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# Latin America Report

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16 April 1985

## LATIN AMERICA REPORT

## CONTENTS

## INTER-AMERICAN AFFAIRS

Trinidad-Tobago Team Named for Talks With Barbados (TRINIDAD GUARDIAN, 2 Mar 85).....	1
Chile, Peru Considering Technical, Academic Exchanges (LA NACION, 27 Feb 85).....	2
Briefs	
Chilean-Ecuadorean Meeting Ends	4

## ANGUILLA

More on Gumbs' Firing of Finance Minister Hughes (TRINIDAD GUARDIAN, 25 Feb 85).....	5
---	---

## ANTIGUA AND BARBUDA

Workers' Wages at U.S. Embassy, Elsewhere Criticized (OUTLET, 1 Mar 85).....	6
Hector Considers Unity Moves Among Guyana Parties (OUTLET, 1 Mar 85).....	9
Government Wants Time To Set Higher Payments for Workers (THE WORKERS VOICE, 27 Feb 85).....	12
Briefs	
1984 Economic Growth	13

## ARGENTINA

Economic Coordination Secretary's Views on Wage Policy (LA VOZ, 21 Feb 85).....	14
--	----

Alfonsin Vows To Support Mining Expansion Plan (CLARIN, 14 Feb 85).....	17
Mining Secretariat Aims Project at Foreign Investors (LA PRENSA, 20 Feb 85).....	18
Union Leaders Strongly Oppose Bank Reform Proposals (LA RAZON, 22 Feb 85).....	20
Formosa Province Reportedly on Verge of Economic Collapse (CLARIN, 22 Feb 85).....	22
Briefs	
Japanese Investment	23
BARBADOS	
Briefs	
Caution on Trinidad Trade	24
BELIZE	
Esquivel Discusses Mexico Visit, Central American Issues (Angel Armendariz; NOTIMEX, 21 Feb 85).....	25
Talks on Guatemalan Claim, Belizean Stand Reported (THE REPORTER, 3 Feb 85; AMANDALA, 1 Feb 85).....	27
Possibility of Compromise	27
Guatemalan Viewpoint	28
Paper Calls on U.S. To Reveal Data on Local Communist Activity (Editorial; THE BEACON, 16 Feb 85).....	29
Hunter Interviewed on Leaving PUP, Political Future (THE REPORTER, 17 Feb 85).....	30
PUP Meets To Reorganize; To Contest Local Elections (Various sources, various dates).....	32
Reelection of Price	32
Criticism of 'Defectors', Editorial	32
Council Meeting Attendees	34
Evaluation of Meetings	34
Belize City Candidates	35
UDP Response	
Developments Involving Elections, Boundaries Unit Cited (THE REPORTER, 17 Feb, 3 Mar 85).....	38
Official Inquiry	38
Belize City Changes	39

PUP, UDP Policies Are Targets of Media Criticism (Various sources, various dates).....	40
'Victimization' of UDP Voters, Editorial	40
UDP Nepotism	41
Abuse of Trade Permits	42
Marijuana Bust in Orange Walk Nets 18, Plane Vehicles (THE REPORTER, 17, 24 Feb 85; THE BELIZE TIMES, 17, 24 Feb 85).....	43
Report on Police Action	43
Release on Bail	44
Speculation Concerning Bail Funds	44
Attorney General's Involvement	45
Suspicious Fire	45
Esquivel To Seek Stepped-Up Drug Patrols on Mexican Border (THE REPORTER, 24 Feb 85).....	47
BDF Ex-Officer Comments on Problems, Needs of Force (AMANDALA, 1 Feb 85).....	48
Three International Trade Union Officials Visiting (THE BEACON, 23 Feb 85).....	50
Central Bank Reports Mixed Economic Performance (CANA, 10 Mar 85).....	51
Plight of Sugar Industry Noted; U.S. Help Discounted (THE BELIZE TIMES, 3 Feb 85; THE REPORTER, 10, 17 Feb 85)..	53
Sugar Board Assessment	53
U.S. Quota Issue, Editorial	54
Potential Losses	55
Export Program for Garden Vegetables to U.S. Initiated (THE REPORTER, 17 Feb 85).....	56
Briefs	57
Demise of DISWEEK	57
New Netherlands Envoy	57
Minister in Costa Rica	57
District Council Plan	57
Rejection of Pay Hike	57

## BOLIVIA

ADN Vice Presidential Candidate on COB Strike (CADENA PANAMERICANA, 12 Mar 85).....	59
--	----

Briefs		
U.S. Aid Rejected		61
BRAZIL		
Briefs		
Tantalite Reserve		62
CHILE		
Central Bank Report on Economic Situation		
(Albino Mallo; EFE, 24 Mar 85).....		63
Labor Leader on Political Prospects		
(TELAM, 30 Mar 85).....		65
Zaldivar Proposes Permanent Civil Disobedience		
(Andres Zaldivar Interview; YA, 3 Feb 85).....		67
Japanese Credit Funds Coal Thermoelectric Plant		
(EL MERCURIO, 24 Feb 85).....		71
Economy, Finance Ministers Issue Joint Communique		
(EL MERCURIO, 27 Feb 85).....		72
Defense Minister on Foreign Relations, Transition		
(Patricio Carvajal Interview; COSAS, 21 Feb 85).....		74
Initial Estimates of Earthquake Damage		
(EL MERCURIO, 8 Mar 85; LA TERCERA DE LA HORA, 7 Mar 85)...		80
Mining Capacity Lowered		80
Housing, Infrastructure Repairs		81
Damage to Public Works		82
Public Works Budget Redistributed		83
5-Year Delay for Grapes		83
Briefs		
Ambassador Named to Ivory Coast		84
Ambassador Appointed to Australia		84
Pinochet Receives ROK Ambassador		84
French Ambassador Accredited		84
Representative to UNESCO Confirmed		84
5th Region Intendant Resigns		84
Hague Council Membership		84
Forestry Products Interests Chinese Mission		84
Military Attache to Peru Named		85

## COLOMBIA

Briefs	
World Bank Loan	86
Coffee Exports	86

## GRENADA

Briefs	
Renewal of Cane Cultivation	87

## GUYANA

Vice President Welcomes New Soviet, Italian Ambassadors (GUYANA CHRONICLE, 1 Feb 85).....	88
Reportage, Comment on Proposed PNC-PPP Discussions (Various sources, various dates).....	89
Hoyte Invitation	89
PPP Report	91
Break-up of PPP Meeting	92
CATHOLIC STANDARD Analysis	93
PNC Recourse to Violence, Editorial	94
Rickey Singh Assessment, by Rickey Singh	95
PPP Scores Rumors of Jagan Participation in Government (MIRROR, 3 Feb 85).....	97
PPP Team Discusses Problems With Regional Council (MIRROR, 3 Feb 85).....	99
PNC Activities, General Council Proposals Reported (NEW NATION, 3 Feb 85).....	100
Council's Decisions	100
Hemisphere Party Talks	101
Guidelines in Berbice	102
Region Five Investigation	102
Ideology as Bar to Imperialism, Editorial	103
Co-op Units Within RDC's Foster Cooperative Way of Life (NEW NATION, 3 Feb 85).....	105
Hinterland Settlements Need Upgrading for Regionalization (Leon Walcott; SUNDAY CHRONICLE, 3 Feb 85).....	106
Budget, Economic Plans Discussed, Criticized (Various sources, various dates).....	108
Green on 1985 Goals	108
Operation 'Fight-Back', by Leon Walcott	109

Jagan in Budget Debate	109
TUC Reaction	111
Sugar Industry Situation Assessed, 1985 Target Set (GUYANA CHRONICLE, 2, 8 Feb 85; CATHOLIC STANDARD, 3, 10 Feb 85).....	113
Guysuco Chief's Remarks	113
Response to 'Crisis' Charge	114
Production Target	116
Joint Resolution on Nicaragua Adopted by Peace Groups (NEW NATION, 3 Feb 85).....	117
HONDURAS	
Briefs	
Sandinist Army Attack Charged	118
JAMAICA	
Issue of Political Unity Remains Under Active Discussion (THE SUNDAY GLEANER, 3 Mar 85; THE DAILY GLEANER, 11, 13 Mar 85).....	119
Interview With Patterson	119
Carl Stone Assessment, by Carl Stone	121
Unanswered Questions in Senate	123
Capital Spending Slashed; PNP Voices Objections (THE DAILY GLEANER, 8, 13 Mar 85).....	125
Supplementary Estimates	125
Items To Be Cut	127
PNP Call for Explanation	128
Seaga Says U.S. Bill Poses Threat to Ethanol Project (THE SUNDAY GLEANER, 10 Mar 85).....	129
Bank Governor Assesses Economy, Cites National Debt (THE DAILY GLEANER, 5 Mar 85).....	131
Labor Minister Criticizes Impact of Loan Conditions (CANA, 8 Mar 85).....	133
Price Increase, Export Target Set for Banana Growers (THE DAILY GLEANER, 2 Mar 85).....	135
Japanese Company To Supply Cement Plant Equipment (CANA, 22 Mar 85).....	136

Canadian Aluminum Company Will Remain in Operation (CANA, 18 Mar 85).....	138
Spaulding Comments on Cuban-Trained Terrorists (THE DAILY GLEANER, 12 Mar 85).....	139
Government Rules Out Paraquat Spraying for Drug Control (CANA, 21 Mar 85).....	140
Police Commissioner Holds Top-Level Talks on Crime (THE SUNDAY GLEANER, 10 Mar 85).....	142
Western Areas Hit by Protest of Water Workers (THE DAILY GLEANER, 6 Mar 85).....	143
Briefs	
Manley's Health	144
Raise at JPS	144
Hydroelectric Plans	144
Corn, Sunflower Output	145
Falling Dollar	145
MEXICO	
Chiapas: Violence Between CNC, CIOAC (LA VOZ DEL SURESTE, 8 Feb 85).....	146
Briefs	
Forced Drug Cultivation Protested	147
Nordic Aid for Refugees	147
NICARAGUA	
Sugar Production Costs Explained to Readers (BARRICADA, 25 Feb 85).....	148
Briefs	
New Chief Justice, Ambassador	154
Hungarian Donation	154
PERU	
Finance Minister Announces Economic Plan for Remaining Term (EL COMERCIO, 7 Mar 85).....	155
Central Reserve Bank Report Reviews 1984 Economy (Edilberto Paz Entralgo; EQUIS X, 4 Mar 85).....	158
Briefs	
Shipyard Assumes Dutch Contract	162
Nonmetallic Mineral Deposits Mapped	162

## TRINIDAD AND TOBAGO

Commentator Sees New Foreign Policy Opportunities (SUNDAY GUARDIAN, 10 Mar 85).....	163
PNM Subject of Further Internal, External Analysis (Various sources, 17-19 Mar 85).....	165
Call for Party Organ	165
Basdeo Criticism	166
Chambers on Quamina Report	167
Two Tapia House Officials Quit, Urge New Movement (EXPRESS, 11, 18 Mar 85).....	168
Treasurer's Resignation	168
Departing Secretary's Remarks	168
Donaldson Promises Open Door Policy for Ministry (TRINIDAD GUARDIAN, 7 Mar 85).....	169
Government Committed to Free Press; TTT Ends Political Casts (TRINIDAD GUARDIAN, 5, 9 Mar 85).....	170
TV Action, by Francis Joseph	170
Williams' Remarks, by Clevon Raphael	170
Teachers Association in 3-Point Attack on Government (TRINIDAD GUARDIAN, 11 Mar 85).....	172
Appeals Court Rejects Caroni Plea; Payment Ordered (Francis Joseph; TRINIDAD GUARDIAN, 12, 14 Mar 85).....	173
Court's Dismissal	173
Industrial Court's Order	174
TTEC Proposing Wage Freeze, Board Cuts in Benefits (Suzane Morris; TRINIDAD GUARDIAN, 5 Mar 85).....	175
Williams Sees Bleak Future for Sugar Industry (Jerry Johnson; TRINIDAD GUARDIAN, 5 Mar 85).....	177
Manning Comments on Unsettled Venezuelan Crude Deal (EXPRESS, 7 Mar 85).....	178
Tobago Airport To Get New 9,000-Foot Runway (Compton Delph; EXPRESS, 6 Mar 85).....	179
Briefs	
Public Workers Demonstration	180
Texaco Job Security	180
Texaco Pact Speculation	180
1984 Trade Balance	181

INTER-AMERICAN AFFAIRS

TRINIDAD-TOBAGO TEAM NAMED FOR TALKS WITH BARBADOS

Port-of-Spain TRINIDAD GUARDIAN in English 2 Mar 85 p 1

[Text]

A TEAM of government officials will leave Trinidad for Barbados on Monday to hold a second round of bilateral discussions with Barbadian counterparts in initial preparation for a summit meeting between the Prime Ministers of both countries.

The team, headed by Mr. Reginald Dumas, Chairman of the Standing Bilateral Negotiating Committee of Air Services, will also include:

Mr. Euric Boob, Governor of Central Bank of Trinidad and Tobago;

Mr. Frank Rampersad, Chairman of BWIA;

Mr. Ian Bertrand, Managing Director of BWIA;

Mr. Reynold Rampersad, Permanent Secretary, Ministry of Industry and Commerce;

Mr. Cecil Wyke, Adviser to the Minister of Industry and Commerce;

Mr. Arthur Lok Jack, Chairman of the Export Development Corporation.

Mr. Peter Rambert, acting High Commissioner to Barbados.

Decision to send the team to Barbados was made by newly-appointed Minister of External Affairs, Mr. Errol Mahabir.

Issues of Concern

The forthcoming visit to Barbados is the result of a ministerial meeting which was held at Riverside Plaza, Port of Spain on February 12 between representatives of the two governments.

That meeting was held to identify issues of concern in bilateral relations between both countries, and prepare the groundwork for a summit meeting between the Prime Ministers of Barbados and Trinidad and Tobago later on.

Frank and open discussion was held on a number of issues including air transportation, trade, energy fishing and the Caricom Bilateral Clearing Facility.

At that particular meeting the Trinidad and Tobago delegation was led by the then Minister of Labour, Social Security and Co-operatives, Mr. Errol Mahabir. The Barbadian team was led by Mr. Louis Tull, Minister of Foreign Affairs.

The March 4 visit will continue that discussion further with more details on similar topics before another Ministerial meeting is held.

CSO: 3298/459

INTER-AMERICAN AFFAIRS

CHILE, PERU CONSIDERING TECHNICAL, ACADEMIC EXCHANGES

Santiago LA NACION in Spanish 27 Feb 85 p 9

[Text] "Peru is willing to participate in negotiations conducted by international agencies aimed at achieving agreements that will make it possible to eradicate the scourge of terrorism." This statement was made by that country's ambassador accredited to Chile, Jose Luis Bustamante.

The Peruvian diplomat's comments were delivered at the end of a visit described as one of courtesy and greeting paid to the interior minister, Ricardo Garcia Rodriguez.

Upon leaving La Moneda Palace, Ambassador Bustamante agreed to respond to some reporters' concerns, concerns which, moreover, revolved around the status of the relations between Chile and Peru and the various negotiations being carried out by both governments to increase them.

On this latter point, the Peruvian diplomat remarked: "I think that they are going very well. We have had feedback, as you know, from the last foreign ministers' meeting, on the occasion of the meeting in Santo Domingo, and further steps have been taken to intensify relations that I think have been gradually cemented to the point where they have reached complete normality."

Then Ambassador Bustamante stressed that in his talk with the interior minister no specific points were brought up, but he admitted that they had discussed the Peruvian electoral process and also the activities of the subversive group in that country, Sendero Luminoso, without giving any further details.

Terrorism

Next he was asked whether any agreement had been signed between Chile and Peru for the purpose of adopting joint initiatives to cope with the terrorism. As the Peruvian diplomat noted, there is no specific agreement for that purpose. "I think that all the countries, through their security services, have inter-connections, the purpose of which is to defend themselves mutually against any danger of that kind." Nevertheless, he stressed that there is no specific agreement on the government level.

As for the initiative of the American secretary of state, George Shultz, aimed at creating a common front to combat terrorism, the Peruvian ambassador said that he was not completely familiar with it. However, he remarked that his country was ready to "participate with the other American countries in any effort the purpose and goal of which is to surmount this wave of terrorism which, unfortunately, is striking at America and the entire world."

He added: "The Peruvian Government's disposition is favorable toward arranging and seeking means that will make it possible to overcome the problem of terrorism through a connection that would have to be negotiated and would have to be properly organized in the context of a specific agreement; but at present no such thing exists. Perhaps, as the American secretary of state mentioned in his appeal, this may be reflected during the course of the forthcoming inter-American meetings, by some concrete step in that direction."

#### Exchange

And in connection with the level of the exchanges between Chile and Peru, Ambassador Bustamante said that a series of activities of a cultural type had been taking place. He also mentioned that there are other events that have evoked the interest of both nations, including a meeting of business owners to be held soon. He said: "A group of business owners will come to visit their Chilean counterparts, in an attempt to seek through this means an improvement in our trade, which has declined slightly, and also to establish the exchange of technology that each one of our countries can offer to advantage, in the area of mining and agriculture, to put it briefly. That would be the purpose of a visit," stressed the diplomat.

He also observed: "Consideration is being given to an exchange between the Catholic Universities of Lima and Santiago, and the University of the Pacific (it would be those three for the present), which would develop certain issues relating to the university's role as a function of entrepreneurial endeavor, for example."

In the view of the Peruvian ambassador, the first of these meetings will take place in our capital during this coming May or June, "and the purpose is to proceed through these initiatives, reestablishing ties that will allow for a greater flow of institutional and personal relations between the two peoples."

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CSO: 3348/452

INTER-AMERICAN AFFAIRS

BRIEFS

CHILEAN-ECUADOREAN MEETING ENDS--The seventh meeting of the Ecuadorean-Chilean special coordinating committee has ended with the signing of four agreements and a joint communique at the Chilean Foreign Ministry. The four agreements provide for the intensification of trade relations, cooperation in forestry, tourism, and technical cooperation in the field of telecommunications. [Summary] [Santiago Radio Chilena in Spanish 2330 GMT 28 Mar 85 PY]

CSO: 3348/538

ANGUILLA

MORE ON GUMBS' FIRING OF FINANCE MINISTER HUGHES

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 85 p 15

[Text]

**THE VALLEY, Anguilla, Sun.,(Cana):**  
ANGUILLA'S Chief Minister, Emile Gumbs, said unemployment in this 35-square mile colony had forced him to seriously think about legalising casino gambling.

But he conceded that any move in this direction could run into considerable opposition because the island was a very religious country.

He left unclear whether or not he would risk that opposition from the church and other sections of the 7,000 population.

Mr. Gumbs was at the time explaining why he sacked Finance Minister Hubert Hughes, who had opposed a proposal by Taiwanese businessmen to add a casino to a government-owned hotel they wish to buy.

The Chief Minister rejected Mr. Hughes's claim that he was sacked because he did not support the casino plan, listed by the Taiwanese as a precondition for buying the 40-bed Merrywing Hotel.

"I give Mr. Hughes a copy of the proposal," he said. "I told him to study it and that we would discuss it at a later date. He took that copy, made photostat copies of it and he issued them all over the place to persons including our Opposition. That, in my opinion warranted his dismissal."

Mr. Gumbs said that Mr. Hughes's handling of the casino affair, following on months of non-cooperation with the Government, represented the last straw.

Mr. Gumbs said: "Mr. Hughes was dismissed as a Minister in the Government of Anguilla because of a lack of co-operation with the other ministers.

"He seemed to want to introduce his own policies even if he was aware that they disagreed with our thinking."

"The last straw came when he took a confidential document, made photostat copies of it and issued them all over the island to persons including our Opposition."

He added: "Actually, as far as the document itself was concerned, it doesn't matter what document it was. The fact that he could take a document that was confidential and give it to our Opposition in my opinion warranted his dismissal from government."

Mr. Gumbs said Mr. Hughes's dismissal might have come earlier. We had not been getting along for months and in the last meeting of the House of Assembly, which was towards the end of January, he reproached us openly and if I did not have to go away the following day he probably would have been dismissed then," he remarked.

On the Taiwanese casino proposal, Mr. Gumbs said: "Anguilla is a very religious country and naturally the churches would be opposed to it. As a responsible Government, knowing that we have unemployment here, we could not dismiss it out of hand. We had to look closely at the pros and cons."

