch colony. It now seems obvious that the military chiefs, led by strongman Desi Bouterse, are determined to set up another Communist-style regime in the Western Hemisphere as they strengthen and consolidate their totalitarian rule over the country.

The nightmarish episode last week in which, it is reported, some 15 persons were gunned down by soldiers following an attempted coup is not an unfamiliar scenario in the Communist manner of holding power.

Members of the Suriname military have confirmed the killings, claiming that the victims were "reactionaries" who were executed while trying to escape custody after their attempted coup had failed.

TERRORISM

The tragic lesson of history is repeating itself in Suriname — violence breeds violence; those who seize power by the gun sets an example for others to follow and must proceed to crush all subsequent desire for freedom by acts of coercion and terrorism.

The ultimate horror of this can be seen in the wanton and merciless slaughter of millions

of Cambodians by the Pol Pot regime which sought to create a new society of illiterate peasants in the rice paddies. In Pol Pot's insane view, the literate population became enemies of the state to be destroyed on sight. It will take several generations before Cambodia can recover from the ravages of the Pol Pot holocaust.

We cite this unbelievable atrocity as the kind of suffering that can eventually be inflicted on a people by those who hold power without any kind of restraint and are prepared to use it to reshape and reorient a society against its will.

The situation in Suriname is one that grieves us deeply because we have always regarded the country as a Caribbean partner, a former colony sharing the same dreams and aspirations as other emerging countries in the region. Issuing out of a common history, our freedom would be our most treasured possession, our way of shaping our own destiny.

But even before they reach full flame, the lights are being snuffed out. First Grenada, now Suriname.

Lieut. Col. Bouterse said on Wednesday that his regime would now take measures "to strengthen the revolutionary process which was weakening

lately." In the light of the recent bloodshed we can only regard such a statement with great foreboding.

Bouterse has made no secret of his admiration for Cuba. His regime considers Nicaragua, Grenada and Cuba, all Marxist dictatorships, as revolutionary models which could be partly

copied. He is reported to have visited Cuba earlier this year and concluded a secret treaty of friendship and co-operation with Castro.

But there are still powerful elements in Suriname, including many trade unions, who want a return to parliamentary democracy. The struggle will continue. How will it end?

CSO: 3298/280

27 COMMUNITY CENTERS AMONG GOVERNMENT'S '83 EXPENDITURES

Port-of-Spain TRINIDAD GUARDIAN in English 20 Dec 82 p 3

[Text]

GOVERNMENT has allocated \$500,000 to start construction of 27 new community centres in Trinidad and Tobago.

This allocation is in the Draft Estimates of Expenditure for 1983. The money forms part of \$11.2 million for the development programme by the Ministry of Community Development and Local Government.

The money estimated for community centres is also for the continuation of construction of 21 community centres as well as the improvement of 177 community centres.

The \$500,000 compares with \$280,000 in this year's estimates to purchase furniture and equipment for new community centres; improved security at community centres and payments of stipends to caretakers of community centres.

Government has allocated \$850,000 for continuation of operation for the Best Village programme and training in various art forms for members of groups participating in the programme.

Another \$500,000 has been allocated for improvement and development works on recreation grounds and public parks, cemeteries, public conveniences,

markets and abattoirs, environmental sanitation, City Hall and Western and St. James Division.

More than \$7 million has been allocated to the Ministry of Industry, Commerce and Consumer Affairs for tourism.

The money is for the development of projects at River Estate in Diego Martin, Las Cuevas Phase I, Manzanilla, Vessigny in La Brea, Maracas Bay, Toco, Salybia, Macqueripe and Chaguaramas.

POST OFFICES

Government has allocated \$6.6 million to the Ministry of Public Utilities and National Transportation for Post Offices. The money provides for continuation of construction of new post offices at Maraval, Carenage, La Romain, New Grant, Mayaro, Upper Santa Cruz and Lower Santa Cruz.

It also provides for the start of construction of post offices at Chaguanas, Cunupia and St. James Street in San Fernando.

General improvement works are to be carried out at the General Post Office, Moruga and Arouca post offices and the Ajax Street, Port-of-Spain premises.

While money has been allocated to start construction of new post offices, the Ministry is awaiting acquisition of sites at

Freeport, Rousillac, San Juan, Blundell, Claxton Bay, Santa Flora, Blanchisseuse, La Brea, Enterprise, Barrackpore, D'Abadie, Biche, Petit Valley, Ste. Madeleine, Four Roads and Toco.

More than \$3.6 million has been allocated for water.

In Civil Aviation, plans have been revealed for renovations and construction. This includes construction of a departure lounge in the Tobago terminal, construction of roads and car park, rehabilitation of runway and taxiway, renovation and expansion of in-bond area, replacement of 5,000 foot fence, purchase of Pan American Guest House, extension of ramp and provision of parking ramps for widebodied aircraft — all at Piarco Airport.

