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JPRS-LAM-86-110

2 DECEMBER 1986

# Latin America Report

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**DTIC QUALITY INSPECTED 4**

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INTER-AMERICAN AFFAIRS

URUGUAY, FINLAND SUPPORT PROTOCOL ON PANAMA CANAL

PY101608 Madrid EFE in Spanish 0026 GMT 10 Nov 86

[Text] Panama, 9 November (EFE)--It was officially reported today that Uruguay and Finland support the protocol concerning the permanent operational neutrality of the Panama Canal.

The two countries' support is part of a campaign conducted by the government of Eric Arturo Delvalle and Foreign Minister Jorge Abadia Arias to have most of the world's nations sign the protocol.

Finland adhered to the treaty on 2 November and Uruguay has reported its support for the neutrality protocol to Foreign Minister Abadia Arias in a note sent by the Uruguayan embassy in Panama City to the Foreign Ministry.

More than 30 countries have filed this document of support with the OAS General Secretariat where the neutrality protocol is being kept.

The neutrality treaty protocol of the Panama Canal has been open to all the countries of the world since 1 October 1975 when the Torrijos-Carter Accord on the canal became effective.

According to this treaty, Panama will assume the administration and complete sovereignty over the territory on 31 December 1999.

The Panamanian Foreign Ministry is holding diplomatic contacts with those countries that have not yet expressed their support for the treaty on neutrality so that, through their support, the "safe and free transit" of all the ships of the world will be guaranteed.

/12913

CSO: 3348/91

BARBADOS

FOREIGN MINISTER TUDOR GIVES VIEWS ON RSS, CBI

Bridgetown SUNDAY SUN in English 12 Oct 86 p 44

[Text]

NOT ONLY will Barbados remain within the controversial Regional Security System but it will continue to take part in military training programmes with the United States. That indication has come in remarks attributed to Barbados' Minister of Foreign Affairs, Senator Cameron Tudor, by South Magazine.

South Magazine, published in London, has a circulation of more than 150 000 and is read in about 161 countries.

At one stage Prime Minister Errol Barrow had said that he would reduce the Barbados defence force but South Magazine, in a special survey on Barbados, stated that no such changes would be made by the new government.

As Senator Cameron Tudor, the Barbados Minister of Foreign Affairs told South, Washington has little cause for alarm.

The Barrow Government had "no quarrel" with the Reagan Administration and Barbados had no intention of leaving the Regional Security Sys-

tem, the United States financed Eastern Caribbean alliance formed in 1982.

But if Senator Tudor seemed satisfied with the RSS, he was not so happy with the Caribbean Basin Initiative.

He said that Barbados intended to call for a review of the CBI so that a "Caribbean mechanism", such as the one in the Organization of American States (OAS), be set up to deal solely with CBI problems.

"The CBI should mobilise and provide long-term financing for infrastructural and capital investment in the Caribbean," Sen. Tudor said. "In addition, we want the elimination or reduction of bureaucratic restraints which prevent the flow of investments to and exports from Barbados."

Based on its conversation with the Minister, the magazine expects little, if any change, in Barbados' foreign policy under the Dems.

"The DLP Government is unlikely to take a very different stance from the previous administration," was the way the widely circulated magazine put it.

For instance, South stated that under the DLP Barbados would continue to support the Contadora initiative in Central America; maintain its commitment to the non-aligned movement; pursue an end to apartheid in Southern Africa, and keep its links and loyalty to the Commonwealth.

BARBADOS

BLP LEADER FORDE SLAMS DLP AT PARTY CONFERENCE

Bridgetown BARBADOS ADVOCATE in English 13 Oct 86 p 1

[Text] The Opposition Barbados Labour Party says Government has declared open a "hunting season" on people believed to be affiliated or sympathetic to the Opposition, and political tribalism is creeping into Barbados' public affairs.

Mr. Henry Forde, Parliamentary Leader of the BLP told the party's 48th annual conference yesterday: "We make no secret of the fact that the victimisation of Barbados Labour Party supporters, in the name of fiscal adjustment and civil service reform, is one of the sternest battles we will have to face."

He alleged that people had come into positions of public authority with "long and sharpened knives" directed at people who had served Barbados with credit, noting "the politicisation of the Civil Service, as intended by the constitutional changes of 1974, is now to be put fully into effect on a purely partisan basis."

But Mr. Forde told party members that the BLP had come too far to be turned back by "such sordid and unworthy actions."

### Serving notice

He said: "I want to serve notice that we are prepared to fight with every legitimate means at our disposal and at all levels to ensure that the political tribalism which is now creeping into our public affairs does not gain a foothold in this society."

"My colleagues and I are resolutely prepared, at whatever personal cost, to ensure that these layoffs and victimisation cease immediately and we call on the supporters of decency across the length and breadth of Barbados to join us in this great struggle against the victimisation of our people and the rape of our freedom."

Mr. Forde told party supporters that they were joined in battle with a Government which was inspired more by a vengeance to seek retribution for what it fancied to be past wrongs than what was in the best interests of the country.

He also denounced "personalised attacks by the Government" on major institutions as in the case of the Central Bank and professional sectors of the civil service. "Their struggle is our struggle and should we flinch from this struggle, we would yield to the Government the latitude to extend its draconian methods to other sectors of this society."

He noted "scathing attacks" on sections of the public and quasi-public service, all with the intent of forcing resignations and said: "Unemployment is too serious a problem for us to encourage, even by our silence, this DLP Government to create more."

### 4 000 lost jobs

Mr. Forde told the conference that almost 4 000 Barbadians had lost their jobs since May 28 and that a statutory board was currently considering the laying off of some 400 more workers.

He said capital projects were being abandoned and curtailed with a consequential loss of jobs and added: "While Government seeks to borrow its way out of trouble, the gloom of joblessness remains the biggest threat to the peace and tranquility of our island."

The Opposition Leader also spoke of the major battle to be fought regarding economic policy in Barbados. "The notion that we can get something for nothing and the notion that we must each put private gain above the common good have unhappily again invaded the inner chambers of policy formulation in this country," he said.

He said that soon or later the price would have to be paid. "We will be ridiculed when we warn the Barbadian public to count the cost as they count the benefits but the bitter experience of economic history is on our side."

He said the party would not refrain from highlighting deficiencies as they arose or from calling attention to the likely consequences of public actions which were designed to seek short term political gain at the expense of long term national development.

/13046

CSO: 3298/035

BARBADOS

BLP GIVES QUALIFIED SUPPORT TO GOVERNMENT JOBS STUDY

Bridgetown BARBADOS ADVOCATE in English 17 Oct 86 p 1

[Text]

The Opposition Barbados Labour Party has given critical support to a Task Force on Employment Creation established by Government.

In a statement released yesterday, the BLP said that any serious attempt to find solutions to unemployment was commendable and to that extent it did not criticise the establishment of the Task Force.

However, the BLP criticised Government for "giving the whole country the impression that the DLP, prior to becoming the Government, had a policy and programme for the relief of unemployment."

The Opposition accused Government of "massive deception against the people of Barbados in May this year."

It said the decision to establish a Task Force was also an open confession of failure on the part of the Cabinet Sub-committee on Employment and it also noted as significant that among the membership of the Task Force was a union which had advocated voluntary pay cuts and redundancy to stem the tide of public sector layoffs.

### Public expectation

The BLP said that the DLP's actions in the period leading up to the general elections had the effect of building up public expectation that the DLP had already formulated clearcut policies for the solution of unemployment.

It submitted that the DLP had promised immediate job creation and opportunities and had said that its fiscal policies were conducive to job creation.

On assuming the reins of Government, the statement noted, the DLP established a separate Ministry of Employment and Labour. It also noted the statement of Minister of Trade Evelyn Greaves that there had been a breakthrough in trading relations with Trinidad and Tobago which would produce 2 000 jobs by Christmas.

The statement noted, "The reality has been far different," alleging that the termination of a large number of public sector employees by Government and its statutory agencies had provided the most substantial evidence that the Government did not have and never had a solution to the unemployment problem.

The statement concluded: "In all the circumstances, the BLP can give only critical support to the Task Force and knowing that it will not report until 1987, the BLP laments that no hope is held out for the unemployed for Christmas 1986."

BARBADOS

BLP MP URGES SUPPORTERS TO QUIT WORKERS UNION

Bridgetown DAILY NATION in English 20 Oct 86 p 1

[Article by George Vanterpool]

[Text]

BARBADOS LABOUR PARTY (BLP) SUPPORTERS have been called upon to drop out of the Barbados Workers' Union (BWU).

David Simmons, representative in the House for St. Thomas, yesterday at the St. Matthias Girls School urged his party's supporters to withdraw from the BWU because they were "not being properly represented".

The Opposition MP was dealing with "victimisation of BLP supporters" during his address to the party's Christ Church West constituency branch meeting.

"If you are convinced that the unions and the DLP have sold you out, what do you intend to do about it?" Simmons asked.

Simmons said he had recently received a number of complaints from workers at the Transport Board about unfair dismissals.

He told the Christ Church West branch meeting he sent them to the Barbados Workers' Union (BWU) and that they were told: "Too bad. The boot on the other foot now. I can't do anything for you."

"Do you believe that a union to which these people had been contributing their \$2 or what-

ever it is every week ought to have treated them like that?" he asked the audience.

Simmons accused the unions of forsaking the workers of Barbados after climbing on their backs, and those of the BLP supporters to achieve positions of eminence.

"That is what is happening to the workers in the public service of this country. They are being taken for a ride by their union," Simmons said.

Calling the announcement of the Task Force on Unemployment the worst thing on the issue to have happened, Simmons said Barbadians did not vote for a group of people to sit down and do nothing.

"You were told that they had come up with some kind of plan, but the unemployed will still be unemployed," he said.

He called on Barbadians to speak out and tell Government that "you have deceived us".

Simmons said unemployment was a problem throughout the world with 3.75 million in Britain unemployed and seven percent of the United States workforce on the breadline.

"They are not going to be able to do anything substantial about the relief of unemployment in this country. I promise you that," Simmons said.

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CSO: 3298/035

BELIZE

ENCROACHING FOREIGN FISHERMEN GO UNCHALLENGED

Belize City THE BELIZE TIMES in English 19 Oct 86 p 4

[Text]

Reports from the southern coastal communities indicate that foreign fishermen in greater numbers are encroaching on our fishing grounds and in some cases displacing Belizean fishermen in the use of the southern cayes and their marine resources.

As a result of this invasion the fishing resources are fast being depleted. Conch, crayfish and other kinds of fishes are becoming scarce despite the efforts of legislation and attempts at supervision by the fishing department.

To make matters worse the reports state that some fishermen are now diving for crayfish with air-tanks. This method of fishing will hasten the depletion of the lobster resources.

Such reports cause surprise when it is recalled that the Belize Defence

Force was provided with an air-wing (two planes) for air patrolling of the waters and a sea wing (two patrol boats) to prevent the encroachment and invasion by foreign fishermen of the cayes and fishing grounds.

It is also recalled that the Police Force has three or more patrol boats which now seem to spend more time parked in the Belize City station than out at sea protecting Belize's marine resources against foreign aggression.

If Belizean territorial waters are left exposed and unprotected by the security forces, further erosion of Belize's sovereignty damages the international status of Belize as an independent nation with sovereignty over all its territory.

/13046

CSO: 3298/036

BELIZE

GOVERNMENT: PUP EX-MINISTER SPREADS LIES TO FOREIGN MEDIA

Belize City THE REPORTER in English 19 Oct 86 pp 9, 12

[Text]

A spokesman for the Belize Government has identified a former Minister of the old Government, Mr. Assad Shoman, as the man behind a number of twisted reports about Belize in the international press.

Shoman, who is the Belize correspondent for Agency France Press, has been sending off report after report about Belize which give a false impression of what the government is doing.

The latest corker said that Coca Cola has decided to pull out of Belize and not to proceed with its 20 acre nursery. It said the company had laid off its workers and had refused to pay the usual cess to the Belize Citrus Growers' Association.

Mr. John Mason, the man representing Coca-Cola Foods in Belize, has explained Coca Cola's position regarding the cess. "Coca Cola feels it would

want the money deriving from any cess to go to growers, employees and residents of the Orange Walk and Belize districts in the north of the country where its project will be established", he said.

Mr. Mason pointed out the cess is paid by growers to their association principally to carry out citrus research. Since Coca Cola Foods will operate its own research facilities, it sees no need to pay towards research costs for another enterprise.

The Belize Government has also been in touch with Agency France Press and has written to Jeanne Pierre Bosque, Director of the regional office in Costa Rica. "This is the third occasion this year in which we have had to call a newspaper's attention to untruthful and inaccurate reports filed on Belize by AFP", the letter stated.

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CSO: 3298/036



BELIZE

BEACON URGES ESQUIVEL TO TAKE ACTION AGAINST 'SABOTEURS'

Belize City THE BEACON in English 18 Oct 86 p 1

[Page One Commentary: "At Odds With the Mandate?"]

[Text]

Not two days after his party's sweeping electoral victory in December of 1984, Prime Minister Esquivel held his first press conference. To the disappointment of the many who thirsted for revenge, but to the relief of the few who were scurrying to avoid justice, he announced that his new government was determined not to conduct "any witch-hunts."

The Prime Minister has been as good as his word. Recognizing that a complete break with the vindictiveness of the past was necessary if he was to try to effect the healing of the Belizean nation, Mr. Esquivel has proceeded to administer this country in a manner grounded in the best democratic traditions.

There have been no political bloodlettings. And in the case of the civil service in particular, certain personalities closely identified with the hated *ancien regime*, have continued to retain their jobs and perquisites.

The course which the Prime Minister followed has been one of generosity as well as of good sense. With the paucity of human resources in an under-developed, under-populated country, it would have been short-sighted in the extreme to have decimated precious talent in the kind of political vendetta which many expected would follow the change of government. It is also a course that, by and large, has worked. In consequence of natural attrition, many of those perceived PUP hatchetmen in the upper echelons of the service have retired or gone the way of all flesh. Of the others that remain, gratitude for the fairplay of the UDP has caused most to seek to reform the error of their ways.

There remain a few however, scattered throughout the ranks of the public service, with a couple placed right at the top, who seem determined to stretch the patience of the government.

Take, for example, the case of the Customs Officer at the Santa Elena border who harasses in the most obnoxious fashion anyone she even suspects of being a UDP, while she allows PUP officials to waltz in and out of the country without going through any customs formalities. Or take the case of the Permanent Secretary who was at Cinderella Plaza and Independence Hall for the (PUP) September 21 anti-government activities, then without missing a beat was a formal participant in a most sensitive capacity at the official ceremonies the following morning. Or take yet again the case of the Social Security manager who, in a flagrant case of PUP style nepotism, hired his unqualified children for non-vacant positions in his department.

These are specific and egregious instances of Public Servants behaving in a way which makes it clear that they have rejected the olive branch extended by the new government. In addition, there is the more generalized phenomenon of PUP moles in the service routinely leaking confidential information to George Price's 'Loyal Opposition.'

Although these things seem to go unchecked by the government, they do not go unnoticed by the general public. Which is why the UDP administration has something of an image problem on its hands.

It is now almost two years since December 14, 1984. The fine democratic declarations of the Prime Minister have been leavened by practical demonstrations of UDP goodwill. But the government must not be caught in a trap of its own making; of being soft; of being derelict in its duty to use its power not only fairly but firmly against those unreconstructed misfits and saboteurs who continue to seek the destabilization of the UDP.

There is a difference between restraint and pusillanimity. In those cases we earlier referred to the government has not seemed to appreciate the difference. And in this fundamental regard the UDP would now appear to be increasingly out of step with both its constituents and its mandate.

/13046

CSO: 3298/036

BELIZE

PAPER QUESTIONS GOVERNMENT'S COMMITMENT TO RULE OF LAW

Belize City THE BELIZE TIMES in English 19 Oct 86 p 2

[Editorial: "The Last Resort When Participation Fails"]

[Text]

*When people cannot participate in the democratic process of making major decisions of a nation, then the last resort to remedy this failure is a resort to the use of violence. It is a natural attribute of human dignity that a people have a say in the affairs of their country.*

*To avoid this resort to violence is one of the first duties of a government which should so govern that it maintains the confidence of its citizens in the due process of law and order.*

*The giant builders of Belize were ever conscious of this fundamental need and inescapable duty. Hence an integral part of the nation's corner stone is adult suffrage and the democratic process which in 1954 were one of the achievements of Belize's revolution.*

*The universal voting system along with other attributes of a democratic nation is enshrined in the political constitution of an independent Belize with sovereignty over all its territory.*

*The relevant part of the constitution reads: "men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and upon the rule of law."*

*In these times of increasing acts of physical violence to the person and to property and of institutional violence to the national dignity of Belizeans, the question arises in the minds of some people whether or not the government is conscientious in doing its duty to so govern as to ensure the due respect for moral and spiritual values and the rule of law to which Belize's constitution refers.*

*When a climate of official victimization afflicts those persons who do not support the partisan policies of government or when there is frustration of finding solutions to problems according to the rule of law and public order, the temptation to commit acts of violence looms large but must be resisted.*

*A government that is compassionate and conscientious in preserving national unity, will contribute to the political stability so necessary as a foundation for economic development.*

*Continuing peace and stability require the participation of citizens and residents of Belize in the democratic process. They require government's respect for the freedoms enshrined in the constitution. By keeping its house in order a government wins respect for the country's sovereignty and territorial integrity, and it enjoys the right of equality when participating in international affairs.*

*We must be aware that "just as within our borders, human rights and freedoms are at stake, so from without our borders there are constant pressures, organizations, transnational bodies and political administrations which seek to control the region and to subdue its people to their bidding and to their interests.*

*"The national identity and dignity of the Belizean is under attack. The territorial integrity of the country faces persistent threat. The very independence and sovereignty of Belize is being eroded day by day."*

*We must exert constant vigilance to protect our freedoms in order to prevent further outbreaks of violence.*

/13046

CSO: 3298/036

BRAZIL

## SARNEY SCORES RADICALS' PLAN TO PARALYZE COUNTRY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Oct 86 p 6

[Article by Carlos Chagas]

[Text] There was a plan to paralyze the country this October. It was cooked up by the radical Left to cause social chaos and lead from that to a political crisis with obvious electoral implications in November. The plan called for the success of countless political strikes in essential economic and social sectors. It was to be combined with orchestrated agitation in the field to bring about land takeovers in every region where there are conflicts. There was no favorable response, however, since the country, even more than the government, took it upon itself to frustrate the intentions of the agitators. The strikes did not get off the ground and the takeovers failed, all because there was no popular support. Neither workers nor peasants listened to the agitators, and the government also intervened to guarantee the right to work to anyone who wanted it and to prevent most of the land takeovers.

That information was provided to this reporter by President Jose Sarney at lunchtime yesterday. The head of the government expressed satisfaction at what he called the national reaction of good sense to the extremists, among whom he singled out the CUT [Sole Central Organization of Workers] in particular.

He said that the agitation had been planned by radical groups and that it had even been set forth in documents. If the bank strike in September had worked out as planned and continued until now, stronger actions aimed at blocking the economic and financial system would have followed. They tried to paralyze the National Iron and Steel Company, and if they had succeeded, that would have been followed by strikes against COSIPA [Sao Paulo Iron and Steel Company] and other steel companies. They failed with their strike in the port of Santos, which would have spread to other places in the country if it had succeeded. They also failed with their strike against the postal and telegraph system. Their intention was to lead up to the climax with that strike and the strike by social welfare workers. That climax was to have occurred this month with the strike by metalworkers.

According to Sarney, events have shown that the population rejects extremist movements and, even more, that political strikes are doomed to failure. He has information that the radicals are changing their tactics, the intention now being to force things to a standstill on the basis of demands concerned only with labor issues, examples being the 40-hour week, 2-month vacations, and substitutes. The government will continue to pursue the policy it has laid down, which guarantees the right to strike but, in parallel with that, also guarantees the right to work for anyone who wishes it. An example of that stand could be seen at the National Iron and Steel Company--the right to work was guaranteed by military force, and the result was significant: all the workers returned to their jobs. They had been intimidated, but when they felt that the government was guaranteeing them work, they did not hesitate.

Brazilian society's antiradical stand is what thrills the president most. He does not believe that the National Constituent Assembly will produce a radical and extremist constitution. The great majority of its members will belong to the Democratic Alliance, which will see to it that the text adopted is in line with national needs and yearnings. Reformist but never radical. The government will not stand back with its arms folded, nor will it remain aloof from the constituent assembly's work, although it will respect the assembly's sovereignty. The government's interests will be upheld by the two parties supporting it: the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party].

The work done by the Provisional Commission on Constitutional Studies will not be made available by the government to the members of the constituent assembly even if it is formally requested. The government cannot even address the National Constituent Assembly under the terms of the present Constitution, which will remain in effect until the new one is promulgated. The amendment convoking the constituent assembly did not provide for the submission of any draft text by Planalto Palace, which, objectively, has none and will not have any. If it took over the text drawn up by the commission and submitted it, it would be compelled to justify each chapter and article.

Sarney has read the entire text, but declined to make any public comment. When pressed, however, he did not fail to draw attention to certain articles, among them the one depriving the Armed Forces of their role as guarantors of domestic order. His point is that if there is a violent disturbance or crisis or if someone invades and sets fire to Congress, for example, how can one accept the idea that constitutionally, the Armed Forces must remain on the sidelines with no authority to uphold the constitutional powers? On the contrary, striking out a provision of that kind would lead to coups d'etat. What we need to look for are mechanisms capable of guaranteeing the defense of domestic order.

The president repeated that if the National Constituent Assembly wants to, it will be able to use the text drawn up by the commission. That text has been published in the DIARIO OFICIAL on his orders.

If the members of the constituent assembly establish the principle that presidents can be reelected, he will respect and may even approve of their

decision, but he will never accept reelection for himself. He has made a political decision not to be a candidate again for any elective office--under any circumstances. He emphasized that he has no taste for power, which he is exercising because God planned it that way. He will complete his mission, and he hopes it is clear that he is putting forth his best efforts on behalf of national recovery. The democratic institutions exist, and they are functioning fully, as are the options chosen in the social area. The Cruzado Plan has changed the face of the country, it is showing positive results, and it has worked, despite obstacles and hitches which, incidentally, were foreseeable from the start. The purchasing power of the masses has increased, and everyone is living better today than he did yesterday.

The conversation turned to food supplies, and Sarney, while acknowledging the lack of certain food products, especially such protein foods as meat, eggs, and chicken, expressed certainty that the situation would soon be normalized. But not in 40 days, as some have imagined. In the case of meat specifically, he does not rule out the possibility that drastic steps will be taken. The law punishing speculators and hoarders exists. Its enforcement will require that the activities of those hoarding and speculating be carefully spelled out. It may happen tomorrow, or it may happen next week or next month, but they will feel the impact of the law if it is proven that they have been acting against the people's economy. He hopes he will not be forced to take certain steps such as the confiscation of cattle, since he prefers to let the current electoral process run its course until 15 November without adopting measures that his opponents would call demagogic. But he will not hesitate if it becomes necessary. In his opinion, the important thing is that consumption has increased and that the situation is returning to normal. At present, 17,000 head of cattle are being slaughtered daily, compared to 23,000 at the same time last year, this being the off-season. He feels that the people understand and are not letting themselves to be carried away by the preaching of radicals and extremists.

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CSO: 3342/26

BRAZIL

DANTE DE OLIVEIRA: PACE OF AGRARIAN REFORM WILL BE SLOWER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Oct 86 p 18

[Text] The minister of agrarian reform and development [MIRAD], Dante de Oliveira, announced during an interview in Brasilia yesterday that the goals of agrarian reform must be more qualitative than quantitative, and he confirmed that the number of families that will actually be settled on the land this year will be below the planned goal of 150,000 units.

Dante de Oliveira also announced a broad campaign to enlighten the public concerning the purpose of the current agrarian reform and emphasized the enthusiasm that has been greeting the proposal to prevent the sale, in the case of settlers sponsored by the ministry, of new title deeds giving them only the right to use the rural land they occupy for an indeterminate period.

According to Dante de Oliveira, MIRAD's budget will total about 6.8 billion cruzados next year (4.11 billion from the Federal Government, 1.4 billion from INCRA [National Institute of Land Reform and Settlement] revenues, 1.3 billion in allocations by FINSOCIAL to rural credit, and additional funds). The minister emphasized that it would have been a big mistake to release the 10 billion or 20 billion cruzados being called for at the start of his term of office, adding that since the structure for spending all that money was lacking, the government's credibility would have suffered as a result.

The minister again criticized the sluggishness of the courts in resolving land disputes and mentioned the establishment of special jurisdictions within the federal court system as a viable means of reducing the problem, since the possibility of setting up an agrarian court system depends not only on a political decision by the executive branch but also on the consent of the legislative and judicial branches. It also requires much money and time.

The minister emphasized that agrarian reform should not be implemented only by the Federal Government after all the planning details have been completely worked out. He said that to accelerate the process, it is necessary to set up "assertive communities" that will get municipal and state governments and the surrounding society involved before going to the Federal Government.

11798  
CSO: 3342/26



BRAZIL

FACTORS CONTRIBUTING TO FOREIGN INVESTMENT DECLINE ANALYZED

Sao Paulo GAZETA MERCANTIL in Portuguese 26 Sep 86 p 4

[Editorial: "To Reverse the Decline in Foreign Investment"]

[Text] The news--reported in this newspaper--that the net volume of direct investment in Brazil did not exceed \$15 million during the first quarter of this year is disturbing. On the basis of that trend, the Central Bank estimates that foreign investments in Brazil will total only \$70 million in 1986, with the result that the balance of payments will show a deficit of \$150 million rather than the previously expected surplus of \$800 million. This means that instead of increasing again, exchange reserves will be down--slightly--at the end of this year.