As far as the casino project is concerned he said: "I do not know where we go from here but I know that there would be considerable opposition to casino gambling from the electorate in the island."

ANTIGUA AND BARBUDA

WORKERS' WAGES AT U.S. EMBASSY, ELSEWHERE CRITICIZED

St Johns OUTLET in English 1 Mar 85 pp 1, 2

[Text] Recently, a news item on the government-owned ABS Radio stated that a government appointed committee has offered the poor underpaid non-established government employees a meagre 5 percent increase on their present depressed wages. After many battles, war was declared and the prime minister, who assumed the role of Labour Minister, met with his cabinet and it was agreed that workers must get 12.5 percent increase.

Using the argument put forward by the AT&LU in the issue of the WORKERS VOICE dated Wednesday, 9 January 1985, the Union cited two examples of non-established workers, one earning \$150 per week. With the 12.5 percent this category of workers will now earn \$168.75. A third year apprentice at APUA will now earn \$220.00 per week from his present \$196.00, which takes him much higher still than an "A" class carpenter or an "A" class supervisor at the Public Works Department.

But what the AT&LU failed to point out in this situation is the fact that some non-established workers at the Central Board of Health (CBH) who are working for far less than the Nation's minimum wage of \$62.00 are the ones who will continue to suffer most.

To these workers at CBH with \$39.27 per week look what 12.5 percent will mean to them; they presently pay \$1.17 for Social Security, 98¢ for Medical Benefit, 10¢ for stamps and \$1.00 for Union dues. These deductions leave the workers with a take home pay of \$36.02 for a week's work: To give these workers a 12.5 percent increase would mean that each worker would receive \$4.90 increase.

Though impossible, for argument sake lets say that all deductions remain at the present rate, \$3.25 from his \$44.17 will leave him with \$40.92, a meagre \$1.65 increase is what 12.5 percent would mean to this category of workers, or 33¢ per day. In this lies the unfairness of the 12.5 percent increase.

While this worker who has to beat the sun 8 hours per day for his \$4.90 or 12.5 percent increase, the man who earns his \$1,200.00 and (\$200.00 travelling) will move up to \$1,450.00. To the non-established clerk in the office who makes \$400.00 per month, for her, 12.5 percent will mean only \$50.00.

Will the government now institute a special price for food for these low income workers? The answer is, that government in an import oriented economy like Antigua cannot control prices. So the 12.5 percent is not an increase but a decrease.

During 1982, the national inflation was estimated 4.0 percent and growing at an average of 2.7 percent, the cost of living index up to September last year was said to have increased some 7.02 percent, with some individual items up 10.2 percent and 20.5 percent. Coupled with the adoption of the Nassau Understanding, prices in Antigua and Barbuda during 1985 will increase between 15-45 percent. That is why, the 12.5 percent offered is sinister and should be rejected by all. It is sad, very sad, when a government of any nation takes action which is bound to be rejected. More than ever the potential for effective retaliation such as that which met the gas price increase in Jamaica, the Dominican Republic and Mexico recently is necessary, if not likely.

The authorities need to be reminded of the words of economist John Kenneth Galbraith who said "Poor People are not influenced by abstract economic agins, it is what they can use and enjoy that counts"

This statement is true, when applied to the present state of industrial and economic relations in the state.

The present Labour Government which used to boast that it was "born of the struggle of the working people, a symbol of their political power, the instrument of progress for all Antiguan" but even the General Secretary of the Government's sweetheart Trade Union had to admit that the Bird government has lost feeling for the working class, is selling and ignoring its birthright, and has become an instrument of retrogression.

The Government has set the pace and now others are following.

#### BRINKS

In Brinks Antigua Limited workers are dismissed for organising workers or purporting to support a Union, nor is one allowed to sit at a place of work, or even eat in public. For these workers, this is an offence punishable by immediate Dismissal.

In Brinks, Part 1, Section K3 and K4 of the Antigua and Barbuda Labour Code has no meaning and despite complaints, the authorities turn a deaf ear.

When one considers the risk involved in the type of work Brinks does and Unions cannot go in to bargain on their behalf, many questions are left unanswered.

What special status has government or members of Government granted them? No insurance policy, no pension plan, no policy or program if one is damaged to the degree that he cannot work again, holidays are denied workers, and when management can challenge sick certificates, it is time for that original spirit of the early workers movement and of workers to be revitalised and mobilised for the benefit of all.

Brinks is not the only one, something is profoundly wrong at the local U.S Embassy. One would feel that an Employer like the U.S. Embassy would respect all workers rights and obey the Laws of Antigua and Barbuda, since in the U.S. mainland one cannot play around or trample on workers rights.

But the U.S. Embassy, like Brinks, is violating the organisational rights of the local workers. You cannot join a union or organise to join one. Unions are not permitted to bargain on employees behalf, and the Labour Code is violated daily.

The officialdom at the US Embassy have no regard for the constitution and laws of Antigua and Barbuda. There are three rates of pay. One for local and the other for white and black Americans and another for foreigners from outside the region. These blatant acts of favouritism and in some cases downright racism and discrimination cannot and must not be condoned.

Exposing these issues before the public court, one may be quick to point out that the U.S Embassy is a mission and hence its entitlement to privileges and immunities.

Article 9, of the Vienna Convention on Diplomatic Relations, provides that the "Receiving State may at any time and without having to explain its decision, notify the sending State that the head or any member of the diplomatic staff is persona non grata or any member of staff is not acceptable," and, with all its immunities, Article 41 states:- "without prejudice of their privileges and immunities it is the duty of all persons enjoying such privileges and immunities to respect the Laws and Regulations "(Customs" of the Receiving State."

All the threats of its employees against becoming members of a Union, is a wanton and deliberate act to keep the workers in perpetual ignorance, and a total disregard for Antiguan Customs. In my opinion, most of the present US Embassy personnel need a Basic Course in Indus-

tial and Human Relations. This is not 1785, but 1985 and people like Sorenson and Jones should be made to know that servitude has ended long ago and that the employer-employee relationship is a human one.

Not only, have the US Embassy authorities displayed their arrogance to Embassy employees, it is public knowledge that contractors like Cage Enterprises and Antilles Trading etc have had their share. They respect nothing or no one Antiguan.

With all these incidents and the recent development at the St James's Club, where workers could point a finger at a Minister in the Ministry of Economic Development for their sudden decrease in earnings, it is clear that something sinister is going on. Workers of the Nation can no longer enjoy the beach at St. James's unless they pay \$20.00 U.S. Why?

Workers of this young nation must demand progressive leadership in a new labour movement to tell this type of employer when, how and where, to get off. If this is not forthcoming in the immediate future, then, as a last resort, workers might be forced to follow the principle of the Universal Declaration of Human Rights and 'Rebel against petty tyrants' and oppressors in order to pull themselves out of the deepening quagmire at the many workplaces in our country.

ANTIGUA AND BARBUDA

HECTOR CONSIDERS UNITY MOVES AMONG GUYANA PARTIES

St Johns OUTLET in English 1 Mar 85 pp 6-7

[Tim Hector column "Fan the Flame": "Calypso-Burnham & Jagan-New Possibilities"]

[Excerpts]

As I got to Guyana from Suriname, by special aircraft it was midnight, Republic Day, Saturday 23. I had heard that Burnham and Jagan, once united in the PPP as Jagan and Burnham, had initiated a dialogue tending towards a new unity, and a government of national unity, re-uniting the races and socialist forces in Guyana - the essential pre-requisite for Guyanese, and by extension, Caribbean forward movement is the unity of these races.

On the long drive from Timehri airport to Georgetown I had to reflect. It was the Caribbean in conjunction with Britain and the USA which had helped to divide Burnham from Jagan in the process separating African from Indian. In the novel I had just finished reading, Finding the Centre by V.S. Naipaul, one of the expatriate Guyanese characters had said she was happy to escape "the political nastiness that was independent Guyana". As I reflected, I recognised that the "nastiness" in Guyana, was Caribbean, not Guyanese. That formulation demands explanation.

In 1953, the British, prompted by the Cold warring hawk, U.S. Secretary of State John Foster Dulles, had suspended the Guyanese constitution. Because, the Guyanese people had freely and fairly elected the handsome, shirt-jacketed Cheddi Jagan, an avowed marxist, thus establishing the first freely and fairly elected marxist led government in the region. The U.S., as is wont, was terrified. They hatched a plot with the British. In turn the British sought the approval of Norman Manley in Jamaica, Grantley Adams in Barbados, and V.C. Bird in Antigua before they suspended the Guyana constitution. All three Caribbean leaders gave their approval to this Anglo-American assault against the people of Guyana. To say the least, this was the prelude of the criminal American led invasion of Grenada.

The end result of that first imperialist assault against a Caribbean government, was the division of Burnham and Jagan, a cruel split in the nationalist movement,

ending in the even more cruel fratricide, which set African against Indian, and vice versa.

The Anglo-American imperialist scheme, then devised proportional representation to bring Burnham to power. And then Burnham in independent Guyana 'improved' on that election formula, and firmly established himself in power, in spite of the Indian majority. Racial minority rule, though reversed, in that it was African, had established itself in the Caribbean!

But, to be fair, Burnham did something. To deny it, is to fly in the face of history. Whatever my own feelings about the Burnham regime, the historical fact of the matter, is that he did something.

Alone among all Caribbean leaders, Burnham, and he alone, has brought the commanding heights of the economy under State (as opposed to national) control. Foreign domination had been laid to rest in Guyana. No other English speaking Caribbean (of for that matter Dutch Spanish or French speaking) can so boast, Cuba excepted. Burnham is not just another Caribbean leader, not just another footnote in history.

However, the truth of the matter is that in Guyana, an economy had been nationalised but a nation had not been formed. A people had been divided, set at each others throats in the sixties, and that division, inevitably produced the "nastiness of independent Guyana". Socialism stood in Guyana compromised in a 'nasty' state-capitalist form. It can only be overcome by the political unity of the races, and, the socialist forces in Guyana.

Now Burnham, whom I have long opposed, was willing to do something about this 'nastiness'. as ruling party, irremovably established in power, Burnham's ruling party, the PNC, had itself called for a "dialogue towards national unity". Regardless of Burnham's past, including the demise of the renowned scholar and liberator Walter Rodney, this was a new height of Statesmanship attained, if not yet kept, but nevertheless attained, and deserving of the highest commendation. Whatever, the motivation, and I do not speculate on motivation, because I have learnt that such speculation only means that the person speculating on the motives of others, usually ~~attributes~~ his own best or worst feelings to the object of his speculation. That is a futile exercise. Long before psychology established this about speculating on motives St Paul had said on this score "For what man knoweth the motives of a man, save the spirit of a man which is in him". So indeed.

Yes, whatever prompted Burnham to this new stage, the fact is, he is seeking to remedy, in a bold move, the 'nastiness' of pre and post Independent Guyana, and give Guyana, and the Caribbean a new beginning. That in and of itself, whatever the motivation, is commendable. Most commendable.

It was in this spirit I listened, all past hostilities abating, to Burnham's Presidential address on Republic Day.

Towards the end of his address, Burnham asked rhetorically when speaking of youth "Is our approach, part of an integrated national programme?" His rhetorical answer was "no". Burnham had come to recognise that an economy had been nationalised but a nation had not been formed. And so in concluding he said. "It

is about time that we enter into dialogue with over sixty percent of our society and population combining experience with the energy of those who have the biggest stake in the future". There is no doubt that Cheddi Jagan and the remarkable Eusi Kawayana, as well as the Comrade Leader LFS Burnham, are all men of remarkable socialist experience, which, combined with the energy of the Guyanese people could produce unimagined results. Indeed, Guyana had had its best political days when all three, Burnham, Jagan and Kawayana were united in one socialist force.

Young Guyanese, within the party and without, were obviously prompting this call for unity and Burnham was responding positively to the demand for national unity. There was the enemy without at the ramparts, and there was the enemy within "the mentally opaque within his ranks". And against the enemy without linked to the enemy within, he was calling on Jagan and the WPA for unity.

Clearly, this call would demand a lot of Cheddi Jagan of the PPP and Eusi Kwayana of the WPA. Both forces have compelling reasons to be distrustful. But both forces have a higher duty to Socialism now in its darkest hour in the region.

At stake here, is the unity of three Socialist parties, each bitterly hostile, for there has been much murder and mayhem. But at stake too, is the regeneration of socialism in the region.

Can Guyana rise above past fratricide? Can Guyana which, to its eternal credit, raised the socialist banner in the Caribbean, settle, in a definitive way the path to national unity, in socialist democra-

tic development. The key to it all, is the statesmanship of Cheddi Jagan and Eusi Kwayana, than whom the Caribbean has produced few finer men. This could be their finest hour.

There will be much to divide and annoy. For instance the Americans are taking a new interest in Jagan and the US Ambassador there, stealthily, after parking his car a few blocks away, crept in to Freedom House for a meeting with Jagan. Why the stealth? Of course, Burnham was alarmed. Of course too, to over-react to matters along the road, can only deflect Guyana from its necessary course. Burnham must demonstrate that this dialogue is not merely "to buy time" but is genuine far-reaching, and above all, necessary for Guyana and the Caribbean.

In conclusion, the Reactionary forces in the Caribbean, aided and abetted Britain and the U.S. to divide Guyana, and bring socialism in Guyana into disrepute, labelled "nastiness" by one of Naipaul's Guyanese characters. Can the progressive forces in the Caribbean help to restore unity in Guyana, and prove to the Caribbean people, that state control is not socialism, but it is genuine national control of the people, for the people, by the people of their own national and social resources, which is the foundation of expanded democracy in socialism? That question now hangs in the balance. It is an historic, indeed a unique and historic moment.

ANTIGUA AND BARBUDA

GOVERNMENT WANTS TIME TO SET HIGHER PAYMENTS FOR WORKERS

St Johns THE WORKERS VOICE in English 27 Feb 85 p 1

[Text] The Government has indicated to the ATLU that it would require some more time before the increased payments to non-established workers could be made.

The Union expected payment to the workers to have commenced on the 1st March 1985. A new contract on behalf of all government non-established employees was concluded earlier this month with a committee set up by government, except for a few detailed adjustments to salaries and wages which should have been completed by February 15.

The Union was informed on Monday 25th February that government was unlikely to pay the additional wages until the 1985 Budget has been approved and increments for Civil Servants agreed upon. The budget is scheduled to be presented to Parliament on the 7th March.

The ATLU understands that while the government committee is ready to meet with the P.S.A. in order to negotiate a contract for Civil Servants, that the Public Service Association is not yet ready to negotiate. There has never been a contract between the P.S.A. and the government. The government recently in-

troduced a Civil Service Act which has affected the two blanket trade unions and the P.S.A. adversely.

The ATLU while acknowledging the fact that the request is a reasonable one, as a proper budget cannot be presented unless one's total expenditure is known, nevertheless deplored the fact that all this was not done before. There was ample time to put their house in order. The ATLU negotiations with the government committee started since September 1984. The old contract expired on the 31st August 1984.

The Executive Committee of the ATLU is now studying the government's request for a delay in payment of the increments. The Union anticipates that the debate on the budget by both houses and the conclusion of negotiations with the P.S.A. should extend until the end of March. It is a long time to ask workers to wait.

ANTIGUA AND BARBUDA

BRIEFS

1984 ECONOMIC GROWTH--St Johns, 20 Mar--Antigua and Barbuda enjoyed a 5 percent growth in its economy last year, Economic Development Minister Lester Bird said here. Bird attributed the growth to his government's economic development programme and policies, noting the encouragement which the government is giving to national to invest directly in the economy [as received]. One yardstick has been the record collection of 112 million dollars (one EC dollar; 37 cents U.S.) in revenue last year, a 27-percent increase in the number of stay-over visitors, and a similar increase in the number of cruise ships that called during 1984, Bird said. He, however, regretted a decline in the manufacturing sector, which he blamed on problems affecting intra-regional trade. He said the present 2,200 hotel rooms on the island will be doubled within the next 2 years with the construction of more large hotels and the expansion of existing ones. [Text] [Bridgetown CANA in English 2128 GMT 20 Mar 85]

CSO: 3298/484

ARGENTINA

ECONOMIC COORDINATION SECRETARY'S VIEWS ON WAGE POLICY

Buenos Aires LA VOZ in Spanish 21 Feb 85 p 8

[Text] The recently appointed economic coordination secretary, Adolfo Canitrot, explained in an article published at the end of 1983 in DESARROLLO ECONOMICO -- and whose central portion is reprinted on this page -- that payment of the debt would imply a 30-percent wage cut. He then proposed increasing farm productivity and manufacturing exports and replacing imports.

The severity of commitments emerging from the payment of interests and amortizations of the country's foreign debt had led to the resurgence, after years of only secondary attention, the issue of foreign restrictions. During the 1950's, this matter was the dominant concern of Latin American economists. In courses on planning, the presentation of the problem was in keeping with the following model, whose validity remains unchanged.

The coefficient of imports is the relationship between the amount of imports and the economic product. Given this coefficient, any increase in the product requires a proportional increase in imports. If the balance of payments is to maintain its equilibrium, it is necessary for exports to grow in the same proportion. This requirement may be alleviated, however, by replacing imports, signifying a reduction in the magnitude of the coefficient. In this case, exports and imports grow at a lower rate than that of the product.

In this model, which implicitly presumes that the driving force of economic activity is situated in the domestic market, the restriction imposed by the foreign current account determines the rate of growth. The economy cannot grow beyond what is permitted by exports joined with the substitution of imports. The external restriction sets the limit higher than the value of the product and the level of activity.

The adjustment between the capacity to import and the demand for imports is produced by the application of customs, quotas, licenses, and so on, but once the latter are set, by the variations in the rate of exchange. When the demand for imports is excessive, the increase in the rate of exchange acts as a control mechanism. The increase in the rate of exchange is transmitted

to prices, depresses the real wage and, at the same time, implies that there is a real wage level that is compatible with the balance in the current account. This is the real balancing wage. If the existing real wage is greater than the balancing wage, then there is a deficit in that account, a deficit that is corrected through an increase in the rate of exchange that also determines a drop in the real wage.

The association between the real wage and the level of activity that this analysis presumes is not rigid. The real wage is positively associated with the level of consumption and the latter with the level of activity, but the level of activity also depends on investment. One can easily visualize a situation of full employment with a low real wage and high level of investment, as occurred in our country in 1977. The higher the level of investment and consequently, the level of activity, the lower is the real balancing wage compatible with foreign restrictions. This argument can be turned around and say that the higher the real wage, the lower the level of equilibrium of economic activity compatible with that restriction. In balance, the real wage cannot rise without the level of activity dropping, and vice-versa. The only way of raising both at the same time is to relax external restrictions.

In short-range terms, the foreign restriction can be relaxed by capital receipts and foreign loans, but in the long run, it can only be done by the expansion of exports and replacing imports. Consequently, the increase in the long-range real wage depends on an increase in farm productivity, manufacturing exports and services, as well as investment in industries replacing imports.

Two main conclusions can be drawn from this analysis. The first is that if the foreign restriction is stricter, the real balancing wage drops. The real wage compatible with the payment of foreign debt commitments is lower than the real balancing wage freed from such commitments. The second conclusion is that without an increase in farm and industrial exports, there is no possibility of increasing the real wage in long-range terms, unless progress is made on replacing imports, the dimension of which is limited at any rate.

From the foregoing, one can deduce something that contradicts accepted beliefs. For the purposes of increasing the real wage in the long run, it is more efficient to increase productivity in export agriculture than increase work productivity in industry devoted to the domestic market. If one adopts the practice of increasing industrial wages in keeping with the increase in work productivity in industry, while exports grow at a slower rate, one creates a deficit in the foreign current account. This deficit forces a devaluation that reduces the real wage, so that the increase in productivity in the end turns to the benefit of businessmen.

The drop in the real wage in the whole 1970's reflects the incidence of three determining factors. The first is the payment of foreign debt interests, which forces one to create a greater surplus net current account of financial services and has a negative effect on the real wage. The second is farm productivity. Without the major increase in farm supply in the past 10 years,

the present situation of the real wage would be even worse. This positive effect is compensated by the negative effect of the desubstitution of imports in the years of the exchange lag.