With respect to the Public Transport Service Corporation, there are plans for modernisation and expansion of facilities in Port-of-Spain, Sangre Grande, San Fernando and several stop depots and terminals.

Government has allocated \$91.8 million for agriculture, forestry and fisheries.

Exactly \$58 million will go to agricultural expansion for 1983 with another \$2.5 million for the Chaguaramas Agricultural Development project.

FISHERMEN HIT NFC FOR LOW PRICES, LOOK TO VENEZUELA

Port-of-Spain TRINIDAD GUARDIAN in English 17 Dec 82 p 1

[Article by Mikey Mahabir]

[Text]

SAN FERNANDO:

CEDROS and Icacos fishermen have criticised National Fisheries Company Limited (NFC) for offering them "unreasonably low prices" for their fish and shrimps.

And according to Mr. Esook Ali, Icacos boat owner, if there is no increase in prices the catches will be sold to a privately run Venezuelan firm based in Pedernales, "and we intend to do this if possible before Christmas."

In fact, the Cedros and Icacos fishermen were due to meet on Wednesday with representatives of the Pedernales firm to negotiate sale of the fish and shrimps to the mainland company.

If the Trinidad fishermen should adopt this course it means that there would definitely be a drastic decrease in the supply of the commodities in this country since most of the fish and shrimps come from the deep South.

Mr. Ali, who led a delegation of members of the Cedros Fishing Co-operative on Wednesday to Minister of Agriculture, Lands and Food Production, Mr. Kamaluddin Mohammed, is hoping NFC will reconsider the prices offered in the interest of the industry and the country as a whole.

RIISING COSTS

The fishermen sell 100 per cent of their catches to NFC and they feel that because of the rising costs of maintenance of boats and fishing gear, the prices

should be increased immediately.

Mr. Ali said Mr. Mohammed promised to look into the matter by approaching the NFC. "We are standing by to meet with the NFC, if necessary to discuss the matter and to prevent a complete cut-off of supplies to Trinidad," Mr. Ali said.

He said Mr. Mohammed was very sympathetic to their plight and felt sure that meaningful discussions between the Minister and NFC could result in settlement of the problem.

The fishermen produced a copy of a letter dated November 26, 1982, and signed by Mr. Fernando Navarro, chief executive officer of NFC, informing them of the prices the firm intends to pay them effective from December 1, 1982, to expire on November 30, 1983.

COMPARISONS

They are being offered \$16.50 a pound for large shrimps as compared with \$7.00 a pound offered by the Venezuelan firm.

The NFC is offering three prices for medium size shrimps — \$2.00; \$3.00 and \$4.00 a pound as compared with one price — \$4.00 a pound — offered by the Venezuelans. NFC's price for small shrimps is \$1.00 a pound, half of what the Venezuelans are offering.

The Venezuelans are offering \$3.00 a pound for carite as against \$2.00 offered by NFC.

Mr. Ali pointed out that NFC is offering 95 cents a pound for shark while the Venezuelans are offering \$1.50 a pound.

Cedros and Icacos have more than 100 boat owners, some 60 of them having fishing permits to fish in Venezuelan waters. Those permits issued for one year are due to expire at the end of this month which is the height of the shrimping season.

Mr. Ali said that although they were carrying on their trade in Venezuelan waters they preferred to sell their catches in Trinidad but must be given a "decent" price.

ONR DEFINES POSITION ON LABOR, UNION MOVEMENT

Port-of-Spain TRINIDAD GUARDIAN in English 20 Dec 82 p 14

[Text]

WHILE all the signs of a pending recession were in the air the Government and the rest of the population were spending money as if it were going on the negative list. Mr. Ferdi Ferreira, Party Organiser of the Organisation for National Reconstruction (ONR), said this in a recent radio broadcast on labour and the trade union movement.

He recalled that the ONR warned the population of the coming crisis.

Mr. Ferreira's address:

The O. N. R. is committed to unity in the trade union movement because we believe that unity is strength and strength is unity. The present Government has deliberately encouraged trade union disunity as its strategy of containment of the workers in Trinidad and Tobago.

The O.N.R. pledged the following in its 1981 election manifesto:

MINIMUM WAGE

1. To do all that is possible to foster a sense of unity and belonging amongst trade union leaders and the workers regardless of one's political loyalty or affiliation.

2. To give more positive assistance to the

trade union movement, to help it to develop the necessary expertise in order to deal with the complex problems of the multi-national monsters and other employer organisations.

The O.N.R. also pledged the following:

1. A National Health Scheme for all citizens in Trinidad and Tobago.

2. Expand minimum wage legislation to cover all manipulative trades.

3. Minimum severance-redundancy legislation for all workers.

4. To introduce an earned unemployment benefit scheme.

OVERTIME TAX

5. A code of conduct to guide labour management relations and set the ethical basis for the relations between workers and employers and between worker and worker.