That sudden shrinkage appears strange at first glance, since according to the Central Bank, direct investments last year totaled \$710 million. The fact is that even in 1983, during the most acute phase of the country's recession, foreign investments came to \$664.2 million. The drop this year to approximately one-tenth of that makes no sense, considering the rate of economic growth with its stimulation of domestic consumption. If the inflow of risk capital remains low and the economy continues to grow, foreign firms in general will tend to lose their position in the market.

The managers of Brazilian subsidiaries of foreign firms are certainly aware of that danger, but for the time being, their parent companies are taking a cautious approach in view of the uncertainties surrounding Brazil's future. One major concern of the foreign companies--although not restricted to them--has to do with the convening of the National Constituent Assembly in February 1987, the members of which are to be elected this 15 November. It is feared that the constituent assembly will adopt stands favoring nationalization, with the result that the statute governing foreign investment may be amended.

Another factor contributing to the suspension or postponement of new foreign investment in Brazil is the price freeze imposed by the Cruzado Plan. Foreign companies, accustomed to a free-market system in their own countries, feel uneasy in such an atmosphere as this and consider that they will be more exposed to sanctions, not to mention public outcries, if they engage in speculative practices.

The slower inflow of risk capital is, however, only one aspect of the problem. It also happens that foreign firms are not reinvesting some of their profits in the Brazilian market. Reinvestments normally increase substantially during periods of economic expansion, but the figures from the Central Bank show that reinvestment in Brazil has been dropping since 1984. Parallel with that, there has been a rise in remittances of profits, which totaled \$1,059 million last year. The forecast for 1986 is that those transfers will total \$1.1 billion.

In our opinion, the time has come for the government to adopt measures making it possible to reverse the situation, not so much to bring about a substantial improvement this year--since that seems improbable--as to do so in 1987. Since the constituent assembly has not even been elected yet, any prediction concerning the decisions it will make is risky. But if the current government establishes incentives for the application of capital in Brazil, it will be helping to instill in foreign investors the confidence that official policy will continue to be geared to a strengthening of the market economy and to a guarantee of space for foreign companies. In that broader context, the price freeze can be viewed as a temporary circumstance.

We feel, therefore, that the studies being conducted with a view to encouraging the conversion of loans into risk capital are appropriate and opportune. The objective is twofold: to channel funds into industrial expansion and to ensure that exchange reserves show a healthy balance.

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CSO: 3342/26

SCIENCE AND TECHNOLOGY

BRAZIL

#### GOVERNMENT CONTINUES TO IMPORT FOREIGN HARDWARE

Rio de Janeiro DATA NEWS in Portuguese 5 Aug 86 pp 6, 7

[Article by Fernando Pereira: "Government Will Import Over 3 Billion Worth of Equipment"]

[Text] Rio de Janeiro--This year, the federal government will import and purchase from foreign companies with subsidiaries in Brazil a total of 3.5 billion cruzados' worth of data processing equipment. Throughout 1986, the government has been using a total budget of 12 billion cruzados for data processing; in other words, 0.9 percent of its consolidated budget. Most of these funds, nearly 70 percent, are being allocated to pay for civil servants' salaries and training. The spending on equipment, amounting to another 90 percent, is for systems of foreign origin.

"Brazil has changed, the New Republic is a reality in various economic areas; but the model that exists in the state and local enterprises is one of centralized, black-box processing," admits a member of the Special Data Processing Secretariat [SEI], an organ that has received most of the criticism aimed by the U.S. Government against the national policy on data processing and the market restrictions protecting small-sized equipment; products which, on the contrary, the government purchases very seldom.

#### Groups

According to a survey made by SEI of 153 state and local agencies associated with 15 ministries, 94 percent of the government's spending is on the purchase and, more importantly, the leasing (which leaves it subject to this type of payment for many years) of equipment and services for large-sized systems.

Included in this group are CPD's with a minimum of two class 5 CPU's (IBM/360/50 or 4341), or one of class 6 (IBM/4381 MG2 or CDC Cyber series). These CPD's must have at least 100 operators, and pose an overall annual cost of about 200,000 OTN's.

In a second bracket is the intermediate equipment, with a maximum of one class 5 CPU or, a minimum of one class 4 (IBM 4331, 360/30, or 360/40), or else the VAX 11/750. For this type of equipment, the government allocates only 4

percent of its funds. Those CPD's spend an annual total of between 50,000 and 200,000 OTN's, and have a personnel roster of between 40 and 99 operators.

Finally, the native equipment, of classes 1, 2, and 3, whose CPD's annually consume under 50,000 OTN's and have fewer than 40 civil servants, receive only 2 percent of the government's expenditures. There are 1,200 operators for these five CPD's, who typically work in institutions that are beginning to use data processing funds and are located in the most diverse sections of the country, where there are, precisely, maintenance problems.

#### Reform

The SEI official remarked: "The Brazilian Government will only start complying with the provisions of the Law on Data Processing, the National Data Processing Plan, when a thorough administrative reform has been carried out. It is very difficult to give up an entire culture that has been entrenched for many years. Some attempts are being made, as in the case of Dataprev, for example. But there is a tendency toward the maintenance and expansion of the processing with a centralized base. This will only change when there is a more extensive reform."

Taking ministry by ministry, the greatest demander of imports is precisely that of finance, which is responsible for 24.5 percent of the purchases for institutions such as Datamec, Serpro, the Banks of Brazil and the Central Bank, and the Brazilian Reinsurance Institute (IRB).

Using last year as a base, the enterprises and institutions subordinate to Minister Dilson Funaro made imports amounting to \$34.8 million. Next in order is the Ministry of Mines and Energy, with enterprises such as PETROBRAS [Brazilian Petroleum Corporation], ELETROBRAS [Brazilian Electric Power Companies, Inc], NUCLEBRAS [Brazilian Nuclear Corporations, Inc], CPRM [Mineral Resources Prospecting Company], and Petroquimica Uniao [United Petrochemical], which purchased from foreign firms 21.9 percent of the amount of the state budget in 1985, totaling \$31.1 million, ranking in third place.

As for the Ministry of Social Security, its share in the total imports in this sector has been slight (0.2 percent of the spending in 1983, and 1.6 percent in 1984). Last year, however, with the purchase of two CII-Honeywell Bull systems, this figure was increased to 20.7 percent of the government's imports, with the spending of \$29.5 million.

#### Purchases

A proposal from Senator Roberto Campos, which was well received by the technicians at SEI and the Ministry of Science and Technology, is that the government should follow the example of the United States and Japan, directing its purchasing power toward support of the native data processing industry. The SEI official gave a reminder that the American government, for example, has prevented its Defense Department, which has the largest budget for investment in high technology, from purchasing foreign equipment. Either the American industry produces for "star wars," or they will not establish the desired subsystem.

## Participation

The government is the major demander of various economic sectors. For example, the manufacturers of telecommunications equipment have in the government the agent responsible for over 90 percent of their sales. With its intense participation in the economy, the government virtually monopolizes the demand for certain types of equipment and end products. This system, which holds true for the most diverse areas of the economy, does not occur in the case of data processing. Whereas the private area is responsible for 73 percent of the data processing equipment (hardware and software) that is consumed, the government, despite its giant size, purchases only the remaining 27 percent.

The concentration of funds in the federal area, however, bears a direct relationship to those investments. Insofar as Brasilia is concerned, the federal government consumes between 15 and 16 percent of all the data processing equipment sold in the country (that produced internally and that imported). Relatively speaking, the states are purchasing less, their share dropping from 12 percent (in 1980) to 10. The municipalities consume only 1-2 percent of the total volume consumed by the public sector.

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CSO: 3699/14

SCIENCE AND TECHNOLOGY

BRAZIL

SEI AUTHORIZES WINCHESTER DRIVES IMPORT TO MEET DEMAND

Rio de Janeiro DATA NEWS in Portuguese 12 Aug 86 pp 6, 7

[Article by Hiroshi Fujii: "The First SEI Permit for Importing Finished Products"]

[Text] Sao Paulo--Last week, the Special Data Processing Secretariat [SEI] authorized the importing by native manufacturers of a shipment estimated at between 1,000 and 4,000 10 Mbytes slim 5¼ Winchester disks, to be used to cover the so-called "gap" that has occurred during recent months between the domestic production capacity and the sudden pressure from demand brought to bear by the market for PC's and XT's. The more accurate number of slims to be imported may possibly lie midway between 1,000 and 4,000, that is, 2,500 units.

Only four manufacturers (with installed equipment and moderate billing shown for the past 6 months) will be entitled to import: Percomp, Multidigit, Micro-perifericos, and Flexidisk. In a message sent by telex to Abicomp, SEI recommended that the decision should not create problems for the national industry. Thus, it advised the manufacturers to share with the integrators of potential systems any financial benefits to be accrued; because the imported product will be "cheaper than a similar native one."

The document also requests of the manufacturers a commitment to maintain the same quality levels in the maintenance service. No period was set for the effectiveness of the exception arrangement. SEI requested that the production lines continue to be normal, based on a production structure that is quite well organized based on timetables for orders, so that the market may ultimately be regulated.

The decision took weeks of work; in the end, there was no word that the government had authorized the importing of finished data processing products with native counterparts. They considered the market projections anticipated for PC's which, based on a recent survey made by Elebra, should by next December number nearly 26,000 machines marketed. By 1987, that number should rise to 43,000, and, by 1988, to 54,000.

A source in Sao Paulo commented that the data from that survey may perhaps be "rather outdated now," because, at the end of last year, all the predictions were literally upset.

The one who recalls is Paulo de Tarso Homem Pereira, planning manager for Scopus: "Last December, we expected the market to absorb 4,500 XT's in 1986; but, as early as last July, that volume had been exceeded. The most pessimistic were talking about 1,500 units as a maximum, compared with 2,500 anticipated by the optimists. As is evident, neither was correct."

#### Who Is Selling

In fact, Scopus alone (it holds between 28 and 30 percent of the market) is producing about 850 machines every 30 days. And, if the supply of Winchester disks were normalized, the figure could rise to 4,000 machines by the year's end, as Paulo de Tarso notes.

Microtec (a market leader, with 38 percent, and an enviable installed supply of nearly 7,000 systems) "is delivering 600 machines per month," reports Artur Cesar Falcao, the company's administrative director..

Green Informatica (a Sao Paulo reseller) claims that it could increase its business by at least 60 percent, were it not for the lack of micros for professional use. Its board of directors considers 2 months for delivery too long a time for the configurations provided by Winchester.

Noteworthy in this account is the fact that between 50 and 60 percent of the configurations use 10 Mbytes disks; something unquestionably taken into consideration by the government in setting the number of units to be imported. Of the foreign suppliers, the native manufacturers naturally prefer their partners in technology (Cogito, in the case of Percomp, and Segate, in the case of Multidigit); although the names Microsciense and Teac have emerged as alternatives. The preference for original technologies is related to problems with maintenance.

#### Punctuality

But, if the lack of Winchester disks has harmed the business as a whole, Microperifericos has been benefiting directly. The manufacturer is regarded as the only one that has been "strictly complying with the deadlines arranged with the integrators," boasts Rubens Lessa Vergueiro, its OEM sales director. He claims that the company serves 80 percent of the nearly 30 integrators in a programmed fashion, on a quarterly or 4-monthly basis, with weekly deliveries; which, in addition to preventing the stockpiling of products, allows the client to make partial payments for the orders.

In Vergueiro's view, the integrated systems were caught in the shuffle. "In January of this year, the prediction was that 70 percent of the systems would be using two 1.2 Mg floppies, and the rest would use Winchester disks. Now, only 40 percent are using floppies."

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CSO: 3699/14

COLOMBIA

## SENATOR REPORTEDLY LINKED TO DRUG TRAFFICKERS

### Senate President Challenges Mestre

Bogota EL TIEMPO in Spanish 26 Sep 86 pp 1-A, 8-A

[Text] The president of the Senate, Humberto Pelaez Gutierrez, yesterday challenged Senator Eduardo Mestre Sarmiento to publicly settle their differences over the election of the designate, saying that the confrontation could take place before the press and on television.

Pelaez Gutierrez rejected the statements that Mestre Sarmiento had made Wednesday evening on a TV newscast, when he accused him of having taken a stand against the government, against Congress and against the country, inviting him to appear before the Colombian people to argue why he is better qualified to be president of the republic or president of the Senate.

Pelaez Gutierrez said that in his controversy with the comptroller on this issue he had refrained from mentioning Senator Mestre Sarmiento, indicating that "if he is taking it personally, that is almost tantamount to a confession."

Consequently, he invited him "to a confrontation before the entire national press so that we can both answer whatever questions newsmen want to ask us on the topics that he broached in his statements on television or on any other issue. The country will thus be able to tell whether he is qualified to be president of the republic, as the designate, and whether I am qualified to be president of the Senate," he commented.

He added forcefully that the debate could be carried on television "on whatever day, at whatever hour and in whatever place he would like." He said he was certain that he was not alone in his complaints about Comptroller Rodolfo Gonzalez Garcia's interference in the election of the designate.

He disclosed that he has received a wide range of support, not only from senators and provincial political leaders, but also from people whom he does not even know and who have congratulated him on his stand.

He also rejected the views of Representative Tiberio Villarreal, whom he described as "the comptroller's courtier," and branded as false his assertion



that the reason for his own dispute with Gonzalez Garcia is that the latter "kicked out a relative of his from the Comptroller's Office.

"None of my relatives have ever worked for the Comptroller's Office, and I offer my head as president of the Senate if they can prove that I have acted on the basis of such petty interests," Pelaez Gutierrez remarked.

He reiterated that he is prepared to carry this debate "to the bitter end," asserting that he does not fear such a confrontation because he does not live "in a glass house," which he said he was not so sure of in the case of Mestre Sarmiento and Comptroller Gonzalez Garcia.

Senator Jose Guillermo Castro said that he was in complete agreement with Pelaez Gutierrez' position, adding that the comptroller "is a arrogant man who would rather meet with a drug trafficker than a senator of the republic."

He went on to say that "the designate cannot be elected on the basis of audits."

#### Further Mestre-Rodriguez Links

Bogota EL TIEMPO in Spanish 2 Oct 86 pp 1-A, 8-A

[Text] Senator Eduardo Mestre Sarmiento mortgaged his Bogota apartment in 1982 to secure a 10-million peso personal loan from the Bank of the Workers.

This loan is separate from another 10-million peso loan that Mestre Sarmiento got in 1981 through an illegal letter of credit and that he used to purchase shares in the Financial Corporation of Bogota, as EL TIEMPO reported last Tuesday.

Mestre Sarmiento told EL TIEMPO 2 weeks ago that he did not have business ties with Rodriguez Orejuela and that his links with the Bank of the Workers were limited to a longstanding checking account that he kept there.

Separately, countless messages from Santander and elsewhere around the country called on the senator to clarify his business ties to Rodriguez Orejuela.

On 18 August 1982 the Liberal senator visited notary office 16 in Bogota, where he signed legal instrument number 948, by virtue of which he mortgaged his apartment in the Alcala Building at 91-63 18th Avenue in Bogota to the Bank of the Workers.

This was a second mortgage, inasmuch as his first mortgage on the apartment is with the Colpatria Savings and Housing Corporation and dates back to 1980, when Mestre Sarmiento bought the apartment from Federman Quiroga Rios.

The mortgage with the Bank of the Workers is for 4 million pesos, but because it is an open mortgage the bank can use it to charge the client more money. Signing the instrument for the bank at notary office 16 was its then president, Javier Bustamante Diaz.

Eduardo Mestre Sarmiento received a loan totaling 9,851,520 pesos from the Bank of the Workers against this second mortgage.

Mortgage 948 of 1982 and other bank mortgages were handed over in custodianship to Asesorias Rodriguez y Rodriguez Ltda, a Cali-based corporation controlled by Gilberto Rodriguez Orejuela, who is currently on trial there for drug trafficking.

It could not be learned precisely why the mortgages were handed over to the Cali firm, although a source that EL TIEMPO consulted stated that Asesorias Rodriguez y Rodriguez charged the Bank of the Workers large sums of money for public relations and auditing services.

The mortgage on Mestre Sarmiento's apartment is legal. It is not known what interest rate the bank charged him for the loan or whether the loan was repaid on time.

EL TIEMPO reported on Tuesday that in 1981 Mestre Sarmiento received a 10-million peso loan through a letter of credit that the Bank Superintendency regarded as illegal. The bank later admitted that the document was, in fact, illegal, but Mestre Sarmiento again emphasized yesterday that in his opinion the transaction was legitimate.

EL ESPECTADOR said yesterday that Mestre Sarmiento and Rodriguez Orejuela were partners in the Financial Corporation of Boyaca and that at a shareholders meeting in 1984 a single person represented the shares of the Santander senator and Rodriguez Orejuela.

Letter from Tabares

The superintendent of banks, German Tabares Cardona, sent a letter yesterday to this paper indicating that his office did not furnish the copy of a superintendency document that was published in last Tuesday's edition.

His letter reads:

"To the editor: Since the headline of the article that appeared on page 1-A and the last page of section B in today's edition of EL TIEMPO ("According to Bank Superintendency Documents") could lend itself to the misunderstanding that this office supplied such documents, I consider it appropriate to clarify that the original document, of which copies were obviously made and used for the graphic on the last page of section B, is not housed in any branch of the Superintendency, since the original, as is customary, was sent at the time to the Bank of the Workers, whose files must contain it and where the photocopy in question must have been made.

"Sincerely,

"German Tabares Cardona, superintendent of banks"

Separately, Javier Bustamante Diaz, the president of the Financial Corporation of Boyaca, said yesterday that in 1984 Gilberto Rodriguez and his wife Gladys Myriam Ramirez de Rodriguez sold their shares in the Bank of the Workers and in the Financial Corporation of Boyaca "and withdrew from the financial sector."

He also indicated that Eduardo Mestre remains a shareholder and officer in the Financial Corporation of Boyaca. Bustamante Diaz indicated that it is not true that the Superintendency of Banks penalized him for the letters of credit that were used to buy corporation shares in 1981.

The superintendency penalized him for selling a tract of land that the Bank of the Workers had received as payment in kind to Gabriel Gonzalez Sorzano.

Bustamante Diaz was president of the Bank of the Workers until 1982 and then assumed his current post of president of the Financial Corporation of Boyaca.

#### Mestre Interviewed

Bogota EL TIEMPO in Spanish 14 Sep 86 pp 1-A, 8-A

[Interview with Senator Eduardo Mestre Sarmiento by Guillermo Perez and German Santamaria; date and place not specified; first three paragraphs are introduction]

[Excerpt] "I met Gilberto Rodriguez in 1978, when he was chairman of the Board of Directors of the Bank of the Workers, a post that he assumed with the approval of the Bank Superintendency," asserted Mestre in kicking off his defense in this interview. "They gave a testimonial for me at the Bucaramanga Business Club, and all the ladies were there," he went on to say. "I claim the honorable distinction of being the first Barco man in the country," he said. "It is a lie that my candidacy for the designate's post is being pushed by the Comptroller's Office," he argued.

Mestre defended himself. But he also attacked, revealing that tomorrow, Monday, he will ask to meet with President Barco to tell him of his ambition to become designate and that he will pursue his aim only if the president gives him the green light.

A seasoned politician and tough campaigner but also an educated, well-mannered gentleman, Mestre has not accepted diplomatic exile and has decided to stake his political future on Congress. Here is how he defended himself in our interview:

[Question] The question that the entire country is asking is what happened to Mestre. Why wasn't he appointed?

[Answer] I wasn't appointed because the president chose someone else as minister of government, Dr Fernando Cepeda Ulloa. Moreover, I was never offered any other ministry.

[Question] But you were a household name. Everyone predicted that you would be a cabinet member...

[Answer] President Barco has said that trying to guess cabinet members is a bad habit. I think that very few right guesses were made. For example, Rafael Rivas Posada, Hernando Agudelo Villa and Sonia Martinez de Duran were also mentioned, and they weren't appointed either. And no one is asking what happened to them.

[Question] It is said that you weren't appointed for several reasons, the main one being that there was a confrontation between the old Barco men and the group that has come to be called the Sanhedrin: Gustavo Vasco, German Montoya and Mario Latorre. Is this true?

[Answer] I really never had a confrontation with them. During the campaign perhaps I had some disagreements with them, especially when it came to organizing the tours or assigning campaign aids. The congressmen came to tell me about their situation, and I served as their spokesman with the people who controlled the campaign funds, but there was never an argument that could have damaged our personal relations, which are very cordial. That is the truth.

[Question] It is also said that a delegation went to the Government Palace to ask that you not be appointed because there were charges against you.

[Answer] Of course, I know that there was an incredible wave of gossip and rumor. But that was all it was: just gossip. And of course no one went to the Government Palace to make such a request, among other things because I believe that the president does not allow himself to be pressured into appointing or not appointing someone. A column in EL ESPECTADOR even claimed that a group of women from Bucaramanga had visited the president for that purpose. On Monday 4 August Dr Rodolfo Gonzalez and I were given a testimonial in the Bucaramanga Business Club, which I think is the largest that there has ever been in that city, and all the ladies were there.

#### Just Stories

[Question] What truth is there to the statement that you were a partner of Gilberto Rodriguez, who is under arrest in Cali?

[Answer] I met Gilberto Rodriguez in 1978, when he was chairman of the Board of Directors of the Bank of the Workers, a post that he assumed with the approval of the Bank Superintendency. I have one of the oldest checking accounts at that bank, one that was opened perhaps during its first month of operations. My relations with Rodriguez were those that a banker and a checking account customer normally have. That's all.

[Question] So you were never partners in a business, in a hotel or something like that?

[Answer] The only hotels with which I am familiar are the ones where I have paid the bill for lodging. I have never built or owned a building or part of

one. Those are all just stories that people have fabricated to cause damage, of course.

[Question] So what is the source of these rumors?

[Answer] That's what I'd like to know. I haven't the slightest idea.

[Question] But it was even said that some weeks before the change of government President Barco received the documents...

[Answer] I would cite the clarification that the president made to EL ESPECTADOR; he said without any hesitation whatsoever that the rumors that it embraced in its editorials are totally groundless.

[Question] In other words, with your hand on your heart you know that there is no impediment to your serving as a public official?

[Answer] We politicians subject our lives every day to the implacable scrutiny of our adversaries. I have been elected to represent one of Colombia's most important departments. I won the election in Santander; this is my fourth term in Congress, and I think that I haven't come across any obstacles and that there is no impediment to my holding any public post.

[Question] The obvious question is: Were you hoping to be named a minister?

[Answer] We are politicians because we want to hold power and serve the public. So anyone who engages in politics and says that he doesn't want to hold power is lying.

#### A Trailblazing Barco Man

[Question] Is it true that you were one of the first Barco men and promoted the current president's candidacy?

[Answer] I claim the honorable distinction of being the first Barco man. But everything I did was for only one reason: I was fully convinced that he was the man that the Liberal Party needed to recover its unity and that the nation needed to regain its pace of development. Events showed that I was right. The Liberal Party is moving towards unity, and over these 4 years Colombia will reestablish progress, peace and the social goal of government action. Way back in 1976, shortly after the midterm elections in which First Force, as it was called then, made an unexpected and spectacular showing, I went with then Senators Juan Jose Turbay and Rafael Perez Davila to ask Dr Barco to take part in the process that was called the San Carlos Consensus. Everything that I have done in politics since then has been for that goal: to get the party to accept and support Dr Barco.

[Question] Then could your mistake have been that in 1982 you were behind Galan and later broke with him to support Barco again?

[Answer] Dr Barco's decision in 1981 to withdraw his name from the presidential race and not to attend the Medellin convention forced us to call

a convention of our political wing in Bucaramanga to decide what we ought to do. The convention decided by an overwhelming majority to support Dr Luis Carlos Galan, while maintaining our movement's autonomy. When the Liberal legislators met to elect the Central Political Committee that replaced Dr Lopez Michelsen as party chief, I got together with Dr Galan and told him that he knew of my support for Dr Barco and that I felt in 1982 that this choice was still valid and that I had made a decision to start working for his candidacy again, and I begged him to understand that our wing was regaining the initiative to devote itself to that task. And I once again attended the gathering of Liberal congressmen, where Dr Lopez was, of course, generous enough to include me on the small committee that did the vote count for the Political Committee election.

[Question] So you planted the seed and others harvested the crop?

[Answer] That's your conclusion. I am simply asserting that President Barco's administration began, not ended on 7 August and that as important as work in the administration is, we are faced with another momentous task. This task is to prepare and organize the Liberal Party to function as a ruling party, to win the vitally important elections at which mayors will be chosen for the first time, and to undertake, without impairing its unity, the processes of selecting the men who are going to lead the party and prolong the Liberal republic that has just begun.

#### Order of Priorities

[Question] The administration has been widely criticized for its appointments, its confirmations and its failure to submit bills to Congress. Is this the Liberal republic?

[Answer] I think that we Liberals have to be careful not to let those who dislike or oppose the administration establish its order of priorities. The top priority today is to make good on President Barco's pledge to the country to run a Liberal government. That means turning over the page on the National Front, abolishing a system that governed the life of Colombians for almost 30 years, jolt parties out of the routine and the vices of a two-party system and formulate a doctrine under which relations between parties can find new avenues. And this is being done well. The other priorities will come, but it is important to underscore that for the first time in a long while a promise to the people was kept on 7 August. Therefore, in contrast to what some think, I believe that the Liberal Party feels pleased. Now then, the government has inherited a shipwreck. Ascertaining the extent of the disaster and formulating a policy to repair it is an unimaginably huge task. It's not every day that you come up against problems like a million people out of work, a 200 billion budget shortfall and no money to cover the payroll.