Let us illustrate the relationship between the real wage and foreign restriction with a few figures. The current level of the real wage is approximately 75 percent of that of 1973. With that wage and the current level of activity, one arrives at a surplus in the trade balance on the order of \$3 billion, which is what is available to pay interest on the foreign debt. The strategy of the creditor banks is not to grant new loans but to refinance the existing debt. This means maintaining the debt constant at its nominal value. In order to comply with this requirement, it is necessary to generate a commercial account surplus of \$4.5 billion a year. In this case, the real wage must drop by 30 percent with respect to the present level. On the contrary, an increase of 10 percent of the real wage would require new loans of between \$2 billion and \$2.5 billion annually.

Consequently, it can be said that as long as international commerce does not overcome its current recession, the condition for an increase in the real wage lasting beyond the immediate future is the obtention of additional credits for the amounts mentioned (or an addition reduction in the coefficient of imports).

11,464

CSO: 3348/434

ARGENTINA

#### ALFONSIN VOWS TO SUPPORT MINING EXPANSION PLAN

Buenos Aires CLARIN in Spanish 14 Feb 85 p 18

[Text] President Raul Alfonsin stated yesterday that the mining sector has been "banished and forgotten. That is a luxury we Argentines cannot afford." This was at the end of a visit he made to the Secretariat of Mining related to the president's trip to the United States.

Alfonsin was received by the head of that secretariat, Juan Barrera, who informed the president about the drafts for a model contract (similar to the risk contracts for oil) that the secretariat plans to use to attract foreign investments for mining. Some of them could require amendments to existing legislation on ownership of the subsoil (according to private enterprises).

The final draft of the model contract must be finished before 19 March when Alfonsin will go to the United States to meet with Ronald Reagan. At that time, contacts will be established to bring U.S. capital into the mining area (a constant Argentine aspiration since 1976). It was also reported that Secretary Barrera will travel to Canada on 22 February. He was invited to analyze investment proposals for this sector.

#### Mining Plan

President Raul Alfonsin was also informed about the studies being finalized to launch a mining expansion plan.

The characteristics of the plan are summarized in five basic points, according to the secretary of mining: promotion of new investments; realization of pre-investment plans; intensive planning for explorations; planned supplies for the industry; and a program to increase exports.

After learning the status of the work, President Alfonsin stated that the mining plan "will permit diversification of the regional economies."

After the president left, the secretary of mining reported: "The president has not made any decision on the progress of the studies in the plan but he has promised to support the project." He also stated: "If we are consistent and advance these plans through the allocation of adequate resources, we can reach our goal--to become a mineral-exporting country." (However, he was not specific about the resources required for his projects.)

7717

CSO: 3348/447

ARGENTINA

MINING SECRETARIAT AIMS PROJECT AT FOREIGN INVESTORS

Buenos Aires LA PRENSA in Spanish 20 Feb 85 p 8

[Text] The model contract that the Secretariat of Mining is developing to attract foreign investors to the sector will include a clause that, in case of conflict, they can turn to some "independent authority" as long as it does not limit the sovereignty of the national courts, according to a reliable source.

This source said that the model contract which the United Nations helped draw up will guarantee quick recovery of the investment through accelerated depreciation, amortization and incentives for exploration.

The planned policy of the Secretariat of Mining consists in offering the investors a number of regulations aimed at improving the climate for investments in the sector, especially to promote exploration.

The strategy of the Secretariat of Mining consists in concentrating efforts on a set of already existing projects, beginning with those most advanced and best known, so that they will produce quickly and reduce the risks of exploration to the minimum.

The Secretariat of Mining is now working on the development of an inventory of projects and the preparation of a model contract to facilitate participation by foreign investors in the projects.

Ownership of the Mine

The model contract will not replace any of the laws but will provide a new practice based on the philosophy of insuring the ownership of the mine, the stability of contractual conditions, reduction of bureaucratic obstacles and guarantee of general political stability, reasonable benefits and fiscal promotion measures.

The model contract will insure that:

The criterion for exploration will include preparation of a feasibility study that, if positive, will guarantee the rights of investment of the interested company if it is capable of planning and executing the permanent investments.

The commercial criterion for the foreign company, exploration and technical prospecting will be respected. Freedom of exploration, the time to make a decision, specifications of mining development, production and export policies will be provided with the greatest flexibility possible.

However, the government reserves the right to control all stages of the process.

#### Cases of Conflict

In case of conflict, they can turn to an independent authority that will be stipulated in each contract. However, the sovereignty of the Argentine courts must not be limited.

The tax system will be reasonable, stable and predictable.

Accelerated depreciation, amortization and incentives for exploration will permit a rapid recovery of investments.

The final amounts in terms of risk capital, financial aid and loans from foreign investors will always be acknowledged at the time of the negotiations.

Investments in mining explorations will be promoted and encouraged and will receive complete assistance.

The sources said that the Secretariat of Mining is aware that this model contract does not eliminate all possible sources of conflict between foreign investors and host countries. However, it will provide a pragmatic framework in which commitments can be carried out.

7717

CSO: 3348/447

16 April 1985

## ARGENTINA

## UNION LEADERS STRONGLY OPPOSE BANK REFORM PROPOSALS

Buenos Aires LA RAZON in Spanish 22 Feb 85 p 17

[Text] The proposal made Wednesday afternoon by the vice president of the Central Bank, Leopoldo Portnoy, to Juan Jose Zanola, head of the Banking Association, provoked the immediate reaction of the union. The well-known proposal suggests the reorganization of the banking system, grown too large under the military dictatorship, for which purpose a large number of bank branches would be eliminated. Zanola told LA RAZON that between 750 and 800 banks would close their doors, which the trade union leader deems would "produce some 23,000 lost jobs."

Zanola said that the official had asked the Banking Association for a pronouncement on the matter by next Tuesday, which he deemed "impossible" because of the holding of a plenary meeting of secretaries-general from all over the country in La Rioja between Monday and Wednesday. Officials at the meeting "will decide what measures will be taken by the Association in keeping with the proposal," he said, adding that "it will be a hard-line position. I do not know whether forceful measures will be taken, but there is widespread discontent."

With respect to the proposal, Zanola said that it "will not bring any benefit, lower inflation or bring down interest rates." He specified that those banking entities that have over 40 branches must close 44 percent of them; those with over 10 must close 10 percent. He also reported that indemnifications will be financed by rediscount lines for 36 months at a regulated rate, "which will cause an emission in order to finance, not the country's growth, but rather, a vast number of unjust layoffs."

Concerning the same topic, Saul Ubaldini spoke in like terms. The cosecretary of the CGT [General Confederation of Labor] then called the measure "catastrophic for the workers." "We would like to know," Ubaldini asked, "the opinion of that business organization which at one time publicly maintained that the law on banking stability was a privilege, since the government now gives priority to that branch of production by granting credits to lay off workers."

The CGT statement then adds that "this is not what the citizens voted for on 30 October, nor is it part of the political platforms of the people's parties."

The banks should not grow smaller, but rather, the country should get bigger." It concludes by saying that "this type of repressive policy, such as the one now tried against bank workers, will never be tolerated by this CGT which aspires to continue being the real and genuine interpreter of the needs and aspirations of the working people."

In addition, the Banking Association denounced "new and unjustified layoffs" at two banks that "belong to the same economic group," which in the opinion of the trade union entity constitute "a real threat to the social peace which the country demands," a circumstance over which it expresses "its absolute repudiation."

11,464

CSO: 3348/434

ARGENTINA

FORMOSA PROVINCE REPORTEDLY ON VERGE OF ECONOMIC COLLAPSE

Buenos Aires CLARIN in Spanish 22 Feb 85 p 33

[Text] Amado Yege, minister of economy of Formosa, has expressed his "concern over the critical financial situation in the province and warned that if the delay in sending federal co-participation funds persists, "we shall have to cease payments in one more month."

According to a cable from the agency TELAM, the official indicated that the picture in the province "is similar to what is happening in La Rioja," whose governor, Carlos Menem, spoke this week about the danger of a "social mini-collapse" in his province if the National Treasury's delay in remitting co-participation funds continues.

Yege said that in Formosa, salary expenditures for this month amount to some 1.75 billion pesos and that the Office of Secretary of Finance promised to pay only 1.3 billion at the beginning of March, after the close of this month.

He added that the difference in the two figures would again be covered "by securing another loan from the Formosa Provincial Bank for 450 million pesos" in order to make unavoidable payment to public employees.

The provincial minister of economy noted that if the situation should persist, by the end of next month, "provincial coffers will have to cease payment," without any possibility of covering 20-percent wage readjustments for January and 14-percent for February owing to state employees, without mentioning existing debts to suppliers and the provincial Social Welfare Fund.

Yege said the financial picture in Formosa is "grave" and called for "reflection on the part of citizens so that we may see reality, transcending political disagreements."

He recognized that the national economic picture is also somber due to the considerable delay in tax collections, but he maintained that the only way to reverse the crisis is through a change in the monetary policy and for the national government to understand the social drama of the provincial states, dependent on the National Treasury, in its real magnitude.

ARGENTINA

BRIEFS

JAPANESE INVESTMENT--The Japanese firm National Panasonic will invest \$3.5 million in the installation of an industrial complex whose first plant was started up in Rio Grande, Tierra del Fuego. According to company officials, "the final objective is not only to replace imports and market products in the country, but also, to generate foreign exchange through exports to other nations." The recently opened plant covers 25,000 square meters and has a production capacity of 1,500 music centers a month. The following phases of the project include the construction of four new plants with a total area of 100,000 square meters, devoted to video and audio equipment, with a maximum capacity of 96,000 television sets and 144,000 recorders a year. The National Panasonic project, which has the support of the Office of Secretary of Industry of the nation and the government of Tierra del Fuego, will employ a total of 200 white- and blue-collar workers and technicians. The Japanese firm had previously functioned as an importer and marketer of the products of the Japanese brands National and Matsuhita. [Text] [Buenos Aires LA VOZ in Spanish 15 Feb 85 p 10] 11,464

CSO: 3348/434

BARBADOS

BRIEFS

CAUTION ON TRINIDAD TRADE--Bridgetown, Tues., (Cana)--Chairman of the State-owned Barbados Development Bank David Seale has warned Barbadian manufacturers not to expect a quick return to free trade with Trinidad and Tobago. In an address to the bank's annual general meeting Seale said, however, that recent developments held out some hope for improvement in intra-regional trade. He did not elaborate. "The removal of protectionist measures would of course increase the flow of trade between our countries but let me, however, hasten to warn local manufacturers not to expect any quick return to the heady days when the Trinidad and Tobago market seemed able to absorb most of the manufactured goods produced locally," he told the meeting. Exports to Trinidad and Tobago declined to Bds \$75.1 million last year from \$84.2 million in 1983 and \$86.8 million in 1982. The drop has been attributed by officials here to import licensing introduced by Trinidad and Tobago almost two years ago. Trade is one of the subjects now being discussed by ministers from the two countries. The economic co-operation talks began in Port-of-Spain this month and are due to resume here next week. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 27 Feb 85 p 1]

CSO: 3298/461

BELIZE

ESQUIVEL DISCUSSES MEXICO VISIT, CENTRAL AMERICAN ISSUES

FL211434 Mexico City NOTIMEX in Spanish 0040 GMT 21 Feb 85

[By special correspondent Angel Armendariz]

[Text] Belize City, 20 Feb--Shortly before beginning a 48-hour official visit to Mexico, Prime Minister Manuel Esquivel said here today that Belize wants to establish agreements to guarantee its supply of Mexican oil.

In an exclusive interview with NOTIMEX, the Belizean prime minister said he would seek to set up trade understandings with Mexico on energy, sugar and combating marijuana trafficking along the common border.

He said Mexico and Belize share key points of view on foreign policy, such as respect for freedom and sovereignty and the respect for the policies of other nations. He said Mexico and Belize respect the political systems of the rest of the countries in the world.

He said the Contadora Group's peace efforts are being blocked by the lack of understanding of the countries involved. Esquivel stated: It is difficult to carry out negotiations when there is an armed conflict going on. It is necessary to seek a negotiated formula for a cease-fire and then to establish negotiations leading to an agreement acceptable to all parties.

The leader of Belize, which became independent from Great Britain on 21 September 1981, said he doubted there would be peace in Central America in the near future.

He said Belize would take special care in its dealings with Cuba and Nicaragua, stressing: We respect their particular governments but we are not in agreement with them.

He added: We want to establish friendly relations with Guatemala, which would benefit both nations. But first we must resolve Guatemala's unfounded territorial claim to Belize. We want friendly relations with Guatemala, like those we have with Mexico.

He said the origin of instability in Central America lies in the region's unjust economic structures, but we cannot deny that the problem is political. Many of

the combatants have now lost their original goals and become involved with different policies that derive from the East-West conflict, said Esquivel.

The prime minister said the political and social instability in Central America concerns Belize and in no way do we want to see ourselves involved in that problem because we are now feeling the negative effects on our economy. We hope the countries with differences reach an agreement that will bring peace to the region, he said.

He stated that Nicaragua is facing an armed struggle against the Sandinist government that is being supported by the United States. Nicaragua, meanwhile, is giving clandestine aid to guerrillas in El Salvador, Honduras, and Guatemala, which threatens peace in the region.

He indicated that the trade between Mexico and Belize was not affected by the devaluation of the Mexican peso and expressed his hope that bilateral trade will increase to the benefit of both nations.

Finally, the Belizean prime minister sent greetings to the people of Mexico and expressed his hope that the two countries continue to develop their relations on the basis of mutual respect.

CSO: 3298/462

BELIZE

TALKS ON GUATEMALAN CLAIM, BELIZEAN STAND REPORTED

Possibility of Compromise

Belize City THE REPORTER in English 3 Feb 85 p 1

[Text] A report in the London newspaper, the GUARDIAN, last week, has quoted highly placed Guatemalan officials as saying they will not insist on any cession of any mainland territory when they meet with British and Belize officials on Tuesday, February 12.

The talks will be held for the first time in the Guatemalan Mission in New York. Belize will be represented in these discussions by Mr Robert Leslie and Mr Edward Laing, professor of International Law has been named as Mr Leslie's Special Assistant.

The GUARDIAN report originating from the paper's diplomatic correspondent, says that all Guatemala now wants in return for full recognition for Belize are the three small islands of the Hunting Cayes cluster and the reef systems known as Ranguana and Sapodilla.

According to the report the Guatemala government has arranged for a pause in the work of the Constituent Assembly which is currently engaged in writing a new constitution for that country, so that negotiations can take place based on Guatemala's new modified approach.

Until now Guatemala has always insisted on having a big bite of the Toledo district as the price Belize would have to pay for full recognition and abandonment of the Guatemalan century-old claim.

Since the Heads of Agreement of April 1981 there has been a hardening of attitude in Belize against parting with any of Belize's offshore resources as incentive for reaching an accommodation with the Guatemalans.

It is felt that the Guatemalans might be open to counter-proposals from the Belize side which would not entail the giving up of any of Belize's offshore island or reef systems. In the past Belize has been reluctant to make any kind of counter-offer to the Guatemalans for fear that any offer might appear to lend legitimacy to the Guatemalan claim as inheritors from Spain to parts of Belize.

Guatemalan Viewpoint

Belize City AMANDALA in English 1 Feb 85 p 12

[Text] Belize City, Fri. Feb. 1

In the last two paragraphs of an article concerning the "exploratory and informal" talks to be held in New York February 12 among Belize, Guatemala, and the United Kingdom, the Wednesday, January 30, 1985 issue of the Guatemalan newspaper PRENSA LIBRE had this to say, and we translate from their Spanish:

"The almost hundred year old claim to Belize by Guatemala from the British government, who had that territory under colonialism until September 1981, when she gave Belize independence, experienced a significant change in the last round of negotiations which the three countries held in New York in January, 1983.

"Guatemala government representatives proposed strongly ('con firmeza') that the borders be changed so that that part of the Toledo District south of Monkey River would be incorporated into Guatemalan territory."

CSO: 3298/462

BELIZE

PAPER CALLS ON U.S. TO REVEAL DATA ON LOCAL COMMUNIST ACTIVITY

Belize City THE BEACON in English 16 Feb 85 p 2

[Editorial]

[Text] With the heated budget debate before the United States Congress, the fact that the Reagan administration is seeking additional assistance for Central American countries to fight against growing communist [in-] fluence may be lost in the heated arguments over military spending, cuts in domestic programmes and arms sales to China.

According to the MIAMI HERALD (February 11) the U.S. Government has issued a White Paper which says that the Soviet Union is using Cuba to try to turn Central America into a satellite of the Eastern bloc. Defence Secretary Casper Weinberger, in the paper's introduction cited documents seized in Grenada during the infamous October, 1983 invasion, and quotes Soviet Foreign Minister Andrei Gromyko as saying that the region is ripe for revolutionary expansion.

According to the HERALD story, which quotes from the NEW YORK TIMES, the White Paper contends that Russia and Cuba are actively promoting Communist revolution "in every country of Central America except Costa Rica."

Which could only mean that the United States government is convinced that Belize is among the countries under the communist microscope.

The NEW YORK TIMES is further quoted as saying that the administration paper also provides "new details" to support those claims, but in most cases does not explain the source of the information.

What intrigues us most is that despite the fact that during the past years of successive PUP administrations here, the U.S. Government and its Consular Office and Embassy here have remained supremely silent, despite the persistent leveling of this very accusation at specific factions within those PUP administrations by opposition leaders, by the country at large and by sources deep within its own ranks.

With a new Belizean Government now in power, the time for silence by the U.S. authorities has passed. Let the Reagan administration, tell us the source of their information, and reveal some of those details that they have so readily published against the Sandinista regime.

CSO: 3298/462

BELIZE

#### HUNTER INTERVIEWED ON LEAVING PUP, POLITICAL FUTURE

Belize City THE REPORTER in English 17 Feb 85 p 6

[Text] Mr Fred Hunter, former Minister of Works in the PUP government, has told a radio and television panel that he has no intention of allowing a communist party to become the only alternative to the United Democratic Party.

Mr Hunter was speaking in the popular radio and T.V. programme, Face the Nation, and was answering a question put to him by Mrs Barbara Harris. She asked him if he intended to help in starting up a new political party in Belize.

Mr Hunter replied that if after five years it appeared that a communist dominated party was the only opposition alternative to the UDP, he would think seriously about another political party.

#### Missed the Boat

Mr Hunter was the object of some strong questioning concerning his role as Minister of Works and member of Cabinet in the old government. He insisted that there had been no corruption in the Ministry of Works while he managed it, but agreed that there had been some glaring cases of revenue evasion where the PUP government "missed the boat."

For years, Mr Hunter said, he had pointed to the illegal supplies of diesel which arrived in Orange Walk regularly from across the border. He estimated that the Government lost a great deal of revenue from not plugging this hole. But he said, he could not get those people responsible for that aspect of revenue collection to move to stop it.

#### Partial to the Communists

Mr Hunter was not as reticent in talking about the two men whom he described as the Communists who infiltrated the party and eventually caused himself and the Hon. Louis Sylvester to resign.

From the very beginning, Mr Hunter said, he had warned about the real intentions of those people and had tried to get the "leadership of the party" to act to prevent them from gaining decision-making powers. Not only was his advice not heeded, he said, but he found that the leadership of the party, a euphemism which he used to describe the Prime Minister, was taking contrary advice from these same other people.

## Not Abandonment

Describing his own and Mr Sylvester's decision to leave the party earlier this year, Mr Hunter said they both took the decision to resign because they found that the party no longer reflected their own point of view. He said in answer to another question, that he did not regard this as an "abandonment" of the party. It was more that the party had moved away from its own founding principles.

Asked why he did not try to take corrective action before the PUP government fell, Mr Hunter said he was sort of hoping that the 1984 December general elections would do a bit of house-cleaning. He added that the electorate had done a better house-cleaning than anyone had anticipated.

Mr Hunter answered questions about the quarry scandal brought to light by the auditor General's report. He said it had been the intention of the government to protect its investment in the quarries by having a representative on the Board of Directors of the company. He said he had not been consulted before his name was put forward as one the Directors. He said he did not even know that he had been named a Director.

Mr Hunter did not have a ready answer when it was pointed out to him that his signature on the document of the company as a Director must mean that he had prior knowledge that it was government's intention to name him as the government director in the private company.