6. We pledged that the Workmen's Compensation Legislation will be repealed, updated and replaced and consideration will be given to abolishing the doctrine of common employment which

prevents the worker from claiming against his employer for negligence by his co-worker.

7. Improving the physical environment for the worker with special emphasis on health and safety.

8. Convening a National Tripartite Conference consisting of Labour, Management and Government to examine all issues related to effective industrial relations problems in the country.

9. Appointment of worker representative to the boards of all State-owned enterprises.

10. Abolition of taxes on pensions on the first (\$1,000) and less per month for all persons over age of 60.

11. Union dues paid by employees will be tax deductible. This would encourage more workers to become unionised while at the same time strengthen the economy of the union.

12. A reduction of taxes paid on overtime work with a limit of twenty cents on the dollar.

RECESSION

The O.N.R. also raised the question of unemployment

benefits from the massive National Insurance Fund which is now in the vicinity of one billion dollars.

The O.N.R. anticipated the recession as far back as 1980. All the signs were there while the Government (and the rest of the population) were spending money as if it were going on the negative list. We warned the population of the coming crisis. We called on the Government to carefully examine the viability of pro-

jects like ISCOTT, SODETEG and the Maternity Hospital at Mt. Hope, the racing complex and last but not least the expensive, senseless and unrealistic Government-to-Government arrangements that we know would take a heavy toll on our foreign reserves. We questioned the reason for the abortive Commission of Inquiry into the operations of Texaco. We demanded that the culprits who were guilty of corruption be brought to justice.

However the O.N.R. as the only true multi-racial political party in Trinidad and Tobago, with its multifarious reservoir of talent and resources at almost every level, now pledges to the Nation at this crisis hour its undying commitment to the people of Trinidad and Tobago and its readiness to put these resources at the disposal of the establishment in a national effort to solve the national crisis.

CSO: 3298/281

OWTU LEADER CRITICAL OF WORKERS' LOT IN CHRISTMAS MESSAGE

Port-of-Spain TRINIDAD GUARDIAN in English 27 Dec 82 p 6

[Text]

WHAT is happening on the national level in the oil, sugar, garment and manufacturing industries, also the commercial sector, is in keeping with what is taking place in the international situation.

So said Mr George Weekes, President General of the Oilfields Workers' Trade Union, in his Christmas message.

Mr Weekes said: "Christmas 1982 finds the unemployed, the poor, the

oppressed and exploited workers in particular and the people of this country generally, facing the worst economic social and political crisis

since the 1930s, which was responsible for the June revolution of 1937, and the birth of a great union — Oilfields Workers' Trade Union."

The crisis which faces the workers and people at Christmas is no accident, but comes as a result of covert and open dishonesty and corruption.

He said that in the developed countries of the West, unemployment has reached holocaust proportions unheard of since the days of the "great depression."

In the United States, companies were going bankrupt at 500 a week and 12 million workers were unemployed, four million in the United Kingdom, and tens of

millions more in Western Europe.

REAL CAUSE

In the underdeveloped or Third World countries, some 455 million workers were unemployed. Strange enough, that was taking place when some 75 million children under the age of 15 years were employed in the world, mostly in underdeveloped countries, under the worst type of oppressive and exploitative conditions.

Some 575 million women were at work in the world, representing 35 per cent the labour force but they receive only one tenth of the world's revenue.

The OWTU leader noted that much was said and written about the recession, but few were able to clearly identify the real cause of the crisis.

As trade unionists who have to defend our members' jobs and protect and improve their standard of living, we cannot afford the luxury of not understanding the crisis.

THE OTHER CHEEK

"It is against this background outlined in brief that at the Christmas time oppressed and exploited workers and people are invited, encouraged and even programmed by mercenaries, to sing and wish for the impossible dream of having a 'white Christmas like the ones we use to know' in the Caribbean and forced to give back, as directed in the Budget, more and more of our

hard-earned dollars to modern-day 'Merchants of Venice'.

"We are asked to pray and turn the other cheek, but not struggle for true peace on earth and goodwill to all men.

"We are not taught the meaning of the birth of Christ and why for example he said that it is 'easier for a camel to pass through the eye of a needle, than for a rich man to enter the kingdom of heaven.'

"He (Christ) worked for true peace and preached dignity of the poor and downtrodden of the world and was opposed to the rich man.

"Is that not what OWTU has been doing these past 45 years?"

"If we take up the true task of Christ, then we cannot but help being revolutionaries as he was a revolutionary.

"It is difficult under the present circumstances to wish you a merry Christmas. The year 1983 is going to be a much more difficult year than was 1982. But I wish to point out that life is of never-ending struggles and that there is no greater struggle than the struggle for freedom, justice and bread without which we cannot live in peace.