[Question] You said that the Liberal Party is pleased. But much of the criticism comes from Liberals, precisely the ones who were early Barco men, like yourself. Why?

[Answer] I think that the complaints are due mainly to the appointment of governors. But I think that they have been settled through patience and

dialogue. I personally feel that one of the major sources of problems is the absence of a National Liberal Directorate with a fresh mandate. I wanted the Liberal convention held before 7 August, because in my opinion before that date it would have been a convention of hope and after it a convention of resentment, because to function as a ruling party we needed strong leadership in Congress and because the overwhelming majority of the complaints could have been easily dealt with by the new directorate. Today the Central Political Committee is doing a fine job, but several of its members have been called into the administration and the party has to wait until 5 December to choose a new authority for itself. Ensuring party discipline will be complicated until then, but we must all work for a successful outcome, and I have the impression that our congressional bloc is well disposed towards studying the bills that the administration will be submitting to Congress.

### The Conservative Opposition

[Question] Might it be that the Liberal Party has not grasped its role as the ruling party, while the Conservatives have indeed grasped theirs as the opposition party?

[Answer] I would say that there are Conservatives who have not yet realized that they lost and Liberals who are acting as if we had not won. But of course it is not easy to shatter 30-year old attitudes and customs. This is why I contend that politics is the top priority, and getting the parties used to their new roles in running the government. For example, the vast realm of opposition politics is opening up to the Conservative Party; this is a fascinating opportunity for it to develop new leaders, to help improve the tone and quality of Colombian politics and to provide answers to the country on some particularly delicate issues. The battle against administrative corruption, austerity in government spending and the proper operation of public bodies depend to an extent on an active opposition that questions, criticizes, investigates and acts. So I think that the Conservative Party is going to render the country a distinguished service, on which will depend whether we Colombians justify the 28 years of the National Front during which we had to learn to handle what former President Alberto Lleras called the flammable material of freedom. In turn, our party must act as a true ruling party, with discipline.

[Question] Do you think then that the Conservative opposition will last the 4 years?

[Answer] Of course it will last 4 years. The Conservative Party has to formulate a political alternative for the country, so that in 4 years Colombians can clearly decide whether to renew their confidence in us or give them a chance to run the country.

### Not a Slow Pace

[Question] Is a confrontation between parties advisable in a country beset by economic and social crisis?

[Answer] I wonder whether the crisis is not largely due to the absence of such a confrontation. The worst failure of the National Front is that it wasted an opportunity to make some far-reaching social reforms. And from where we sit, the only way to make them is with a clear-cut ideology. This is why I think that a ruling party can start to overcome the crisis.

[Question] Now then, Dr Mestre, some people are complaining about the administration's slow pace and are already predicting failure. Weren't there plans to begin right on 7 August?

[Answer] I don't think that the pace has been slow. If we compare recent or remote periods with this one, we can readily demonstrate that an administration's most creative work comes not at its outset, but when theory has become practice and it can then pursue its program. Just take the example of the budget. It was drafted by the previous administration, and the new administration has very little leeway for introducing the Liberal Party's new social criteria into government spending. Therefore, the Barco administration will not be able to incorporate its priorities and criteria for resource allocation until it submits next year's budget bill.

#### The Embassy and the Designate

[Question] Going back a bit, you seem to have big goals in mind, inasmuch as you even turned down the post of ambassador in Venezuela. Why?

[Answer] The ambassadorship in Venezuela is a big thing. Colombia has vital interests, a lengthy, active border and unimaginable trade potential with that country. But as I told the president, I want to share in my party's fate, help the Liberal Party to be successful in Congress and take part in organizing the Liberal Party, which is a task that is more in keeping with the work that I did in the presidential campaign.

[Question] So your sights are set only on Congress, or do you want to be the designate?

[Answer] The issue of the designate came up just a few days ago. On 22 August, 24 hours before traveling to Mexico City, a group of congressmen visited me and asked me to accept their nomination of me for the post that Congress awards. I told them sincerely that since two illustrious colleagues had been working for 2 or 3 months to secure congressional support, perhaps it was untimely to submit a new name. They did a thorough analysis of the situation in both the Senate and the House and reached the conclusion that the legislators were free to accept another choice. I told them the election of the designate ought to be a demonstration of the Liberal Party's solidarity with the president, with the commitments that the party made to the people and with the much greater commitment that he had just made to be in charge of the government, and that therefore the people who submit a candidate's name to Congress ought to have the approval of the chief of state. If they were to make good on their offer to me, I would then consult Dr Barco and make a decision.

[Question] And have you consulted with Dr Barco?



[Answer] The document that very distinguished members of Congress have signed will be in my hands by tomorrow, and I will then ask for a meeting with the president.

#### Support from the Comptroller's Office

[Question] Speaking of rumors again, the Comptroller's Office is reportedly behind your nomination and the votes have reportedly been secured through bureaucratic promises. What about this?

[Answer] Dr Virgilio Barco's rivals said the same thing during the nomination struggle in the Liberal Party before the August 1985 convention. Dr Barco's rivals said the same thing during the presidential campaign. They said the same thing when the speaker of the House was elected. Talk of the comptroller's involvement has always been a lie. It does so happen that Rodolfo Gonzalez and I have practiced politics together for our entire lives, since 1966. The same representatives who will choose a new attorney general on Tuesday will, along with the senators, appoint the congressional board that will choose the party's candidate for designate. And there would have to be unanimity in the House, which is impossible, for the senators not to count in the Liberal Party decision. So that rumor is nothing more than an implicit recognition of the comptroller's political power, because he hasn't asked a single member of Congress to vote for me.

[Question] Is there is a conflict between the president and the comptroller, to which your nomination for designate is attributed?

[Answer] There is no conflict whatsoever. As far as I know, relations between the president and the comptroller are excellent. And my relations with the president are as cordial as they have always been.

[Question] In conclusion, now that your nomination for designate has been set in motion, what chance do you have to be elected?

[Answer] Everyone who takes part in a competition hopes to win. And of course this goes for me too.

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CSO: 3348/44

CUBA

#### BACKGROUND ON RECENTLY RELEASED POLITICAL PRISONERS

Havana BOHEMIA in Spanish No 38, 19 Sep 86 pp 5-7

[Special report in the "In Cuba" section, by Jotape Garcia]

[Text] When an Eastern Airlines Boeing 727 arrived at the Jose Marti International Airport the warm morning of Monday 15 September, it appeared at least that U.S. authorities were finally reversing their previous refusal to accept a group of individuals who were serving sentences for crimes committed under the Batista dictatorship.

The jet had been chartered by the Intergovernmental Immigration Committee, headquartered in Geneva, and its mission was to take 41 prisoners (of a total of 56 who had been released), 27 former prisoners, and 43 of their relatives to Miami, Florida, in the United States. This was Cuba's response to the efforts of distinguished religious, political, and scientific leaders.

Of the total number of prisoners released, 15 refused to leave the country. They cited, among other reasons, the standard of living attained by their closest relatives here and their desire to live on Cuban soil forever.

Several times in the past, the revolutionary leadership had included the former members of the repressive institutions of the dictatorship on lists of emigrants to the United States, but that country's government had never accepted them. In an act of full sovereignty, Cuba agreed with American religious leaders (including the Reverend Mr Jesse Jackson, former candidate for the Democratic Party presidential nomination) and French scientist Jacques Cousteau on the need to find a solution for these Cubans. Now advancing in years, many of these citizens were sick. They had been serving time for crimes and abuses committed between 1952 and 1959.

In addition to these prisoners, there were several CIA agents who had been caught spying against the Revolution, as well as domestic terrorists who had formed counterrevolutionary organizations led and financed by the Yankee agency of espionage and subversion.

BOHEMIA obtained photographic evidence of the prisoners' last moments in the penitentiary, known as Combinado del Este, and of their relatives processing

the paperwork at the Office of Immigration and Alien Affairs. Both these entities belong to the Interior Ministry.

Cecilia Alzen, an official of the U.S. Episcopal Conference, and Msgr Carlos Manuel de Cespedes Garcia-Menocal, of the Archbishopric of Havana, were at the air terminal in the capital. The monsignor commented that the success of the effort was due to the good will of Cuban authorities, and especially the attitude of President Fidel Castro.

BOHEMIA also took a look at the prisoners who were released but refused to be included on the list of emigrants.

This decision once again proves the widespread understanding among the Cuban people that even though they suffered from the atrocious excesses and abuses of the dictatorship's hired assassins, and the damages caused after 1959 by the agents of imperialism, they are willing to show their profound human sensitivity and their strength of spirit.

#### PHOTO CAPTIONS

1. p 5. U.S. citizen Carlos Juan Armas Estevez boarding the plane. He served a sentence for infiltrating the country six times on spy missions for the CIA. Moments before the departure, he stated: "Everything is available at the prison, and I was able to save my vision by having surgery in prison to remove an advanced cataract. Prisoners always have a vivid imagination; they talk a lot. Look, no one negotiated on my behalf. I was sentenced to 30 years, and I served 13. Several months ago the Cuban Government released me, and the government itself put my name on the list, facilitating my reunion with my family living in the United States."
2. p 5. Msgr Carlos Manuel de Cespedes Garcia-Menocal, director of the General Secretariat of the Cuban Episcopal Conference, and Ms Cecilia Alzen, special assistant for refugees of the U.S. Episcopal Conference. In a conversation with the BOHEMIA reporter, they said: "The process was slow, but that cannot be blamed on the Cuban authorities. We feel that the important thing is this success, and future work in this area." The general vicar of the Havana Archbishopric stated: "I believe--if I am not committing an indiscretion--that everything has been made possible by the personal efforts and the facilities provided by President Fidel Castro."
3. p 6. In an outside area of the penitentiary known as Combinado del Este, a group of prisoners await their relatives for their last visit in a Cuban prison, Saturday, 13 September 1986. The six citizens were convicted of felonies committed between 1953 and 1959. The former chief of the dictatorship's army, Guillermo Caceres Izquierdo, whose death penalty was commuted to a 30-year sentence, expressed the group's views: "You know, it's hard for them to greet you with a smile; the errors of the past are always there. That's why I am

grateful for the government's concern." (Caceres, second from right)

4. p 6. Prisoner Benito Capote Bernal, who had a long history as a hired assassin of the Batista dictatorship. This 64-year-old man was noted for the crimes and atrocities he committed in the cities of Holguin and Santiago de Cuba. His file shows that he was given 11 death penalties, each commuted to 30 years' confinement. In an interview he stated: "I am convinced that it was Cuba that proposed that I go to Miami. I have no family or friends in the United States. I am leaving two daughters here, who refused to accompany me no matter how much I tried to convince them."
5. p 6. Prisoner Ramon Pedro Ernesto Grau Alsina, sentenced to 30 years in case 38/66. A former representative in the Chamber and a rancher, he was the nephew of the former president of the republic. He was also the leader of an espionage network that worked for the CIA, head of the counterrevolutionary organization Rescate, a jewelry smuggler and foreign currency trafficker, and collaborator with CIA agents who infiltrated into the country. Authorities seized inflammable materials, decoding liquid, developing tablets and blank carbon paper, messages with military and economic information, and firearms from him. [Next four sentences blacked out.]
6. p 6. This citizen, whose name is Bruno Salas Ledo, was sentenced to 30 years in prison in case no. 288 in 1965, for crimes against the integrity and stability of the nation. It was proven that he engaged in espionage activities in the service of the United States, and he confessed to those activities. His term is not over yet, but the time he did serve is an example to others. Moments before departing, he said: "I don't know if I can get the same medical care in the United States that I got in prison. I had three operations. Nevermind what they say; I am leaving on the government's initiative. I am grateful to the religious leaders and to all who helped them, but they can't fool me. You know who authorized this transaction."
7. p 7. Former prisoner Juan Manuel Izquierdo Diaz, last in line, was convicted in case no. 31 in 1962 for being the leader of the counterrevolutionary organization Revolutionary Movement of the People. When he was arrested, he was preparing to blow up his place of employment, the Nico Lopez refinery. He was sentenced to 30 years' confinement.
8. p 7. The morning of last Sunday 14 September, a group of former prisoners and their families were called to the Office of Immigration and Alien Affairs to obtain their passports and exit permits to leave the country for good.
9. p 7. This photo captures the moment when U.S. Consul George John Peterson and Vice-Consul Stephen Vann, both officials at the Interest Section in Havana, handed the entry and residence visas to the special

travelers, along with their airline tickets, which were paid for by the Intergovernmental Immigration Committee headquartered in Geneva. This institution supported the Episcopal Conference in underwriting the costs of the trip and the immigrants' first few days in the United States.

8926

CSO: 3248/52

CUBA

#### EXPANDED USE OF WORK BRIGADES DISCUSSED

Havana CUBA SOCIALISTA in Spanish Jul/Aug 86 pp 45-71

[Article by Lazaro Dominguez, member of the National Secretariat of the Central Organization of Cuban Trade Unions (CTC); passages enclosed in slantlines printed in boldface]

[Excerpts] Pursuant to the agreements of the 2nd Congress of the Communist Party of Cuba, in the last 5-year period a new kind of brigade was introduced on an experimental basis in our country. These brigades are called /permanent/ in agriculture, and /integral/ in industry, construction, and other labor sectors.

The brigade is a collective way of organizing work whereby various labor functions are carried out simultaneously by workers in the same or different professions.

Traditional forms of organizing work in brigades have existed in the majority of sectors in Cuba, but they have generally not been directly related to the economic results of the collective. The new way of organizing brigades is based on the objective of providing better forms of stimulation that will promote the individual and collective interest in the final results of economic activity, which is achieved by implementing internal economic calculation.

This is the extension of economic calculation in an enterprise to its lower structures, hence its application in the brigades. This means organizing work in these instances on the basis of productive economic planning and the most vigorous control of real output. Stimulation mechanisms are established to provide more specific incentives for brigade workers to behave responsibly and to take a greater interest in boosting production and cutting costs. This is done by guaranteeing more active participation in the orientation of production and in its economic efficiency.

The new kind of brigade is innovative in that it begins by stimulating savings in the expenditure of time by each production unit, and savings in material consumption, as well as the amortization of capital goods. The latter is its most important contribution, and is designed to promote rational employment of

machinery and equipment, and better utilization of raw materials and other components.

There is a direct positive relationship between labor productivity the quantity of products obtained, and an inverse relationship between labor productivity and the number of man-hours invested in production.

The productive capacity of labor rises as the costs of live labor per unit of production decline. At the same time, the proportion of materialized labor costs increases, and the total amount of live and materialized labor time contained in the product declines. Consequently, the index of increased labor productivity is associated with a decrease in the overall quantity of work required to make a given product.

The increase in labor productivity is the result of savings in the time worked per unit of production, and is expressed in an increase in the output of products. A key role is played by the efforts of the worker; his increased skill, experience, and knowledge; and the utilization of modern equipment, better organization of work, etc. The savings in time worked is directly related to the increase in individual labor productivity.

The concept of the growth of individual productivity is expressed in savings in live labor, while the concept of the growth of social labor productivity includes savings in both live labor and materialized labor; that is, savings should be considered as a whole.

#### Organization and Development of New Kind of Brigade

This novel socialist experience in our country began in 1981, when nine enterprises of the Ministry of Agriculture organized partially into brigades. In 1982 the entire Sur del Jibaro rice enterprise was converted to this system. During those years, studies also began to develop this experience in industry. They culminated in 1983 with the formation of 37 integral brigades in two textile enterprises, Alquitex and Bellotex.

The trade union movement has been working in conjunction with the State Committee on Labor and Social Security and other agencies of the central state administration on the preparation and creation of permanent and integral brigades.

Unrestricted support for these brigades is currently a top priority among the principal tasks of the Cuban trade union movement to implement the agreements of the 15th Congress of the CTC, and to respond to the economic strategy proposed by our commander in chief.

Considering the positive results obtained with this system in agriculture and the foundations that have been laid during these years, it was decided to extend the system to industry, construction, and other labor sectors. The draft Program of the Communist Party of Cuba states: "The new forms of organizing work into permanent brigades in agriculture and integral production brigades in industry will be applied throughout the various sectors of the economy, which will ensure constant increases in labor productivity and in pay

received for the final results of production. This will create better conditions for the participation of labor collectives in directing the production process." (Footnote 5) ("Draft Program of the Communist Party of Cuba." Printed by the Juan Marinello Polygraphic Combine of Guantanamo, March 1986, p 99)

#### Sociopolitical Aspect of Brigade Organization

In the enterprises that are entirely organized into brigades, the structures of political and labor union organizations have been adapted to this new situation. This has made it possible to pay greater attention to economic, political and social tasks.

In the enterprises of the agriculture-livestock sector and the sugarcane enterprises of the sugar mills, the formation of brigades has contributed significantly to the attention given the individual worker. The production assemblies at the levels of both brigades and permanent enterprise representatives have improved in terms of participation and quality. Profound critical and self-critical analyses have taken place in these assemblies as delegates have taken a systematic look at the fulfillment of economic tasks, and the assemblies' agreements are aimed at the adoption of specific measures to improve efficiency, discipline, and plan fulfillment. It has also been possible to develop individual and collective emulation to a greater degree. The existence of internal economic calculation has allowed for greater control over the results, and as a result real productive achievements can be accurately measured and stimulated.

#### Joint Efforts of Trade Union Movement and State Agencies in the Formation of New Brigades

The CTC and the national trade unions at their various levels have been working with management to analyze the organizational plans of the new brigades in both local and national enterprises.

In keeping with the recommendation contained in the resolution of the 15th Congress of the CTC regarding brigades, the State Committee on Labor and Social Security promulgated Resolution 4390 in March 1985. This resolution sets forth the methodological principles which the agencies of the central state administration should take into consideration, in conjunction with the respective trade unions, for the purpose of drafting specific regulations for each branch and sector and for each enterprise, for the formation of brigades that will meet the needs of each entity.

#### Premises for Introducing New Brigades in Enterprises

The organization of the new kind of brigade should be based on the following premises:

--Prior study of the organization of production and existing work and management; and of the measures that must be taken in the enterprises and brigades.



Among the latter measures, an important role is played by those designed to simplify management structures and make them more flexible, eliminating unnecessary management levels and rationalizing and redistributing functions for the purpose of establishing more direct relations between the brigades and the enterprise management.

--Creation of the organizational and control conditions that are necessary for the implementation of internal economic calculation and the application of the system of payment for work, as well as stimulation mechanisms that provide incentives for increased productivity and savings, savings in human and material resources, better quality, etc.

--Formulation of an annual technical-economic plan for each brigade, and on the basis of this plan, the formulation of the enterprise plan and the implementation of economic control systems that will provide periodic reports on the real performance of planning indicators. The technical-economic plan should reflect higher production and economic efficiency levels than were previously obtained.

--Structuring of trade union and political activity, and organization of socialist emulation in accordance with the brigades' conditions.

--Adaptation of the collective bargaining agreements, bonus regulations, and disciplinary regulations of the enterprises, the production assemblies, and the assemblies of permanent representatives, to reflect the new organizational circumstances of the brigades.

The essence of this new form of organizing work is that it turns over the machinery and equipment, energy resources, raw materials and other components, the workforce, and the payroll to the brigades and places these elements under the brigades' administration. Thus, with these resources the brigades will be able to guarantee fulfillment of the technical-economic plan. In addition to being producers, the workers become administrators with direct control over the resources assigned to the brigade. Individually and collectively, they assume the responsibilities intrinsic to economic management.

#### Payment and Bonus Systems, Stimulation

Various payment systems and stimulation mechanisms have been implemented in the brigades, based on a suitable combination of individual and collective stimuli. Collective payment for work is given preference, both as a means of promoting increased productivity and as the maximum expression of remuneration for work; where that is not possible, workers are paid individually for their efforts.

Various bonus systems are used to stimulate fulfillment of the production plan at the projected levels of quality and savings of raw materials, energy resources, components, equipment, and the planned payroll. Part of the savings achieved by the brigade must be distributed as a stimulus among its members, in proportion to the wages earned by each member. Those who have incurred violations punishable under the regulations shall be excluded from

this distribution. The bonuses may total up to 40 percent of the workers' wages, including technicians and brigade leaders.

This system of stimulation that has been implemented in the brigades promotes both fulfillment of the plan and savings in material and human resources. The latter is obtained by combining the specific functions that correspond to each worker and by encouraging the practice of learning multiple trades and engaging in simultaneous occupations.

The brigade makes all its members more interested in fulfilling the plan and even exceeding its goals. The principle of encouraging the entire collective to take an interest in the rational use of human and material resources becomes a reality.

Stimulation is associated with the objective of mobilizing productive reserves to the utmost in order to improve the quantitative and qualitative results of labor. The organization of work into brigades strengthens labor discipline, promotes mutual cooperation among workers, and enhances each worker's sense of responsibility for the final results of the work.

#### Brigade Chief and Council, Faculties and Functions

The brigade is run by a chief, who is nominated by the management of the enterprise and approved for appointment by the collective of workers who make up the brigade. The brigade chief must be a technician or skilled worker with administrative abilities, because he is in charge of drafting the technical-economic plan and overseeing its execution. Thus, he must be able to use consumption norms, technical and economic indicators, stimulation mechanisms, etc.

In addition, the brigade has a council which is headed by the chief and made up of a group of outstanding technicians and workers. The representatives of the brigade's political and trade union organizations may participate in the council meetings as guests.

The council meets at least once a month, before the production assembly.

At these council meetings, the brigade analyzes the fulfillment of the technical-economic plan, the amount of bonuses to be distributed, the record of labor, technical and technological discipline, and the measures to be taken to improve the work of the brigade as a whole.

By participating in the orientation of their brigade's economy, the workers gain a practical economic education by carrying out their duties, exercising their rights, and combining individual interests with collective interests.

Moreover, the brigade exerts a very positive influence on political and trade union work, making the collective more cohesive and promoting participation in the assemblies that are held at this level, thereby improving their quality.

The stimulation mechanisms are designed to promote more and better final results of production and services. For this reason, the brigade must not

stimulate its members if wage savings are achieved while there is overspending on material consumption, or vice-versa. The payment of bonuses must reflect the fact, in all cases, that the collective has attained a higher level of efficiency.

## Economic Results

### Permanent Brigades in the Ministry of Agriculture

In the agriculture-livestock sector, in most cases the economic results of the 65 enterprises and 1,051 brigades that existed as of 1984 were used in the analysis, and were compared with the real results of the previous year and the average for the 1981-83 period. This is because, given the nature of this activity, it is not feasible to measure efficiency with partial data from 1985.

The agriculture-livestock enterprises that are organized into brigades at this time represent 15.7 percent of all enterprises in the Ministry of Agriculture, and 17.3 percent of those in the three branches where this system has been applied: non-sugar agriculture, livestock (cattle, pigs, and poultry), and forestry.

The enterprises of the agriculture-livestock sector that were organized into brigades in 1984 boosted gross production by 74.6 million pesos over the real average obtained in the 1981-83 3-year period. If we look at the gross production growth and the decline in the labor force, we can compute an absolute savings of 4,100 workers and a relative savings of more than 11,700 workers.

Production growth levels are supported by increases in the basic production results in each branch, compared to those of the previous year. The most outstanding results in this regard are the following:

--Vegetable production in these enterprises totaled 261,000 quintals more than in the previous year.

--Milk production rose by 2.2 million liters, and there was an increase in the daily yield per animal.

--In the poultry sector, egg production was up by more than 48 million, while meat production expanded by 6,849 tons. The number of eggs produced by each hen and the average weight of fattened chickens rose as well.

--Pork production rose by 365 metric tons, in terms of meat, and 9,057 head of breeding animals.

--Forestry enterprises managed to boost their overall production volume.

Real calculation earnings fell in 1984 compared to the level of the previous year, primarily because of the revaluation of the livestock herd and some adjustments in basic units that took place in 1984.

Table 1 shows the performance of the indices of mercantile production and cost per peso of mercantile production, which reflect the results of the work done by the brigades that were organized in the various branches of the agriculture-livestock sector.

Table 1

Performance of Mercantile Production  
and of Cost per Peso of Mercantile Production  
in the Agriculture-Livestock Sector, 1984

Branch	Mercantile Production Growth (%) 1984-1982	Cost per Peso of Mercantile Production Decline (%) 1984-1983
Various Crops*	7.5	11.4
Cattle	4.6	(5.7)
Pork	27.6	4.6
Poultry	15.1	4.1
Forestry	17.1	3.5

\*Includes fruit, citrus, rice, and coffee

In the enterprises covered in this analysis, the average monthly bonus paid per worker was 20.50 pesos. Table 2 shows the bonuses paid by branch and sub-branch.

Table 2

Average Monthly Bonus per Worker  
in the Agriculture-Livestock Sector, 1984

Branch/Sub-branch	
Cattle	18.28 pesos
Pork	64.07
Poultry	24.46
Forestry	18.30
Various Crops	
Rice	40.36
Citrus	12.50
Coffee	9.29
Others	16.18
Overall Average	20.50

Because the bonuses are associated primarily with the final results of production, actual bonuses paid reflect the economic efficiency obtained. As

we can see in the above analysis, there are significant differences in the amount of bonuses paid in the different branches. This situation should be studied so that we can evaluate this experience accurately.

Table 3 compares the performance of the principal relative indicators of the enterprises that are not organized into permanent brigades, with that corresponding to the enterprises that did belong to this system as of the first half of 1984.