CSO: 3298/462

BELIZE

## PUP MEETS TO REORGANIZE; TO CONTEST LOCAL ELECTIONS

### Reelection of Price

Belize City THE BELIZE TIMES in English 10 Feb 85 p 1

[Text] Delegates of the People's United Party from the electoral divisions of Belize met last Sunday, February 3d, at Independence Hall, 3 Queen Street, Belize City, to consider the reorganization of the party following the results of the general election of December 14, 1984.

The meeting elected the Right Honourable George Price to continue as Party Leader who will work along with an interim Central Executive Committee to prepare for a national convention when the new leadership will be determined.

At this national convention there will be election of national officers and review of the party's constitution and the party structure in the light of the new circumstances.

The Party Leader and the officers of the Central Executive Committee, who remain loyal after the resignation of Chairman Sylvestre and Third Deputy Chairman Hunter, had offered to tender their resignation and had expressed their desire to serve as the party may wish.

### Criticism of 'Defectors'

Belize City THE BELIZE TIMES in English 10 Feb 85 pp 2,3

[Editorial: "A Defection--For What Purpose?"]

[Text] The leadership of the People's United Party, with representatives from the electoral divisions of Belize, met on Sunday last at Independence Hall in Belize City. It decided to carry on the work of the peaceful, constructive revolution in building a new and better society for Belize under the leadership of Party Leader George Price.

The meeting agreed that the Party Leader would reorganize the party with the help of members of the Central Executive Committee who remain loyal to the party after the defection of two of its members.

The membership of the interim Central Executive Committee comprises Deputy Party Leader Rogers, First Deputy Party Chairman McKoy, Second Deputy Party Chairman and Acting Secretary Marin, Party Treasurer Pech, Youth Organizer Waight and National Campaign Manager Erales.

It is the same leadership of the party which presided over the national convention of December 2, 1984, and which was responsible for the campaign for the general election of December 14, 1984. The only change there was came about from the defection of Chairman Sylvestre and Third Deputy Party Chairman Hunter.

In their letter of resignation to the Party Leader covering their defection, former Chairman Sylvestre and former Third Deputy Party Chairman Hunter wrote in part:

"It is with deep concern that we found ourselves in a situation that leads us to make a very serious and drastic decision caused by circumstances which you choose to ignore and which we were constantly advising you against.

"These circumstances revolve around the implementation of the Marxist Communist master plan to eventually take over the Party, the Government and finally the Country...

"This has led to the final takeover of the Party by the Marxist Communists as shown by a series of recent unconstitutional meetings being held at Party Headquarters without the knowledge of consent of the members of the National Executive, especially the Party Chairman."

The meetings referred to in the letter are presumed to be the consultations among the PUP candidates in the general election of December 14, 1984, regarding the future of the party with special reference to the alleged disloyal activities of the Chairman leading up to and during the election campaign.

We learn that the Party Leader was kept informed about these consultations, the purpose of which was to make an assessment of the situation which in time would be brought to the Central Executive Committee and the Central Party Council and thence to a National Convention.

To deny the PUP candidates to meet as citizens is to deny their constitutional rights under the Constitution of Belize. Similar meetings were held, we learn, by the former Chairman and former Third Deputy Chairman and their supporters in an attempt to rally support for the political party they are said to be forming.

What makes the situation disgraceful for the defectors is the fact that as recently as December 2, 1984, they took an oath before God and the Belizean people swearing their allegiance to the People's United Party, "to its peaceful, constructive Belizean revolution, to its just objectives of a secure and lasting independence for Belize with sovereignty over all its territory, under the Charter of the United Nations."

At that time no reservation or warning was expressed that there was an "implementation of the Marxist Communist master plan to eventually take over the party, the Government and finally the Country." If there was such a plan, it was their duty to so inform the National Convention.

It is only after the general election and the widespread sentiment and demand for disciplinary measures against the former Chairman for his alleged betrayal of the party, that the former Chairman and former Third Deputy Party Chairman purport that there was a "final takeover of the party by the Marxist Communists."

The fact that today that leadership of the People's United Party continues under Party Leader Price and the interim Central Executive Committee of which they were members, should give the lie to the charge of a "Marxist Communist" takeover of the party.

The question then arises: "What is the purpose for their defection? There must be some other purpose or purposes which in time will become evident to the Belizean people.

#### Council Meeting Attendees

Belize City THE REPORTER in English 10 Feb 85 p 8

[Text] The Central Party Council of the People's United Party met on Sunday, February 3rd at the party headquarters in Queen Street for a meeting which lasted several hours.

The Party Leader, Mr George Price, personally took up a position at the entrance to greet members as they arrived. Among those who showed up were Mr Said Musa, Mr Assad Shoman, Mr Ralph Fonseca, Mr Glenn Godfrey, Mr Louis Humphreys and Mr Florencio Marin, Leader of the Opposition in the House.

Party officials would not comment about the purpose of the special Council, but it is believed the Party is mobilizing and getting ready for the Town Board elections on March 27. On March 27 the Belize City Council will also be having bye-elections for the four seats, and the PUP is expected to field a team of its best four.

#### Evaluation of Meetings

Belize City THE BELIZE TIMES in English 17 Feb 85 p 3

[Text] Scarcely two months after its defeat at the polls, the People's United Party under former Prime Minister Price, takes a hard look at itself, jettisons unwanted baggage, and plots a course for the future.

Already the top brass of the party including Senator Courtenay, Leader of the Opposition in the House Florencio Marin, Said Musa, David McKoy, Assad Shoman and former Interior Minister Rogers, have met several times. Their aim is to analyse the cause of the party's defeat, reorganize the party structure, and

streamline the party's activities to meet with its new obligations as an opposition party and alternative government.

To help with its work, the party hierarchy summoned official delegates from all the constituencies in the country. These met at party headquarters in Belize City two Sundays ago and tackled the problems facing the party head on.

Much progress was made at that meeting. The party now knows that the start of the economy, intra-party bickering and treachery, and a general desire among the electorate for a change, led to a U.D.P. victory in December. A plus for Said Musa and Assad Shoman is the fact that the communist label did not stick and played no part in last year's general election. Less lucky were former Works Minister Fred Hunter and ex-party chairman Louis Sylvestre, two early casualties of the party's reshuffling process who resigned rather than face the ignominy of being expelled.

The first major achievement of that high level meeting was the re-election of Prime Minister Price as the party leader. The next major task facing the P.U.P.: to get a formidable team of officials to fill vacancies in the party hierarchy. Said Musa is being touted by many loyalists as the next party chairman while Florencio Marin is a sure bet for deputy party leader. Senator Courtenay, David McKoy, Assad Shoman and Guadalupe Pech are also slated for top positions.

Much work remains before the National Convention later this year, but the wheels of the party train have been put in motion. Moral is high and a spirit of camaraderie is apparent for the first time.

Party Leader Price is in good spirits and already has begun the work of organizing the PUP into a credible and effective opposition party, and alternative government.

The soul searching is a good beginning. The party machinery is in motion again and looking good.

#### Belize City Candidates

Belize City THE BELIZE TIMES in English 3 Mar 85 pp 1, 12

[Text] The four candidates selected by the People's United Party to contest the Belize City Council bye-election on March twenty-seventh are Messrs Carlos Diaz, Remijio Montejo, Maurice Robateau and James Saunders.

The four seats will become vacant because four City Councillors of the United Democratic Party, who are government ministers, will resign from the Belize City Council. Before the independence of Belize and in the early stages of constitutional development it was possible for a person to hold office in both national and municipal governments.

With independence and with increased work and responsibility, this arrangement is no longer practical and of service to the country.

The Convention was well attended at Independence Hall, Belize City, where the large gathering flowed into the verandah.

The speakers were the Party Leader George Price and Deputy Party Leader Lindy Rogers, Senator Harry Courtenay and Mr Said Musa. They spoke about the lack of propriety of the Speaker of the House of Representatives, Hon. Carlos Castillo, who in keeping with tradition and practice should have resigned his place on the Belize City Council.

Had the Speaker resigned the number of seats in the bye-election would be five and would provide an opportunity to form a city government.

Nevertheless to keep democracy alive the PUP will contest the four seats even though they constitute a minority on the Council.

The speakers asked for the support of voters for the PUP in order to exercise vigilance over the management of the funds and assets and resources of the city and to defend the rights of municipal workers and residents against the injustices and political victimization.

With a UDP national government, the people of Belize live in fear of victimization. Despite the many promises of the UDP in the campaign they are being deprived of what they previously had under the former government.

To raise funds for the campaign the PUP will have sale of food on March 17th at 46 Princess Margaret Drive, Belize City.

#### UDP Response

Belize City THE BEACON in English 2 Mar 85 pp 1, 11

[Text] The PUP has announced that it will contest the four seats made vacant in the Belize City Council by the resignations of four UDP Councillors (who hold ministerial portfolios in the new UDP administration. In the last City Council elections (1983), the UDP won an unopposed 9-0 majority.

The announcement was made at a meeting of delegates from all 28 electoral divisions held at PUP Party Headquarters on Sunday, February 17. A press release issued following the meeting said that the party "deplored the fact that the Speaker of the House of Representatives (City Councillor Carlos Castillo) has failed to resign from the Belize City Council according to the traditional parliamentary practice."

But a UDP spokesman pointed to the fact that it would be politically unwise to leave a majority of seats vacant, even if there are indications (as it is in the present case) that the incumbent party will recapture all seats in the by-elections. Furthermore, there are no precedents for this situation. In Belize's modest political history, a House Speaker has never sat as a member of a municipal government. The bad precedent was set by the PUPs, who elected a former minister of government as Speaker of the House, seriously clouding the chair's impartiality.

According to the release the meeting also talked about the "reorganisation" and "revitalisation" of the party. One of the highlights, according to a source within the meeting, was a promise evoked out of former Minister Assad Shoman to issue a letter for publication in the local press that he is not a communist.

The letter, so far, has not been forthcoming; and the release only said "that the People's United Party is not a communist party... and that the communist ideology has no place in its philosophy." That type of bald statement, in the context of what has transpired during the past years, has to be taken, with a grain of salt.

CSO: 3298/463

BELIZE

DEVELOPMENTS INVOLVING ELECTIONS, BOUNDARIES UNIT CITED

Official Inquiry

Belize City THE REPORTER in English 17 Feb 85 p 1

[Text]

It was revealed this week that the Government has decided to appoint a Commission of Inquiry to investigate charges of irregularities within the Belize Election and Boundaries Commission.

The revelation came from the Hon. Philip Goldson Minister of Local Government and Community Development during the radio and television programme Face the Nation. Mr. Goldson was answering questions about municipal bodies and how the government hoped to make them more autonomous and more financially independent.

"I don't want to encroach too much on the area of the Minister of Home Affairs but I know that he has under preparation a Commission of Inquiry," Mr. Goldson said.

The Elections & B Commission is set up

as an arm of the Belize Independence Constitution.

A Commission of Inquiry appointed by the last government recommended that the composition of the Commission needed to be changed.

The Commission, which was headed by the Rev. Lloyd Lopez, Chairman, recommended that the Elections and B Commission needed to "clearly indicate impartiality". To accomplish this, the Commission said, the Commission, which is made up of a Chairman and four members, should be appointed by the Governor General after consultations with the Prime Minister.

It said that its investigation had revealed instances of illegal aliens being registered as voters in Belize and said it had found "unusual delays" in the registration process.

# Belize City Changes

Belize City THE REPORTER in English 3 Mar 85 p 1

[Text]

Belmopan, Mar.1:

In an unusual move today the Belize National Assembly, meeting for its first business session since the elections swept the United Democratic Party into power, telescoped all three readings of a new law into one session and passed an Act establishing new boundaries for Belize City.

The boundaries are the same as those set out in Statutory Instrument No.33 of 1983 established by the Minister of Local Government at the time, Mr. Joe Briceno, that is to say a line starting at Belizean Beach and running along the length of Burdon Canal to the river and beyond the river across Haulover Road to include all of Bella Vista.

During the debate the new Minister of Local Government, Mr. Philip Goldson, explained that the new legislation was necessary because it

had been established that in 1983 the Minister had no authority to adjust the city's boundaries as he did by S.I. No.33. The new law, approved by the whole House, corrects the 1983 anomaly, but it goes beyond correction.

It provides explicit authority, for the first time, to the Minister of Local Government to define and fix future boundaries.

The new Act also clarifies the matter of voter registration for Belize City by stipulating that only those persons living in the area now described as Belize City will be eligible to vote in Belize City elections.

Persons registered in the Freetown Division who are living in Ladyville but outside of the Belize City limits will not be eligible to vote in Belize City Council elections.

CSO: 3298/464

BELIZE

## PUP, UDP POLICIES ARE TARGETS OF MEDIA CRITICISM

### 'Victimization' of UDP Voters

Belize City THE BEACON in English 9 Feb 85 p 2

[Editorial]

[Text]

BELOW the level of outright criminal corruption that has always existed within the ranks of PUP administrations, there also existed a wider range of questionable practices by the ministers who made up the Cabinet.

Foremost among these was the practice of sabotaging and victimizing the communities of whole cities, towns and villages that vote in opposition parties at local government level.

Over the past thirty years, that is exactly what successive PUP Central Governments did by dramatically slashing subvention grants to a city or town with an opposition majority, while making demands for immediate payments of massive bills for services and loans given and made to previous PUP city councils and town boards.

Now countrywide town board elections are less than eight weeks away, but with a new UDP administration at the seat of Central Government.

As the country heads into these elections the UDP is in control of three town boards (Dangriga, San Ignacio and Benque Viejo); the PUP is in control of three (Corozal, Orange Walk and Punta Gorda); and one (San Pedro, Ambergris Caye) just recently declared a township, will be holding elections for the first time.

While there is little doubt that the UDP will gain or retain control in most if not all towns, it seems to be as good a time as any for the UDP Government to renew assurances to voters that there will be no more acts of victimization of towns voting in opposition local governments.

The majority of voters will want to vote UDP as they did in last December's general elections, but they will want to do so with the air cleared of the stench left by the PUPs.

A statement from Local Government Minister Hon. Philip Goldson will go a long way in accomplishing this.

#### UDP Nepotism

Belize City DISWEEK in English 15 Feb 85 p 6

[Text]

**T**he UDP mimic men, complete with neck ties, three pieces suits and platform shoes are embarking on political victimisation and nepotism in thier appointment to statutory boards and committees.

Anyone suspected of not being a UDP supporter is being unceremoniously removed and replaced by outright UDP supporters and financiers.

Nestor Vasquez is the new Chairman of B.T.A. and is also on the Board for the B.E.B., his second appointment in two weeks. Michael Young, a crony of the Minister of Economic Development is Chairman of D.F.C. Karl Menzies has been made Chairman of the Electricity Board.

Someone by the name of Wilshire has been appointed Youth Director by Minister Derek Aikman. Another area to watch is the Arts Council headed by two well-known artists whose days may be counted.

The new Prime minister's wife, Mrs. Esquivel, has been appointed Chairperson of the National Women's Commission.

Every appointment made so far by the UDP are based on politics. One of these appointments blew up in their face when it was learnt that they wanted their campaign Manager Santiago Perdomo to be United States Ambassador. UDP had to back off when the Security people advised them otherwise.

### Abuse of Trade Permits

Belize City THE BELIZE TIMES in English 3 Mar 85 pp 1, 12

[Text]

There is growing concern about the indiscriminate manner in which permits to import corn are being issued by the Minister of Trade, Eduardo Juan.

In early February, the Marketing Board had over 40,000 pounds of corn in its silos which it was unable to sell. Yet the Trade Minister began issuing permits to import corn from Guatemala at an unprecedented rate.

The permits are being issued to the family or known political cronies of Minister Juan. It is reliably reported that Nazim Juan of San Ignacio, the Minister's brother, got permits to import 50,000 pounds of corn; that Abel "Pachuco" Silva of Benque Viejo got permits for 10,000 pounds and that Jose "Tres Pelitos" Guerra Mena of Benque, family of the Representative Pedro Guerra Mena, got permits for a similar amount. Rene Moreno, UDP Mayor of San Ignacio, is also reportedly creaming off from the lucrative trade created by his colleague Eduardo Juan.

Just one day - Monday 25th February - nine truckloads of corn crossed the border into Belize from Guatemala. The corn is sold to the Mennonites and to tortilla factories up north at handsome profits.

Previously, whenever it became necessary to import corn this was done by the Marketing Board. It made sense for two reasons: The Board, which is responsible for buying corn from local producers, would not import it if it had local supplies, whereas these private importers are only concerned with making a profit, regardless of any damage done to local producers or to the Marketing Board.

Secondly, it is only fair that the Board, which often takes a loss from local purchasing of corn, should be able to set off some of this loss by a modest profit on imports.

In his wisdom, Minister Juan has decided to change this policy and put local farmers and the Marketing Board in jeopardy just so that his brother and a few friends can make a big profit.

BELIZE

## MARIJUANA BUST IN ORANGE WALK NETS 18, PLANE VEHICLES

### Report on Police Action

Belize City THE REPORTER in English 17 Feb 85 p 10

[Text] A large marijuana escape, and the Police have identified him as Michael Hall of Orange Walk Town. Police authorities have released the names of the men who have been arrested and charged. They are:

John Triminio, 63 of Mopan Street, Orange Walk Town.

Crispino Pol, 23 of August Pine Ridge Village,

Lionel Cansino of San Estevan Village,

Pedro Najera, 42, Guatemalan immigrant of August Pine Ridge,

Urbano Uck, 24 of August Pine Ridge,

Alejandro Carillo, 24, Guatemalan immigrant of August Pine Ridge,

Edward Shaw, 49 or Orange Walk Town,

Andres Sosa, 55 of August Pine Ridge,

Eloy Blanco, 55 of Orange Walk Town,

Leobaldo Toledano, 20 of San Roman Village,

Brian Espat, 24 of Mahogany Street, Belmopan,

Isabel Chavez, 70 of San Antonio Village,

Leopold Wade, 44 of Calcutta Village,

Jose Manuel Arrevelo, 45, a Guatemalan immigrant of August Pine Ridge,

Bernabel Trimino, 23 of Orange Walk Town,

Ismael Trimino of Orange Walk Town, and the two pilots of the Beechcraft.

Noble Simpson 37 and James Gough, 41, both from the state of Texas.

All eighteen men have been taken to court and formally arraigned. Bail has been set in the sum of \$175,000 each, but so far none of the arrested men has come up with the bond money.

Six of the arrested men are from Orange Walk Town and five are from the village of August Pine Ridge. The others are from as far afield as Belmopan and Calcutta in Corozal.

#### Release on Bail

Belize City THE REPORTER in English 17 Feb 85 p 1

[Text] [Seven] men accused of drug-running earlier this week have raised more than a million dollars in bond money to secure their release from jail in Orange Walk Town.

The men are Americans Noel Simpson and James Gough of Texas, pilots of the twin-engine plane which landed on a hidden field near Blue Creek Village last Sunday, Alberto Espat, businessman of Belomopan, Leopold Waite, businessman of Calcutta, Michael Hall and John Triminio of Orange Walk Town and Leonel Cansino of San Estevan. Nine others caught in the Sunday afternoon raid are still in jail.

An array of lawyers from Belize City have made the trip to Orange Walk to represent various of the accused--attorney Oscar Sabido to represent the two Americans, attorney Said Musa to represent Alberto Espat of Belmopan and attorney Bernard Pitts to represent Leopold Waite of Calcutta.

The record bail of \$175,000 for each person was set by Orange Walk resident magistrate Mr Dylan Barrow.

In the raid Orange Walk police seized 1,500 pounds of marijuana, two cargo vans and two Ford pick-up trucks. The Belize government has impounded the Beechcraft.

#### Speculation Concerning Bail Funds

Belize City THE BELIZE TIMES in English 17 Feb 85 pp 1, 10

[Text] A police officer told THE BELIZE TIMES Thursday they are concerned about the circumstances under which bail was arranged for two Americans arrested Feb. 10 in an anti-drug operation in the Orange Walk District.

The officer says bail was arranged for the Americans, James Goff, 41, and Mike Bashara [as published], 37, after normal working hours on Feb. 12. Magistrate Dylan Barrow had offered bail for \$175,000 for each of the two Americans and 16 others arrested in the same operation.

The two Americans, accompanied by attorneys Alan Pitts and Oscar Sabido accepted the bail offer and the sureties were signed by Michael and Maricia Hall and William Usher.