"Nothing worthwhile was ever gained without hardship, struggle and sacrifice and the struggle for those who labour to hold the reins will be no different. The harder the struggle, the sweeter the victory."

UNION URGES CARONI TO TRAIN WORKERS IN VERSATILITY

Fear of Job Losses

Port-of-Spain TRINIDAD GUARDIAN in English 15 Dec 82 p 7

[Article by Mikey Mahabir]

[Text]

SAN FERNANDO AN INDUSTRIAL row is brewing between All Trinidad Sugar and General Workers Trade Union and state owned Caroni (1975) Limited over the company's move to redeploy about 350 cultivation workers.

And the company plans to put that action into effect before the start of the 1983 crop.

Mr Sam Maharaj, general secretary of the union, yesterday charged the company with acting "in bad faith". He said from his observation he believes that the company intends to make some of the jobs redundant.

Mr. Maharaj said that at the union's request, the company last week sent a

list of the names of the workers earmarked for "displacement" and the areas in which they will be offered alternative employment.

He said he observed from the list that a number of the existing jobs will become redundant. He said when the union and company met sometime ago to discuss amalgamation of gangs in the cultivation, no mention was made about making jobs redundant.

Mr. Maharaj said that the company indicated that for economic reasons it would have to amalgamate certain gangs and offer the workers alternative employment.

MEETING SATURDAY

"We observe now that the company will be offering the workers jobs outside of their classification with less wages," said Mr. Maharaj.

The union secretary said, "We have always been opposed to retrenchment of any kind and our aim is to

continue to fight for job security."

With the latest development on the matter, that is after receiving the list of names of workers to be redeployed, the union has called an emergency meeting of all workers in the reaping gangs to discuss the matter and take the necessary action, which may include holding another meeting with the company.

Meeting time is one o'clock on Saturday afternoon at Rienzi Complex, Couva.

Meanwhile the company, through a spokesman, ruled out retrenchment. He said the workers would be offered alternative employment and only if they refused to accept the jobs offered, they could voluntarily accept severance benefits in accordance with the industrial contract.

But the company must amalgamate certain cultivation gangs before the start of the 1983 crop for economic reasons, he stated.

Training Proposal

Port-of-Spain TRINIDAD GUARDIAN in English 23 Dec 82 p 7

[Excerpt]

CALL for a training programme designed to fit sugar workers into all departments of State-owned

Caroni (1975) Limited in the company's restructuring of its agricultural operations, has been made by the All Trinidad Sugar and General Workers Trade Union.

The union and company met on Tuesday at Brechin Castle and discussed the 1983 crop plan and restructuring of agricultural operations.

Mr. Sam Maharaj, General Secretary, said that the union was pleased to learn that the company was moving into food crop farming.

However, the union made it quite clear that while producing the raw material, the company should also train the sugar workers to gain employment in the areas of processing and marketing instead of forming companies employing other workers.

He said that since the company was aiming at reducing

its sugar production, the workers should be given the option of receiving the necessary training to fit into other areas of operations.

Mr. Maharaj said the union intended to object strongly at any plan to bring in new workers to run and manage the subsidiary companies to be attached to the food production departments.

CSO: 3298/281

UNION ACCUSES CARONI OF ABANDONING SUGAR LAND

Port-of-Spain TRINIDAD GUARDIAN in English 21 Dec 82 p 3

[Text]

ALL TRINIDAD Sugar and General Workers' Trade Union, through General Secretary, Sam Maharaj, has accused State-owned Caroni (1975) Limited of abandoning 13,495 acres of sugar lands in order to drastically reduce sugar production.

According to Mr. Maharaj, the company has 37,795 acres of land under sugar cane cultivation "and even some of those lands are being neglected."

He said for example, the company submitted a copy of its 1983 crop plan to the union last Thursday, hours before a meeting was due to be held with workers' representatives to discuss the plan.

"How on earth could we have attended that meeting without sufficient time to discuss the plan," he asked.

Mr. Maharaj further accused the company of "deliberately refusing to discuss with the union matters relating to its operations."

He said according to the crop plan, the company intends to reap 1.3 million tons of cane in the coming crop. But the plan says nothing about how much sugar Caroni proposes to produce.

The company proposes to use its four factories this crop with two — Reform and Woodford Lodge — working only five days a

week.

Mr. Maharaj viewed the "whole operations" of the company as being designed towards retrenchment.

"And we have come to this conclusion because the company is refusing to discuss matters pertaining to its operations with the union," Mr. Maharaj added.

Caroni confirmed submitting a copy of its draft crop plan to the union as well as to other workers' representatives.