Table 3

Comparison of Indicators of Agriculture-Livestock Enterprises  
Not Organized into Brigades with Those Belonging  
to the Brigade System, First Half of 1984  
(unit of measurement = peso)

Indicators	Not Organized into Brigades	Organized into Brigades	Percentage of Growth
Gross Productivity	2,471	3,611	46
Net Productivity	803	1,479	84
Average Wage	984	1,037	5
Wage Cost per Peso of Gross Production	0.40	0.29	(27)
Material Costs per Peso of Gross Production	0.54	0.49	( 9)
Cost per Peso of Mercantile Production	1.90	0.85	(22)

Permanent Brigades in the Sugar Ministry

The permanent brigades in the agroindustrial complexes of this sector were not organized in sugarcane agriculture until early 1985. The economic results of the 104 brigades as of the end of June 1985 are shown in Table 4.

Table 4

Economic Results of Brigades  
Organized in Sugarcane Agriculture  
First Half of 1985  
(in percentages)

Indicators	
Gross Production	105
Payroll	96
Average Number of Workers	96
Material Costs per Peso of Gross Production	74
Wage Costs per Peso of Gross Production	90
Gross Productivity	109
Average Wage	100

These brigades exceeded their gross production plans by 5 percent, with a real decline of 4 percent in the average number of workers. This represents a relative savings of 1,674 workers during the period in question. In terms of the material costs per peso of gross production, there was a real reduction of 9 CTV below what was called for in the plan. There was a real drop of 4 CTV in the indicator of wage costs per peso of gross production, compared to the projected total.

#### Integral Brigades in Industry, Construction, and Other Labor Sectors

These enterprises are not organized into brigades in their entirety, which prevents any economic analysis of the results achieved with the introduction of this system. This is due to the following factors:

--The fact that the work of the brigades begins on different dates distorts a comparison of them at the enterprise level.

--The brigades that manufacture semifinished goods which are not priced cannot be analyzed in terms of value.

In the section below we discuss the trade unions that have the most workers organized into integral brigades, and the results attained.

#### National Trade Union of Light Industry Workers

By September 1985 there were already 319 brigades, involving 7,586 workers from 15 enterprises grouped under this trade union, most of them partially organized into brigades.

Of the workers in this system, 86 percent belong to the textile branch, and the rest to the clothing branch.

Whether bonuses are paid depends on whether the production plan is fulfilled with the required quality, the projected assortment, and wage savings. There is no control over material savings, so no bonuses are paid for that item.

Eighty-six percent of the brigades receive bonuses, which is an indication of the level of economic efficiency achieved.

As a matter of interest, we can observe that in the textile branch, the majority of the brigades fulfill the production plan with an average of 85 percent of the workers called for in the plan, and the brigades that do not fulfill it oftentimes have less than 85 percent of that complement of workers. In the former case, it can be concluded that there has been a certain excess of personnel, and in the second, that it is difficult to fulfill the plan with less than 85 percent of the complement of workers.

It should be noted that the organization of brigades in some enterprises of the textile industry has not solved labor stability problems, especially in the area of weaving.

In the clothing branch of this sector, the brigades have yielded excellent results. We can cite Establishment 108 Garment Shop of the National Dressmaking Enterprise, which boosted production in physical units by 26 percent while shrinking the workforce by 9 percent.

National Trade Union of Workers in the Chemical, Mining and Energy Industries

Forty-six enterprises are grouped under this trade union, with 8,771 workers belonging to 141 brigades.

Of that total, for the purposes of this analysis we have selected 40 brigades from various enterprises that were operating during the first half of 1985; the remaining brigades began their operations at different times during that year.

The results of these brigades are as follows:

—Thirty of them fulfilled their production plans, accounting for 75 percent of the total.

—Costs per unit of production were reduced in 35 brigades, representing 87.5 percent of the total.

—They managed to boost labor productivity by approximately 17 percent, with an increase of 6 percent in the average wage. Thus, the correlation between the two indicators is positive.

Of the bonuses paid in these enterprises, 70 percent corresponded to the results of production and 30 percent to resource savings.

The average bonus received was 55.00 pesos per month per worker, according to the distribution by enterprise union that is shown in Table 5.

National Trade Union of Food Industry Workers

This trade union has 35 brigades with 1,210 workers in 9 enterprises.

Comparing the average real mercantile production per month in 1985 with that of the same period of the previous year in the enterprises organized into brigades, we see that it grew at the Vita Nuova Food Pasta Enterprise (26.4 percent), at the Coppelia establishment (24.2 percent), at the Cienfuegos Grain Combine (20.0 percent), at the Guido Perez Brewery (18.7 percent), at the Metropolitan Soft Drink Bottling Plant (17.4 percent), at the Santiago Grain Combine (12.5 percent), and at the Havana Grain Combine (5.9 percent).

Table 5

## Bonuses Paid, Broken Down by Enterprise Union

Unions	Total Bonuses Paid for Results of Production (in percentages)	Portion of Total Bonuses Corresponding to Resource Savings (in percentages)
Glass	100	--
Gases	70	30
Nickel	100	--
Paper	100	--
Geology	96	4
Mining	67	33
Fertilizers	43	57
Rubber	80	20
Average	70.5	29.5

We can point out that in 1985 the value of real average monthly production for the brigades as a whole was 6,792,000 pesos, which represents a growth of 636,000 pesos or 10.3 percent over the 1984 figures. These results were obtained while the average number of workers fell by 4.3 percent, which reflects a relative savings of more than 400 workers compared to the previous year.

According to the wage costs per peso of production in 1984, in the volume of production for each brigade a relative wage savings of 98,000 pesos was recorded between the formation of the brigade and the third quarter of 1985.

Labor productivity grew by 15.3 percent and the average wage was up 8.5 percent, which yields a highly favorable result.

In this branch it is generally considered that the payment of bonuses has been positive. The workers have taken in a monthly average of approximately 28.00 pesos per month, equivalent to 13.1 percent of the average wage.

## National Trade Union of Construction Workers

In the second half of 1985, 190 brigades were organized in 53 enterprises in this sector, involving 6,000 workers.

Material stimulation mechanisms have not been effective yet, because of the short time that has passed since their implementation. A total of 840 workers have received bonuses (11 percent of all those belonging to brigades), for a sum of 22,300 pesos. This reflects a monthly average of 26.60 pesos per worker.

Nevertheless, there are brigades that have reported very positive results. For example:



--Brigade No. 12 of ECI No. 5 in Sancti Spiritus surpassed its production plan by 29 percent, with a 20-percent drop in the number of workers required. As a result of its economic management, it exceeded its labor productivity plan by 61 percent and its average wage by 8 percent, which yielded a positive ratio between the two.

--The Sandino Prefabrication Brigade of Ciego de Avila exceeded its production plan by 20 percent, with a real decline of 3 percent in the workers called for in the plan. It also surpassed its labor productivity quota by 4 percent, which yields, again, a very positive ratio between the two indicators.

Although the organization of these brigades has yielded a highly favorable balance in general, in some enterprises the results have not been so satisfactory. In these cases, a comprehensive and detailed analysis is necessary to find the proper solution to the difficulties faced there.

### Principal Problems

A number of problems have arisen as the brigades have developed. The most significant of those problems are the following:

#### Organization

--There has not always been full participation by all the members of the enterprise boards of directors, enterprise unions, and territorial and ministerial delegations in providing the necessary organizational conditions for the implementation and subsequent monitoring of the brigades. The responsibility for this task in many cases lies in the area of human resources.

--In some places the current management structure of the enterprise was not adequately adjusted to simplify it and eliminate unnecessary management levels before the introduction of the brigades. One factor that has contributed to this problem is the fact that not all enterprises are organized into brigades.

In addition, the failure to adapt these structures and define functions has led intermediate-level management to make decisions that should be made by the brigade chiefs, which sometimes had an adverse effect on their activities and interests.

--Brigade councils have not been established in all brigades, and in others these councils do not function properly because they do not have bylaws to outline their faculties.

--Mechanisms have not been established to regulate relations among brigades, particularly the movement of workers among them.

--In many cases there is no uniform economic control system or any procedures to simplify these tasks, because the models, daily reports, and other obligations of the brigades have remained within the traditional format, with no allowance made for the new form of organization.

## Planning and Internal Economic Calculation

--In the industrial enterprises where there are brigades, generally relative wage savings are monitored and stimulated only because of the lack of the necessary cost systems. This makes it impossible to introduce internal economic calculation and material savings stimulation mechanisms, which is the primary purpose of the brigades.

--Although the bonus regulations generally stipulate that bonuses can only be paid if the production quality indices are met, it is apparent in practice that some places do not have the necessary means to monitor production quality, especially when the product is semifinished.

--Several places have proven to be deficient in warehouse inventory control because they do not have the proper conditions to guarantee quality in the receipt and shipment of goods, they lack weights and other measuring devices, and the storage situation is inadequate. In some cases, this is because management is not demanding enough. As a result, bonuses may be paid for non-existent material savings, because a brigade may not be credited with a delivery that actually took place.

--In industry, construction, and other sectors there is a certain tendency (often just to make things easier) to organize one brigade that covers the entire establishment, without taking into account the structure and interdependence of the productive process.

--On occasion the technological charter is not used in the agriculture-livestock sector as a guide for planning agricultural labor. In addition, there are limitations that stem from the failure of all brigade members to fully understand the technological charter. There are also deficiencies in the quality of the quarterly break-down of the annual plans, which means that in the initial quarters of the year these plans are fulfilled and even exceeded with ease, and the established bonuses are paid on that basis. During the remaining quarters, however, the plans are not fulfilled. Thus, the enterprise has paid bonuses even though it has not fulfilled its annual plan, which militates against economic efficiency.

## Payment Systems and Stimulation Mechanisms

--The bonus regulations of some enterprises organized into brigades do not predicate the fulfillment of the production plan on the absence of relative overspending on resources. Moreover, the bonuses for relative savings on resources do not depend on fulfillment of the production plan with the projected quality.

--The bonus fund in enterprises organized into brigades is distributed equally among all members, without taking into account individual performance in the brigades. This detracts from the potential of this new form of organization.

--Some enterprises do not pay the bonuses for relative savings on material spending in the brigades, arguing incorrectly that the bonus cannot be paid

until the same result is obtained throughout the enterprise. This runs counter to the very concept of the brigade.

#### Trade Union Work

--Some integral brigades do not hold their production assemblies because the enterprise to which they belong is not completely organized into brigades. There are also some places where these assemblies are delayed or not held at all because the corresponding economic information is lacking. Only in the agriculture-livestock sector has progress been made in this regard.

--The absence of a trade union structure in an enterprise that is not completely organized into brigades makes it difficult to undertake the necessary task of sharing decisionmaking by the brigade chief or council.

--In some places where the enterprise is not totally organized into brigades, the political and trade union structures are not sufficiently adapted, and there are inadequacies in the collective bargaining agreements, rosters, disciplinary regulations, work councils, bonus and prize regulations, and even socialist emulation. All of this makes political and trade union work more difficult.

The principal defects found in the development of the organization of work into brigades relate to planning and control, stimulation, and organization. The deficiencies in the execution of the Economic Management and Planning System (deficiencies which we are struggling to eradicate) are a major contributing factor in these problems. Many of these deficiencies were not caused by the brigades, but were simply brought to light by them. That is the real situation.

The organization of the brigades has made it feasible to place the internal economic calculation mechanisms in the workers' hands, and this has yielded major accomplishments. This confirms that collective life and collective decisionmaking, taking into account the concerns of the masses, are positive factors in our trade union activities. They reveal better than ever before the state of mind of the masses. Nothing can replace collective analysis and discussion. It strengthens the leading role of the workers as the collective owners of the means of production, and it enhances the constant efforts of the trade unions among the masses. We cannot forget that the authority of the trade union, its prestige and influence among the working masses, derives from its permanent bond with them and the attention it gives to their concerns. By encouraging the workers to take on the role of producers and owners, the union helps raise their economic education and their socialist and communist consciousness to higher levels.

It is also up to us to monitor and analyze administrative tasks. In this way we are able to understand the problems that impede the fulfillment of the plan, and to devote more resources to solving these problems. Our task as trade unions is not merely to detect and process problems. Our task is to participate constantly and creatively in the battle to overcome such obstacles, without displacing management from its responsibilities and duties.

We must educate our workers to confront each problem with resolve and to wage a tenacious battle at the very root of the problem.

8926

CSO: 3248/51

CUBA

## NEW PROCEDURES FOR BEER DISTRIBUTION, SALE

Havana BOHEMIA in Spanish No 38, 19 Sep 86 pp 13-14

[Article by Enrique Valdes Perez]

[Excerpts] As of last Monday the 15th, the Beverages and Liquors Enterprise of the Ministry of the Food Industry and the Ministry of Domestic Trade launched a so-called beer distribution support program in the city of Havana.

The plan calls for the delivery of the product a specific day of the week at each of the 277 units selected for that purpose, and provides for sales to begin as soon as unloading has been completed.

It also prohibits minors under the age of 16 from waiting in line or engaging in the purchase of this beverage.

A team of inspectors will remain on the premises during sales, and rigorous measures will be taken against those who try to disturb the peace or to infringe on the rights of all citizens to purchase beer in quantities ranging from one bottle to one case per customer.

At the same time, a specialized network has been created for the distribution of beer for 15th birthday celebrations and weddings. Forty-nine units throughout the municipalities of the nation's capital will sell beer for these purposes.

These, in general, are the most salient features of the plan that was implemented a few days ago. Its authors hope it will yield good results.

### A Little History

A few months ago, it became necessary to close the beer outlets in Havana because fewer and fewer workers and individuals of good moral character were frequenting them as elements of the worst caliber took them over.

It was decided to begin distributing beer in supermarkets so that the people could enjoy this popular beverage in the home setting. The intentions were very good, but gradually it became apparent that this solution was not very workable, simply because the people who had been displaced from the beer

outlets now took over the waiting lines. They bribed people to wait in line for them, paying them 5 to 10 pesos per turn. When the truck reached the unit, it was clear that these elements were making off with all the beer without allowing the people to buy so much as a case.

Reporters from this publication took it upon themselves to make an early-morning tour of a large number of establishments where beer was sold. They found that from 0200 hours on, people were "holding places" in line, most of them women and children.

The reporters also talked with the employees of these centers later on in the morning, and they expressed their concern about the situation that had arisen. There had even been aggressive acts by certain elements, they said.

But one of the most serious developments which gave us pause was that in some units near these stores, several workers would abandon their posts and run with their baskets to buy beer, because they too had left someone holding their place.

Why does this happen, we wondered. And we reached the obvious conclusion: If beer is sold during working hours, only housewives, retired people, and vacationers have access to it, as well as antisocials who will do anything to survive. By this we are not justifying labor discipline problems; we are simply analyzing their causes.

Here is the response that was given with the imprimatur of the Provincial Sectoral Director of Trade of the People's Government in Havana:

"At the request of the Food Industry, a plan was begun as of 1 July to boost beer sales. This plan calls for the distribution of 300,000 cases per month to the Retail Trade network through 287 units. These units, which are selected according to their characteristics and location in all the municipalities, will have limited unregulated sales of beer in quantities ranging from one bottle to one case per customer, regardless of where he lives.

"This plan includes a weekly visit to each selected unit by the suppliers, and the delivery of an average of 250 cases.

"It is important to note that until June, an average of 70,000 cases was delivered through the retail trade network for unregulated sales. This shows that we are making a serious effort to meet the population's demand, to the extent possible."

It is clear that the only major differences between the plan that began on 1 July and that which began last Monday are that the days of the week are specified and units are created for weddings and 15th birthdays.

We are not pessimistic, so we should wait a while to study the situation again. We should merely point out that as long as "pilotos" [speculators] have an opportunity to pursue their lucrative businesses, the same people who took over the beer outlets before and are now selling the people's beer out of

their homes will doom any distribution plan to failure unless rigorous controls are implemented.

8926

CSO: 3248/52

ECUADOR

PRESIDENT OF CONGRESS DISCUSSES CONGRESSIONAL ACTIVITIES

Quito EL COMERCIO in Spanish 11 Oct 86 p A-3

[Text] The president of the National Congress, Andres Vallejo, announced that when Parliament begins its recess the Plenum of the Permanent Committees will launch an intensive legislative effort, for which a consensus will be sought among all the sectors represented in that branch of government.

He stated that a plan which had been outlined previously, calling for consideration of many bills originally proposed during previous sessions as well as this legislative session, and bills proposed by the executive branch, requires urgent, conscientious and responsible attention.

He explained that the special session called by the president of the republic, which ended last Thursday, had the sole purpose of tying Congress's hands so that it could not function autonomously and exclusively, as provided in the Constitution.

Vallejo asked how anyone could imagine sending an incredible volume of legislation to a special session for study and supposedly for passage, leading to a confrontation whose only logical outcome could be the rejection of such legislation.

"I believe," he said, "that the resolution to close this special session is fundamental insofar as it reaffirms that Congress functions according to the Constitution, with its own resolutions and dictates. It does not follow the resolutions and dictates of entities outside the legislative branch, which would create a concentration of power.

"Government officials and the representatives of the various branches of government have an obligation," he stated, "to carry out our actions and exercise our powers with a great deal of responsibility and with a vision of the future.

"I do not regard politics," he said, "as engaging in clever maneuvers and chicanery to win rounds in a fight. Governing is much more than that," he added.



Referring to the agenda of the special session, he noted that Congress has already taken care of many of the points, and others have been placed in the hands of the legislative committees for processing.

He added that the items that are not being processed will be submitted to the permanent committees for consideration, and then to the plenum of those committees.

He emphasized that the issues cited in the convocation could be dealt with much more efficiently in another climate of work, in a climate that would reduce the political tension that has built up to excess in recent days. Therefore, they can be resolved responsibly, to the benefit of the country.

Vallejo expressed regret that no understanding has been reached on legislative matters. He mentioned the wage issue, and indicated that no understanding was reached because the executive branch did not want to. He explained that Congress was totally willing to reach an agreement on this delicate issue, aside from any ideological or political differences.

He said that personally he was concerned about the treatment of this matter, but unfortunately the executive did not want to send its delegates to the discussions. These attitudes, he explained, make it impossible to reach understandings on such complicated issues as wages. "I fail to comprehend," he said, "why the necessary understandings cannot be reached on these matters."

He said that it is his intention to make an effort within Congress, with all legislative blocs participating, and this will require the cooperation of all parliamentary sectors.

He cited the case of the Organic Law on the Legislative Function, which he said cannot be rammed through by anyone; it must be passed with the acceptance of the majority of parliamentary sectors. A law cannot be passed with just the necessary votes and nothing more, he said, because it will be opposed by the other sectors.

He announced that an effort will be made to arrive at a legislative consensus so that the Law on the Legislative Function will move forward toward passage, just like other bills.

Vallejo stated that he is still confident that business can be conducted in this country democratically and in a civilized manner.

The president of the National Congress participated in the "Controversia" program of Radio Quito, the Voice of the Capital, directed by Miguel Rivadeneira.

8926  
CSO: 3348/58

ECUADOR

## OIL REVENUE LOSS, ECONOMIC GROWTH, OTHER ISSUES ANALYZED

Quito EL COMERCIO in Spanish 19 Oct 86 p 4

[Text] Quito—The steady decline of oil export prices could yield losses of up to \$4.6 billion for Ecuador in the 1987-1991 5-year period. In 1986, losses caused by this factor will total \$720 million, according to the latest medium-term projections of the Ecuadorean economy by a team of experts working for the International Monetary Fund (IMF). The team visited the country and then submitted this report in July to the IMF Executive Committee for the approval of the new stand-by loan.

During the same period, Ecuador will pay an average of \$800 million a year in interest on the foreign debt, based on the 3-month LIBOR rate equal to 7.5 percent, and the prime rate of 8.5 percent. In 1986, Ecuador will pay more than \$1 billion in interest and principal payments.

### Recovery in 1991

According to the IMF, oil revenues are expected to recover gradually from the sharp drop they experienced this year. By 1991, they should return to about 3/4 of the 1985 level. This hypothesis was confirmed by Undersecretary of Energy Fernando Santos Alvite, who predicted that oil export prices will begin to recover during the 1990s.

### Increased Export Volumes

The IMF study indicates that Ecuador has projected an annual growth rate of 2 percent in the volume of oil exports, so that by 1991 it will have reached about 80 million barrels. Following the same criterion, the price of crude will grow at an estimated annual average of \$1 per barrel, to reach \$17.50 in 1991.

### Impact on Balance of Payments

The study points out that the average price of a barrel of oil will be \$11.90 in 1986, which will affect the deficit in the current account of the balance of payments. That deficit will amount to 6.9 percent of the gross domestic product, which will be the highest since 1982. In quantitative terms, the deficit will total \$720 million.

### Public Sector Deficit

This year, for the same reason, the public sector deficit will be 95 billion sucres, which would have been reduced to 38 billion sucres through the application of the government's measures in the first 6 months of 1986, according to the IMF's calculations. This would represent 3.2 percent of the GDP.

### Savings and Investment Down

According to the same IMF analysis, national savings and investment will fall below the GDP percentage attained in 1985. National savings will fall significantly in 1986, to just 12.1 percent of the GDP, compared to 18.5 percent in 1985. Moreover, this is the lowest level it has reached since the 1970s. National investment, in turn, will fall this year to 19 percent of the GDP. As a result, the savings-investment deficit will total 6.9 percent of the GDP, or 82 billion sucres.

### Inflation Up

The same IMF diagnosis indicates that inflation will reach an annual average of 23 percent this year, considered to be a difficult one economically. In addition, unemployment and underemployment will rise, and productive activities will decline.

### Economic Growth Only 1 Percent

Within this context, the Ecuadorean economy will grow by only 1 percent in 1987. This figure has also been corroborated by the manager of the Central Bank of Ecuador, Carlos Emanuel, and by the publication ECONOMIA ANDINA of the Cartagena Agreement Board. In 1985, the Ecuadorean economy grew at a rate of 3.2 percent.

8926

CSO: 3348/58

GRENADA

## NNP MEETINGS REVEAL SIGNS OF PARTY INTERNAL STRAINS

### Blaize-Alexis Clash

Kingston THE DAILY GLEANER in English 14 Oct 86 p 7

[Text]

#### ST. GEORGE'S, Oct 13, CANA

Prime Minister Herbert Blaize, the political leader of the ruling New National Party (NNP), and deputy leader Francis Alexis, clashed during a meeting of the NNP's executive yesterday, as the party attempts to smooth over frictions that have threatened its already fragile cohesion.

Party sources said the clash started when Blaize asked Alexis to explain his public statements that he and Tourism Minister George Brizan, have agreed to work toward democratisation of the NNP.

Alexis retorted that what should be explained was Blaize's remarks that some members of the party were fringes who were considered undesirable.

The exchange came amidst increasing reports that the NNP, stitched together on the Grenadine holiday resort of Union Island in the summer of 1984, was beginning to crack, as elements of the three parties which make up the NNP, jockey for influence.

The NNP's three components, Blaize's Grenada National Party, Alexis' Grenada Democratic Movement, and Brizan's National Democratic Party, pattered over the differences on Union Island, under pressure from some pro-American Caribbean leaders who feared their fragmentation in the 1984 general

elections in Grenada could have resulted in the potentially embarrassing return to power of Sir Eric Gairy's Grenada United Labour Party (GULP).

With Blaize continuing to receive medical treatment in the U.S. for an ailment as yet to be fully publicly explained, there have been signs that the GDM and NDP elements of the NNP have been concerned that the NNP is beginning to resemble a revised version of the GNP, with their influence being minimal.

Source reported that Alexis has proposed the inclusion into the cabinet of the leader of government business in the Senate, Norton Noel, ostensibly to better handle queries from the opposition in Parliament.

The proposal is still to be voted on, but sources reported some support for Alexis' nomination.

The present Grenada cabinet is made up of seven Ministers, with Blaize as Prime Minister and Ben Jones as his deputy.

Meanwhile, Blaize is quoted by sources as telling NNP executive members yesterday that the political leader of the party need not necessarily be Prime Minister.

There is no precise explanation for his declaration, but some analysts believe it is his way of responding to continuing reports here that the December convention of the NNP will see a strong challenge to his leadership.

### Discord in Executive

Kingston THE DAILY GLEANER in English 16 Oct 86 p 7

[Text] [With editor's note]

#### ST. GEORGE'S, Oct 15, CANA

The National Executive of Grenada's ruling New National Party (NNP), met for six hours last night but failed to agree on broadening its decision-making process.

One party official declared nothing of significance was agreed to except, the appointment of the President of the Senate, Norton Noel, as a government Minister.

It is up to Prime Minister Herbert Blaize to appoint Noel, whose nomination for a cabinet post was moved by Dr. Francis Alexis, the Labour Minister.

Dr. Alexis' Grenada Democratic Movement is one of three parties that make up an apparently fragile coalition that won the December 1984 elections as the NNP.

The other parties are George Brizan's National Democratic Party (NDP) and Blaize's own Grenada National Party (GNP).

Alexis and Brizan have publicly declared their intention to work towards democratisation of the NNP,

interpreted by observers as a sign that they want a greater role in the decision-making of the government.

The National Executive of the NNP is the party's second highest decision-making body, ranking just below its annual general meeting.

The Party's convention is scheduled for December at which there have been reports that Blaize's leadership is likely to be strongly challenged.

One official attending last night's executive meeting described it as being "more peaceful" than last Sunday's, when Alexis and Blaize clashed over statements each had made by Alexis promising to work towards greater democratisation of the NNP and by Blaize describing certain figures in the party as undesirable fringes.

The mounting pressure in the ranks of the NNP is taking place against the background of increasing concern about the health of its leader, Blaize, who has been to the U.S. a number of times in the past year to receive medical treatment.

[A Bonaire Trans World Radio report in English at 1130 GMT 16 October, however, said that the "executive remains united despite sharp disagreements" in Grenada that "surfaced recently." The report concluded that the disagreements "seem to center around the prime minister's lack of communication with his cabinet and Parliament."]