The police officer says Michael Hall, one of the sureties, was later arrested in connection with the same drug bust. He says the police fear that the two American citizens may skip bail and leave the country.

Two Belizeans arrested in the same operation, Albert Espat, 21, and Leopold Wade, 44, also took up the offer of bail for the same sum of \$175,000 each.

The others arrested in the drug bust are two Guatemalans: Jose Rivero, 45, and Alejandro Carillo, 24, and Belizeans, mostly from the Orange Walk District, John Trimino, 63, Bernabel Trimino, 23, Ismael Trimino, 20, Cristino Pol, 23, Leonel Cansino, 34, Pedro Najern, 42, Urbano Uk, 24, Andres Sosa, 55, Edward Shaw, 49, Eloy Blanco, 24, Leobaldo Toledano, 20, and Isabel Chavez, 70. They were also offered bail for the sum of \$175,000, but up to press time they were still in police custody in Orange Walk Town.

Charged with possession of marijuana and attempting to export the drug, these men will be tried on Feb. 26 in the Orange Walk Magistrate's Court. They were arrested when Police intercepted an aircraft on a clandestine airstrip near Orange Walk Town, and seized 1,551 pounds of marijuana. The Police confiscated the U.S. registered plane, four pickup trucks and a quantity of aviation fuel.

The collective bail offer of more than \$3 million is in accordance with the new and tough anti-drug laws that allow for fines of up to \$50,000 on a conviction in a lower court, and a maximum of \$500,000 in a Supreme Court conviction.

#### Attorney General's Involvement

Belize City THE BELIZE TIMES in English 24 Feb 85 p 1

[Text] The attorney general, Mr Hubert Elrington, has thrown caution to the wind and is openly interfering with the administration of justice.

He has called on the Police to withdraw the case against Franklyn and Moriarty, two US citizens charged with possession of hashish.

When his arm twisting did not work with the Police, it is reported that Elrington called on the Director of Public Prosecutions, Mr Gian Gandhi "instructing him" to withdraw the case.

According to an AMANDALA front page story of January 18, when Richard Franklyn and Mike Moriarty were arrested in San Ignacio they asked to contact "their lawyer Hubert Elrington." Apparently Elrington represented these two Americans before he was appointed Attorney General. He is now using his high office to protect "his clients." This is commonly called "conflict of interest." It constitutes a flagrant violation of the Constitution which secures the independence of the DPP and of the Courts. It will be interesting to see whether the Justice system will bow to the political pressures of Elrington and his UDP Government.

#### Suspicious Fire

Belize City THE REPORTER in English 24 Feb 85 pp 1, 4

[Text] A mysterious fire which broke out in the Belmopan Shopping Center in the pre-dawn hours of last Tuesday, February 19 may have something to do with a large drug bust in Orange Walk nine days earlier.

The Police in Belmopan are well satisfied that the fire, which resulted in some \$800,000 worth of damage was deliberately set, but no arrests have been made because they have no evidence to point to the arsonist.

Juvenilo Linarez, the 45-year-old Guatemalan-born watchman, has told the police a bizarre story about how he was tied up and left to burn with the building. He said two men approached him Monday night as he was about his watchman duties and tied him up. The two intruders went toward the building he said, and later he realized that they had set it afire. Linarez said his sons, who lived nearby, saw the flames and rushed to rescue him.

The watchman's story raises more questions than it answers. It does not explain, for example, how two men could have overpowered an armed guard, or how they could have gained entrance to a secure, locked, concrete building. Police investigators say the fire spread very quickly, a sure sign that the building had been deliberately put to the torch.

The supermarket, which was managed by Mr Joe Mena, was housed in a building owned by Mr Luis Alberto Espat.

Investigators are checking to see if there is any link between this fire and the drug bust in which a son of Mr Luis Alberto Espat was involved.

CSO: 3298/465-6

BELIZE

ESQUIVEL TO SEEK STEPPED-UP DRUG PATROLS ON MEXICAN BORDER

Belize City THE REPORTER in English 24 Feb 85 pp 1, 4

[Excerpt] One of the objectives of the ministerial delegation to Mexico this week is to try to interest the government of Mexico in stepping up border patrols along the Rio Hondo, Mexico's common border with Belize, in an effort to control the trade in drugs and smuggling on both sides.

This information was revealed by the Prime Minister, Mr Manuel Esquivel, during a press conference earlier this week. He said the delegation, which included the Minister of Health, Mr Elodio Aragon, the Minister of Energy and Communications, Mr Israel Alpuche and the Foreign Minister, Mr Dean Barrow would be stopping off in Chetumal for brief discussions with the Governor of Quintana Roo, Sr Pedro Juquin Coldwell.

CSO: 3298/466

BELIZE

BDF EX-OFFICER COMMENTS ON PROBLEMS, NEEDS OF FORCE

Belize City AMANDALA in English 1 Feb 85 p 3

[Letter to the editor]

[Text]

5124 - 4th. St  
King's Park,  
Belize City.  
28 Jan. 1985.

Editor AMANDALA

Dear Sir,

My sincerest congratulations on your editorial titled "Is it our army?" of your issue dated 25 Jan. 85. You put the problem of the BDF into excellent perspective. I may not have agreed with everything you said in the past, but I would defend with my life your right to say it.

If the problem within the BDF is what I believe it to be, then our Belizean soldiers are in deep trouble, for, they may suddenly find that they are nothing more than a Sepoy organization, with no real intelligentsia among their own ranks to look after their best interests and that of the nation. If this is the case then perhaps the UK and US governments should be asked to foot the entire bill for salaries, fuel, etc (some \$8M in 1984!), leaving all that money for the new government to use in more vital areas.

Since the BDF seems to be nothing more than a promotion machine for expatriates, and an anti-drug squad for the Drug Enforcement Agency of the USA, then perhaps more financial support should be forthcoming from those two super-powers. Who knows, maybe only that way our boys will receive better salaries for risking their lives (an expatriate gets between 6 to 12 times the salary of some Belizeans!). I sincerely believe

that there are people in the UK and USA who would be prepared to listen - if the correct voices in the BDF are prepared to present a good case.

The BDF is not a credible force against external aggression. Our boys are excellent soldiers, (some are more highly trained than those who are training them in some cases!) but we as a nation, do not possess the money, man power, and equipment necessary to repel an aggression.

I say let's make good and profitable use of the Force by placing it under the command of the police,

training them in a para-military role, imbue them with public relations ability as best we can, and try to eradicate drugs, curb criminal elements, and in general make Belize a safer place.

Leave the problem of external aggression to the British Armed Forces - they can and are better equipped to handle that problem.

On the matter of division within the BDF, I am afraid that too much damage has been done between 1982 and 1985. I lost a great deal of skin trying to cope with policies which demoralized men and kept Belizeans from progressing up the ladder. Eventually I crossed swords with people more powerful than I could even hope to be. I left the Force in August 1984 - no need to say more.

The Force does need help; decisive, no nonsense policies need to be made and followed through; for that I would strongly recommend to the new government that Defence P.S. Mr. Michael Hulse, be given a free hand in getting the Force straight. The man is one of the most brilliant, professional civil servants I have ever known. He will do a good job, for sure. I will always be sorry I had to turn down an offer to work in the Ministry of Defence along with Mr. Hulse - but I was too angry at certain events at the time and anger and good decisions do not go together, so I stayed out.

Sincerely,  
Tom Greenwood  
Major, BDF, (Ret'd)

CSO: 3298/467

BELIZE

### THREE INTERNATIONAL TRADE UNION OFFICIALS VISITING

Belize City THE BEACON in English 23 Feb 85 pp 2, 12

[Text]

**BELIZE CITY:** Visiting Belize on a familiarization visit last week, from February 11 to 14, as guests of the National Trade Union Congress of Belize (NTUCB) were Mr. A. Leonard Archer, President of the Caribbean Congress of Labour (CCL) and Mr. Michael A. Donovan, Jr., Director of the Caribbean Office of the American Institute for Free Labour Development (AIFLD).

During their visit, the Caribbean Trade Union officials held formal discussions with the officers and governing council of the local Trade Union Congress on matters of national and regional concern and on possible areas of technical and project assistance. They also paid courtesy calls

on the Prime Minister and the Minister of Labour.

Visits and discussions on matters of mutual concern were also held with the Permanent Secretary in the Ministry of Labour and the Labour Commissioner here in Belize City.

In other NTUCB news, the Congress will be sponsoring an Officers' Training Seminar at the University Centre in Belize City, for local trade unionists from February 25 to March 1, 1985. This seminar is being sponsored by the International Confederation of Free Trade Unions (ICFTU) through its regional affiliates, the CCL and the local Trade Union Congress.

Mr. Maurice Christian, Education Coordinator from the CCL's headquarters in Barbados will be here to help conduct the seminar.

BELIZE

CENTRAL BANK REPORTS MIXED ECONOMIC PERFORMANCE

FL120350 Bridgetown CANA in English 2049 GMT 10 Mar 85

[Text] Belmopan, 10 Mar--Belize's economy had a mixed performance during the first nine months of last year, with sugar exports and revenue down, but an improvement in the performance of other major foreign exchange earners, according to the country's Central Bank.

The Central Bank, in its quarterly review of the economy, said citrus continued to be the major growth sector, with production of garments remaining buoyant despite weaker growth in the U.S. market and output of marine products picking up.

Sugar production fell for the second year in succession. Sugar production for 1984 is estimated at 103,148 long tons, about 9.3 percent or 10,000 long tons lower than previous years, the bank reported.

The bank said that sugar exports reached 97,105 long tons at the end of the year--12,005 long tons or 11.0 percent less than was expected in 1983. The average unit prices of the exported sugar, however, some by 3.7 percent to 648 dollars (one Belize dollars; 49 cents U.S.), so that total export receipts, at 63 million dollars, were only 5.3 million or 7.7 percent less than in previous years.

The price of sugar on the New York market, however, fell by 28.4 percent to 224 per long ton, the banks aid.

The bank said that citrus production last year rose by 27 percent, from 928,000 boxes to 1,180,000 boxes. The increase follows a contraction in citrus production the previous year due to labour difficulties and disputes between growers and the processing factories.

The bank said that canker disease in the United States in 1984 helped increase the demand for Belize citrus. Receipts from exports of citrus and citrus products rose by 23.6 percent from 13.7 million dollars in 1983 to 17 million dollars in 1984.

The output of marine products for the third quarter of 1984 rose by 80 percent, from 205,745 pounds in the second quarter to 370,850 pounds. Earnings over the same period for these exports rose from 0.6 million dollars to 4.9 million dollars.

Lobster, which accounts for the largest percentage of fish exports, showed an increase from 22,000 pounds in the second quarter to 293,400 pounds [figures as received] in the third quarter. Exports of other fish and conch declined by 32 percent and 73 percent respectively during the three months to September 1984.

The production of garments for export to the U.S. increased from 40,000 dozen in the second quarter to 46,000 dozen in the third, an increase of 15 percent. Revenue from exports of garments over the same period rose by 22 percent, from 7.4 million dollars to 9 million dollars.

CSO: 3298/467

BELIZE

PLIGHT OF SUGAR INDUSTRY NOTED; U.S. HELP DISCOUNTED

Sugar Board Assessment

Belize City THE BELIZE TIMES in English 3 Feb 85 pp 1, 10

[Text]

The sugar industry, the country's main source of foreign exchange, is in very serious trouble. It is a disastrous situation, says Sugar Board Secretary, Mr Libby Ayuso.

The industry has been plagued by economic problems for some time, but now prices have dropped so low that canefarmers and the Belize Sugar Industries alike, are operating at a loss. BSI claims it will lose about \$10 million this season.

Canefarmers are presently getting 28.12 dollars per ton while the cost of production per ton is between \$35 and \$40. The loss, therefore, is enormous.

Canefarmers, says Mr Ayuso, are only delivering this crop because they have to, since the cane is already there. The new low price, canefarmers agree, is the most disastrous piece of news in 20 years.

Last Monday, cane-

farmers called for Government's intervention to make certain changes in the industry. At a meeting with the Prime Minister, Mr Manuel Esquivel, representatives of the Belize Cane Farmers' Association put forward a list of proposals in their interest. They are calling on Government to ensure maintenance of the net strip value of sugar so that canefarmers will receive 65 percent and BSI 35. BSI, we understand 38 percent leaving canefarmers with only 32 percent. They are also requesting that Government make representation to Washington regarding an increase in sugar quotas.

The general feeling, however, is that the problems of the industry are beyond control. "I cannot see any silver lining in the horizon," says Mr Ayuso. He adds that it is most unlikely that Belize will get any increase in the US quota.

US market prices are reasonably good but falling. Presently the price is 38 cents per pound, while the European price (EEC) is lower at 34 cents, but the world price is way below at 7 cents a pound. These are the worst prices in 14 years and they are attributed to a world market surplus, and the stiff competition from the beet sugar producers.

"The only thing that can help us now," quips Mr Ayuso, "is for everybody to kneel down and pray for a miracle!"

#### U.S. Quota Issue

Belize City THE REPORTER in English 10 Feb 85 p 2

[Editorial]

[Excerpts] Distressing news concerning the sugar industry have plunged sugar cane growers and those whose livelihood depends on sugar into the doldrums. It is estimated that Belize earned some \$37 million less from sugar last year than we earned in 1980.

The export price to the United States market is still high, but because of reduced quotas, Belize will sell 23,000 long tons in this market during 1985 whereas in 1950 we were able to sell 28,000 long tons to the Americans.

Sugar cane growers have become discouraged, and it is beginning to show. There is talk about cutting back on production. Cane farmers are turning down a heaven-sent opportunity to own the two sugar mills--the only two in the country. There is also talk about diversification, which is good.

In Belize we have three choices. We can choose to abandon or restrict our sugar efforts, or we can begin a determined quest to find new uses for our sugar. The third choice is to do both these things in combination for an overall wholesome result.

One thing we should not do--and that is to expect that the United States will, out of sympathy for Belize's plight, increase our sugar quota.

Why should they, when they don't need the sugar, and when we all know it will only lead to complications farther down the road. We could ask them to help us put into place technologies for alternative uses for our sugar. If we cannot sell the stuff raw, we should convert it to other uses, such as candy, and sell it.

Potential Losses

Belize City THE REPORTER in English 17 Feb 85 p 5

[Text]

The falling value of Sterling against the U.S. dollar, the erosion of prices in the U.S. market and the abundance of sugar on the international market are factors which have caused the estimated price of sugar cane to plummet from \$33.44 in Orange Walk and \$34.30 in Corozal by some \$6.00 per ton this year.

The drop is expected to cost canefarmers an estimated 6 million this season.

The two sugar factories in Belize produce an average of 100,000 tons of raw sugar, using an average of nine tons of cane to produce a ton of raw sugar.

Cane prices have been falling steadily the last four years, but this year's estimated prices are the lowest they have ever been in the industry - \$28.12 a ton for Corozal cane and \$27.41 for

Orange Walk cane. The difference in price is due to the sucrose content of the cane. It takes less Corozal cane to make a ton of sugar than Orange Walk cane.

A spokesman for the Belize Sugar Board said last week the sugar industry in Belize is facing grave problems which only an increased U.S. sugar quota can solve.

GSO: 3298/467

BELIZE

# EXPORT PROGRAM FOR GARDEN VEGETABLES TO U.S. INITIATED

Belize City THE REPORTER in English 17 Feb 85 p 1

[Text]

They don't take a year to grow like sugarcane; they do not require a multi-million dollar investment for processing plants and they can become with time as important a dollar-earner as sugar.

They are the fast-moving row crops of fresh garden vegetables for the U.S. winter market.

This week Belize embarked on the start-up of an export programme with the first shipment in more than ten years of more than four tons of cucumber.

Other shipments will follow in the weeks and months ahead - not only of cucumber, but of the popular bell or sweet pepper and the smaller succulent pickle cucumber - in the most exciting joint-venture programme yet devised

here.

The man behind the new idea is Douglas Fox, farmer-promoter of Burrel Boom. He conceived the joint venture arrangement whereby American vegetable farmers would determine their own inputs of capital, supervision and marketing expertise. The Belize partner would provide the land, the management and the local skills.

In practice the U.S. partners actually come down to Belize, spend as much time as they like to plan and make sure the fields are all properly prepared, that the seeds and fertilizer and all pre-planting arrangements are just right. They make sure the water supply for irrigation is adequate and that all conditions are good for a successful harvest.

When the crops are harvested they are sent to these same

U.S. partners, who already have the marketing skills to sell the fresh garden produce to their traditional market outlets.

So far in the Burrel Boom area alone more than a hundred acres have been planted to row crops of cucumber and bell pepper. As many as a thousand acres more could eventually come under cultivation if this year's big experiment proves successful.

Last year income from the sale of fruit and vegetable exports from Belize to the United States reached \$8 million Bze from a high of \$684,000 the year before, according to a report released this week by the United States Embassy in Belize City.

It is felt that Belize may be able to double this figure during 1985 if plans now under way work out.

BELIZE

BRIEFS

DEMISE OF DISWEEK--As explained in our editorial, this is the last issue of DISWEEK for a while. If in the short space of 21 months gestation, we activated a few minds, provoked some and stimulated others then the effort was not in vain. We thank all who gave freely of their time and effort: Stewart Krohn (at the beginning with his Krohnology); Zoila Ellis and Cynthia Higinio (Woman's Voice), Professor Manning Marable (From the Grassroots and Colorline) and all others who shall remain nameless. [Text] [Belize City DISWEEK in English 15 Feb 85 p 3]

NEW NETHERLANDS ENVOY--Mr Jan Willem Bertens, the second ambassador for the Kingdom of the Netherlands to Belize, has presented his credentials to the Governor General Minita Gordon. [Excerpt] [Belize City Domestic Service in English 0100 GMT 5 Mar 85 FL]

MINISTER IN COSTA RICA--The Attorney General and Minister of Housing Mr Hubert Erlington is on a 1-week visit to Costa Rica. During his visit, the minister will hold discussions with Government ministers and officials as well as local representatives of the Peace Corps. He will also visit housing projects in that country. Mr Erlington left the country yesterday. [Text] [Belize City Domestic Service in English 1300 GMT 13 Feb 85]

DISTRICT COUNCIL PLAN--The Minister of Local Government, Social Services and Community Development, Mr Philip Goldson, has completed a tour of San Pedro Town and Caye Caulker where he spoke about the formation of District Councils, in all six districts of Belize. The councils will be comprised of all the members of the Town Board and Village Councils in each district. Also to be formed is a District Association Conference, which will be made up of representatives of each of the six District Councils. The conference will consider projects submitted by the District Councils that will be included in the country's development planning. Minister Goldson, speaking at the end of the San Pedro Town Board and the Caye Caulker Village Council, said that the District Association Conference will be formed within the next two to three months. [Text] [Belize City THE BEACON in English 23 Feb 85 p 3]

REJECTION OF PAY HIKE--It comes as no surprise that the Esquivel Government will not be able to grant an increase of salaries to public officers. The Prime Minister himself said it at a press conference Wednesday, and the Public Officer's Union (POU) will have to accept for this is the reality. The POU was

told repeatedly by the Price Government last year of the near impossibility of granting a salary increase to public officers. Belize, like the rest of the world, has been going through a financial crisis and the position dictates an austerity programme. The Price Government did everything possible to maintain a sense of balance in the economy and was relatively successful. The IMF bailout and the USAID assistance programmes negotiated by the previous administration will ease the situation, but will not turn around the economy to allow anything that looks like extravagance. The Esquivel government would do well to look back at the previous government's austerity measures. [Text]  
[Belize City THE BELIZE TIMES in English 24 Feb 85 p 12]

CSO: 3298/468

BOLIVIA

ADN VICE PRESIDENTIAL CANDIDATE ON COB STRIKE

PY120242 La Paz CADENA PANAMERICANA in Spanish 0000 GMT 12 Mar 85

[Text] ADN [National Democratic Action], vice presidential candidate Eudoro Galindo today granted a press conference on the situation created by the strike declared by the Bolivian Labor Confederation [COB] and its possible effects on the electoral process that will culminate on 16 June 1985.

Eudoro Galindo, who is 42 and was born in Cochabamba, is married and has five children. He entered politics after a career as a sportsman and businessman. He joined the party headed by General Hugo Banzer, which has named him its vice presidential candidate.