The 1983 crop is expected to begin on January 3. Canefarmers are also preparing for harvesting but many of them are complaining, like the company, about problems in getting cultivation workers.

CSO: 3298/281

PROBLEMS WITH FRENCH FIRM SODETEG RAISED IN HOUSE

Port-of-Spain TRINIDAD GUARDIAN in English 20 Dec 82 p 6

[Article by Clevon Raphael]

[Text]

PROBLEMS with the French construction outfit Sodeteg on the Mount Hope Medical Complex were identified in an official document — the Report on the Development Programme, 1982.

Laid in the House of Representatives Friday the document referred to completion according to schedule and the training of nationals.

Page 227 of the document stated:

"Problems also arose in 1982 on the question of Sodeteg's contractual obligations relating to their training of nationals. Only the training of manual and operative staff was considered in Sodeteg's original training proposals.

"Insufficient attention was paid to the need for the training of professionals and sub-professionals, particularly at the senior management, junior management, engineering, and junior engineering levels.

"Sodeteg has now agreed to a proposal for the recruitment of experienced local engineers and technicians through advertisements locally. In the event that there should be an inadequate response to these advertisements, then Sodeteg is to advertise for recently qualified graduates and technicians.

"Such staff are to undergo a period of contractual training."

POOR PERFORMANCE

Because of heavy criticisms from local professional and manufacturing groups, against the alleged failure of Sodeteg to completely honour its contractual obligations on the project the construction industry formed a Joint Consultative Council to confront Sodeteg with a unified front.

The document continued:

"Serious concern was expressed over the timely completion of this project. Poor performance has been reported by the Task Force in areas relating to drainage, design, quality control of the works and materials, architectural finishes, in the provision of certain items of equipment (to be installed during construction) and in the overall programming, planning and management of the project.

"Sodeteg was reported to be developing a computerised system for the planning, scheduling and management of the project, and anticipated that the system would be operational in Trinidad and Tobago by January 1983.

"In addition an architect was stationed locally by Sodeteg and it was expected that he would remain in Trinidad and Tobago for the

majority of the contract period."

Dwelling on the upgrading and extension of the Port-of-Spain and San Fernando General Hospitals, the report disclosed a negotiating team was nominated in June 1981 to discuss prices and conditions with Sodeteg and representatives of the French Government in respect of work on both institutions.

By March 1982, a project definition for the south hospital was 80 per cent complete.

To date contracts with Sodeteg in respect of the two hospitals have not been negotiated, and the document stressed:

"The Task Force is of the view that in order to define the projects in sufficient detail to allow for the commencement of negotiations, the scope of the work needs to be carefully and precisely defined in technical memoranda covering all architectural and engineering aspects."

In conclusion the document stated the Task Force recommended that a team negotiate with Sodeteg the basis of computing the fees and the quantum of payments to be made to Sodeteg for services performed on both projects.

PRODUCTIVITY COUNCIL: TAX CUT SHOULD ACCOMPANY SUBSIDIES CUT

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 82 p 12

[Text]

"APPARENT official policy to reduce subsidies would be most unfortunate if not accompanied by some reduction in direct personal taxation," the National Productivity Council (NPC) warned the Government of Trinidad and Tobago in its report covering the period July-October during which the NPC discussed urgent measures for boosting productivity from the dawn of 1983.

The Council had not concluded its study of the suggestions before it from a group-member of the NPC spelling out the effect of the tax regime on work attitude.

The member group, Group III, has strongly backed the Fiscal Review Committee (or more popularly styled Bruce Committee) recommendations published in September 1981 but within the NPC there is slightly concealed difference of opinion now, with some members pleading, "the Fiscal Review Committee's (FRC) recommendations referred to a different economic

climate."

The FRC had suggested widening the present \$2,000 tax bands for personal income taxes to \$5,000, boosting pensioners' allowance to \$2,500 tax free, and spouse allowance to \$1,800. The Government in the 1982 Budget had not widened the bands but sent a signal to the country that maybe later there would be some thing of the sort.

The pensioners and spouses got the sums the FRC suggested.

An FRC proposal to raise the ceiling at which Unemployment Levy would begin to be charged from \$20,000 to \$35,000 was legislated.

Additionally, the dividend allowance of 185 per cent won the Government's backing.

Although the Government did not generally eliminate "nuisance taxes" as the Committee hoped, it promised a review and also promised that there would be a study of "the feasibility of establishing an

unemployment insurance scheme."

The subsidy continued and even increased with respect to certain petroleum products.

At the Press conference called by the National Productivity Council, however, the NPC said: "A number of Council members have been perturbed by the delay in implementation of the recommendations of the Fiscal Review Committee and substantively of the recommendations of Working Group III.

"The Council is expected to hold discussions — at long last — with the Permanent Secretary, Ministry of Finance, after which it would be possible to decide on the appropriate recommendation to be made on this critical issue of taxation.