### Report on Proceedings

St Georges THE GRENADIAN VOICE in English 18 Oct 86 p 1

[Text] Prime Minister Herbert Blaize survived a serious challenge when the executive of the party met in "retreat" at Levera on Sunday and continued the meeting in a six hour session on Tuesday at his Botanical Gardens office.

Almost from the word go at Levera on Sunday, senior and junior Ministers alike, attacked Blaize viciously for the almost proprietary manner in which he conducts the government. The complete isolation of the Executive of the party from government was one of the thorny issues raised and the Prime Minister was also queried for his failure to honour the party election of

Dr Francis Alexis as deputy Political Leader by appointing him to act as Prime Minister when Blaize is away. Blaize is reported to have answered these points by pointing out that the Constitution of Grenada does not recognise political parties.

GRENADIAN VOICE understands that a junior minister presented a paper on democracy, which amounted to a scathing condemnation of Blaize's methods but the besieged leader weathered all the storms and the meeting adjourned on Sunday without arriving at any conclusions, despite often acrimonious debate.

Discussions were reported to be much calmer when the meeting resumed on Tuesday afternoon and what gave promise of possibly ending up in a deep division in the ruling party, ended with three resolutions being passed.

The meeting agreed in a near unanimous vote that the Leader of Government business in the Senate should sit in Parliament. There was also strong support for motions to strengthen the public relations arm of the party and to create a Ministry of National Security.

While some members felt that a victory of sorts was won when old Blaize adherents from the days of his Grenada National Party, supported many of the complaints and voted for the motions, others believe that no change will really come about and the Prime Minister will continue in his usual way. It was pointed out by way of example that the questions of the Leader of government business in the Senate sitting in Cabinet has been raised many times and resisted by Blaize, despite the fact that it was also recommended by visiting Commonwealth Parliamentarians.

It is now believed that a move which was afoot to unseat Mr Blaize as Prime Minister will not now be pursued. Quite apart from the fact, observers believe, that those who wish it realise that the country will not tolerate the instability it is doubted that any one faction could feel confident about winning an election which could flow from any move to remove Blaize as Prime Minister.

#### Columnist's Complaints With Blaize

St Georges THE GRENADIAN VOICE in English 25 Oct 86 pp 8-9

[Lloyd Noel column "On Law & Politics": "How Low Can One Stoop?"]

[Excerpts]

An American President once said - words to the effect -- that a people have to be represented by politicians through Congress and a Senate, and a free and in-

dependent press is essential to ensure open and fair representation of the people. But if he had to choose between the two, he would choose the free press as more beneficial.

When viewed from the very perspective of the high level of democratic government that applies in the U.S.A., the late President's quotation becomes readily understandable - because he fully realised and accepted the role of a truly free and independent press in a genuine democratic society. A realisation and acceptance that is alien to our own government of today and our Prime Minister in particular. [As for] our Prime Minister and his attitude to the press in Grenada, and those of us who were detained by the PRG, and true to form - are not prepared to merely sit tight lipped and swallow every dose of anything that is pushed into our mouths by his brand of Government.

At the NNP Executive "Retreat" at the Levera Beach house of Dr. Japal on Sunday 12th October, Mr Elaize told his party group that they should not listen to people like Leslie Pierre,

Tillman Thomas, Lloyd Noel and Kenny Lalsingh when they talk, because they have been affected by the time they spent in jail.

The P.M. was obviously referring to our periods of detention by the PRG, and the purely co-incidental fact that all four of us have at various time criticised his autocratic behaviour, and the failure of the NNP Government under his leadership to deliver according to the promises made before election. Leslie Pierre and I have said our pieces through the columns of The Grenadian Voice, but Kenny Lalsingh and Tillman Thomas have done so as members of the NNP and elected representatives of their St. Patrick's Constituencies.

In case the P.M. has forgotten, may I remind him that when he and thousands of others like him were hiding and behaving like dumb, blind mutes in Grenada, Carriacou and Petit Martinique, and as

many others, who are now making the loudest noises and laying down the Law of the land, were safely protected in all corners of the globe outside Grenada -- Leslie, Tillman and I, among a group of 26 persons, were not afraid to put our courage and conviction where our mouths and hearts were -- and through the pages of "The Grenadian Voice" on the 11th day of June, 1981, say to the PRG that we stood for justice, freedom, and due consideration and respect for each individual's human rights, which should be manifested through the ballot boxes and not the barrels of guns. The fate we suffered, the consequences and repercussions that resulted from the gross abuses of human beings perpetrated by the PRG from 1979 to 1983, are now history and well documented.

To the PRG, we were "Counters" for speaking up in the interest of suffering Grenadians; to Mr Blaize and his NNP we are presumably "Insane" for giving exactly the

same service in what is supposed to be a society of freedom of speech, under a system of Constitutional Parliamentary Democratic Government.

In the P.M.'s outburst (like another P.M. in June, 1981) is a prelude to having his S.S.U

pick me up from my home at Gouyave, like the P.R.A did in July, 1981, to make me one of the first patients at his new Psychiatric Hospital in Mount Gay, St. George's, when he had better revise his tactics and strategies, because he maybe in for a very rude awakening from his apparent 1950s slumber.

Strangely enough though, I was not so taken by surprise at the P.M.'s outburst in relation to myself, or Leslie and Kenny for that matter, because I am well aware of his attitude towards the press in general, and naturally I should not be expecting any favoured treatment. But what nauseated me, and this feeling has been expressed by all those I have spoken



to on the subject, is the fact that Tillman Thomas is an executive member of the NNP and one of its M.P.s, and a Junior Minister appointed by the Governor General on the recommendation of the very P.M., and Tillman was sitting in the audience of Party members, listening to the P.M. and waiting his turn to present yet another paper on the importance of a democratic party within the Constitutional Parliamentary system we are supposedly operating in Grenada.

How can the Prime Minister and leader of this party stoop so low into the realms of gutter politics when he feels confronted by reality? Why did he promote Tillman to the nation as worthy of national support if he considers him insane? And if he only recently discovered Tillman's ailment, why has he not advised the G.G to revoke his Ministerial appointment? Are we to assume that our P.M is acting in bad

faith by not so doing? Or should we really be asking, who is truly "insane" in all this?

I am not sure how much help at unifying the Party was derived from the "Retreat", but if the other party members - particularly the elected Parliamentarians - have not seen it fit to rebuke the P.M. for his downright degrading and unparliamentary behaviour towards one of them - then I seriously question whether any of them are fit to be representatives of our people. But only

time will tell, and time, like tide, waits for no man.

As we mourn the loss of loved ones and heroes three years ago this weekend, and celebrate the miraculous freedom from bondage that was meant to give us all a new lease of life and a new beginning - let us never forget, or lose sight of the duty and responsibility we all have, to speak out freely and to comment and offer suggestions openly,

regardless of who  
needs the criti-  
cisms or correc-  
tions - for the  
good of the nation.

Anything less,  
would be an insult  
to the memories of  
those whose supreme  
sacrifices gave us  
back human dignity,  
and the freedom to  
speak and write  
without fear or  
favour in the  
interest of true  
sovereignty.

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CSO: 3298/037

GRENADA

## THRONE SPEECH CITES REORGANIZATION OF PUBLIC SECTOR

### Focus on Finances

Kingston THE DAILY GLEANER in English 25 Oct 86 p 7

[Text] ST GEORGE'S, Oct 24, CANA.

The government said today that it will cut civil service jobs to save money.

In the throne speech outlining government policy, Governor General Sir Paul Scoon said the programme of retrenchment would be phased.

In his address to a joint sitting of both houses of parliament, Sir Paul said "crucial to the improvement in the viability of the public finances is the need for the re-organisation of the public service with the resultant streamlining of the staff and the retrenchment of redundant posts.

"These actions are deemed necessary to achieve a balanced budget, and at the same time provide the basis for future surplus for contribution to our public sector investment programme."

Sir Paul did not disclose how many jobs would be lost.

But Prime Minister Herbert Blaize later told Cana that a team of experts would be put together by the government next month to begin the task of identifying areas for pruning.

Blaize said that the union representing civil servants-- the Public Workers Union would be invited to take part.

Leftist opposition leaders predicted last week that 1 000 civil servants would lose their jobs by the end of the year.

Sir Paul said that Grenada's public finances have been weak for some-time largely as a result of "the massive unsupportable payroll and the huge public debt which the government inherited."

He said steps having already been taken by the government to alleviate the enormity of the debt and its impact on the recurrent budget by rescheduling arrangements with two major creditors. He did not elaborate.

The Governor-General said that the government intended to continue with the programme of structural adjustment of the economy which it started last year.

He said that emphasis would be given to the completion of a fiscal reform package by introducing the second phase of its tax reform aimed at stimulating increased private sector activity and encouraging savings and investment.

Sir Paul said that the government would continue to use its Industrial Development Corporation (IDC) to extend further incentives for business enterprises, as well as engage in the aggressive promotion of industries compatible with the economic development of the island.

In this connection, he said the government had entered into consultations with the U.S Trade Department with a view to negotiating a suitable quota for Grenada on the American textile market.

"The signs are encouraging, and it is likely that a substantial number of additional jobs will be created within the garment sector alone," he added.

The Governor-General also referred to a National Development Strategy which the government has just prepared for the 1986-90 period.

He said the strategy set targets and goals for full employment and

an annual economic growth rate of 5 percent of Gross Domestic Product (GDP).

In a move to stimulate the investment climate on the island, Sir Paul said that the government through "official channels" would investigate the possibility of attracting to Grenada two or three major North American airlines currently operating in the Eastern Caribbean.

### Judicial, Antidrug Plans

Bridgetown CANA in English 1801 GMT 24 Oct 86

[Text] St Georges, Oct 24--Grenada will return to the Eastern Caribbean Court system, the government said today. But Governor-General Sir Paul Scoon gave no date in the traditional throne speech to open a new session of Parliament.

Grenada withdrew from the court system shared by its neighbours when a Marxist government led by Maurice Bishop took power in a coup in March 1979. The island set up its own court system, which remains in operation.

Eighteen former army and government officials currently on trial for Bishop's murder three years ago have persistently called for the restoration of Grenada's membership in the Eastern Caribbean Court, which is still recognized by the island's constitution.

On drugs, Sir Paul warned that the government planned to vigorously fight drug abuse and to cooperate with its neighbours and others in the battle.

He said that legislation would be introduced to provide stiffer penalties for the sale and use of illegal drugs.

The governor-general also disclosed that the government would strengthen the laws against crop stealing, a major problem in the key agricultural sector.

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CSO: 3298/037

GRENADA

BRIEFS

CARRIACOU PROTEST--Carriacou sources have informed GRENADIAN VOICE that a demonstration is being planned for Hillsborough, Carriacou on Sunday to protest their unsatisfactory representation in parliament. Carriacouans are reported to be dissatisfied with the slow rate of progress in development projects for the island. An unconfirmed report also states that when representative for Carriacou, Prime Minister Herbert Blaize arrived at Lauriston Airport last week-end, all the taxi drivers at the airport drove away as a mark of protest against the unsatisfactory roads. [Text]  
[St Georges THE GRENADIAN VOICE in English 18 Oct 86 p 1] /13046

NUTMEG FARMERS' BONUS--St George's, Grenada, Sunday (CANA)--Nutmeg farmers in Grenada will receive a record \$5 million (E.C.) in bonus payments this year, chairman of the Grenada Co-operative Nutmeg Association Norris James said today. He told CANA the governing board of the association had approved the payments, which were expected to be made from next month. According to James, the increased bonus was due to improvements in the marketing policies of the association coupled with better prices on the world market, linked to co-operation with Indonesia, the world's largest nutmeg producer. Grenada and Indonesia recently held talks on an agreement aimed at controlling nutmeg sales on the world market. Last year, the association paid out two million dollars in bonus to the 7,000 nutmeg farmers. Grenada currently gets \$6,000 (U.S.) per tonne for its top quality nutmeg and \$5,600 U.S. for a tonne of nutmeg of a lower quality. Whole mace is sold at \$12,500 U.S. per tonne, and broken mace at \$11,500 U.S. A tonne. [Text]  
[Port-of-Spain DAILY EXPRESS in English 13 Oct 86 p 15] /13046

CSO: 3298/037

GUATEMALA

## UNAGRO, GOVERNMENT AT ODDS OVER LAND REFORM

### Exemption of Cultivated Lands Urged

Guatemala City PRENSA LIBRE in Spanish 29 Aug 86 p 12

[Text] "It is not right for the government to consider expropriating cultivated land in order to solve the problem of the southern coast peasants," said David Ordonez, president of the National Federation of Agriculture (UNAGRO).

"There is enough land in Guatemala to incorporate into national development," he said. "They are looking at land that is already being farmed, and that is not right, because he must crack the nut who will eat the kernal."

Ordonez said that UNAGRO will cooperate with the government to solve this complex problem, but that the government should respect land in which people have already invested money.

### No Government Plan

The president of UNAGRO also charged that the government has not developed any plan to stimulate agricultural investment.

He claimed that there is no confidence among the farmers due to the lack of a plan. "But," he said, "we believe that President Cerezo will address the question that UNAGRO has raised."

### Landowners Supported

Guatemala City PRENSA LIBRE in Spanish 11 Sept 86 p 14

[Text] Leaders of the National Federation of Agriculture (UNAGRO) yesterday demanded that the president of the congress respect the right to private property guaranteed in article 39 of the constitution of the republic.

Francisco de la Vega, president of UNAGRO, and director Gustavo Anzueto Vielman, Rene Tarot and Amilcar Gil de Paz visited the legislative palace because of their concern about a bill that is currently under discussion in congress proposing the expropriation of the "Los Encuentros" plantation,

which is located in Retalhuleu. They want to turn it over to the residents of El Palmar, Quetzaltenango, whose community was almost destroyed due to flooding of the Nima I and Nima II rivers and the eruption of the Santiaguito volcano.

"We want to learn the status of the move to expropriate the plantation," the visitors said. "The inhabitants of El Palmar may be in danger, but that is no excuse to violate the right to property that is guaranteed by the constitution of the republic."

They added that article 40 of the Magna Carta, referring to expropriations, states that the owners should be heard and that expropriation should be subject to the procedures established by the law. The property in question should be priced fairly by experts, using its current value as a basis.

The constitution also states that "indemnization should be made beforehand, in cash and in legal currency, unless the interested party agrees to another kind of compensation."

#### San Felipe Mayor Opposes Expropriation

Guatemala City PRENSA LIBRE in Spanish 22 Sep 86 p 8

[Text] San Felipe, Retalhuleu. Special dispatch.--President Cerezo Arevalo and the congressional deputies should plant their feet firmly on the ground and take a good look at this situation before they authorize the expropriation of the "Los Encuentros" plantation, according to Gerardo Santos. "It would be neither fair nor logical to rob Peter to pay Paul," he added.

Santos, who is mayor of this community, made the aforementioned remarks upon being questioned about the congressional resolution expropriating the plantation. "I believe that those authorities are bypassing or violating municipal autonomy for the sole reason that it belongs to the PNR (Reformist National Party)," he claimed.

As Deputy Ayuso Pantoja knows very well, the second time around I offered the DC my full cooperation in order to obtain at least the moral support of the present government. But my offers were futile, for they turned their backs on me. In spite of this, and with tremendous cooperation from our neighbors, we are attempting to solve the most enormous problems.

The expropriation of this plantation is a serious matter. I am asking President Cerezo to study the problem and analyze it, because it is a question of breaking up a Retaltecan community. This would cause real problems, because it would join the populations of two different departments and two different political powers, the PNR and the DC, which are dominant in El Palmar.

"Surely the deputies are not aware of this situation, and for this reason, it would be well worth their while to restudy this matter." he said.

GUATEMALA

#### UNIFICATION OF EXCHANGE SYSTEM TO STRENGTHEN QUETZAL

Guatemala City PRENSA LIBRE in Spanish 7 Aug 86

[Text] "The quetzal's recovery is not a myth but a reality," declared Gabriel R. Castellanos, vice president of the Bank of Guatemala and of the Monetary Board, in remarks made yesterday.

"Unifying the exchange system is indispensable to the process of strengthening our currency, because it will allow us to relate the supply of exchange to the demand," he added.

"This measure will create greater confidence among producers, exporters, importers and consumers," he explained, "because it will allow the exchange rate to function as a balance in the nation's economy."

The exchange measures adopted by the Monetary Board involve three markets (the official, regulated and bank markets) and are directed toward unifying the regulated and bank markets, a process which will occur within a period of 18 months at the most.

The unification process will begin soon with the gradual transfer of a series of operations from the bank market to the regulated market. The purpose of this transfer is to achieve progressive unity.

Unification is vital because it will provide greater certainty to import and export operations, it will facilitate solutions to Central American Common Market problems, and reduce an eventual speculation on the exchange rate that may occur.

Supply and demand would be consolidated into a single exchange rate. As a result, the possibility of applying pressure to, or speculating on the exchange market would be more difficult and therefore less frequent.

Although there may be varying reasons, the main motive for our interest in the quetzal's foreign value is that, to the degree that the quetzal can maintain or strengthen its value, the nation's financial system will be more solid and domestic prices more stable. These elements are absolutely necessary for the country to enter upon a stage of growth and development, added the speaker.



The plan for strengthening the quetzal envisions the same steps that were involved in its weakening process, only in reverse. Thus, we must examine the process that weakened our currency from 1978 to 1985. We must also study the basic elements involved in the process of strengthening the quetzal which were included in the restructuring program that took effect on 6 June of this year.

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CSO: 3248/19

JAMAICA

SEAGA RESHUFFLES CABINET, CITES AREAS OF ATTENTION

Address to Nation

Kingston THE DAILY GLEANER in English 18 Oct 86 p 8

[Text of 17 October address to the nation by Prime Minister Edward Seaga]

[Text]

**S**INCE announcing my decision to reshuffle the Cabinet, there has been much interest, and if I may say so, misleading and mischievous speculation on the changes to be made. I propose, therefore, to now set out the changes and the reasoning by which I have been guided.

The major consideration has been to restructure the Cabinet in a manner which will reflect the need to strengthen our relationship with certain influential and important constituencies of people and interest groups, and to improve the administration of Government with a more rational allocation of responsibilities.

I begin with my own Portfolio responsibilities, official and unofficial. I believe there is much room for improvement in our relationship with the manufacturing and commercial sectors at the senior leadership level. I believe further that Deputy Prime Minister Hugh Shearer already possess and can undoubtedly further develop rapport with the business

community in a positive and constructive way which would relieve me of much pressure. However, to be effective, it would be necessary for the Deputy Prime Minister to have official portfolio responsibility for Industry and Commerce.

Accordingly, I have assigned to him responsibility for the Ministry of Industry and Commerce with the Hon. Douglas Vaz as Minister without Portfolio. His area of interest will be Trade and Industrial Development. I expect that this will enable the Ministry to deal more effectively with existing business enterprises in addition to promoting new ventures with emphasis on export development.

### JNIP

To further enhance this thrust, I have assigned responsibility for the JNIP to the new Ministry of Foreign Affairs and Industry. This reassignment will enable the JNIP, JNEC and JIDC to be responsibility of a single Minister, thereby laying the foundation for a merger into a single super-institution for investment promotion, factory accommodation and foreign trade. Not only will this be a more efficient organisation by the separate overseas offices of the JNIP

and JNEC can also be merged and representation rationalized.

Douglas Vaz has been very successful on the promotional side of manufacturing industry, particularly in regard to the garment industry where employment and foreign exchange earnings have increased considerably over the last 3-4 years. It is my wish that he should continue to concentrate on this area and this in turn makes it necessary for the Deputy Prime Minister, Mr. Shearer, to take up the overall responsibility for the Ministry.

Finally, to ensure that all industrial estates are answerable to a single Minister, it is my intention to assign responsibility for all Free Zones to the Ministry of Foreign Affairs and Industry so that they can, along with the other industrial estates, be administered by the JIDC.

I turn next to another major constituency of interest groups with which relations can be improved — the teaching profession. I am appointing Dr. Neville Gallimore as Minister of Education and Senator Hugh Dawes as Minister of State in the Ministry of Education. Dr. Gallimore has had many years of experience in the Ministry of Foreign Affairs before his recent appointment

as Minister of Social Security and I believe his experience will stand him in good stead with the teaching profession. So too will the experience of Senator Dawes, who was himself a recent President of the Jamaica Teachers Association.

The policies of the Ministry of Education have been well established by the former Minister, Dr. Mavis Gilmour. Minister Gilmour has developed and implemented far-reaching policies and programmes which have laid a sure foundation and have ensured that the restructuring of the educational system remains in the forefront of all that we do for the next decade.

These programmes have included free text books for all primary school children, a comprehensive and effective school feeding programme, the building of 50 new primary schools and the renovation of some 200 others, to make a reality of our goal of a place in school for every primary school child. The teacher education programme has been upgraded from certificate to diploma level with full recognition and substantially increased remuneration.

## Teacher training

Improved teacher training has also resulted in a very significant increase in the ratio of trained to pre-trained teachers in primary schools. In 1980, there were four trained teachers to every one pre-trained teacher. Today, there are 12 trained teachers to every one pre-trained, which means that almost all primary school teachers are now trained.

History will record Dr. Gilmour as the moving force behind these far-reaching policies. She gave the Ministry of Education a more extensive reach and a new direction.

It is because of her organisational skills that I have called upon Dr. Gilmour to head a new Ministry of Social Security and Consumer Affairs to deal with yet another constituency of interest groups, who feel neglected. This new Ministry will have the full authority to seek from any Government agency answers to problems experienced by consumers, particularly in the Utilities where inexplic-

able light, water and telephone bills have raised so many complaints.

The new Ministry also will be able to query delays in pension payments, complaints of wrongful dismissal, delays in payment of redundancy, complaints of misconduct in the transportation system, inexplicable or illegal price increases and arrogant conduct by any public official. In discharging these responsibilities, this Ministry will work closely with the Parliamentary Ombudsmen.

This Ministry will not only seek justice for the consumer but will advise me of such changes as it considers should be made to improve systems of operations, and it will be staffed to carry out all these functions. Accordingly the subject of Consumer Affairs will be reassigned to this Ministry.

It will absorb the Women's Bureau of the Ministry of Youth and Community Development and expand its work.

## Security

Another area requiring increased attention is that of the Security Forces. The country has been blessed with a reduction in violent crimes, greater peace and tranquility than was the case in the fearful period of the 1970's. This has resulted from a most detailed and relentless investigation and tracking of criminals and terrorists in an organised and scientific manner. Twickenham Park now offering special courses of training to Officers of the Police Force, for the first time, which has improved greatly the effectiveness and efficiency of the Officer Corps.

I propose to name this College and the Police Academy, both at Twickenham Park, in honour of Winston Spaulding. Mr. Spaulding has been the relentless foe of drug dealers and terrorists and the country is indebted to him for the considerable headway which has been made in securing the reduction in drug trafficking and violent crime which have made our nation safer and more peaceful.

Mr. Spaulding does not wish to continue as a Minister due to family commitments, and so I have asked

Errol Anderson to assume responsibility for the Ministry of National Security. His many years of trade union activity at the rank and file level and his relationship with the Security Forces as the Minister of Public Service, will serve him well in his new area of responsibility.

Justice, the other half of the present Ministry of National Security and Justice which was merged in 1980 but nevertheless continued to operate with its own separate Permanent Secretary and Staff, has been assigned to Senator Oswald Harding who will also assume the post of Attorney General. Senator Harding is a trained constitutional lawyer with a strong background in commercial law, two of the areas of expertise required for the position of Attorney General.

The final area of special interest requiring strengthening of relationships and administration is the Medical profession. I have therefore reassigned Karl Samuda from the Ministry of Industry and Commerce to Health, the Ministry in which he once served, to improve the administrative capabilities to deliver health services which have been the cause of many complaints by doctors and nurses.

The new Minister of the Public Service will be Mr. Cliff Stone whose trade union background will assist greatly in wage negotiations, settling salary levels and carrying forward the Administrative Reform Programme commenced under Errol Anderson to strengthen the Administration of the Public Service. This programme, financed by the World Bank, is the first of its kind in the world and is now showing results in terms of improvement of the efficiency of the Public Service, a trend which is expected to gain momentum.

Other changes to improve performance have been made at Junior Ministerial levels.

I will transfer Brascoe Lee, Minister of State in the Ministry of Agriculture to the Ministry of Construction in the same capacity, with responsibility for Public Works. Bobby Marsh will continue in the same Ministry but now with responsibility for Housing instead of Works.

## Back-benchers

The President of the Senate, Senator Jeanette Grant-Woodham will be assigned to the Ministry of Foreign Affairs as Minister of State to replace Ossie Harding who becomes Attorney General and Minister of Justice.

Three back-benchers are being promoted.

Pat Stephens will assist the Minister of Public Utilities and Transport as Minister of State, particularly in the area of Public Transport, where indiscipline and other types of misconduct and irregularities are ruling the public transport system, to the great inconvenience of the travelling public. It is intended to use the full powers of discipline in the law to ensure that the public transportation system is courteous and efficient, notwithstanding the fact that today it is a vast improvement on what it used to be under the J.O.S.

Ryan Peralto is the second back-bencher under reference. I am appointing him Minister of State in the Ministry of National Security with responsibility for attending to relations between the Security Forces and the public at large.

Another back-bencher promotion will be that of Jeremy Palmer. Member of Parliament for South-East St. Elizabeth, to be Parliamentary Secretary in the Ministry of Agriculture. He represents a constituency where the Pedro Plains farmers have established an outstanding reputation for farming under dry and adverse conditions. As a trained Attorney-at-Law he will have responsibility for the Lands Department and Survey Department to expedite a new programme designed to provide titles to thousands of farmers and other persons already settled in Land Settlements and other areas of Government land, some for 20 years, without titles. He will also be responsible for expediting the distribution by way of sale of the 30,000 acres of Government land remaining to be allocated to landless.