At today's press conference, Galindo talked about the political consequences of the COB strike.

[Begin Galindo recording] This is a political action intended to destroy Bolivian democracy and to frustrate ongoing the electoral process.  
[passage indistinct] [end recording]

Galindo said that the left has lost its democratic stance and that it is currently trying to negate the people's right to elect those they consider capable of leading the country's destiny. The intentions of the extreme left, Galindo said, coincide with the appetites of the labor leaders, who do not want to lose the political and economic positions they now enjoy. According to Galindo, the left feels desperate and before being defeated at the polls, it prefers its own solutions without caring for the social cost of the confrontation it is openly encouraging. [Galindo recording indistinct]

As you heard, the ADN vice presidential candidate clearly alluded to the MNR [Movement of the Revolutionary Left] [words indistinct] and is an important electoral contender on 16 June. [Galindo recording indistinct]

Galindo stated his party's position toward the current COB-created situation. He said that as on past occasions, it is to be deplored that a few members of the Armed Forces are involved in this leftist conspiracy to deny the people an honorable solution. Asked whether the ADN thought that Cefas

Tordoya is one of those Armed Forces members, Galindo firmly replied that Cejas Tordoya's position is identical to the ADN's, which is to hold the elections. [Galindo recording indistinct]

In conclusion, Galindo insisted that some members of the Armed Forces are involved with the left, but refused to be more specific about these charges.

CSO: 3348/528-F

BOLIVIA

BRIEFS

U.S. AID REJECTED--Last night at the national meeting of the leaders of the Bolivian Labor Federation [COB] it was decided to condition participation in the dialogue with Hernan Siles Zuazo's government on the withdrawal of the military troops patrolling the city of La Paz. Siles Zuazo and the COB have accepted the mediation of the country's Catholic Church to try and resolve the existent conflict. The labor leaders have warned that if the government does not agree to withdraw the troops, they will begin a hunger strike to radicalize the general strike that is in its 13th day. In La Paz it was learned that Edwin Corr, U.S. Ambassador to Bolivia, has once again been accused of interfering in the sovereign matters of that South American country by trying to participate in the organization of the upcoming general elections. Herman Melgar Justiniano, spokesman for the Electoral Court, rejected Corr's offer to contribute with a group of technicians led by U.S. Embassy's political adviser in La Paz. [Text] [Havana International Service in Spanish 1600 GMT 21 Mar 85]

CSO: 3348/528-F

BRAZIL

BRIEFS

TANTALITE RESERVE--Jose Carlos, executive director of Paranapanema Mining and Construction Industry, told the Brazilian news agency EBN that the reserve of columbite-tantalite prospected by Taboca Mineracao, one of the group's subsidiaries in the Amazon Region, is one of the most important in the world and may even be the largest discovered to date. According to Araujo, the rights to the reserve were requested in 1978, but prospecting did not begin until 1979. Commercial exploitation began in the middle of 1982, following the ceremony celebrating the entry into operation of the first processing plant for the mineral. Gen Euclides Figueiredo was present at that ceremony, on 28 June 1982. According to the businessman, the reserve contains such minerals as tin and niobium, in addition to the columbite-tantalite, the basic materials used in the manufacture of alloys for the memory components of computers and for the production of missiles and strategic materiel. The price on the international market is quite high. With regard to the tin, Paranapamena has used a BEFIEX [Commission for Concession of Fiscal Benefits to Special Export Programs] program of \$1.145 billion, with imports of about \$145 million, which means a balance for the country of \$1 billion in foreign exchange. The other noble ores discovered should represent a substantial increase in exports for the sector, starting in 1987. [Text] [Sao Paulo GAZETA MERCANTIL in Portuguese 26 Feb 85 p 17] 6362

CS0: 3342/126

CHILE

CENTRAL BANK REPORT ON ECONOMIC SITUATION

PY251459 Madrid EFE in Spanish 1425 GMT 24 Mar 85

[By Albino Mallo]

[Text] Santiago, Chile, 24 Mar (EFE)--Central Bank Deputy Director Alfonso Serrano has admitted that Chile needs to acquire \$2 billion to meet its 1985 foreign commitments.

According to the Central Bank executive, three sources of income are to finance this amount, noting that it is hoped that the international banking sector will supply loans for \$1.050 billion, that international organizations will supply over \$825 million, and that foreign investments will yield \$125 million.

The Central Bank deputy director noted that this amount may be covered with short-term and long-term credits to be granted by creditor banks at lower interest rates and lower commission rates in keeping with previous negotiations.

Finance Minister Hernan Buchi has already held his first round of negotiations with the group of international creditor banks and with the IMF, the IDB, and the World Bank.

These negotiations will continue in April and, according to Alfonso Serrano, since they will take longer, it has been decided to postpone the payment of the foreign debt for 3 months, that is, until the end of June.

Chile has a foreign debt estimated at more than \$20 billion.

The \$2 billion that the country needs for 1985 are broken down as follows: \$1.380 billion for the payment of interest on the foreign debt; \$540 million for the payment of principle of that part of the debt that cannot be renegotiated; and \$80 million to comply with the obligations imposed by the IMF to raise the level of national reserves.

According to a Central Bank report, if the Chilean Government is to comply with the economic program that it has signed with the IMF, public expenses must be decreased by \$12.7 million pesos (\$87 million), while income must be increased by at least 8.2 billion pesos (\$56 million).

The Central Bank report notes that public expenses will be decreased this year by 6.6 billion pesos (\$45 million) through a cut in government investments, by a 5-percent decrease in the budgets of all ministries and government services, and by postponing nonpriority investments. This delay in nonpriority investments, which will represent a savings of 6.1 billion pesos (\$41 million), includes the delay in the building of the third metropolitan metro line system, which had been agreed upon with France and which was temporarily suspended because of the 3 March earthquake.

For 1985-87, the economic program between Chile and the IMF estimates that exports must increase by \$802 million, which represents an 8.2-percent increase in exports, while imports must decrease by \$443 million (13.2 percent). This will result in a trade surplus totaling \$1.035 billion.

As for inflation, the economic program estimates that the inflation rate will decrease from 23 percent, which was the total inflation rate in 1984, to 15 percent by 1987.

CSO: 3348/538

CHILE

LABOR LEADER ON POLITICAL PROSPECTS

PY301733 Buenos Aires TELAM in Spanish 1413 GMT 30 Mar 85

[Text] Mar del Plata, 30 Mar (TELAM)--The secretary general of the Chilean Workers Unity Front has said that the possibility of a democratic opening before 1989 is very remote and, therefore, we very much fear that there will be violence, if the dictatorship intends to remain in power.

Humberto Soto Arancibia, who is participating in the meeting here of the Latin American Central Organization of Workers, made statements which appear in today's issue of LA CAPITAL. He explained that we labor union people do not wish events of the bloody Central American type to take place, so we are decidedly in favor of a democratic solution.

In this connection, he revealed that the Chilean Communist Party "has already declared war on the regime by announcing that it has chosen the road of violence." He made it plain, however, that the Christian Democrats, the largest party of the country, and the Democratic Alliance have not joined that stance.

He compared the situation of the Christian Democrats with that of the Argentine Justicialists, saying that the former have not been able to make a joint and harmonious effort after Eduardo Fre's death. Soto Arancibia stated: "Such men appear only once in a 100 years in our countries: Peron in Argentina, and Frei in Chile."

Asked whether the neighboring democratic countries would favor a democratic opening in Chile, the labor leader said that it has both a positive and negative influence. He gave the following example: "It should be kept in mind that democracies like that in Bolivia are put on the front page of the dailies by the followers of the dictatorship as examples which should not be followed because they are unstable democracies."

He also stated that Pinochet's regime abhors the trials against the military in Argentina, because it understands that the members of the regime may have to face the same fate in the near future.

After stressing that the great task of the Chilean leaders and workers is to put an end to the dictatorship before 1989, he said that, unfortunately, Reagan's new victory, as well as other international events, have jeopardized and delayed our efforts.

Soto Arancibia concluded by recalling, when asked about the subject of the foreign debt, that the Workers Command--of which he is also one of the leaders--has proposed that it should be negotiated by all Latin American countries jointly, which would be the appropriate way to put pressure on the IMF and the creditor banks to obtain better payment conditions without slowing the development process of the various countries.

CSO: 3348/538

CHILE

# ZALDIVAR PROPOSES PERMANENT CIVIL DISOBEDIENCE

Madrid YA in Spanish 3 Feb 85 pp I, II

[Interview with Andres Zaldivar, president of the Christian Democrat International, by Eusebio Alvarez in Madrid: "Chile Must Reach State of Civil Disobedience to Force Regime to Restore Democracy"; date not specified]

[Text] [Question] Is Pinochet really ready to crush every popular movement against the military regime?

[Answer] I think General Pinochet, as he himself has said on many occasions, is not going to give up power or allow any possibility for democracy. He is a man who does not believe in democracy and does not like democracy. Democracy does not agree with him. If it is necessary to use force, he is going to do it without restraint as he has demonstrated during these 11 years. What I am saying is nothing new. After 11 years of dictatorship, on 6 November Chile returned to a state of siege where the regime uses force to control the civilian population among whom it has no support. The state of siege is a new coup within a coup. It is a stand taken when he saw that control over the civilian population was escaping him. He saw that the protests, the social mobilization of the unions, professional organizations and guilds and the widespread complaints by the civilian population were going to overflow. He resorted then to a new coup d'etat.

[Question] According to your explanation, it looks like Pinochet is going to be president of Chile until the end of the century.

[Answer] That is what he wants but it is not what the Chilean people want. He knows he does not have that support. Therefore, he has to resort to force and all types of acts that repel the human conscience. I hope what we want happens and not what General Pinochet wants. If it depended on him, he would remain in power for life. Terms are a mere formality. The year 1989, the date he has picked, is a milestone for him. The Constitution approved by him--in an absolutely fraudulent plebiscite--permits him to remain in power until 1997. The Constitution provides that, in 1989, the commanders in chief of the Armed Forces--who are under General Pinochet--will nominate the only candidate in that election. You can draw your own conclusions. Pinochet's decision is to stay as long as he can.

[Question] Isn't Pinochet's political stand a clear contradiction? On some occasions, he has offered hope to the Chilean people about a constitutional alternative in the near future. Then those hopes are frustrated. How is this explained?

[Answer] There was a time when Pinochet was very weak because of the protests in 1983. He stated that he would make some concessions. The Armed Forces themselves, as a whole, saw that the civilian population was beginning a process of harsh confrontation that could lead the country to a difficult situation of confrontation. Once Pinochet had control of the situation--by changing his minister of interior and appointing a civilian minister who opened the possibility of dialogue--he permitted some openings in 1983 and 1984. We could meet more easily. There was some freedom of the press. It was limited but something could be said. The political parties functioned although not legally authorized. That only lasted a short time. As Pinochet felt strong again and had somewhat appeased the protests by the civilian population, he returned to what he had always said: that there would be no opening, there would be no change and everything would be done according to the planned program. We heard the same things we have heard for the last 11 years. This does not surprise me. I believe that the only way to change the Chilean situation and end the military regime is by pressuring the regime, General Pinochet and the Armed Forces so that they see that the civilian society in Chile demands a return to democracy like in Argentina and Uruguay. Dictatorships never leave by their own will. Dictatorships end because God agreed with the country or because the people were capable of removing the dictatorships.

[Question] Yes, but you know Pinochet seems to have a messianic concept of history and thinks that God is on his side.

[Answer] I don't think Pinochet is a common, ordinary dictator. He is a typical fascist dictator. Dictators are people who feel called by God. Pinochet has said that his authority comes from God. With that messianism, there is no possibility for change or anyone to replace him. Therefore, anyone who might outshine him, even if in uniform, does not last long. He will be left out of any share of power. In that sense, Pinochet believes he is called to rule the destinies of the country for life. Therefore, he does not believe in democracy.

[Question] Why does Pinochet scorn the politicians so much and call them petty politicians?

[Answer] That is a speech all dictators have. They reaffirm themselves by scorning the institutions and all those who have had any public role. In time it is demonstrated that those whom he criticizes so much were the men who did the most and best for the country. The only one who has done wrong is him. There is no one in Chile today who does not know that his government has been a resounding failure. Chile today has the worst moral, political, economic and international crisis that any regime has ever known in this country.

[Question] I suspect that there are some social classes that live in the shade of the regime but what defenses does the majority of the population that repudiates the regime have?

[Answer] In the surveys taken, more than 70 percent of the population is against the regime. It is probably higher; what happens is that it cannot be evaluated. The great problem of the people is that they have to deal with a regime that has the strength and capacity of repression which terrifies the civilian population. There are sectors that continue to fight and take risks to end that fear. The only road that exists is for the civilian population to continue exercising growing and constant social pressure and demand a solution to the Chilean problem--not only political but also economic and social. They must reach a state of civil disobedience so that the country can mobilize and force the regime to change. I believe that people are stronger than weapons.

[Question] Are there some active channels of dialogue and negotiation between the Chilean opposition and government authorities now?

[Answer] None and this is not because the opposition does not want them. About 40 days ago, the opposition even sent a letter to the commanders in chief of the Armed Forces, making them see the need to seek those channels of dialogue as an outlet for democracy. The response was that the letter was thrown in the trash. The desire for dialogue is gone at this time. Pinochet himself gave the most forceful response last 6 November by establishing the state of siege and taking measures against the civilian population. In fact, there are about 800 or 900 people confined in far corners of the country, modest leaders. Measures have not been taken yet against important leaders but they could be. He is trying to frighten the people. There are also house raids and military operations by the army. They take men from their homes in the middle of the night. You know this better than we do because the government has established very strict censorship.

[Question] Some observers note that the Chilean opposition--that is, the entire political opposition spectrum covering liberals, Christian democrats, conservatives and even the leftist groups--is a little responsible, if not guilty, for the perpetuation of the dictatorship because there are a number of internal divisions within the parties themselves concerning the strategy to take against Pinochet's regime.

[Answer] There is the responsibility of each one for not doing more than he had to do. We should have been able to achieve better results. However, it is necessary to view it from the Chilean viewpoint. Pinochet's regime is not a dictatorship that appeared by chance. I am not going to say that it is the same as the Spanish case, a consequence of a civil war. There is some similarity, though, in the sense that Pinochet's regime and the regime of the Armed Forces spring from disintegration of the Chilean civilian society. In 1973, the country had a confrontation in a very divided country, not actually a civil war. That led Pinochet to find favorable ground for his regime. As to the current divisions among the opposition forces, I do not attribute much importance to them because I believe it is good for each sector to have its own individuality. The important thing is that the opposition be united in objectives. At times problems arise because the democratic opposition in general has opted for the peaceful way and social mobilization against the regime but excludes violence. Another part of the opposition has opted for violence. That is what creates divisions although I think this position is disappearing

because violence has strengthened the regime instead of ending it. The important thing is to present a plan for permanent civil disobedience to the entire civilian society and force the Armed Forces to take a step toward democracy.

[Question] What is the Catholic hierarchy's position toward the dictatorship? Although someone has suggested its ambiguity, you know that recently it made a statement of unequivocal condemnation of Pinochet's regime.

[Answer] There is no ambiguity and never has been. The Chilean church is a model church since it has always had a very clear position consistent with the values of Christianity. During the dictatorship, it has never taken a bad step and has been an implacable denouncer of the abuses by the regime. It has never faltered in defending human rights and the basic rights of the Chileans despite having suffered every type of attack and abuse from the government. Therefore, I am proud of belonging to the church.

[Question] What role has the press been able to exercise and can it exercise in the future facing an assumed and desirable opening by the regime?

[Answer] I believe that the press could do a lot. However, we do not have a free press. There is no free newspaper in Chile, just some magazines like the weekly HOY. They are completely censored. We have to resort, then, to the underground press. Also the foreign shortwave radio stations that reach Chile are being used. There is absolute censorship of all mass media and the government is ready to exercise its control to the end.

[Question] Is all hope lost?

[Answer] No, on the contrary. I believe that if a politician and democrat loses hope, it is best if he does not continue fighting. I have hope in right and I believe that right always triumphs over might even if the might is very brutal. It can take more or less time; I believe it will be less. I have faith. Dictatorships are always giants with feet of clay. The important thing is to know how to hit those feet and overthrow them.

7717

CSO: 3348/454

CHILE

# JAPANESE CREDIT FUNDS COAL THERMOELECTRIC PLANT

Santiago EL MERCURIO in Spanish 24 Feb 85 p C-3

[Text] Chuquicamata--A thermoelectric powerplant operated with coal, which will make it possible to supply power to the No 14 unit of the Chuquicamata deposit, will be built in this division of CODELCO [Copper Corporation]-Chile, at a cost of \$69 million.

The investment has been financed by a loan granted by Mitsubishi Corporation, the total being broken down as follows: \$47 million for boilers, turbine, generator, auxiliary equipment, spare parts, and freight and insurance charges; the rest, \$22 million, is to be applied to the installation, native supplies, putting into operation and other items associated with the construction.

The putting of this major project into operation, as well as the installation of the plant, will take 30 months.

A total of 17 multinational firms appeared in response to the public invitation or preliminary selection of business firms interested in the construction, and of them nine which met the requirements for the supply were invited.

After a technical, economic, financial and commercial evaluation, three firms were selected, and the decision was made on the proposal submitted by Mitsubishi, because it met the technical requirements normally and completely, and was also the one with the greatest value and financed with lines of credit covering 100 percent of the supply.

The No 14 unit is the third one contracted with the firm Mitsubishi Corporation, because there had been previously purchased the No 12 unit, in operation since May 1983, and the No 13 unit, which will go into service at the end of this month. Both units have a generating capacity of 78 megawatts.

2909

CSO: 3348/452

CHILE

## ECONOMY, FINANCE MINISTERS ISSUE JOINT COMMUNIQUE

Santiago EL MERCURIO in Spanish 27 Feb 85 p B-1

[Text] The joint communique issued yesterday by the ministers of economy and finance, Modesto Collados and Hernan Buechi, provides, in addition to the obvious points associated with the exchange and tariff policies, several important guidelines for the country's development, in addition to the fact that there has occurred the necessary agreement of views between both ministries with regard to the manner of dealing with the economic situation, putting an end to the harmful suspense that had been caused since the differences noted prior to the change in ministers.

The three main points in the measures announced relate to the policies on exchange, tariffs and public spending, in addition to the reaffirmation of certain fundamental concepts that have guided economic affairs during the past decade, such as the intensification of the private role in the economy, growth in an outward direction, the necessary reduction in the size of the state (which has now become increasingly essential since the exaggerated but inevitable increase that it has undergone as a result of the recent economic difficulties), the consolidation of the right to property and the bolstering of the financial market.

Exchange policy: The increase in the internal price of the dollar by 9 percent will entail a direct benefit for the transacting sector of the economy, particularly for that geared directly to exports, which in recent months had been suffering a decline as a result of the overwhelming advancement in the value of the American currency on international markets. The devaluation of the peso with respect to the dollar represents a recovering of the country's comparative advantages in its transactions with its primary purchasing market, the European countries. After this change in parity, there will be a continuation of the exchange policy that has been applied to date.

Tariff policy: The decision to advance the reduction from 35 to 30 percent to the first of March is also aimed at the goal of promoting exports, by reducing the costs of the imported input which industry requires for its development under equitable conditions with respect to its competitors in other countries. The reduction in the customs barrier accompanied by a rise in the dollar price also makes it possible to provide the necessary protection for the other economic activities. It must be borne in mind that the joint effect of the 9 percent

rise in the dollar and the 5-point reduction in tariffs reflects a 4-point rise in protection. Also expressed is the intention of keeping the protective measures against unfair competition and the price schedules for certain farm products unchanged.

Fiscal policy: The government document is emphatic in upholding the decision to resize public spending, so that it will not continue to exhaust the private sector. On the other hand, it cites the need for the latter to be the real driving force for development; and for this purpose it is necessary for public spending to release the funds that it is holding now so that they may be used by private business owners.

In connection with this point, it is noted that an effort will be made to keep the public sector's deficit within 3 percent of the GDP. Nevertheless, it is remarked that, in the event that the private sector does not show an economic expansion during the first half that is consistent with the goals for growth, they may resort in a special way to another 0.5 percent of the GDP to offer an incentive for the country's progress.