"In any event, it is our considered view that the apparent official policy to reduce subsidies would be most unfortunate if not accompanied by some reduction in direct personal taxation." (See col. 8 report).

DEWD CRITICIZED, SAID TO HAVE OUTLIVED ITS USEFULNESS

Port-of-Spain TRINIDAD GUARDIAN in English 18 Dec 82 p 12

[Article by Leigh Richardson]

[Text]

THE DEVELOPMENT AND ENVIRONMENT WORKS DIVISION (DEWD) has outlived its usefulness, according to members of the permanent National Consultation Committee on Productivity, and plans must be made to make sure that the persons employed through that public agency put in eight proper hours of work daily.

But how? "We have not got down to specifics to recommend except that we know there must be co-ordination of inputs and there must be proper resources allocation so that labourers and material and so on are available and be assigned adequate volume of output as target."

This was the way the final pre-Christmas meeting of the Committee looked at it.

To help much of the country shrug off the effect of the DEWD mentality (two hours work for eight hours pay), the committee, at a Press conference, pointed out it would be necessary to motivate people.

In a word or two before DEWD was even mentioned at the Press conference on Thursday, Mr. Tommy Gatcliffe, businessman and former Senator said that it would be good if every single person would try for "at least five per cent more productivity" in whatever line of work he or she found tasks to do.

"What a difference it would make if half the buses would be on the roads (instead of in the garage), if half the forklifts on the wharves would work?"

"A lot of equipment, a lot of people in this country are being underused." There is high absenteeism, he pointed out.

The Committee announced that it has put to the Government, it hoped in time for it to be included in the 1983 Budget request for \$2 million for advertising and promotional work meant to stir up people into producing.

One member said after the meeting: "We are asking them to put their money where their mouth is."

The Prime Minister had emphasised the need for productivity in the 1982 Budget Speech and, in fact, had instituted the National Consultation out of which grew the standing committee.

ONR TO TAKE TV TO COURT IN POLITICAL BROADCAST ROW

Port-of-Spain TRINIDAD GUARDIAN in English 22 Dec 82 p 3

[Text]

THE ORGANISATION for National Reconstruction has decided to file a constitutional motion against State-owned Trinidad and Tobago Television claiming that the party is not being afforded "equal treatment."

The executive of the party agreed to file the motion following the decision of TTT not to broadcast a political statement from the party last night.

According to Mr. Karl Hudson-Phillips, Political Leader, Mr

Clive Pantin on behalf of the ONR had given the first of three ten-minute political party broadcasts last week.

Mr Suruj Rambachan the Deputy Political Leader, was due to give a second one last night, and the programme was pre-recorded at 1.15 p.m. on Monday, giving the required 24 hour minimum before broadcast.

A script was also provided and according to Mr Hudson-Phillips at the time there was no objection.

He said that later TTT called and said that it was not going to run the statement.

ONLY TEN MINUTES

TTT, he said had objected to a statement by Mr Rambachan that the speaker had only ten minutes because of Government policy and the Programme Director Mr John Barsotti pointed out that it was station policy and not government policy.

TTT also pointed out that Mr Rambachan had stated that Government had admitted that the steel mill

had failed but Mr Barsotti claimed that the Budget had not stated that.

Another objection from TTT, he said, was Mr Rambachan's statement that the cost of a three-bedroom house would increase by \$10,000.

Also objected to was Mr Rambachan's remark at the end of the statement that he hoped the population would make a wise choice in the next Local Government elections.

The objections was on the ground that it amounted to canvassing.

BUDGET DEBATE

Mr. Hudson-Phillips said that the ONR offered to record the programme and TTT claimed that it did not have enough time and the ONR offered to do it privately and after initial agreement and arrangements with a private studio, TTT said the ONR could no longer get the slot in the programme.

The reason given, Mr Hudson-Phillips, said was that the budget debate had

begun and because the ONR did not have any representatives in Parliament, the Government and the Opposition should get exposure first.

He said that the ONR decided to file the constitutional motion against TTT as wholly-owned Government monopoly although run as a private company, for a decision that the party was not being afforded equal treatment and that Government had not promulgated rules and regulations for fair treatment on the State-owned monopoly.

The motion would also seek an order that their right to express political views had been infringed.

Mr Barsotti said yesterday evening that last night's broadcast was deferred to December 29.

A third ONR broadcast by Political Leader Karl Hudson-Phillips scheduled to be televised on December 28, would now take place on December 30, he added.

The political broadcasts are to start at 8.05 p.m. The ONR agreed to the changes, the Programme Director said.

CENTRAL BANK REVIEW OUT; FERTILIZER OUTPUT HIGH

Port-of-Spain TRINIDAD GUARDIAN in English 24 Dec 82 p 4

[Text] The local fertiliser industry is booming and if the production level is sustained for this year record 739,360 tonnes will be exported--31 per cent higher than 1981.