The final promotion is that of Senator Olivia Grange, now Parliamentary Secretary in the Office of

the Prime Minister with responsibility for Information and Public Relations, to be Minister of State in that Office with the same area of responsibility.

Finally, I have addressed a number of areas in which there have been conflicts between Government departments; inadequate performance; or in which a more rational relationship can exist by way of reassignment.

## Free zones

Free Zones will be transferred from the Ministry of Public Utilities to the Ministry of Foreign Affairs and Industry, under the Deputy Prime Minister, where together with the other industrial states managed by the JIDC there will be a single responsibility.

Factory construction programmes will be assigned to the U.D.C. on behalf of the JIDC.

The Creative Production and Training Centre (CPTC) will be transferred from the Ministry of Education to the Office of the Prime Minister to enable all the information sections of the Government to be in one Ministry and better coordinated.

The net effect in terms of size is that with the changes the number of Ministries remains the same.

My final observation is that the representation of the people with which we are charged is effected not only by good administration and executive management, but also by close personal contact with the people. In this respect I will require each Minister and Junior Minister to visit areas in the field one day weekly in addition to their own constituency responsibilities.

I know only too well that the representation of people is the toughest of all the vocations of life and among the most unrewarding. But to those who are committed to preserving our freedoms, and helping those who are in need, creating projects and programmes to improve and develop all in the cause of building a better nation, ours is a real sacrifice. Some have sacrificed family life and

the friendship of those to whom we were close. Some understandably find that they can no longer carry this burden. Others continue, for life must go on.

I am satisfied that this restructured Cabinet is now stronger and better able to perform its duties, having benefited from the experiences which have been gained over the past six years. This is not to say that the same team could not have carried on in the same positions, making the necessary adjustments to correct for deficiencies, as I am sure they could. Indeed, this confidence has over the years led me to keep each Minister in his original assignment.

## Without fear or favour

But politics is as much a matter of perception as it is reality, and the public does not perceive change unless it is real, not promised. We are merely servants of the people and I am duty bound to ensure that the people clearly perceive that we are sensitive to their needs.

On this basis I have made the changes outlined above. I have, with available talents and skills, endeavoured, without fear or favour, to make the best possible assignments.

It is not easy to look friends and colleagues in the eye and to take decisions which may hurt or disappoint them. But I have never shirked from taking decisions in the national interest, nor do I propose now to do so. I call the words of one of my teenage constituents who accosted me two nights ago. He said, "Chief, you gots to do what you gots to do."

These changes will become effective on Friday, October 24, 1986.

PNP on Effect on IMF

Kingston THE SUNDAY GLEANER in English 19 Oct 86 p 1

[Text]

THE PEOPLE'S National Party sees the Prime Minister's Cabinet re-shuffle as poised to produce a very serious effect on the Government's negotiation with the International Monetary Fund (IMF).

According to Party Chairman, P.J. Patterson, the PNP regards the re-shuffle as a charade, masquerade and a diversion of attention from the social and economic problems.

However, he said that he saw problems arising from the re-shuffle between the Government and the IMF as there had been an addition to the bureaucracy of the political directorate against the background of reductions in all sectors of the economy.

### 'Could politicise security'

Speaking at a press conference yesterday, Party Chairman, Mr. P.J. Patterson said that it was quite pecu-

liar that the Health Ministry which had been subjected to such savage cuts, now found itself with another Minister.

What the country had seen was a proliferation of Junior Ministers and Parliamentary Secretaries than a reduction, Mr. Patterson said, adding that he did not think that this situation would be very useful to Mr. Seaga in his negotiation with the IMF.

He also questioned the propriety of the appointment of Mr. Ryan Peralto, general secretary of the JLP as Minister of State in the Ministry of National Security.

Subordinating official security operations to the political organising interests of the JLP could only serve to politicise the security forces and alienate them from broad community and national support, Mr. Patterson said.

Turning to Mr. Seaga's offer to resign, he said, this situation was untenable as he was not acquainted with any precedent in the Westminster-style of Government where there

was a gap between the post of Leader of a Party and Prime Minister for ten months.

The situation was one which reflected political instability, not featuring street activities, but diverting attention to side issues which has occasioned a halt in decision-making, for up to now no Minister could act because of the uncertainty, he said.

Mr. Patterson said it was not so important which Minister held what portfolio as the fact was, according to him, the Government was discredited. Mr. Spaulding who had not been reappointed was no worse than his other colleagues, he said.

Mr. Patterson said Mr. Seaga's move had backfired and got very little support. There was no pact between the Government and the PNP as to any time-table for holding elections; therefore the Party was calling for general elections and it would be agitating for this based on a programme of activity it was evolving with regard to the sensitive tourist industry, he said.

### Further Seaga Remarks

Kingston THE DAILY GLEANER in English 25 Oct 86 pp 1, 3

[Text] Prime Minister Edward Seaga said yesterday that his newly reshuffled Cabinet was stronger and more oriented towards the problems of the people.

Mr. Seaga was speaking at the swearing-in ceremony for six of the Ministers and a Parliamentary Secretary at King's House. The Cabinet reshuffle was announced last week Friday, and all the new members took up their respective posts, yesterday. Only new Ministers were required to be sworn-in except for the Hon. Oswald Harding, who

although being already a Minister without Portfolio, had to take the Oaths as Attorney General as required by the Constitution.

Taking the Oaths of Allegiance and Office were: the Hon. Clifton George Whyms Stone, Minister of the Public Service; Senator, the Hon. Oswald Harding, Attorney General; Senator, the Hon. Jeanette Grant-Woodham, Minister of State in the

Ministry of Foreign Affairs and Industry; Senator, the Hon. Olivia Atavia Grange, Minister of State in the Office of the Prime Minister with responsibility for Information; the Hon. Ryan George Saunders Peralto, Minister of State in the Ministry of National Security; the Hon. Patrick Stephens, Minister of State in the Ministry of Public Utilities and Transport; and Mr. Jeremy Palmer, Parliamentary Secretary in the Ministry of Agriculture.

An eighth person, Senator Hugh Dawes, should have been sworn-in as Minister of State in the Ministry of Education but, according to Mr. Seaga, he has voluntarily agreed to step down and await an amendment to the Constitution which limits the number of Ministers which can be appointed from the Senate to four.

Mr. Seaga did not quote the section of the Constitution, but Section 70(2) of the Constitution states: "Not less than two nor more than four of the Ministers shall be persons who are members of the Senate."

Mr. Seaga said: "because the number of appointments of Ministers from the Senate would now exceed the constitutional limit by one, one of the three new appointees from the Senate had to stand down to await the matter being taken to the House of Representatives and the Senate for constitutional amendment."

He noted that already there were two Ministers in the Senate in the Hon. Hugh Hart, Minister of Tourism, Mining and Energy, and the Hon. Oswald Harding, formerly Minister without Portfolio, but who was sworn in as Attorney General and Minister of Justice, yesterday.

Senator Grange, formerly Parliamentary Secretary in the Office of the Prime Minister, and the Hon. Jeanette Grant-Woodham, President of the Senate, were both sworn-in as new Ministers in the Senate. However, Ministers of State and other junior Ministers are not Members of the Cabinet.

According to Mr. Seaga: "Senator Dawes as the male of the trio has gallantly stepped aside to allow both ladies to go forward. I don't mean to presume upon the judgment of the House or the Senate in indicating that Senator Dawes will be sworn-in at a later date, but I am confident that his appointment will be considered a necessity."

Mr. Seaga noted that the new Cabinet was the same size as the previous one. He singled out former Minister of National Security and Justice and Attorney General, Mr. Winston Spaulding, for special mention, noting that the country owed him "a great depth of gratitude" for the support he had given the security forces in their drive against drug abuse.

"This Cabinet can be considered to be stronger in the sense that it is more oriented to people problems and therefore will be better able to carry out and implement the policies of Government," he said.

Mr. Seaga promised more details about the tasks of the new appointees when he visits each of the Ministries over the next two to three weeks.

The *Gleaner* understands that Senator Grant-Woodham will be dealing with Foreign Affairs in place of Mr. Harding, while Mr. Palmer will deal with the Government's programme of disbursing land to small farmers. Mr. Peralto will deal with the problems affecting the Police in their relationships with other sectors of the society.

The Prime Minister said that the new appointees had served the JLP with loyalty and devotion for many years and were not newcomers to the political arena. He noted that both Senator Grange and Mr. Stephens had been detained in detention camps during the 1976 State of Emergency.

The function which was held inside the main ballroom of Kings House was conducted by the Governor General the Most Hon. Sir Florizel Glasspole. A large crowd, including many diplomats and representatives of the public and private sectors attended.

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CSO: 3298/038

JAMAICA

MANLEY IN LONDON, COMMENTS ON PNP GOVERNING PLANS

Agenda for Change

Kingston THE DAILY GLEANER in English 27 Oct 86 p 22

[Text]

LONDON, Oct. 24

'If you're going to put me back there, in power, you'll be putting me back to struggle.'

That's the message Michael Manley, leader of the opposition People's National Party (PNP), had for the people of Birmingham, when he addressed them at a spirited public meeting last Tuesday at a crowded Digbeth Hall.

He and other panelists comprising local labour and trade officials and leaders from the Birmingham PNP UK Party paid scant attention to Prime Minister Edward Seaga's announcement last week of his intended resignation as head of the Jamaica Labour Party (JLP), saying he should resign as Prime Minister instead.

Mr. Manley, himself a former Prime Minister, said the results of the recent local government elections in Jamaica were the latest in a series of enormous swings that pointed to 'something unusual and interesting.' He went back to the PNP's 1972 victory when just over 56 percent of the popular vote was secured; and again in 1976 with over 57 percent.

He described 1980 as a year of utter crisis when the PNP lost the election with just 41 percent of the electorate staying with the party. However, he said, the 1986 result of 57 percent in favour of the PNP showed a complete reversal of that trend.

Mr. Manley said if he were to be returned to power, he would continue to struggle to get changes in four main areas: education; the International Monetary Fund and the debt crisis; public involvement in economic management; and the way in which Jamaican elections are carried out.

He attacked Mr. Seaga's reliance on the IMF and subsequent devaluations of the Jamaican dollar. He said however, he had no quarrel with the IMF's push for efficiency or its ability to 'spring the door open to commercial bank loans' — but he was bitterly critical of Mr. Seaga for opening as he said, the 'flood gates of consumer spending.'

He also attacked the bank for being shortsighted about the system, playing a game of divide and rule, and in so doing, leaving each country isolated.

"The IMF is part of reality," he said, "but in its implementation strategy it tries to compel Third World countries to reach growth rates in terms they are structurally incapable of achieving. The IMF needs reform."

Dollar devaluation has now stopped at \$5.50 and Mr. Manley said he agreed this current rate of exchange was good for trading and for tourism.

He said that Jamaica had boasted the second highest growth rate behind Israel in recent years. (Next to

Israel, Jamaica was also the highest receiver of financial aid from the United States.)

However, he said that attention needed to be focussed on social conditions in Jamaica — its housing, education, agriculture and bauxite industries and so on and to put a halt to the rises in unemployment, and many school and hospital closures and shortages that occurred while the growth rate was soaring.

On Jamaica's education, he said that by 1972, 16 percent of every generation of school children had never received education past secondary school age; or 84 out of 100 children never got on an apprenticeship scheme beyond the age of 12 years.

When the PNP took power in 1972, free tuition for children from the underprivileged masses, and adult education scheme were introduced — measures which resulted in bringing down the illiteracy rate from a gigantic 40 percent to just under 20 percent.

He said his strategy next time around would be together the best brains on a new council that would be set up to formulate a new education strategy.

Mr. Manley, an active trades unionist, also said he believed in the power and dynamic of worker participation and that he wished to set up a new scheme for participatory economic management, whereby the Ja-

Jamaican people would have more of a say in the economic affairs of the country.

In response to a question from the floor, the former Prime Minister said he too would like to see a return to the politics of his father Norman

Manley and Bustamante where, he said, 'you could argue and vote, but you did not have to kill over it.'

He announced his firm intention to continue the Peace Agreement to this end, in a bid to wipe out the violence which has marred Jamaican election history for many years.

### CARICOM Ties

Kingston THE DAILY GLEANER in English 27 Oct 86 p 22

[Text]

**LONDON: Oct. 24**

If the People's National Party (PNP) was restored to power under Michael Manley, Jamaica would strive to become less dependent on foreign capital and work for self-reliance instead.

Michael Manley told a packed Digbeth Civic Hall in Birmingham, that Jamaica needed to look inwards, towards Jamaican and Caribbean unity before branching out to larger powers like the United States.

'Solidarity is very important. Cuba's business is their business, Jamaica can't follow that, but we can not

look to a major power to define Jamaica's friendships for us,' he pointed out.

On the question of Caricom, he said he believed in it absolutely as the "first step on the road to regional integration."

"Imperialism divided us, why must we continue their agenda?" He continued. "If you could ever begin to make the Caribbean not only trade freely — which gives you an enlarged home market—but begin to plan economic development that you attempt jointly because you can do more together than each one of you can do yourself, you can only add

strength to the economy.

'I have preached self-reliance inside Jamaica and inside the Caribbean.'

One of the tragedies, Michael Manley said, a strategic error that Mr. Seaga made, was to listen to his economists who said it was a waste of time exporting to CARICOM.

'You need hard currency exports,' agreed Mr. Manley, but he stressed the importance of having a big, strong home market first and in accumulating trading experience that way, to ensure success in dealing with hard currency markets later.

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CSO: 3298/038



MEXICO

HEGEWISCH FAVORS FOREIGN INVESTMENT OVER MORE DEBT

Mexico City EXCELSIOR in Spanish 1 Oct 86 p 10-A

[Article by Jaime Contreras]

[Text] Under present circumstances, more foreign investment is better for the country than more foreign debt, according to Adolfo Hegewisch Fernandez, undersecretary for regulation of foreign investments. He stated that although we will not be able to attract more foreign currency through foreign investment this year than we did in the record year of 1984--\$1.8 billion--we will attract more than last year.

Questioned shortly after participating in a private seminar organized by the American Chamber of Commerce, the official said that the economic effect of the participation of foreign capital is much more important than the real investment. He added: "The flows do not tell anything."

The undersecretary of SECOFIN [Secretariat of Commerce and Industrial Development] explained that payment of royalties for transfer of technology will be less than \$3 billion.

As to the so-called neutral capital program, he stated "I understood" that the International Financial Corporation is going to have a much more active program for Mexico.

He was also asked about the capitalization of liabilities. The undersecretary commented that operations worth \$250 million have already been approved and there are 22 more projects under consideration by the Treasury "that represent more than \$200 million."

Last, he said that due to the fact that foreign investment only operates at 20 percent in the developing nations, it must be shored up.

7717

CSO: 3248/29

MEXICO

REFORM-MINDED ATTORNEY GENERAL CARRYING OUT SURPRISE VISITS

Mexico City LA JORNADA in Spanish 1 Oct 86 p 5

[Text] The basic objective of the attorney general for the Federal District, Renato Sales Gasque, since he took charge has been the correct, prompt, and honest treatment of the public by the investigative agencies of the Public Ministry.

The attorney general maintains that the offices of the delegations constitute the first contact the citizens have with the ministry. How they are treated will be the image projected not only of the institution of the Public Ministry but the government itself.

Therefore, Attorney General Sales Gasque instituted different systems of supervision to see whether the agencies of the Public Ministry act strictly according to law and whether the public and the prisoners are treated correctly.

The attorney general himself is acting as supervisor. He makes a surprise visit every day to one of the 43 investigative agencies of the Public Ministry. He personally examines all the proceedings being transacted, takes care of the public in the agency that day, inspects the installations, visits the cells, interrogates the prisoners, and, in the process, dictates measures to correct the irregularities he encounters.

The attorney general's daily visits to the agencies have begun to yield positive results. Although there is still much to be done, treatment of the public has improved notably. The arrogant and rude attitudes of the agents of the Public Ministry and the Judicial Police are gone and the legal situation of the prisoners is resolved within the legal deadline of 24 hours.

The Community Cooperation Program was also instituted. Citizens from each of the 16 political delegations participate in it. They visit the agencies of the Public Ministry to verify whether the attorney general's objectives are being fulfilled and the agencies are acting according to law.

Each one of the community collaborators must give a report on his visit and point out the irregularities he has detected or the positive aspects. The report is evaluated by the Control Unit for Citizen Action whose coordinator

is the attorney general's private secretary, Juan Lara Dominguez. The information from the community goes directly to the head of the institution.

The participation of the community collaborators is voluntary social service. They do not receive any salary, hold credentials from the institution, or have the power to intervene in the legal decisions of the Public Ministry. They simply observe, take notes, and report.

Also 30 supervisory agents of the Public Ministry under the Technical, Legal, and Supervisory General Directorate constantly visit the agencies, not only to detect irregularities but to offer legal support to the agents of the Public Ministry.

Another method of supervision involves daylong visits to the investigative agencies of the Public Ministry. This type of supervision is done personally by Manuel O. Cossio Gabucio, adviser to the attorney general as general supervisor. He stays at the agency from 8 am to 8 pm to observe the work of the personnel, offer support in taking care of the public, and verify honest and good treatment of all the citizens who come there.

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CSO: 3248/29

MEXICO

CHIHUAHUA GOVERNOR'S CABINET CALLED BUSINESS-ORIENTED

Mexico City PROCESO in Spanish No 519, 13 Oct 86 pp 10-13

[Article by Francisco Ortiz Pinchetti]

[Text] Chihuahua, Chihuahua--The right won here after all.

Having risen to power, the legitimacy of his election widely challenged, Fernando Baeza Melendez is setting up a business-oriented government, and is--once more--turning his back on his party.

His cabinet makes this clear: Well-known businessmen occupy key posts, alongside a team of technocrats with no party background.

"If Francisco Barrio were governor, there would surely be more members of the Institutional Revolutionary Party (PRI) in his cabinet," commented Antonio Becerra Gaytan, state leader of the Unified Socialist Party of Mexico (PSUM), jokingly. "The prophesy has come true: Eloy Vallina is the great victor in this contest."

He appears to be, in fact. One telling sign is the fact that Baeza Melendez named Armando Aranzola Madrid to be coordinator of social communication in his government. Aranzola Madrid is the chief of public relations for the magnate Vallina, his right-hand man, his closest and most loyal aide.

And the cabinet includes other names linked to the Chihuahua Group that Vallina heads.

The joke is going around that the Baeza cabinet looks more like the board of directors of a country club.

This is no joke: Two members of the government team, the directors general of finance and public works no less, are former presidents of the Chihuahua Country Club.

"It is not surprising," says the leader of the Mexican Workers Party (PMT) in this state, Jesus Ordonez Flores. "Because of his origins and his education, and because of the general lines he followed in his campaign, it was obvious that Baeza represented big business interests. These are the interests his

government will protect. The workers and the peasants are not even represented among the group that will govern Chihuahua."

The background of the new director general of finance, Ricardo Wisbrun Saenz, 66, is a good indication of the line the Baez administration will follow: He has been president of the Chamber of the Flour Industry of the North, the Chihuahua Chamber of Commerce, the Federation of Chambers of Commerce in the state, and the Country Club; he has been a board member of the Chamber of the Manufacturing Industry (CAINTRA) of Chihuahua, the National Finance Bank, Inc. (NAFINSA), the COMERMEX Multibank, the La Comercial insurance company, the Chihuahua Group, and the Business Center of Chihuahua (COPARMEX). He owns three businesses: Avena de Chihuahua, Harinas, and Sucesores de Ricardo Wisbrun.

A dyed-in-the-wool businessman.

So is the new director general of communications and public works, Luis Lujan Pena, to cite another case. To be sure, his brother Guillermo ran for deputy of the first district of Chihuahua for the National Action Party (PAN). An engineer by profession, the high-ranking government official of today always used to work in the private construction industry. He owns a firm, Cobra, in that sector. He has also been vice-president of the National Chamber of the Construction Industry in Chihuahua, and a board member of six companies and three banking institutions. His "political activity" was limited to serving as a representative of the Civil Engineers Association in the Federation of Professional Associations of the National Confederation of Popular Organizations (CNOP).

The inclusion of noted private businessmen in the government team is regarded by some as an attempt by Baeza Melendez to "placate" the Chihuahuan private sector. Many people in that sector challenged the results of the 6 July elections and called for their invalidation. Particularly belligerent in that regard was the Chihuahua Business Center.

The director of the center, Guillermo Villalobos Madero, who is official spokesman for local business organizations, agrees that in fact the new governor may have those interests in common. He explains, however, that "what Baeza does not understand is that above and beyond the interests of the sector are social values. What has happened in Chihuahua is much more than a simple dispute over interests that can be patched up by doling out government jobs. There is a conflict of interest, yes, but there is also a conflict of values. And the latter problem cannot be solved by giving public offices to a few businessmen. Harmony can only be attained through respect for others, through strict observance of the law, and primarily, through justice."

After acknowledging that some businessmen personally believe in Baeza Melendez' good intentions, Villalobos Madero repeated that the organizations of this sector "have not given in, and I don't think they will give in" in their struggle to win respect for the vote of the citizens and to combat electoral fraud. "The reason behind this struggle has not disappeared," he warned.

Furthermore, he said, the presence of businessmen in the PRI government "is absolutely incongruous and contradictory," given that the principles of the private sector and those of PRI "are at loggerheads on key points."

He cited the example of Wisbrun Saenz. "He was a board member of our COPARMEX. And if we look at COPARMEX's declaration of principles and that of PRI, we see irreconcilable contradictions."

With the two documents spread out on his desk, the director of the Business Center gives examples: the concepts of democratic planning, the primacy of the government, and the common good, which are put forth by PRI, are diametrically opposed to the principles outlined by the business organization. The same is true of such vital issues as the nationalization of businesses, land ownership, the mixed economy, and so on. "There is a clear split between the principles of the two," he summed up. And he asked: "Which principles will Wisbrun follow as he runs the government's finances? I think he will adhere to ours, because his entire life has been governed by them."

Villalobos Madero rejected the notion that Eloy Vallina's close relationship to the government and the presence of his associates in the Baeza Melendez cabinet mean that the Chihuahua business sector will support this government. "I think that Vallina's importance in the business sector is exaggerated. Obviously he is one of the most important businessmen in the state and in the country; but in no way does he represent the bulk of Chihuahua businessmen, who include small and medium businessmen."

Turned Back on PRI

PAN's opinion of the Baeza Melendez cabinet differs in part from that of the other opposition parties. "I would not call it business-oriented," said Guillermo Prieto Lujan, regional leader of PAN. "It seems to me more a technocratic, pragmatic, rather gray cabinet. Very similar to the presidential cabinet, of course . . ."

Regarding the incorporation of well-known businessmen into the government, he said that "this is clearly an attempt by Baeza to ingratiate himself with private enterprise to attenuate the illegitimacy of his government." But he had doubts about it: "I think that the governor is wrong on that, too, because Chihuahuans repudiate this spurious government so strongly that they are not going to be placated when it throws two or three bones to them."

Of the 11 top-level officials named by the new governor, only 2 have an active political background, a serious matter in a state where a political uproar is going on. Both were, of course, losers in the 1983 municipal elections: Luis Fuentes Molinar, defeated by PAN member Luis H. Alvarez in the contest for mayor of this capital city, and Mario Tarango Ramirez, who lost to another PAN member, Horacio Gonzalez de las Casas, in Delicias.

Fuentes Molinar, 59, is a journalist of long standing. The son of the founder of the newspaper EL NORTE in this capital, he was assistant editor of that daily. From there he went on to edit NOVEDADES of Chihuahua, which is owned

by Eloy Vallina. He worked for Eloy Vallina until the day he was named coordinator of municipal reinforcement in the Baeza Melendez administration.

He has political experience. He was a federal deputy, a state leader of PRI, and municipal president of Chihuahua during the 1977-1980 term. In 1983 he publicly acknowledged his defeat by Alvarez, just 2 days after the elections, a move that won him admiration and respect.

Tarango Ramirez is a 45-year-old teacher from Delicias with an honorable political record, although he has not been involved in party activities for very long. He held various posts in agencies of the federal government, including the Office of the Attorney General of the Republic during the time when fellow Chihuahuan Baeza Melendez was a deputy attorney general. After his electoral defeat in 1983, he resurfaced as the coordinator of his friend's gubernatorial campaign this year.

The rest of the cabinet is made up of four economists who are little known or unknown here, an attorney, and a woman with a degree in diplomatic sciences who has been put in charge of no less than the Interior Secretariat, the second highest post after that of governor.

Martha Lara Alatorre de Sarkis, who was named to this office, has a good record in her career in the Mexican foreign service. She has worked at Mexican consulates in various cities in the southern United States. Her last job was in the consulate in El Paso, Texas, and Baeza Melendez brought her from there. Her political experience, however, is nonexistent. She admitted that on Monday 6 October at her first press conference.

"I find it very significant, and very disturbing, that the job of interior secretary has been given to someone who is not familiar with the problems of Chihuahua," said PAN official Prieto Lujan.

The only appointment that appears to have general approval is that of state attorney general. Mauro Antonio Rodriguez Leegi is considered a capable and honest attorney, and he is experienced. He was a judge, a state deputy attorney general, a supreme court justice, and chief justice of that court during the administration of Oscar Flores Sanchez. He has been a director and professor at the law school of the Chihuahua Autonomous University (UACH), and has authored several books on penal law.