1985 program: Combined with the more important features already described, which will make up the context for 1985, is the announcement of a monetary program suited for ensuring moderate economic growth and achieving a reduction in the inflation problem. This will entail a recovery in real terms of the monetary aggregates from their depressed levels in 1984. According to the economic team, the combined effects of the exchange and fiscal policies should result in a clearcut reduction in the upward pressure that has been noted on interest rates.

Hence, there was also an announcement of the decision to restore to the Central Bank its macroeconomic function as a regulator of liquidity, which means that it will gradually refrain from initiatives that might represent discretionary action on credit.

In the area of reserves, it has been proposed as a goal to recover the 1983 net levels. And after admitting that the negotiations with the foreign banks "will not be easy," it is stressed that the country has sufficient funds with which to cope with its international commitments while these talks bring results.

Employment: Another feature of the statement that reflects the continuity of the policies is the decision to maintain dealing with employment as a priority. The adoption of the aforementioned measures should generate new productive jobs, in the judgment of the economic group. In the meanwhile, there will be a continuation of the government's social programs to aid the sectors that have been most harmed by the crisis.

2909

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CHILE

DEFENSE MINISTER ON FOREIGN RELATIONS, TRANSITION

Santiago COSAS in Spanish 21 Feb 85 pp 8-10

[Interview with Defense Minister Patricio Carvajal by Malu Sierra; date and location not specified]

[Excerpts] The New Era

[Question] The president of the republic has mentioned a new era, upon swearing in the new cabinet. How do you visualize it?

[Answer] It seems to me that what everyone (civilians and military, government and opposition) wants today is an orderly transition, a transition without violence, toward complete democracy, to occur. I think that this is a general intention. There is no question that it is a very difficult task. It has often been said that it is easier to take over the government than to leave it in good shape later. So, in this great task, we must achieve good will among everyone. And that must be achieved on the basis of confidence and faith in the transition toward democracy. It is very important that the transition take place in a good manner, because otherwise all that the government has done would be wasted. It would be dreadful for that to be wasted; and to avoid this, there must be a transition like the one that Uruguay and Brazil managed to have.

Brazil is a good example (and by this I don't mean that the next president has to be from the opposition); but rather because it serves to show our opposition, and our civilians, how one can come to power in an intelligent way, without violence, without the country being divided between winners and losers, and without any spirit of reprisal or revenge, or destruction of all that has been accomplished by the out-going government. Mr Tancredo Neves has set an example of how things should be done, so much so that he has ended up with massive support, even from the government itself. I believe that this is what we would require in Chile. It is a great lesson.

[Question] Admiral, do you think that this cabinet, headed by an apolitical person, could achieve a greater dialogue than that attained by the cabinet headed by a politician such as Sergio Nonfre Jarpa?

[Answer] I have great admiration for the endeavor of Minister Jarpa; I think that he offered guarantees to many people, that he offered many hopes. But we

are observing people like Mrs Carmen Saenz claiming that Jarpa had divided the right. The fact that a person like her has that opinion causes one to think that it was not feasible for a politician noted for his ideas to be in charge of a task which requires great impartiality, if possible. That might be the advantage for an apolitical, less well known person such as Ricardo Garcia, over a politician with such acknowledged skill and such clearcut notions as Minister Jarpa.

[Question] What role will the politicians play during this new period?

[Answer] I have great respect for politics as an art of governing, and for politicians as those who practice that art. Understandably, there is a little of everything, but, considering the truly honest politicians, I believe that they must play their role in the country's future. We must expect that there will be laws prepared on political parties, so that their activity may be absolutely legitimate. We must have a little more patience, because that law should certainly come out soon.

[Question] For the present, we are in a state of martial law, which represents an immobilization of the entire country. What can we expect?

[Answer] There are some things that cannot be done with martial law, but one cannot talk about immobilization. The government has used the special powers in a very meager way, so that the state of martial law is quite tolerable.

[Question] Enough to make it go on forever?

[Answer] Not forever, but so long as the terrorism continues and this defiance of order and authority that has existed.

The Expedients of the Constitution

[Question] There is terrorism everywhere.

[Answer] But there are cycles. I think that the opposition should be convinced that it has lost its way by resorting to illegal means; and that through the expedients of the Constitution it is possible to come to power or have representation in the Congress.

[Question] There is no longer even any mention of a designated Congress....

[Answer] I don't know what advantages a designated Congress could have. It seems to me that the Congress must be really as it is stipulated in the Constitution: an elected Congress, with individuals who are there by their own right.

[Question] The notion of an elected Congress is even more precluded.

[Answer] That has not been precluded. The fact is that there has been no desire to assume a commitment from the standpoint of advancing the date that has been

stipulated. I believe that, based on the Constitution, an election of a Congress could be held before 1989. There is nothing to prevent it. This doesn't mean that it will be next year, but rather before the election of the president, which will take place in March 1989.

[Question] There is hope that this new cabinet may allow greater freedom of speech. Does this seem possible to you?

[Answer] In this case it may be claimed, the same as in the case of the opposition, that it depends on the conduct that is observed. Unquestionably, an opposition that is engaged in terrorism will have to be repressed. And the same thing holds true of the press. The restrictions are precisely meant to prevent the aggrandizement of terrorist acts or the provision of information that would facilitate the terrorists' endeavor, or harm individuals. I consider freedom of information extremely important, but what is frightening is the abuses of publicity.

[Question] Do you think that the president has in mind a true desire to open the paths of communication between the government and the country?

[Answer] I believe that the president has a capacity to be an extraordinary statesman, and has given evidence that he knows when it is necessary to adopt a forceful, restrictive measure and when the time comes to put an end to such measures and make everything easier and less tense. It is like a reaction to the behavior of certain elements in the country. The president will do that without anyone having to tell him. As an officer who has given courses and been a professor at the War College, he is a person made for planning. It is only logical for him to keep ahead of events and to make short, medium and long term plans.

#### The National Defense Issue

There is no doubt that the admiral prefers to avoid political issues. On the other hand, he feels at ease and talks at length when it is a matter of discussing national defense. In case he should need them, he has maps and charts on the large board table where the Superior National Security Council holds its sessions; a bright conference room decorated with portraits of General Pinochet and two ministers of other times: Zenteno and Rafael Sotomayor.

[Question] Minister, from what do we have to defend ourselves?

[Answer] National defense includes giving the country security, defending the territorial integrity, defending its sovereignty and independence from external enemies. And that is the task incumbent on the Armed Forces. On the other hand, there are the National Guards and investigative personnel, who provide internal security.

The external defense is unquestionably against countries, whether on this continent or in any part of the world, which might represent a danger to our

existence as a sovereign, independent country. The position of our neighbor, Argentina, between the years 1978 and 1983, and until the signing of the present treaty, is very recent. There are Argentine generals, such as Gen Benjamin Menendez, who have stated that, in 1978, they were in wartime, and that a mistake was made by not starting the occupation by force of the territories which they considered as belonging to Argentina. And this has not been denied. That situation was repeated during the entire period of the Argentine military government, because they were convinced that, with this pressure, we would have to give in. They made a number of moves, closing borders, mobilizing troops and holding exercises under cover; all of which was done during the final phases of preparation for the war, to impress us and to make us accept the terms that they wanted to impose on us, which of course were contrary to international law. Fortunately, respect for that law prevailed, and I think that the present government is sincere in its adherence to the law. This situation forced both countries into an unprecedented spending on weapons.

[Question] Are there talks on disarmament at present between Argentina and Chile, as there began to be at Geneva between the two great powers?

[Answer] No, in my view, Chile would have no reason to start disarming. The spending on weapons that the country has carried out has been very careful. It had to purchase arms because, during the Frei and Popular Unity governments virtually no weapons were purchased. This became worse because, in May 1968, the United States Government decided to put an end to the so-called military aid pact, which enabled us to purchase weapons in the United States at a low price. With Popular Unity, matters became complicated; the funds were refused, and it was said that they had to be purchased from the Soviet Union, something that the Armed Forces never accepted. We arrived in this government with a very inadequate supply of ordnance, so that what was purchased was almost the minimum necessary for being able to defend the country decently. The fact that we have no belligerent attitude has made the task easy for us, because we could concentrate on the purchase of defensive weapons, which are far cheaper than offensive weapons. In this way, we have managed to achieve an efficient deterrent force without making expenditures that would ruin us. In Argentina, on the other hand, we have seen enormous spending done. To reaffirm his remarks, he refers to an atlas on the state of the world, which shows on one of its pages the military spending of all the countries of the world, showing the differences between the spending done by Chile and that of its neighbors. The most heavily armed is Peru. Then he stresses: "Chile has never been in an arms race; so there is no reason to talk about disarming, because we have the minimum that is essential."

#### The Friends and Enemies

"What would be really important in Latin America is our avoiding joining the category of those with large spending represented by nuclear weapons. If there is any meeting on disarmament, it would be to promote this: not to manufacture or purchase nuclear weapons. Fortunately, in this regard there is a good

treaty for the banning of nuclear weapons in Latin America, called the Treaty of Tlatelolco. In 1967, it was signed by several countries, including Chile. It states that the signing countries pledge to ban and prevent in their respective territories "the testing, use, manufacture, production or purchase of any nuclear weapons." The treaty is not binding on the signing countries until it has been signed by all the others. And it so happens that Argentina has not signed that treaty. I seems to me that if there is talk of disarmament at present in Latin America, both to prevent the danger of war and to avoid the spending that runs counter to the opportunities for development, we should first of all tell Argentina to sign, because if it did so, the treaty would go into effect. For the present, it is not in force. I consider that the most important thing."

[Question] It is symptomatic that, with the mediation concluded, the Bolivian issue has reappeared with force. Do we have to have a potential enemy?

[Answer] We have treaties which set the boundaries with our three neighbors. There are no problems with Peru. We are making a treaty with Argentina which I hope will solve the problems that we have now. There may be other matters pending, but in the same treaty it has been stated that there is a moratorium, or waiting period, of at least 5 years, for other problems that could arise. We might consider the demarcation of Antarctica or the placement of landmarks on certain parts of our border. There is a treaty with Bolivia that is completely in force, and there is a petition from the Bolivian Government to have a sovereign outlet to the sea. After the meeting in Charana it was possible to do some work and we had Bolivia explain in a document exactly what it wanted. That request was responded to by the Chilean Government and that proposal was accepted by Bolivia, but opposed by Peru. There is a record of the fact that we have concerned ourselves and have made a concrete offer which failed. The diplomatic relations were not broken by us, but rather by Bolivia.

[Question] There is always up for discussion the issue that the United States has kept the arms embargo as a means of pressuring for a prompt return to democracy. How true is that? Or has it already delivered sufficient arms? After all, Chile has responded to the directives from the Pentagon, since we are its allies in its battle against communism.

[Answer] There are problems that are very difficult to solve in a country whose government does not have a majority in Congress, as in the case of the United States. The position of the executive branch and the State Department is one thing, and that of Congress is something else. There is a dreadful law there, which was created step by step, with increasingly greater obstacles, to make it impossible for us to purchase even a nut to be used as a spare part for a military vehicle or weapon. That is a reality. Although Mr Reagan has enormous power and although he has an understanding of our situation and of our sincere alliance with the United States (all of us nations of America are allies to defend ourselves from communism, according to the Inter-American Treaty on Mutual Alliance), he cannot do anything. At present, we have other

suppliers in Europe and Asia, who have replaced the United States. Making a change in a line of weapons is difficult and expensive, because it requires changing everything that existed in the form of spare parts and instructions. We have already made that expenditure and it is very unlikely that we shall make another change of line in the direction of the United States. At present, we are not excited about the idea that the United States will sell arms to us again. Of course, it would benefit us, because we still have some elements that are of American origin; we could purchase spare parts for them and make them last a little longer. But I think that, even if the United States were to come and tell us: "Gentlemen, you can buy what you want," we would remain faithful to our European suppliers.

[Question] If you are concerned about the proliferation of nuclear weapons in Latin America, why aren't you also concerned about what is happening all over the world? For example, why wasn't Chile present at the meeting of seven countries in India, at which the "peace initiative of the four continents" was signed?

[Answer] The countries which attended it are countries with which we have very unstable relations or no relations. After what I have seen in the United Nations, I don't believe in the "non-aligned" countries.

[Question] Nevertheless, the Chilean delegate to the United Nations, speaking before the General Assembly's Disarmament Commission, stated that the countries lack the capacity for controlling the decisions of the nuclear powers, and called for guarantees for the non-nuclear countries. So why not be engaged in the battle for worldwide nuclear disarmament? Or is the foreign debt more of a burden for us?

[Answer] I think that, in the nuclear area, what we should concern ourselves with is that it not be possible for a neighbor to confront us with atomic blackmail. I consider that vital. The problem of the great powers' nuclear weapons is too big for us. It is not a direct risk for us. It is a problem that will have to be settled among the great powers.

[Question] Minister, that matter of our not being threatened is rather relative, because a nuclear war threatens all of mankind.

[Answer] But we are not the ones who can settle that. That is my opinion.

2909

CSO: 3348/452

CHILE

## INITIAL ESTIMATES OF EARTHQUAKE DAMAGE

### Mining Capacity Lowered

Santiago EL MERCURIO in Spanish 8 Mar 85 pp A-1, C-2

[Excerpts] The acting chairman of the Industrial Development Association (SOFOFA), Fernando Aguero, declared that by the middle of next week 90 percent of the country's industrial sector will have normalized its productive activity, except for San Antonio, the area most harmed by the earthquake.

He noted that the association was making a survey of the industries to assess the damage caused by the quake, but remarked that it was very difficult to determine the amount because of the fact that the companies had immediately started the work on repairing and constructing sheds to normalize their production.

In any event, he estimated that the volume of damage in the country exceeds \$500 million, because for the replacement of the 50,000 dwellings destroyed the cost will be about \$250 million; that for repairing the damage to the ports is \$100 million; for road systems (bridges and construction), \$25 million; and for school, hospital and public service establishments, \$100 million.

Aguero discussed these topics during a press conference, at which he announced the creation of a National Solidary Fund in which the six branches of the Confederation of Production and Commerce, an entity headed by Jorge Fontaine, will participate.

This fund will be managed by a reconstruction commission, which will consist of the chairmen and boards of directors of SOFOFA, the National Association of Mining (SONAMI), the Association of Banks and Financial Institutions, the National Agricultural Association (SNA), the Chilean Chamber of Construction and the National Chamber of Commerce.

He remarked that the work of that commission would have two purposes: to manage the six solidary funds and to study the program for instructional assistance to the authorities for the country's reconstruction.

## Mining

Meanwhile, Manuel Feliu, chairman of the National Association of Mining, commented that the destruction of a reverberatory furnace in Ventana will mean production of 12,000 fewer tons of fine copper, which will represent a reduction in revenue for the country amounting to about \$14.4 million for the year.

He said that, nevertheless, the problems in mining have been less from the catastrophic effects of the earthquake, which struck the central part of the country last Sunday.

He pointed out that CODELCO [Copper Corporation] would have a serious problem in the El Teniente Division, which might force the corporation to declare reasons of "force majeure," for not being able to fulfill its contracts. This is not because of problems at the mine itself, but rather due to the damage suffered by the port of San Antonio which has prevented making shipments on the stipulated dates.

Under normal circumstances, the port of San Antonio ships 70,000 tons of fine copper per year.

He gave a reminder that the contracts stipulate that non-fulfillment may occur for reasons of force majeure, in this instance, an earthquake, and that there are no penalties or fines when this happens.

In response to another question, he said that the logical thing at present is for an upward effect to occur in the price of copper, as a result of the reduction in the shipments reaching the market.

Nevertheless, he noted that the price of the ore is not subject to that contingency, but rather to the monetary policy, the high interest rates and the greed for purchasing dollars and selling them at high interest rates in the United States.

He expressed the view that there should be a government decision to intervene in the stock exchanges, removing copper shipments, in order to fulfill the contracts which are impossible to fulfill at present owing to the problems stemming from the earthquake.

## Housing, Infrastructure Repairs

Santiago EL MERCURIO in Spanish 8 Mar 85 pp A-1, C-2

[Excerpt] Approximately \$245 million will be the price to the country for the repair and reconstruction of the 60,000 dwellings damaged by Sunday's quake, 20,000 of which will have to be destroyed.

According to estimates made for EL MERCURIO by engineer Ivan Bravo Bravo, from the construction firm that bears his name, and considering only the present

surveys (which could vary), the rebuilding of 20,000 dwellings would cost \$133 million; the infrastructural expenditures entailed by that rebuilding, about \$100 million; and lesser repairs to 40,000 dwellings, another \$13.3 million.

Bravo said: "I presume that the dwellings to be demolished must necessarily be replaced by the typical housing subsidy dwelling that the government has been providing to date: 400 value promotion units, with 40 to 45 square meters of construction, from two to three bedrooms, a living room, dining room, bathroom and kitchen, of masonry. If lumber is used, the construction could be increased to 60 or more square units, depending on the degree of the finishing."

He added that, taking these factors into account, it would be necessary to invest 8 million promotion units in that special plan; in other words, about \$133 million.

He remarked that not everyone would be able to hope for that solution, because there are victims who had virtually nothing. On the other hand, a very small percentage would be equipped to accept another type of solution, entailing a higher cost.

Commenting on the western section of Santiago, one of the sites worst hit by the earthquake, he said: "The living conditions of these people, who are used to living in large houses with over 100 square meters of construction, will have to change substantially, because the national economy does not have funds with which to replace those dwellings in the same fashion."

An additional \$100 million will have to be spent on infrastructure (drinking water, sewerage, light, water, gas and roads), while for lesser repairs to the 40,000 damaged dwellings (sealing cracks, and fixing cornices and roofs) \$13.3 million would have to be spent, estimating a cost of 50,000 pesos per house.

#### Damage to Public Works

Santiago EL MERCURIO in Spanish 8 Mar 85 p B-1

[Text] It was learned yesterday from reliable sources that the damage caused by the earthquake to the public sector amounts to \$200 million, a figure including the destruction in ports, roads, bridges and dwellings, all assets that will have to be rebuilt.

The foregoing figure is consistent with the data provided by "Economy and Business" in its Thursday edition, which stated that the total losses ranged around \$500 million, based on preliminary statistics held by the commission that is assessing the damage. As has been reported, participating on that team, among others, are Ramon Oviedo, from the Office of the Budget, and Gerardo Jofre, adviser to the minister of finance.

To the \$200 million associated with the public sector there must be added the damage reported by the private sector, which makes up approximately the total amount cited previously.

The records indicate that the volume of damage to public works has been assessed at 14 billion pesos; whereas in the housing area the losses amount to 10 billion pesos.

#### Public Works Budget Redistributed

Santiago EL MERCURIO in Spanish 8 Mar 85 p C-7

[Text] The Ministry of Public Works is redistributing the budget appropriated for 1985, in order to cope with the losses left by last Sunday's earthquake.

The head of the ministry, Brig Gen Bruno Siebert Held, said that, in the event that the main requirements cannot be met, the Finance Ministry will be contacted to solve the remaining problems.

He gave a reminder that the investments planned for this year exceed 38 billion pesos. The wages and salaries of personnel are not provided for in this figure.

#### Contracting Firms

The state secretary explained that the repair work on ports, roads and bridges has been done by private contracting firms, and that the Public Works Ministry itself does not hire personnel.

Owing to the urgent treatment required by some jobs, "projects are being assigned through direct handling, so as thereby to avoid red tape and delays."

#### 5-Year Delay for Grapes

Santiago LA TERCERA DE LA HORA in Spanish 7 Mar 85 p 5

[Excerpt] President Pinochet has been informed of the serious situation that has occurred in the agricultural sector, particularly among the farmers.

The earthquake destroyed a large number of vineyards about to start harvesting grapes for export. This is a sizable loss, and it will take at least 5 years before they can produce again.

Moreover, he was apprised of the concern of the regional authorities over the destruction of the port of San Antonio, which directly affects the fruit exports.