Fertiliser exports appear to be keeping pace with the expansion in output in spite of weak prices and over-supply conditions currently prevailing in international markets, the quarterly economic report of the Central Bank said.

Exports for the first six months of this year was [as published] 314,600 tonnes or 80.9 per cent of production. The review dated September said that if the current level of exports is maintained, total exports for 1982 is [as published] expected to reach 739,360 short tonnes.

The report said that the economy continued to show signs of weakness in the third quarter of this year. This was result of the depressed state of the international petroleum market which had caused a curtailment of activity in the domestic oil sector.

The production of fertiliser has been the brightest area of economic. Output more than doubled in the second quarter compared with the previous quarter.

The new fertiliser plant became fully operational in August and that was expected to boost output in the third quarter.

Production of cement, however, is expected to decline because of substantial downtime for the repair of the two kilns.

In the assembly industries, production picked up in the second quarter over the first, but that is customary as output in the first quarter is usually depressed because of seasonal factors, the Central Bank report said.

The merchandise trade deteriorated in 1982, preliminary figures indicate a deficit of \$346 million for the first six months compared with a surplus of \$776 million for the same period last year.

Export declined in 1982 while the value of imports continued to grow. The deficit on merchandise trade has reduced the country's foreign reserves.

The Central Bank report said that the country's reserves fell by \$760 million or 9.9 per cent over the first nine months this year. In 1981 the reserves had increased by \$396 million or 5.8 per cent.

The index of retail prices grew at a yearly rate of 12.6 per cent in July-August compared with annualised rates of 11.7 per cent and 9.1 per cent in the first and second quarters of 1982. The upward trend has hinged to an increase in food prices.

The economic bulletin said government recorded a deficit of \$786 million in its fiscal operational in the third quarter.

CSO: 3298/282

RIFT SURFACES IN ALL-PNM PORT-OF-SPAIN CITY COUNCIL

Lack of Quorum

Port-of-Spain TRINIDAD GUARDIAN in English 20 Dec 82 p 1

[Article by Clevon Raphael]

[Text] Port-of-Spain City Council's monthly statutory meeting carded for last Thursday was cancelled because of lack of a quorum--the first time in memory that this has happened, according to Local Government sources.

And this "unprecedented incident," the sources said, was caused by a split among the 16 members of the all-PNM Council.

Only ten members turned up and the quorum is 11. One source said: "Normally when it is thought a quorum cannot be formed--which happened on extremely rare occasions--no date is fixed for a statutory meeting.

"Never before has a date been fixed and the meeting called off for that reason."

One of the sources close to Mayor George Neehall said last night: "When Neehall was elected to the Mayoral chair three years ago, he went in with the knowledge that a few members--a minority at that--were not very pleased and they have never given him the cooperation he expected.

"But the Mayor always had the majority on his side, hence he has been able to carry the Council so far.

"No one can doubt that what happened on Thursday was intended to cause some embarrassment.

According to another source, Mayor Neehall, a retired primary school Principal, planned to use Thursday's meeting--the last for 1982--to lambast the recalcitrant few."

Another Bid

Of the six absentees, three were granted leave of absence, one is reported sick, a fifth telephoned the Mayor Thursday morning to say he had "important business matters to attend to," and no excuse was received from the sixth.

The source said: "Clearly this is a matter which will reach Balisier House (headquarters of the PNM).

"Although we belong to the same party, these recalcitrant few must not be allowed to do as they please and get away with it.

"Mayor Neehall took office knowing that he would not get the full support."

It is expected that another attempt will be made to hold the meeting before the end of the year.

Alderman Otto De Four, who was present for Thursday's meeting, has added a little difficulty in this regard because he flew out of the country on Saturday on vacation.

"We can only hope that despite how members feel the business of the burgesses comes first...before petty squabbles," it was stated.

Thursday's cancellation meant that decisions taken in caucus by various committees this month are yet to be ratified.

Coming to End

At Statutory meeting the full Council approves to decisions taken by the committees.

An indication of the split was gleaned Friday night when Mayor Neehall hosted the traditional Mayor's Christmas dinner at the Trinidad Hilton.

A red-faced Alderman De Four, apologised for the absence of Councillors and some invited guests.

The Mayor caused raised eye-brows when he said that perhaps soon there would not be a City Council. But he said that in the context of the erosion of the powers of Local Government bodies.

Sniggering and other round-the-table heckling marked speeches delivered by some of the speakers.

Councillor Glynnis Jackson added a measure of seasonal joy and well-executed songs.

An official of the Cooperation stressed last night: "It is imperative that a statutory meeting be held, otherwise decisions taken in the caucus cannot be implemented. Why would anybody want to cause embarrassment when in any case the present term of the Council comes to an end in a few months?"