A great surprise, which prompted much speculation and comment, was the appointment of Aranzola Madrid as coordinator of social communication. With ties to Eloy Vallina matched by few other Chihuahuans, he made a career in the private banking sector. He worked in the Bank of London, the Bank of Mexico, and the Provincial Bank of the North before joining Eloy Vallina's organization at the COMERMEX Finance Bank and the COMERMEX Multibank. When the banks were nationalized, he became director of public relations of the Chihuahua Group, and the magnates personal P.R. man. Now he is a public official.

He was the one assigned to release the names and posts of Baeza Melendez's cabinet to the press. The announcement was met first with bewilderment and

then with open discontent in local political circles, who were once again displaced. No PRI leader, no agrarian leader, no Confederation of Mexican Workers (CTM) leader, no popular sector leader, appeared among the chosen ones.

During the campaign some friction between the candidate and local PRI activists was already apparent. People from outside, such as Manuel Gurria Ordonez and Pedro Luis Bartilotti, were brought in to manage the campaign. The absence of the PRI logo on propaganda was conspicuous--and very significant--as was the candidate's desire to dissociate his image from that of a losing, discredited party. Finally, in the face of the PAN threat, locals squared their shoulders and set to work. Now that it is time to divide up the spoils, they are being overlooked again, and are being relegated to the minor jobs.

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CSO: 3248/39



NICARAGUA

PASTORA ON CONTRAS, FSLN, U.S. SUPPORT

Guatemala City PRENSA LIBRE in Spanish 14 Sep 86 p 5

[Interview with Eden Pastora by Mario Castro in Guatemala City during the week of 8 September]

[Excerpt] [Question] At this point the struggle against the Sandinist government has been reduced to the Contras front. You fought along with that rebel group. Why did you leave?

[Answer] It is a bit difficult to fight alongside the past. Many of them represent the other extreme of the FSLN [Sandinist National Liberation Front]. What I mean is that although it is true that they are against the government, they do not have an ideological program, and the worst part is that Somozist officers are in charge of their superior commands. So, this is a counterrevolution that would like to make things in Nicaragua as they were before.

I am not criticizing the Guard for wanting to correct 45 years of mistakes. The members of the Guard are entitled to fight for the freedom of their people. What I cannot accept is political manipulation to make the Somozist guardsmen the commanders and leaders of the armed struggle. Such political manipulation causes the people who act in Nicaragua to close ranks around the Front. To give you an example, the majority in Nicaragua is passive, does not act, does not think and only allows itself to be carried along. But the majority does not have the weapons; the people with weapons are in the minority. So I say to myself: Who should we be talking to? The noncommunist minority who has the weapons and who is led by communists, or the unarmed majority in whose eyes we must discredit the armed minority? The problems are complex.

[Question] What do you see when you look at the Contras?

[Answer] I see that in 4 years of war they have not handed over a single prisoner of war; we, in contrast, handed over some 500 along the southern front. I see that they lack a political and ideological program that can ensure the advent of democracy in Nicaragua. I see that they have the same Somozist tendency to kill each other off. I see the squandering of money that has been so criticized in the United States, because they make \$4,000 and

\$5,000 and have mansions in Miami, and finally I see their military ineffectiveness, inasmuch as they have not succeeded in liberating a single airport or border strip.

Aside from this, they have taken the Somozist approach of slandering us, of lying and saying that there are only 200 of us, of attacking us in public outside the country. How else can you explain that over the past 2 years they have attacked us more than they have Managua itself.

[Question] Who would be more interested in eliminating you?

[Answer] That's hard to say. I wouldn't venture a guess. What I do know is that since 1984 the Contras have seen me as their major enemy. That leads me to think that both the Contras and the communists want to kill me. To the latter I am Reagan's mouthpiece, the traitorous CIA agent in service to American imperialism. To the Contras I am a brilliant scheme of Fidel's to keep them divided and, at the same time, to protect the south. Moreover, they say that I'm a fifth columnist and that my mission is to denounce the past.

I realize that our position is the hardest to sustain and manage, but I know that it is the only way to solve the Nicaraguan people's problem, because a revolution can be defeated only by another revolution.

[Question] What is Nicaragua's future like with the FSLN in power?

[Answer] With that college-student communism that the leadership follows, with their childishness, their dogmatism and that guerrilla mentality that prevents them making the leap to statesmanship, very bitter days are in store for Nicaragua, days much worse than now. What worries me most is that the commanders have already taken irreversible positions, stands from which they cannot maneuver politically to come up with a solution and return to the original plan of the revolution, because they are very committed to Cuba and the USSR. They have to continue on to the death and they will take with them a good number of innocent, young, idealistic Nicaraguans who are not Marxist-Leninists like them.

If the United States changes its attitude and supports Nicaraguan democrats, that bloodshed could be reduced to the extent that Nicaragua is presented with a way out.

[Question] What democrats are you talking about?

[Answer] Well, I would include myself, along with Donald Castillo Orozco, Jose Robelo, Arturo Cruz and others of us who have historically struggled on the basis of just positions.

[Question] Calero?

[Answer] Unfortunately, Calero has been associated with institutions that are committed to the past. That has undermined him as much as it has us.

[Question] At various press conferences you have indicated that the majority of the Nicaraguan people are behind you. Would the army desert if you asked it to?

[Answer] I don't think so. This is not the right political juncture, inasmuch as the soldiers would not follow a commander who is dressed in rags, sitting on a rock and also has a defeated look. Some time ago I appealed to the southern barracks, and several joined our group. So I came with the Costa Rican TV and press and we beamed that image into southern Nicaragua. After the San Carlos barracks had surrendered and we were about to cross into Costa Rica, they kicked me out in front of the reporters and jailed the deserters. They also televised that, destroying us, because no one wanted to go to jail for abandoning his army.

To get the Sandinist Army to desert you have to present it with a well dressed, well fed, healthy-looking guerrilla commander with troops in the same condition. Unfortunately, people do not take risks and wager only on a winner.

[Question] Do you mean to say that you're a beaten man?

[Answer] That's what the Sandinist Army says, but deep down they know that it was the CIA that ousted us from the armed struggle.

I feel better than ever and I know that I am not a beaten man, because in the eyes of Nicaragua and the world we are the only uncorrupted ones. In the eyes of the peasants, the workers and the people of Nicaragua and the entire world, we have not given in or lost our independence in the struggle to revive the original program of the Nicaraguan revolution that has sought and will always seek liberty.

8743

CSO: 3248/47

NICARAGUA

EPS CHIEF OF STAFF ON STATUS OF CIVIL WAR

Managua SEGOVIA in Spanish No 11, Jul 86 pp 3-11

[Interview with Deputy Defense Minister and Chief of Staff Joaquin Cuadra Lacayo; date and place not given; first paragraph is introduction]

[Text] The deputy minister of defense and chief of staff of the Sandinist People's Army (EPS), Brigade Commander Joaquin Cuadra Lacayo, summarizes in today's interview with SEGOVIA the successes of the EPS, which by striking successive, crushing blows against the mercenary forces in compliance with orders from the high command, has hastened their downfall.

SEGOVIA: Commander Cuadra, in an interview that you gave SEGOVIA in December 1985 you indicated that the process of strategically defeating the mercenary forces would intensify in 1986. Do you feel that this objective is being met?

Commander Cuadra: The National Directorate of the Sandinist Front and the Defense Ministry assigned the EPS the 1986 mission of generally strengthening the country's defensive capacity and intensifying the process of strategic defeat that has been inflicted on the mercenaries since 1985. In other words, the EPS was supposed to channel its efforts towards scoring greater successes and more precisely identifying the basic elements that have been decisive in strategically defeating the mercenary forces.

In the assessment that we in the General Command and its staff did on the fulfillment of these objectives, we found that the process had indeed been intensified and that very important steps have been taken towards the strategic defeat of the counterrevolution.

As perhaps the most important element, I would mention that by engaging in combat action for 6 straight months our army's troops have succeeded in striking quite crushing blows against the main counterrevolutionary groups. We have prevented them from moving about in large areas of the country and, basically, have prevented them from carrying out their political and military plans.

The counterrevolutionary forces' main goals at the beginning of the year were to expand the groups that are strategic to them, to extend the "Jorge Salazar" group into the Boaco and Chontales districts in the Fifth Military Region.

Our troops largely prevented them from doing so, from spreading out and moving around. They struck crushing blows against them, forcing them to retreat to less advantageous spots, to a theater of operations that is more difficult for them, where they have less of a chance to have a political and social impact, in other words, quite remote spots in our country.

All of this was achieved while combat action was undertaken in the First, Sixth and Seventh Military Regions and the rest of the Fifth Region to maintain stability there.

Inasmuch as the mercenary forces were unable to carry out their plans and were systematically weakened by the various combat actions and operations that we conducted over these 6 months, to which we would have to add other elements that I am going to discuss in detail later, we can clearly conclude that by dint of much effort and sacrifice the EPS has achieved the overall objective that it was assigned.

SEGOVIA: Commander Cuadra, could you give us some numbers and figures to illustrate how the strategic defeat of the mercenary forces has been intensified?

Commander Cuadra: Well, the following is a major element in a qualitative evaluation of the intensification of the strategic defeat.

The mercenary forces must be able, first of all, to make up for their casualties after campaigns in a given period of time and, secondly, be able to grow, to expand.

When at the close of this 6-month period we did a count of the casualties that the mercenary forces suffered, the number of people they kidnaped (which is the main source of their growth) and the replacement of casualties, we saw that there was a very big gap; that the total number of mercenaries with which they began their combat actions against the revolution at the outset of this year was smaller; that they have not been able to replace their casualties because they have lost their social base in large areas and because they are faced with a different social situation; that kidnaping is hard for them because it is no longer a question of kidnaping a peasant living in isolation, but rather kidnaping a peasant who lives in a cooperative, in a settlement with others, where he is defended, where he is armed.

This qualitative element clearly suggests that the mercenary forces' prospects from a numerical standpoint are on the decline. There will be fewer and fewer of them, and over time as combat actions continue, they will gradually weaken, lose territory and have less of a chance to carry out political and military plans.

As of early July, without counting the latest operations, we had calculated a total of 2,475 deaths and 300 prisoners among the counterrevolutionary forces during combat. From our sources and from the Interior Ministry we have learned that over these months they have succeeded in violently kidnaping some 259 people. We have learned that they have made an effort in recent months to forcibly recruit people in the refugee camps in Honduran territory, the camps

run by the UNHCR [UN High Commissioner for Refugees], where there are a great many women, children and elderly people.

The refugee camps are quite limited as sources of recruits against their will. We feel that the number of able-bodied people they may have been able to recruit by force there is no more than 800 or 900. So, if we look at the number of people who have deserted once they return from Honduras in a mercenary unit, we see that it jibes with the number of people they have kidnaped.

There is still a very large gap between the counterrevolution's casualties and its ability to replace them by kidnaping inside the country and by forced recruiting in refugee camps in Honduras. In 1984 and part of 1985, even though they suffered quite a few casualties, they were able to make up for them to a degree.

When they decided, for example, to send the "Jorge Salazar" unit into the Fifth Military Region, because they had lost ground in the First and Sixth Military Regions, one of their goals was to develop a social base for recruitment, for kidnaping in a new territory from among a population that is dispersed because of its production methods, so that they could thus replace their casualties and expand.

When they were hit hard in the Fifth Region and were unable to achieve their objective, this became a qualitatively important element that has much to do with the process of strategic defeat. And if this trend continues, as it has been, they will have even less of a chance to replace their casualties, much less to grow, because our EPS forces, which have developed greatly, are inflicting increasing casualties on them. This is a major development that says a great deal about how we have intensified the strategic defeat over the past 6 months.

Another very important development is that they have not been able, even though they set it as their goal, to shatter the social and economic restructuring that the revolution has promoted in the First and Sixth Regions and part of the Fifth.

When the mercenaries viciously attack a peasant settlement, their purpose is not just to strike an economic blow; what they really want is to shatter the revolution's political plans, to make the peasants who have resettled there, who have organized in cooperatives, who have grouped together, feel terror and scatter once again around the countryside, where they can exert the political influence of terror on them.

The fact that they are unable to do this because the peasants are banding together ever more strongly to defend themselves and to reap direct material benefits, is another qualitatively important development in the intensification of their strategic defeat.

SEGOVIA: Commander Cuadra, there is a logical reason for every success. So then, what measures did the high command take to intensify the strategic defeat that you have spoken of?

Commander Cuadra: As I was indicating, our actions are along two lines.

As far as military operations are concerned, the EPS Summer Campaign Plan set objectives, goals. Sustained offensive operations were proposed, and taken together they make up what the EPS calls the Summer Military Campaign Plan.

Under this Campaign Plan offensive operations have been undertaken successfully against the main counterrevolutionary groups.

We have for the most part maintained stability in the Military Regions. In the Sixth Region the entire coffee crop was harvested; in the First Region we ensured productivity and development levels, as well as in the Fifth and Seventh Regions, where the enemy made major military moves during this period.

Under the Campaign Plan the troops of the Fifth Military Region, along with some additional units from the high command, restricted the movements of the "Jorge Salazar" forces and expelled them from the areas of operations that they were after into more inhospitable areas, into zones that are more disadvantageous to them from a political, social and military standpoint, while inflicting quite heavy casualties on the counterrevolutionary forces.

We also managed to carry out the operations that had been planned for the First and Sixth Military Regions. They were a resounding success, because the enemy found it impossible to implement his strategic plan, which was to extend his actions into the central and southern section of the country, into the Fifth Region.

The Summer Military Campaign Plan also scored a major success by rounding out our principal units, which are bearing the brunt of the battle against the mercenaries: the Irregular Struggle Units, the Light Infantry Battalions, the Standing Brigade Units, the Militias, the Standing Territorial Companies...

Organizationally, we have been carrying out a series of major tasks that have enabled us to take better advantage of the forces in the Military Regions, as we have stabilized the recruitment of personnel from the Patriotic Military Service to round out the units that over these months have performed countless combat missions under the Campaign Plan.

The regions that have been directly hit by the war have also been performing a series of organizational tasks that have enabled them to improve the quality of their combat action leadership and of their multilateral logistics for the troops undertaking the combat actions.

These are the two major areas that the EPS high command has been emphasizing in the effort to intensify the strategic defeat of the mercenary forces.

SEGOVIA: Since the counterrevolution's operating capacity and potential for expansion have dwindled, will \$110 million be able to halt the process of its strategic defeat?

Commander Cuadra: We feel that the U.S. Congress' approval of the \$110 million in direct aid for the Contras and many other millions for other purposes in Central America, on top of what has always been supplied under the table, is mainly a political move. What is worrisome is not the weapons, means of communication, helicopters, planes and provisions that \$110 million can buy; it is the political significance of the move.

Once again the CIA is being given a free hand to conduct operations against Nicaragua like the ones in 1983 and 1984, when directly through its men and equipment the CIA conducted a series of military actions against the Nicaraguan Revolution, even unbeknownst to the mercenary forces. In other words, a corrected, expanded version of the hit-and-run attacks by launches on ports, the limited air attacks on specific targets. In other words, once again the air and naval attacks on Corinto, like the ones that the CIA carried out directly in 1983.

I am talking about air attacks on specific military communications centers, like the attack on Casitas, attacks on military bases by CIA personnel and equipment, like the attack on Santa Clara, which employed both helicopters and planes, and the attacks by the launches on maritime trade and traffic. We must remember that in 1983 and 1984 the launches attacked Puerto Cabezas, Bluefields, Corinto and San Juan del Sur, plus the mining of these ports and the blowing up of the oil pipeline at Puerto Sandino. All of these actions were performed directly by the CIA.

The approval of direct CIA management of the \$110 million and its involvement in running the mercenary forces suggest that we will be seeing a series of actions that will have to be more forceful than in the past, when the operations were secret and covert and touched off a major political incident when they were made public in the United States.

Now the CIA has a free hand to act, inasmuch as Reagan's aggressive policy against Nicaragua has received express bipartisan support from all branches of the U.S. Government.

The \$110 million is above all a political move. It paves the way more strongly and more concertedly for direct aggression by U.S. forces, which is the way things are inevitably headed.

The \$110 million is not going to halt the process of strategic defeat in which the mercenary forces find themselves. At this point no strategic change will be of help to them.

From a tactical standpoint they will unquestionably be helped. We cannot deny that. Knowing that the mercenary forces will have an extra \$110 million will probably please some people who feel sympathetic towards the Contras, some rightwing groups.

The \$110 million will enable them to secure more sophisticated military communications facilities, new and more sophisticated weaponry. Direct training by American advisers could make somewhat of an improvement in certain



tactical movements, in certain maneuvers. They may get a great many helicopters and planes for troop movements and supplies on Honduran soil.

The money could improve airlifted supplies to their forces operating inside the country. And we are not ruling out that the mercenary forces may get air support for their actions, such as Push-Pull aircraft, and for other limited attacks, and they may get better anti-aircraft weaponry. But from the strategic standpoint the money is not going to alter the balance of forces, it is not going to reverse the obvious, almost internationally acknowledged trend towards strategic defeat for the mercenary forces.

SEGOVIA: Commander Cuadra, during the campaign that it directed at the American people to get Congress to approve the \$110 million, the Reagan administration argued that support for the mercenary forces would make direct U.S. Armed Forces intervention against our people less likely. What do you think about this?

Commander Cuadra: I must indicate in this regard that war is a social, political and military phenomenon in which events can take place very rapidly when there is a political will to start one.

Although theoretically American advisers are not supposed to approach any closer than 20 kilometers from the Nicaraguan border, we can expect these advisers to become directly involved in limited border combat at first. And there is a qualitatively new element present: the direct involvement of Green Berets, American troops training other American troops, which are the mercenaries.

It is only one step from training to involvement in combat action. It is only one step from transporting supplies in helicopters and planes to becoming involved in combat or logistical actions deep inside Nicaraguan territory. The Honduran Government and Army are also just a step away from being dragged into border combat.

When the political will exists, and we know that it does, a chain of events can take place in which Americans first get involved and are killed, right after which Hondurans get involved, and then Nicaragua is faced with an artificial conflict with Honduras, a limited border war, which would lay the groundwork for the quick, direct and growing involvement of U.S. forces that would culminate with a strategic invasion of our country. To limit this, to say that we will go this far and they will go that far, or to say at a given point that first this is going to happen and then a limited border war with Honduras and so many weeks later the first signs of an American invasion and so many weeks later the invasion itself, well, that is not the way life is. All these things are closely related.

When the president of the republic voiced concern over the shift in political and military conditions facing the Sandinist People's Revolution with the passage of the \$110 million aid bill, he was saying that we are entering a new phase of the confrontation with American imperialism. In other words, as the president said, they have escalated the war qualitatively, not quantitatively.

SEGOVIA: Commander Cuadra, what tasks, then, has the high command of the Sandinist People's Army proposed in the face of this new situation?

Commander Cuadra: In the first place, I must point out that this new period is just beginning and has not come to a head yet. So, it is still our primary task to intensify the strategic defeat of the mercenary forces. To do this, we must expand our operations and enhance the military effectiveness and efficiency of our actions. The Campaign Plan of the EPS for the second half of the year will contain major elements to intensify the strategic defeat, to improve our capacity, our efficiency, our potential for striking blows and for annihilating counterrevolutionary units.

Another important task during this period is to carry out specific plans in the military regions to improve the level of combat and mobilizational readiness of all EPS troops, of the combat guard detachments so that on a moment's notice they can immediately respond to a surprise attack or any quickening of the pace of actions in which American forces and advisers are involved.

Another task is to continue implementing the fundamental elements of the military doctrine of the Sandinist People's Revolution and the strategy of the revolution.

We must also continue to strengthen the capacity for struggle of our entire nation. The EPS must overcome all of our shortcomings as regards preparations throughout the nation, among the people at large. We must further enhance the organization, efficiency, leadership abilities and teamwork of the Staffs, the Militias, the Reserve Units, the Standing Units and the units that the EPS has available, so as to improve our people's preparedness and equipment to confront the aggressive policy of American imperialism.

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CSO: 3248/47

NICARAGUA

DECLINE IN ACADEMIC ACHIEVEMENT CITED

Managua BARRICADA in Spanish 23 Aug 86 p 2

[Text] The Third National Congress of Secondary Students opened yesterday in the city of Leon, with about 600 delegates from all areas of the country.

Of the delegates present--according to Juan Pablo Sanchez, national vice president elected at the previous congress--more than 90 percent were chosen by their own classmates for their outstanding participation in studies, defense and production, as well as in cultural activities and sports.

"A total of 251 delegates have taken part in the production campaigns," he reported; "more than 300 as members of health brigades and more than 100 as adult education promoters." Among the delegates are several Cachorros [pups] demobilized from Irregular Combat Battalions (BLI).

Ricardo Somariego, representative of the Continental Organization of Latin American Students, spoke on behalf of the international delegations invited to the student event. "If they dare to intervene in Nicaragua," the student leader said, "they will find thousands of students from this continent in the front lines of combat." During the opening day ceremonies, the delegates expressed in various ways the fighting spirit, joy and enthusiasm which characterize Nicaraguan youth. Alluding to 22 August--the date commemorating the attack on the National Palace--Pedro Hurtado, national coordinator of Sandinist Youth, pointed out that "today, Sandino's Cachorros are carrying out thousands of anti-Somozist activities in the struggle for a sovereign and happy future."

Alma Nubia Baltodano, FES national president, read a report on the work that student organization has done in the two years of its existence. The report criticized student failures relative to low academic achievement and lack of student discipline, as well as the decrease in cultural and sports activities.

Baltodano indicated that in spite of the increase in the education budget for normal, agricultural and livestock and mid-technical studies, academic achievements in these areas have dropped notably. "In elementary and junior high teacher preparatory schools, achievement has dropped from 87 percent to 82 percent among those accepted," Baltodano said, giving an example, "while in agricultural schools the decrease has been from 74 percent to 69 percent."

Citing achievements, the FES national leader stated that participation in production has been increasing: "In the 1984 term about 7,000 secondary students participated," she said, "and in 1985-86 there were more than 11,000 in the production brigades." However, she indicated that this year's goal is to mobilize all the students in the classrooms.

The congress will conclude today with the approval of tasks for the next two years and the election of the FES national president and vice president.

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CSO: 3248/635

NICARAGUA

BRIEFS

FRENCH GOVERNMENT DONATION--The French Government yesterday delivered a donation of 10,000 tons of wheat to representatives of the Nicaraguan Government. The grain arrived on board the Francois Villon and the Saint Jean. Michel Penaud, charge d'affaires of the French Embassy, said that "with these 10,000 tons of wheat France is demonstrating once more its deep interest in aiding the development of the Nicaraguan people." The diplomat added that the donation achieves two objectives: to help feed the people and to assist in the production of food through products which are co-financed with French funds. It is hoped that in the near future, when Nicaragua is enjoying a good level of food production, it will be able, in turn, to assist other needy countries," he said. In thanking France for its action, Jose Angel Buitrago, vice minister of foreign cooperation, said that the donation will meet one of the country's needs. The official gave just recognition to the food and technical assistance that France has sent to Nicaragua since 1979. The donation of these 10,000 tons of wheat is the result of negotiations with the French Government during the fourth meeting of the Franco-Nicaraguan Mixed Commission, held in February of this year. The approximate value of the donation is around \$2 million. [Text] [Managua BARRICADA in Spanish 21 Aug 86 p 2] 8735/12859

CSO: 3248/635

TRINIDAD AND TOBAGO

RULING PNM SETS DATE FOR 'ELECTIONS CONVENTION'

Port-of-Spain TRINIDAD GUARDIAN in English 30 Oct 86 p 3

[Text]

**SPECULATION** has increased as to the possible date of the forthcoming general election as the ruling People's National Movement (PNM) yesterday announced the dates for its special elections convention.

The Balisier House Secretariat confirmed that the convention, at which the 36 candidates will be presented along with the party's manifesto, will be held on November 8 and 9.

It is customary that at that convention the Prime Minister announces the date of the general election and as a party source said yesterday:

"We see no sign that this pattern will be changed this time around."

The dates were given following Tuesday night's short meeting of the party's Central Executive during which the resignation letter of former Attorney General Selwyn Richardson from the party was read by PNM Secretary General Alvan Quamina.

According to the source it was unanimously voted to accept the resignation. The only comment came from one member who said "we don't have time to waste on the games of children and let us get on with the serious business of the party."

On Monday the PNM holds a special general council meeting starting 5.30 p.m. to formally summon the elections convention.

### Casualty List

Monday's meeting will also finalise the agenda of the two-day convention to be held at the Chaguarmas Convention Centre.

The party's manifesto will also be dealt with at the special general council meeting.

Tuesday's central executive meeting also agreed to levy on each of the 36 constituencies the sum of \$5,000 payable before the election date to help defray campaign expenses.

And in other developments regarding the PNM "casualty list," it was reported that the Representative for St Joseph, Sham Mohammed, would not be chosen to defend the seat for the PNM.

An unconfirmed report stated that he would instead be made Speaker of the House of Representatives.

And Industry and Commerce Minister, Senator Wendell Mottley, might be put to contest the St Joseph seat.

General election dates being suggested include November 24, December 1 and December 8.

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CSO: 3298/039

TRINIDAD AND TOBAGO

TEACHERS GROUP REJECTS LEFTIST ATTEMPT TO GAIN CONTROL

Belgrave-Led Move

Curepe THE BOMB in English 10 Oct 86 p 28

[Text]

THIS FRIDAY will determine the future of Communism in Trinidad and Tobago.

Today, two teams go to the polls to get elected to administrate the United Teachers Association for the next three years.

On one hand is the incumbent 'A' team led by the Democrats.

The ultra leftist 'B' team is led by Soviet stoolies Teddy Belgrave and others.

The 'A' Team has been tried and tested.

It fits the needs of parents, students and teachers.

The 'B' team, however, is putting large advertisements in the Express to impress the nation that socialism is the answer to the ills in the education system.