ONR Call for Probe

Port-of-Spain TRINIDAD GUARDIAN in English 22 Dec 82 p 6

[Text] THE ORGANISATION for National Reconstruction is calling on the relevant authorities to probe the failure of the City Council to hold a statutory meeting last Thursday.

The ONR in a statement, said it was deeply disturbed over the Council not holding a meeting because of lack of a quorum.

The City Councillors and Mayor belong to the same party and squabbles or dissensions that may occur within a party should never be allowed

to interfere with the work of the council, the ONR said.

"As a result of this dissension between certain PNM councillors and their colleagues, several important matters to be decided had to be postponed," the statement added.

It was reported in the "Guardian" yesterday that certain councillors had boycotted the meeting due to alleged dissatisfaction with Mayor George Neehall.

The ONR said it viewed that state of affairs as a major setback to the working of the City Council.

CSO: 3298/282

BRIEFS

1980 CARONI LOSSES--Caroni (1975) Limited recorded a loss of \$131,682,000 for its 1980 operations. Details of the company's operations are contained in the annual report which showed that the cumulative loss of the company from November 15, 1978, the date of transfer of assets, liabilities, rights, obligations and other things from Caroni Ltd. to Caroni (1975) Limited was \$192,107,000. The Auditor General's report on the accounts of Caroni for 1980 was laid on Parliament on Friday last. The 1979 loss for the company was \$60,425,000. According to the report the total net assets of the company at the end of the financial year, September 30, 1980, was \$258,490,000. The previous year the amount was \$256,544,000. The report also showed that government loans for crop financing from 1973 to 1980 totalled \$319,575,000. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 16 Dec 82 p 1]

RISE IN INTEREST RATES--Interest rates at commercial banks in Trinidad and Tobago on "non-current" loans have reached 16 per cent and there is no guarantee that this rate will fall during 1983. The rise has followed the general rise in spending and consequent demand for loans from the commercial banks. As consumers place more emphasis on borrowing from the banks for big-tickets items where hire purchase terms are steadily moving against consumers, there has been a virtual run to the banks for help. [as published] Circulation of money through the economy is picking up speed, however, despite the warnings and fears being expressed. The Central Bank reports that on December 8, the amount of coins and notes in circulation was \$824,668,000 (in comparison with the figure of \$803,468,000 on December 1). If this pace keeps up and the possible volume of "bank money" adheres to the proverbial multiplier, it is within the bounds of distinct possibility that the period December 9-31st will see the official notes and coins in circulation figure top \$860 million (implying a total volume out there of about \$3,400-\$4,000 million a week.)

HALT TO SUGAR IMPORTS--Next year is likely to be the last year that State-owned Caroni (1975) Limited will be importing granulated sugar. The company and representatives of All Trinidad Sugar and General Workers' Trade Union met on Tuesday at Brechin Castle and discussed the 1983 crop plan, restructuring of the agricultural operations and separation of the granulated sugar refinery from the Ste. Madeleine factory. Mr. Sam Maharaj, General Secretary, who headed the union's team and Mr. Tony Deyal, Public Relations Manager, both confirmed that discussions were cordial. The union was told

by the company's team, headed by Mr. Russel Wotherspoon, acting General Manager, that Caroni plans to have the granulated sugar refinery situated at Ste. Madeleine function separately, and in fact all through the year. And when that plan goes into operation next year, it would mean that although the factory will be down after the crop, the refinery will be able to continue working to produce granulated sugar all year round. Caroni imported about 24,000 tons of granulated sugar this year to assist in meeting local demands. The union has hailed the move as an excellent one and according to Mr. Maharaj, the union intends to cooperate with the company in seeing to it that the refinery operates efficiently. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 23 Dec 82 p 7]

SECOND METHANOL PLANT--Government has received a proposal from a United Kingdom firm for the setting up of a second methanol plant. This was stated by Mr Patrick Manning, Minister of Energy and Energy Resources, during debate on the 1982 Budget. He added that Government was considering the proposal. A decision had not yet been taken but the possible site for the plant could be Point Fortin. A methanol plant is now being constructed at the Point Lisas Industrial Estate. Mr Manning stated too that Trinidad and Tobago was the largest exporter of ammonia in the free world. In 1981, Trinidad and Tobago was the fourth largest exporter of ammonia in the world. The largest is the Soviet Union. It now looked as though Trinidad and Tobago will overtake Mexico and become the second largest exporter of ammonia in the world...making it the largest trader in the free world. That he said, was one of the justifications for the decisions taken by Government. Mr Manning pointed out that there was a proposal for expansion of Tringen and Government also had a proposal for a third ammonia plant at Point Lisas. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 24 Dec 82 p 6]

CSO: 3298/283

END