The 'B' Team, led by one-time OWTU rebel Teddy Belgrave

who led a NAMOTI move to topple George Weekes, has no funds of its own but is backed by the Leftist World Federation of Trade Unions.

The 'B' team is made up of hard-core leftists who have turned their attention to the toddlers in the nation whom they want to brainwash into socialist indoctrination.

The commies have abandoned hopes of convincing the adults in the trade union movement, pressure groups and fly-by-night political groups to bend their minds the way of Castro and Gorbachev.

There are a large number of people who support commie ideology for one reason — they can always get a free trip, with meals and board and a little whore in Havana, Bul-

garia, Moscow.

If the 'B' team wins, Look Loy has vowed he will ban religious teachings in primary schools.

One would expect with a 'B' team victory pictures of President Sir Ellis Clarke and Prime Minister George Chambers will come down.

In place one is likely to see Marx, Castro, and a large battalion of Soviet leaders gracing our school rooms.

Michael Als, James Millette and company have tried and failed to set up a commie stronghold in this corner of the Caribbean.

Fly-by-night commies, Savitri Pargass, Belgrave, Look Loy, Michael Adams, Lance Heath, B. George, Vanderpool and Almarales are turning night into day to get the hammer and sickle

flag to fly in our schools.

Large sums of money are injected into the election campaign and the lefties know this is the last chance to make this country a Red stronghold in the Caribbean.

The 'A' team is the biggest hurdle and

the opposition is doing everything to bring the incumbent down.

Belgrave will be the proudest man in the country when 11-plus kids can march up and down the schoolyard with sub-machine guns, spouting anti-imperialist slogans.

North Korea is not

far away, it's just on the other side of the globe and one can envisage the life of toddlers who are put under army manners at 10.

This is what Savitri Pargass and Belgrave stand for. They want to make demons of our little sons and daughters!

### Election Results

Port-of-Spain SUNDAY EXPRESS in English 12 Oct 86 p 3

[Text]

ANTHONY GARCIA's "A-Team" swamped all competition in the Trinidad and Tobago Unified Teachers' Association (TTUTA) general election held on Friday. With the exception of the new, unofficially declared first vice president Savitri Pargass, who campaigned with the group led by presidential hopeful Michael Adams, all opposition to the "A-Team" fell behind at the vote count last Friday night and early yesterday morning.

Adams was just over 800 votes behind Garcia with an estimated 300 votes from re-assigned voters to come in while "independent" Neville Archibald lagged way behind with just over 300 votes. Heaviest support for Adams came from the Port of Spain and Tobago districts while Garcia trounced the opposition, particularly in the Caroni, Victoria and South Eastern districts.

Pargass led in four of the eight districts over "A-Team" rival and incumbent Deolal Ramnarine. But while they shared districts, the preliminary count showed Pargass snatching the position by just about 200 votes overall.

Former third vice president, Mc Kensley Nathasingh will now hold the post of second vice president after receiving huge support from the Victoria, Caroni and St Patrick districts. Preliminary counts showed Lancelot Heath trailing the field with "independent" Rennie Dumas filling second place. Dumas received tremendous support from the Tobago district, his hometown, while Heath only managed to gain prominence in the Port of Spain district.

Newcomer Cecil Bailey of the "A-Team" upstaged Anthony Jefferson in the battle for third vice president. Jefferson won in the Port of Spain and Tobago districts, but Bailey held slim leads in all others except for the Victoria district where his votes more than doubled that of Jefferson's.

Urich Loutoo took six districts and left Burey George trailing by over 1,000 votes in the race for general secretary of the Association. This position was previously held by Frank Seepersad who served two terms there. Following preliminary counts, Fr Gerard Farfan, former second vice president, led over John Vanderpool by more than 1,500 votes. "Independent" Alloy Chin Wai trailed the field with just over 400 votes. Farfan led in five districts amassing more than 1,100 votes in Victoria.

According to Elections Commissioner Frank Ramnanan, reports from the various polling districts were that the voting process went along "smoothly."



## Implications for General Election

Port-of-Spain TRINIDAD GUARDIAN in English 25 Oct 86 p 3

[Excerpts]

**RE-ELECTED** President of the Trinidad and Tobago Unified Teachers' Association (TTUTA), Anthony Garcia, said yesterday that campaigning during the union's recent national elections dragged several internal problems out into the open and damaged morale within the organisation.

He appealed to members to begin the necessary task of picking up the pieces and trying to repair the damage done.

In the feature address at the organisation's conference of delegates yesterday, Mr Garcia said that the TTUTA elections served as a forerunner to the country's general election "in so far as it served to quicken the pulse of the nation and put the country into a frame of mind that is receptive to issues of national interest".

### Divergent Views

Mr Garcia conceded that there was room within the organisation for divergent views, but appealed for an end to bitterness and rancour. He said it was important to separate personalities from office if the union was to develop a professional image.

He warned: "There are forces out there with ingenious ways of seeking out the kinks in our armour and chiselling away at those very spots until the union is cracked wide open.

"Petty, immature behaviour may cost the union, not only its good name, but its members as well. Those many battles confronting us can only be won if we present a united front."

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CSO: 3298/039

TRINIDAD AND TOBAGO

BRIEFS

DETENTION OF VENEZUELAN FISHERMEN--Twenty-two Venezuelan fishermen were held by the Trinidad and Tobago Coast Guard yesterday morning anchored at La Vache Bay, near Maracas Bay on the North Coast. The Coast Guard vessel, Barracuda, left its Staubles Bay headquarters on Tuesday night for normal routine patrol. On approaching La Vache Bay, the guardsmen saw six pirogues anchored in the area. They maintained surveillance and at daybreak moved in and detained the 22 Venezuelans and seized the pirogues. The fishermen and pirogues were taken to Stabules Bay. A senior Coast Guard official told the "Guardian" the Venezuelans were caught in an area not designated a port of entry. A large quantity of fish was also seized. The Venezuelan Military Attache in Port-of-Spain held talks yesterday with Coast Guard Commander Jack Williams on the matter. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 30 Oct 86 p 3] /9274

CSO: 3298/039

URUGUAY

SANGUINETTI TO VISIT JAPAN, FRANCE, FRG IN 1987

PY041747 Madrid EFE in Spanish 1432 GMT 4 Nov 86

[Text] Montevideo, 4 November (EFE)--Official spokesmen today announced that Uruguayan President Julio Maria Sanguinetti will visit Japan, the FRG, and France next year. The date of the trip, which will take place after April 1987, has yet to be confirmed by the different Foreign Ministries.

In Japan Sanguinetti will be received by Prime Minister Yasuhiro Nakasone, and by Emperor Hiroito, the sources added.

The invitation was made by Japanese Foreign Minister Tadashi Kuranari during the GATT meeting that took place in Punta del Este, the main Uruguayan beach resort, last September.

Sanguinetti will be accompanied by a trade mission to study the possibility of Japanese investments in Uruguay.

The official spokesmen announced that there is a possibility that the Japanese banking sector will set up branches in Montevideo, "considering the freedom of the foreign currency market." Uruguay offers low cost services and may turn into an attractive financial market, specially because of its closeness to Argentina and Brazil, which are countries where Japan has "great financial and trade interests," the sources added.

During his recent trip to Paris, Uruguayan Foreign Minister Enrique Iglesias received an invitation by the French government for President Sanguinetti to visit France next year. The Uruguayan president will meet with Francois Mitterrand, Jacques Chirac, and other French government authorities.

Sanguinetti will finish his tour with an official visit to the FRG, where "important trade and cooperation agreements" may be signed, the spokesmen said.

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CSO: 3348/91

URUGUAY

SEREGNI DEFINES STRATEGY, RELATIONS WITH LABOR MOVEMENT

Montevideo BUSQUEDA in Spanish 9 Oct 86 p 4

[Text] On Saturday 4 October, Broad Front President Liber Seregni installed the first "National Plenum" of the leftist coalition with a speech that contained self-criticism and definitions of strategy and relations with the labor movement.

Addressing the 108 members of that body, which deliberated in the Astral Theater over the weekend, Seregni stated that the Broad Front is going through a "period of transition" from "confrontational attitudes" to "a new phase of construction and government."

"Now we know that it is also possible to play the opposition role by engaging in dialogue, by joining forces, by putting forth our proposals in the parliamentary setting. We form an opposition with our ideas and our contributions," said the leftist leader. He emphasized that the coalition "is in a period of constructive opposition."

"The presence of the Broad Front," he said, "in major national issues, its emergence from the traditional ghetto of the left, its coordination and dialogue with the various social forces, the drafting of the national popular and democratic program—these are tools for taking action to reach the highest levels and to attain victory in the 1989 elections."

Self-Criticism

Seregni contended that the Broad Front now has a "presence" on the "political scene," but he noted that "there is a need for greater political initiative on the major national issues."

In his speech, he stated that everything that is "simply declarative" must be avoided, and recognized that the Broad Front has not "responded quickly to hardly any major issue." Nor does it make adequate use of the talents of its specialists, he argued.

Seregni recalled that the Broad Front is not just a coalition, but it also has some of the features of a movement. He warned: "We are not doing enough for the Broad Front."

"We cannot afford to play around with the Broad Front," he stressed, and advocated attitudes of "flexibility, openness, (and) a break with rigidities and sectarian dogmatism."

Seregni also dealt with the matter of constitutional reform, which in recent weeks has generated controversy between the "Party for the Government of the People" (PGP-List 99) and Senator Francisco Rodriguez Camusso.

The PGP demanded to exercise its right to present its own bill if the Broad Front is unable to reach a consensus on one, and Rodriguez Camusso seriously questioned this possibility.

Seregni reiterated the "reformist desires" of the coalition, because this is "one of the banners of the Broad Front, not a sectarian issue."

"The final proposal must be made by the Broad Front . . . After the Broad Front as a whole has hammered out a constitutional reform bill, it will begin to seek alliances, dialogues, agreements, and the necessary negotiations to guarantee its implementation," he said.

Seregni remarked: "It is the entire Broad Front that will engage in negotiations, not each of its constituent movements or political groups separately."

In an article on page 10 of this issue of BUSQUEDA, Deputy Hector Lescano, president of the Christian Democratic Party (PDC), is quoted as saying that although his organization shares Seregni's view, it will nevertheless discuss this issue and establish contacts with other groups.

#### Front and Unions

Seregni also mentioned relations with labor organizations:

"It is necessary," he said, "to bring some order to our relationship with the union movement, to engage in dialogue and to coordinate efforts to achieve their objectives as well as our own, as a political movement."

"Just as the union movement should not take the back seat to any political party, we should understand clearly that no political party should be the puppet of any labor movement," he asserted.

He added: "The Broad Front should have its own opinion and initiative in evaluating the actions of the unions, just as it does with the other social forces. And it should act toward them as our political line deems appropriate."

#### Deliberations

After Seregni's speech, the National Plenum discussed internal affairs and the political situation. It issued statements on the matter of revising accusations of human rights violations by military and police officials.

One statement issued at the end of the meetings stresses that the "just prosecution" of these crimes should be conducted within the framework of the present legal system. It warns, however, that "any alternative solution" must "guarantee the investigation and conviction" of those guilty of the most heinous crimes, including homicides, rapes, disappearances, kidnappings, and serious or fatal injuries caused by torture.

#### New Groups and Delegates

The National Plenum, the installation of which marked the beginning of the coalition's new organizational plan, was attended by the 37 "grassroots" delegates elected by the membership in assemblies held on 25 August.

These delegates, 18 from Montevideo and 19 from the interior, in turn designated two representatives to serve on the Political Board, which runs the daily affairs of the Front. Alberto Rosselli was named to represent Montevideo on the board, and Oscar Bello of Soriano was named to represent the interior.

#### New Groups

Among the decisions made by the National Plenum was the one allowing two groups which had founded the coalition to rejoin, and the decision to accept the membership of the Broad Front Unity Faction, led by Senator German Araujo.

The two sectors that rejoined the front are the Eastern Revolutionary Movement (MRO), founded by former legislator Ariel Collazo, and the Revolutionary Workers Party (POR), of Trotsky-Posada ideology.

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CSO: 3348/66

URUGUAY

PDC LESCANO SUGGESTS LACK OF CONSENSUS WITHIN BROAD FRONT

Montevideo BUSQUEDA in Spanish 9 Oct 86 p 10

[Interview with Deputy Hector Lescano, president of the Christian Democratic Party; author, date, time, and place not given]

[Text] Deputy Hector Lescano, president of the Christian Democratic Party (PDC), argued that Uruguayan political forces must arrive at "a majority political understanding" that will "at least allow us to prosecute some serious cases" of human rights violations.

"We need a concrete response that people can visualize," asserted Lescano. He warned, however, that "we must look at things realistically, not raise expectations too high, and we must at least try to accomplish something."

In statements to BUSQUEDA, the Christian Democratic legislator admitted that the "form of transition" to democracy that emerged from the Naval Club agreements "is having some impact" on the elucidation of the revised accusations.

Lescano pointed out that within the Broad Front there were subtle differences of opinion on the evaluation of the Nationalist plan, and he discussed his own party's position on constitutional reform.

Although he said he shares the view of Broad Front President Liber Seregni to the effect that the coalition as a whole should promote the reform, Lescano also asserted that this will not prevent the PDC from "addressing this issue before public opinion and engaging in formal contacts" for the purpose of furthering these amendments.

He also said that he favors the idea of convening a National Constituent Assembly in order to approve the reform of the 1967 Constitution.

[Question] Is there still room for an understanding among the three political forces to reach a political solution to the question of human rights?

[Answer] A majority political understanding must be reached, because among the various alternatives, the worst would be to fail to approve a plan which,

though partial and limited, would at least provide for the prosecution of some serious cases.

The Nationalist plan was a basis for discussion, and in fact some modifications proposed by the Broad Front were under consideration. I believe that we could be very close to achieving these minimal objectives, but unfortunately the Red Party is trying to cut its original losses and provide more guarantees for the military. The National Party has the final say on this, but it will find that the Broad Front, acting firmly and responsibly, will be willing to look for a solution that has majority support.

We need a concrete response that people can visualize. I am not detracting from the claims, because our position is uncompromising, but we must also look at things realistically, not raise expectations too high, and we must at least try to accomplish something.

#### Influence of Naval Club

[Question] What influence does the "Naval Club Agreement" have today? The president of the National Party, Wilson Ferreira Aldunate, stated that "it is the signatories" who should "pay the open-ended bill" that was left by the agreement.

[Answer] No commitments were made at the Naval Club. Those insinuations have already been categorically rejected. However, we must admit, and the National Party must recognize, that the departure of the dictatorship, the form of transition, and the agreement that was achieved are having some impact. That is why no one has advocated any extremist positions.

Nevertheless, as Tomas Linn (the AQUI journalist) said, the Naval Club cannot be blamed for bills that it did not run up.

I get the impression that Ferreira was unjustifiably angered by some expressions, such as the meaning of the popular mobilization, which for us is an essential component of any political solution.

He also admitted that on the left there may have been positions that did not exactly favor what we thought was important from the very beginning: an agreement between the White Party and the Broad Front.

[Question] Even at the risk of a veto?

[Answer] That is a risk we must run. The government should give this matter a great deal more thought before it resorts to a veto, because it is a substantially different and specific question. It is not just truth and justice which are at stake, but rather the present and future of democracy, and the strengthening of civilian power. Consequently, that responsibility must be assumed to the bitter end, including a popular referendum.

I do not believe that a referendum would be the best solution, because in the end the current political equilibrium would not be altered. But in the final analysis, this has to be resolved when we reach the Rubicon.



## Tactical Differences Within Broad Front

[Question] In political circles there is talk of alleged differences within the Broad Front. The Nationalists recall that Seregni said his program was "highly viable," but then leftist sectors severely criticized the initiative. What is really going on in the Broad Front in this regard?

[Answer] We must admit that in a more thorough analysis of the Nationalist plan, there were major and minor differences. I would not call them serious contradictions, but just tactical differences. I would prefer to have a very solid consensus within the Broad Front on the instrumentation of this, but we are a coalition, and the various elements expressed differences. The important thing is the synthesis of ideas, and in the final analysis there is clear support for the position outlined by Comrade Seregni, with which I identified fully.

[Question] Speaking at the Broad Front Plenum on Saturday the 4th, Seregni emphasized that the coalition as a whole should draft a bill to amend the constitution and should forge the necessary alliances for its passage. How do you view this assertion, considering that the List 99 and the PDC would also advocate a reform even without a consensus in the Front?

[Answer] We should not get ahead of ourselves. In his speech, Seregni firmly expressed a desire for reform, and pointed out that the Broad Front should promote reform and take the steps to make it possible. We agree with that. We agree with Seregni, and I am optimistic that a consensus will be achieved in the Front. but I also maintain that this does not constitute any formal or political restriction preventing the PDC from going out and discussing this issue before public opinion, or engaging in formal contacts. The PDC is very deeply committed to constitutional reform.

[Question] Some leftist leaders have privately said that an electoral amendment could compromise the Broad Front's chances for success, to the benefit of the National Party. What do you think of this assessment?

[Answer] That assessment is not taking the most appropriate path. The most important thing is to create the conditions for preventing a conservative ticket from winning in 1989. Before thinking about dividing up the electoral territory at this point, we should aim to make the political system more flexible in order to allow the desire for change to be heard in the next elections.

In the search for points of agreement, the Broad Front, which we see as a force with a vocation for government, continues to represent the most serious expression of that desire, and the strongest guarantee that the agreed-upon programs will be achieved and carried out.

[Question] What means would the PDC advocate for promoting constitutional reform?

[Answer] Article 331 of the Constitution provides for four formulas.

The problem is that the quickest formulas require majorities that would be difficult to obtain because the Red Party opposes reform.

We could resort to bills presented by 2/5 of the General Assembly or proposals submitted by 10 percent of the citizens, but that would require plebiscites in the next elections.

Personally, I would prefer to elect a National Constituent Assembly, because that would provide for the most popular participation. It would not bring Parliament's normal business to a halt, and it would allow everyone to be better informed about the intent of the reform.

I admit that there are problems inherent in this mechanism, because it entails holding an election to designate delegates. But it would allow whatever comes out of the assembly to be subject to a plebiscite whenever the assembly itself dictates. This is very advantageous, because it is better for the citizenry to express its views outside the electoral setting, which would mean voting for the current system or the proposed one.

I stress that this is a personal opinion, because the PDC prefers not to make a formal proposal on the means to choose; the most important thing is to reach an agreement on the contents. The means will follow later.

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URUGUAY

## POLL SHOWS MAJORITY BELIEVES MILITARY REMAINS POLITICAL FORCE

Montevideo BUSQUEDA in Spanish 18 Sep 86 p 40

[Text] An overwhelming majority of the population of Montevideo believes that the military is a factor in political power. This collective perception varies in intensity depending on the different manifestations of that power. It also varies according to the political persuasion and the education of those interviewed, but there is no doubt that it reflects a widespread sentiment among the population. Only 10 percent of those polled indicated that the Armed Forces "have no power."

In keeping with this assessment, the majority of the public feels that military officers will refuse to appear to testify if they are subpoenaed by civilian justice authorities. This opinion seems to be a logical derivative of the first view: If the public feels that the military has power, it is twice as likely to expect the military to use that power to defend itself in case of tensions with the civilian society.

These are the principal conclusions drawn in the study conducted especially for BUSQUEDA by the firm Equipos Consultores. The poll was taken during the first 2 weeks of September, and a representative sample of 400 people were interviewed in the population of Montevideo.

### More Power on Specific Matters

The questionnaire used by Equipos Consultores allowed those interviewed to choose from four alternative answers. Two of them expressed the most extreme positions: that of those who attribute very broad powers to the military, with the ability to intervene in such general matters as economic policy and international relations (Alternative 1), and that of those who, at the opposite extreme, believe that the military "has no power" (Alternative 4).

The other two options on the questionnaire allowed for slightly more subtle views of the situation: those who believe the Armed Forces have restricted powers to defend their own interests, such as being tried for alleged human rights violations or salary levels (Alternative 2), and those who also believe that the military's power is limited to specific areas, but that it is expanding with intelligence activities and surveillance of individuals and political parties (Alternative 3). Table 1 shows how the population was

distributed when they chose which of the four alternatives best expressed their thoughts. The two "intermediate" alternatives are combined under the heading "Power in Specific Areas," because this "partial" quality of power is considered to be the most important factor.

When the answers are grouped in this manner, it is clear that a majority of the population (44 percent) believes that the military has power in specific areas. Of those who responded this way, nearly 2/3 incline toward the second of the "intermediate" alternatives, that which attributes to the Armed Forces enough power to defend their interests and to subject the parties to surveillance.

Those who believe that the power is even broader and enters into traditional areas of government, such as economic policy and international relations, comprise 26 percent of the population. Finally, only 10 percent believe that the military "has no power."

Table 2 shows that this view of the situation does not vary significantly with the way the individual voted in the 1984 elections.

More important are the differences of opinion that are revealed when the responses are analyzed according to the interviewees' level of education. Table 2 shows these results, and it can be seen clearly that the more education the person has, the more willing he is to attribute great power to the military.

#### Will Not Testify

Some 51 percent of the population predicts that military officers will refuse to testify if they are subpoenaed by civilian justice authorities. Table 3 shows that this opinion varies with the individual's political persuasion. Those who voted for the Red Party in 1984 have the most confidence in the military, given that a majority of them, 48 percent, believe that they will show up to testify. Only 28 percent of them stated the opposite.

At the opposite extreme, nearly 2 out of 3 Broad Front voters predict that the military will refuse to testify.

The Whites see the situation similarly, but not as forcefully; 23 percent of them responded "don't know."

Table 1  
Amount of Power Exerted by Armed Forces

	National Party	Red Party	Broad Front	All
Power to Co-govern	32	19	34	26
Power in Specific Areas	47	42	52	44
No Power	7	17	5	10
Don't Know	14	22	9	20
Total	100	100	100	100

Table 2  
Amount of Power Exerted by Armed Forces  
By Level of Education

	Higher Education	Intermediate Education	Primary Education	All
Power to Co-govern	25	30	24	26
Power in Specific Areas	68	47	36	44
No Power	—	9	13	10
Don't Know	7	14	27	20
Total	100	100	100	100

Table 3  
Will the Military Testify If Prosecuted?

	National Party	Red Party	Broad Front	All
Will Refuse	57	24	72	51
Will Testify	20	48	14	27
Don't Know	23	28	14	22
Total	100	100	100	100

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URUGUAY

BRIEFS

IMF DEBT REJECTION--The Uruguayan Labor Federation has demanded that the government eliminate its commitments with the IMF regarding payment of the foreign debt. In a statement issued in Montevideo, the labor union said that the Uruguayan foreign debt was accumulated by the military dictatorship, and its payment constitutes an injury to national independence in favor of the international banks. The labor union's message enumerates the measures of reactivation that the Uruguayan Government could adopt to improve the people's economic situation, and negotiations with the IMF must be rejected to achieve this. [Text] [Havana International Service in Spanish 1800 GMT 1 Nov 86 PA] /12913

HAVANA CITES ELLIOTT ABRAMS--Elliott Abrams, U.S. Secretary of State for Inter-American Affairs, said in Montevideo that his country will increase its military actions against Nicaragua. He also criticized the Contadora Group's peace-seeking efforts and confirmed that modern F-5 planes will be delivered to Honduras. Abrams granted a news conference in that capital at the conclusion of a three day visit to Uruguay where he presided over a meeting with U.S. ambassadors accredited to South American countries. Abrams said that diplomatic efforts in Central America have failed, and therefore a military solution is the only alternative. During the news conference Abrams admitted that in his talks with Uruguayan President Julio Maria Sanguinetti, the latter voiced disagreement with U.S. policy toward Central America. Regarding his meeting with U.S. ambassadors in Paraguay, Chile, Uruguay, Argentina, and Brazil, Abrams said that they analyzed the situation of unions and military forces in those countries and how to influence those sectors. [Text] [Havana International Service in Spanish 1600 GMT 2 Nov 86 PA] /12913

FOREIGN RESERVES INCREASE--The Uruguayan Central Bank has reported that the net foreign reserves in the banking system increased \$415.6 million during the first half of this year. The reserves went from \$326.3 million at the end of 1985 to \$741.9 million by the first half of this year. The foreign reserves of the Uruguayan Central Bank have increased \$140.7 million, from \$426.8 million to \$567.5 million. [Summary] [Montevideo EL DIA in Spanish 6 Oct 86 p 11 PY] /12913

BANKS GRANT LOANS--Uruguay is the first country to receive a voluntary loan from the banking community since the foreign debt crisis started in 1982. The loans will finance the Gabriel Terra Hydroelectric Project, with a cost totaling \$90 million. The World Bank will loan \$45 million and guarantee,

with the Uruguayan Government, another loan of \$45 million granted by 35 commercial banks, among which are the Banco do Brazil and the Banco de la Nacion Argentina. The documents were signed in Washington by Uruguayan Economy Minister Ricardo Zerbino and Central Bank President Ricardo Apscale and by World Bank Vice President for Latin America David Knox. The documents for the second loan were also signed by the President of the Advisory Committee, William Rhodes, from Citibank, and representatives of the other 35 banks. [Summary] [Montevideo Radio Carve in Spanish 0000 GMT 3 Oct 86 PY] /12913

INFLATION RATE STATISTICS--According to the Statistics Institute, the inflation rate in Uruguay totaled 58.33 percent for the January-October period. It has, therefore, surpassed the government estimate of 50 percent in 1986. A report issued by the Statistics and Census Institute states that inflation in October totaled 5.19 percent while the inflation rate for the past 12 months totaled 78.46 percent. [Excerpt] [Montevideo Radio El Espectador Network in Spanish 1600 GMT 8 Nov 86 PY] /12913

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