2909

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CHILE

BRIEFS

AMBASSADOR NAMED TO IVORY COAST--The Ivorian Government on 21 February granted its agreement for diplomat Luis Winter to serve as the Chilean ambassador to the Ivory Coast. [Excerpt] [Santiago EL MERCURIO in Spanish 22 Feb 85 p C3 PY]

AMBASSADOR APPOINTED TO AUSTRALIA--Chilean Ambassador to Australia Jorge Berguno Barnes has presented his credentials to Australian Governor General Sir Ninian Stephen. [Excerpt] [Santiago EL MERCURIO 23 Feb 85 p C3 PY]

PINOCHET RECEIVES ROK AMBASSADOR--During a ceremony held on 12 March at La Moneda Palace, President Augusto Pinochet received the credentials of South Korean Ambassador Kyung Suk Suh. [Excerpt] [Santiago EL MERCURIO in Spanish 13 Mar 85 p C3 PY]

FRENCH AMBASSADOR ACCREDITED--President General Augusto Pinochet on 12 March received the credentials of the new French ambassador to Chile, Paul Depis. [Excerpt] [Santiago EL MERCURIO in Spanish 13 Mar 85 p C3 PY]

REPRESENTATIVE TO UNESCO CONFIRMED--Luis Simon Figueroa has been confirmed as the Chilean representative to UNESCO, according to Foreign Ministry spokesman Marcelo Padilla. Figueroa was previously minister director of the National Planning Office. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 23 Mar 85 PY]

5TH REGION INTENDANT RESIGNS--Valparaiso--Fifth Region Intendant Luis de los Rios Echeverria has officially tendered his resignation to President General Augusto Pinochet. [Excerpt] [Santiago EL MERCURIO in Spanish 2 Mar 85 p C3 PY]

HAGUE COUNCIL MEMBERSHIP--Chile has been accepted as a member country of the recently created International Private Law Conference of The Hague. Chile received 25 votes in favor of its membership and 1 against, cast by Czechoslovakia. [Summary] [Santiago Radio Chilena in Spanish 2300 GMT 20 Mar 85]

FORESTRY PRODUCTS INTERESTS CHINESE MISSION--The National Forestry Corporation is promoting its pine sales to a visiting Chinese mission. According to Ivan Castro Poblete, the executive director of the National Forestry Corporation, this Chinese mission is headed by Mrs [name indistinct], an

executive of the Chinese Foreign Trade Commission, which is known as [word indistinct]. This mission will stay in Chile until 13 April. [Excerpt] [Santiago Domestic Service in Spanish 1100 GMT 28 Mar 85 PY]

MILITARY ATTACHE TO PERU NAMED--Lieutenant Colonel Raul Moya has been sworn in as new intendant of the 6th Region to replace Colonel Eduardo Silva, who has been appointed new Chilean military attache to Peru. [Summary] [Santiago Domestic Service in Spanish 2300 GMT 29 Mar 85 PY]

CSO: 3348/538

COLOMBIA

BRIEFS

WORLD BANK LOAN--The World Bank has confirmed the approval of a \$90-million (approximately 11,520,000,000 pesos) loan to strengthen the national health system. Health Minister Rafael de Zubiria made the announcement after a meeting with World Bank officials. He said that the government program to give a new boost to the national health system will begin in the second half of 1985 when the first disbursements from this loan will be made. [Summary] [Bogota EL SIGLO in Spanish 24 Mar 85 p 3 PA]

COFFEE EXPORTS--Figures released by the National Federation of Coffee Growers, FEDECAFE, indicate that Colombia exported 10.2 million 60-kg bags of coffee in 1984, a 10.7-percent increase over 1983 figures. Of that total, 29.3 percent was exported to the FRG, 23.65 percent to the United States, and 60.2 percent to European nations other than the FRG. [figures as published] [Text] [Bogota EL SIGLO in Spanish 3 Mar 85 p 1 PA]

CSO: 3348/537

GRENADA

BRIEFS

RENEWAL OF CANE CULTIVATION--St George's, Thurs., (Cana)--The Grenada Government plans to rehabilitate 400 acres of land under the cultivation of sugar cane and put another 300 acres under production as part of a plan to reduce imports, Agriculture Minister George Brizan has said. Brizan told reporters that the revitalisation of the industry was provided for in a \$5 million (US) soft loan from the World Bank, to prop up the island's ailing agriculture sector. He said lands in the low-lying areas in the south of the island where sugar cane was previously grown, would be returned to production. Many farmers who had "abandoned the industry, were showing interest in getting involved again, as long as the Government is serious about it," he said. During the last four years the number of sugar cane farmers in Grenada has dropped from around 650 to 350, according to an official estimate. The industry is plagued by low yield per acre, adversely affecting the profitability of the lone State-owned factory which produced 50 tons of sugar in 1983. The factory concentrates more on the production of molasses for the manufacture of rum, instead of sugar. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 1 Mar 85 p 5]

CSO: 3298/469

GUYANA

VICE PRESIDENT WELCOMES NEW SOVIET, ITALIAN AMBASSADORS

Georgetown GUYANA CHRONICLE in English 1 Feb 85 pp 1, 4

[Text]

**'GUYANA is appreciative of the Soviet readiness to co-operate in a principled manner' and anticipates 'many more fruitful years' of co-operation with the Soviet Union, Vice-President Mohamed Shahabuddeen said yesterday.**

He told the new Soviet Ambassador to Guyana A.A. Ulanov that the economic, scientific and cultural co-operation which was now 'a marked feature' in relations between Guyana and the Soviet Union, complements the 'deepening' contacts at the political level.

Cde Ulanov was one of two new ambassadors who presented their credentials to Vice-President Shahabuddeen yesterday morning at the Office of the President, Vlissengen Road. Cde Shahabuddeen also received the Letters of Credence of the Italian Ambassador Egone Ratzenberger.

In his accreditation speech, Cde Ulanov noted that although the history of relations between Guyana and the Soviet Union was relatively short (the two countries established diplomatic relations in December 1970)

much has been accomplished.

He referred to 'mutually beneficial political contacts,' trade and economic co-operation and exchanges between the two countries in the fields of science and culture, as well as the co-incidence of positions of Guyana and the Soviet Union on many international issues.

The Soviet diplomat praised Guyana's 'positive approach' toward peace initiatives put forward by the Soviet Union, as well as this country's activities at the United Nations and in the Non-Aligned Movement.

Meanwhile, Italy's Ambassador to Guyana Egone Ratzenberger said his country wanted to help in the development and well-being of all peoples, and as such, was ready to foster co-operation with Guyana in all fields.

Replying to the Italian envoy, Cde. Shahabuddeen expressed Guyana's commitment to the development of friendly relations with countries like Italy. He said possibilities exist for the formulation and implementation of an active programme of co-operation between Guyana and Italy.

—(GNA)

CSO: 3298/470

16 April 1985

GUYANA

## REPORTAGE, COMMENT ON PROPOSED PNC-PPP DISCUSSIONS

## Hoyte Invitation

Georgetown SUNDAY CHRONICLE in English 3 Feb 85 p 9

[Text]

**LAST WEEK**, when the National Assembly resolved itself into a Committee of the Whole to consider the 1985 Estimates, the Minority People's Progressive Party [PPP] did not participate in the work of the Committee.

By so doing, the PPP showed some measure of consistency having boycotted the Committee's work in 1983 and, again, last year.

The only difference this year was that whereas, in the two previous years the PPP "walked out", this year, its members remained in the House but did not participate.

Based on a letter from Minority Leader Cheddi Jagan, the PPP seems to have shifted its emphasis from its earlier expressed concern about the way in which the Estimates are presented, to a call for a different approach for the consideration of the Estimates.

But the Government has sought increasingly over the years to provide Members of Parliament with more detailed and more relevant information at Budget time.

This year, for example, in addition to presenting a document detailing the Estimates for 1985, the Government circulated a second document which gives detailed explanations about the Public Sector's capital expenditure programme.

It is therefore, not surprising that this year, the PPP raised an entirely different issue.

Responding to the minority leader the Prime Minister has invited the PPP to submit formal proposals for consideration. For general information, we publish below, the text of Dr. Jagan's letter to the P.M. and that of the P.M.'s response.

Dear Prime Minister,

I write to request that urgent consideration be given to referring the 1985 Estimates to a Select Committee for detailed discussion.

It will be recalled that because of the way the Estimates were presented in 1983 the PPP walked out, and last year, again, the PPP did not take part in the "debate" on the Estimates, for the same reason.

The general practice in both socialist and capitalist states is that the Estimates are put before a Finance or Budget Committee, and it is felt that to do so now will provide a more detailed knowledge of the financial affairs of the country.

I trust that you will find it possible to agree to this proposal.

Yours sincerely,  
Cheddi Jagan.

My Dear Minority Leader,

I refer to your letter to me of 29th January, 1985, on the question of our current practice and procedures in dealing with the annual Estimates.

I am uncertain as to what interpretation I ought properly to put on your reference to the fact that the PPP members had walked out of the National Assembly during the consideration of the Estimates in 1983 and 1984, but it would be unfortunate if it were intended to be construed as a threat of another walk out. I am sure that it is generally known that I myself am insusceptible to being persuaded by such a technique — and so is the Government. I can only hope

that no coercive intent is to be read into the reference.

I have pointed out in the House both in 1983 and 1984 — and the Attorney General also intervened in a similar vein in 1984 — that the point made by the PPP spokesman was completely devoid of any legal or constitutional merit — and any reasonably competent lawyer would so confirm. The proceedings in Committee stage for the detailed examination of the Estimates are intended to give Members an opportunity to seek explanations and request particulars about any Head or Sub-Head in the Estimates — and that right has in no way been eroded or jeopardised. It is a matter of profound regret that in 1983 and 1984, the PPP members denied themselves the opportunity to take advantage of their constitutional rights and neglected to take part in the Committee stage of the debate by decamping precipitately from the House.

I am sorry that your proposal for referring the Estimates to a Select Committee has been presented mere hours before the House is due to resolve itself into a Committee of the Whole to consider the Estimates in accordance with the provisions of the Standing Orders promulgated under the provisions of our Constitution. Within the limited time afforded me, however, I have

given the most careful and anxious consideration to your proposal and have taken appropriate legal advice notwithstanding "the general practice" which you allege obtains in both socialist and capitalist states, we in Guyana do have an institutional constraint that precludes us from resorting to the device proposed by you. It is simply this: our Standing Orders set out in precise and mandatory terms the procedures to be followed in the consideration of the Estimates. It is therefore impermissible for us to adopt a different procedure at the moment. Indeed, there are fundamental differences between the current practice of referring the consideration of the Estimates to a Committee of the Whole as required by the Standing Orders, and your proposal for referring it to a Select Committee. For example, the deliberations of the Committee of the Whole must be in public whereas a Select Committee conducts its business in private.

I am sure that you will be the first to agree that the business of the national Budget is pre-eminently a public matter and ought not to be transacted behind closed doors.

It follows, therefore, that even if one were to concede

that it might be a desirable and fruitful course to refer the consideration of the Estimates to a Select Committee, it would not be possible to implement your proposal without making fundamental amendments to the Standing Orders — and indeed, I suspect, effectuating a complete change in the format of the proceedings in the National Assembly for dealing with the annual Estimates. Obviously, such a change requires clear conceptualisation and definition and, of course, sufficient time after due consultations with all relevant parties and agencies for the Law Officers to revise the Standing Orders.

In the circumstances I have described, you may wish to consider, as a more appropriate approach, the submission of a formal, documented proposal for such changes to the Standing Orders as you may consider desirable at this stage of our Constitutional evolution. The timely dispatch of such a document would facilitate early discussions and, in the event of a consensus, enable the Standing Orders to be amended in sufficient time for any new practice to be put in place for the next Budget debate.

With kind regards.

Yours co-operatively,

H.D. Hoyte,  
Prime Minister

PPP Report

Georgetown MIRROR in English 3 Feb 85 p 1

[Text] The People's National Congress over the past week-end issued a statement to the media and sent a letter to the People's Progressive Party calling for 'constructive dialogue' between the two parties in the interest of the nation. The following is the reply of the PPP which was released to the media on Monday last:

The PPP takes note of the invitation by the PNC for talks between the two parties.

The PPP was conceived as a national movement for liberation and social justice. It succeeded in uniting the people, but regrettably this unity was shattered in 1955 and 1956. From 1957 to the present time, numerous proposals have been made by the PPP for a political solution. More recently, specific ideas had been elaborated for the formation of a broad-based National Patriotic Front and Government with a programme based on democracy, anti-imperialism and socialist orientation.

The PPP has always expressed the view that, even though it can win free and fair elections, it believes in the interest of national unity and social progress in 'winner-does-not-take-all' electoral politics.

We wish to emphasise that the PPP considers that the very poor state of the economy requires the broadest involvement of all sections of the population. Towards this end, the PPP had in its New Year message called for the convening of a conference of all democratic and left political forces to hammer out 'ways and means whereby all Guyanese can co-operate and build a new Guyana.'

The Party intends to hold consultations with its membership and will respond in due course to the PNC's invitation. At the same time, it will also carry out the broadest possible consultations with other progressive political and social forces, including trade union, business, professional, religious and other bodies.

In the meantime, the PPP calls for an open and national debate in the media and the Parliament on the grave economic and social crisis facing our country and ways of resolving it.

The PPP takes this opportunity to state that current rumours being encouraged by forces hostile to us that the PPP was/is engaged in secret talks for the formation of a coalition government with the PNC are totally false and without foundation.

### Break-up of PPP Meeting

Georgetown MIRROR in English 3 Feb 85 p 1

[Text] Opposition Leader Cheddi Jagan wrathfully condemned an act of hooliganism by PNC elements who attacked and broke up a PPP public meeting in Cove and John, ECD on January 29 last.

Dr Jagan referred to similar incidents carried out by PNC thugs, in full view of policemen, with no action being taken even though the ruling party wanted PPP co-operation.

The incident was raised in Parliament by the Opposition Leader who urged Prime Minister Hoyte and Home Affairs Minister Thomas to investigate and "put matters right." Newly-appointed Commissioner of Police Balram Ragubir was present at the sitting when the disclosure was made.

Eye witnesses reported that the PPP meeting was in progress when an open-back land rover vehicle PCC906 pulled up. Three occupants of the vehicle who have since been identified by name, jumped out and threatened the speakers warning them not to proceed with the meeting.

The intruders started to dismantle the public address system. A PPP activist and RDC Councillor Sher Alli held on to the loud speaker but the hoodlums dealt him several blows.

The report went on: "We called on the uniformed police who were there for their protection. Even though there were six policemen in uniform and several others in plain clothes, they just stood by idly. The men took the same loud speaker and put it in their vehicle, but our comrades snatched it away. They then charged on the other loud speaker but could not reach it. So they pulled out all the wire and took it with them. They went to their vehicle and a plain clothes policeman jumped in with them. They threatened to return if we continued the meeting."

Ironically, at that sitting of Parliament Prime Minister Hoyte boasted about the great "freedoms" and "rights" which exist in Guyana and urged the PPP to play its constitutional role. Nowhere, however, does the Constitution contain a "freedom of thugs" provision. Observers are strongly of the opinion that the police department must now carry out its constitutional functions by bringing the culprits, whoever they are, speedily to justice.

CATHOLIC STANDARD Analysis

Georgetown CATHOLIC STANDARD in English 3 Feb 85 p 4

[Text]

RECENT internal developments in and between the PPP and PNC, which have given rise to a number of reports, rumours and discussions, surfaced last Saturday when the PNC announced that it intended to seek a "constructive dialogue" with the PPP.

The following day's Mirror did not refer to the PNC's call, but Tuesday's Chronicle reported that Dr. Jagan, in a press statement, stated that his party intended to consult its membership and other "progressive" political and social forces, before responding "in due course".

Dr. Jagan also said, according to a GNA release, that reports that the PPP had been engaged in secret talks for the formation of a coalition government with the PNC were "totally false and without foundation".

The PNC is either openly courting the PPP, or wants it to appear that it is courting the PPP. Why?

One cannot examine, much less attempt to answer, that question at length here. Nevertheless, it may help if one starts by forgetting the rumours for a bit and asking certain fundamental questions.

I suggest starting with the following:

The PNC: How did the PNC achieve power?

How does it exercise that power?

What would happen to it if it lost that power?

Can it share its power?

The economy: How was the present state of the economy "achieved?"

What is causing its continued decline?

What (if anything) can turn it around?

It is this writer's contention that the methods by which the PNC achieved power and the manner in which it retains that power make it dangerous if not impossible, for it to make any real alteration in its administrative control over:

(a) The public sector - for to create an independent or shared management of that sector would destroy its main non-violent sanction over the population - its control over employment;

(b) The army - as to do the same in relation to the army would destroy its internal cohesion.

As regards the economy, its continued decline makes real power sharing at the top more difficult than ever, as the two main parties have emerged and grown against a background of competition by their supporters for jobs and other economic advantages.

The continued growth of unemployment and decline of the large public sector mean a smaller cake to share, and make real partnership more difficult.

The operative words as regards such power sharing are "at the top" and "administrative control".

We must remember that, on that level, we the people play little or no role.

The parties always proclaim that they are acting in the INTERESTS of the people, and make no bones about their intention to put those interests, as they perceive them in terms of their jargon - (socialist construction, anti-imperialist struggle and so on) - before what the people want.

For the people are always more "backward" than those leaders.

Too "backward" to elect them, too "backward" to concentrate on

the really important things, such as their leader's world image and "Guyana's prominent place in the world", instead of on how they can get a decent job, buy decent food at a decent price, have a decent home and get their children a decent education and even buy a decent daily paper!

So, to return to question time, why does the PNC at least want it to seem as if it is courting the PPP?

My guess is that, given the parlous state of the economy, the difficulty of achieving an agreement with the IMF, the increasingly poor human rights image of the government in the West, the loss of control over the TUC and therefore the organised workers (who will bear the brunt of further economic decline), and the offers of trade, technical aid and equipment from the socialist bloc countries, the PNC is manoeuvring once again.

Mr. Burnham is keeping his options open - meeting some of the IMF's financial terms, (devaluation; removal of subsidies, profit cri-

teria in the public sector), but keeping firm administrative control and refusing to "free up" the economy or reduce the army; whilst at the same time moving "left" towards the socialist bloc for trade and technical aid, the continued receipt of which may depend on a rapprochement with that bloc's internal political ally - the PPP.

Now, it also appears that Mr. Burnham wants the world to know that he is keeping his options open.

Those on the outside of the party machines can only speculate as to where this courtship at the top can lead the parties.

What we do know, however, is that, without the consent and co-operation of the people, this courtship can lead the country and the economy nowhere.

This means honest elections.

But that is the only option not open to the PNC.

It is also Dr. Jagan's only card. How he plays it will probably decide this game.

### PNC Recourse to Violence

Georgetown OPEN WORD in English 4 Feb 85 p 2

[Editorial]

[Text] The violent disruption of the PPP public meeting at Cove & John last Tuesday signals the readiness of the ruling party to use sharp steel against any section of the population that dares to question its corrupt and incompetent rule. That the attack should follow swiftly on the heels of the invitation to constructive dialogue is instructive and certainly exposes the hollowness and cynicism of the PNC's sermons on national unity. The military-style of the operation, the use of the open-back Land Rover and, above all, the paralysis of the policemen present, in the face of the brazen display of lawlessness, leave us in little doubt that this lowest of deeds had the blessing of the highest of authorities.

The recourse of the ruling party to steet thuggery and violence will of course surprise no one. It would however come as a most welcome surprise if the police authorities were to break with the practices of the past and take a firm stand on the side of law and order, offering service and protection to the victims rather than the authors of criminal assaults.

16 April 1985

Such police conduct could put a brake on the degeneration of our political culture and would win the respect and support of every decent citizen. In this election year, only political bandits and their patrons stand to benefit from a descent into disorder and violence. The lawful struggles of the people for free and fair elections free from fear in 1985 would be greatly assisted if all our organisations--social, religious, industrial, professional and political--stood ready to raise their voices forcefully and fearlessly against every single manifestation of political violence as it occurs.

Guyana too needs to become a zone of peace.

Rickey Singh Assessment

Bridgetown THE NATION in English 4 Feb 85 p 4

[Article by Rickey Singh]

[Text]

GEORGETOWN, Guyana — There were some surprises about the latest initiative here for structured co-operation between Guyana's ruling People's National Congress (PNC) and the parliamentary opposition, People's Progressive Party (PPP).

For a start, unlike the pattern over the past 20 years, when unity moves originated with Dr. Cheddi Jagan's PPP, this time it was President Forbes Burnham's PNC that last month announced the invitation for "constructive dialogue."

This is the first such move by the PNC which has been in power here since 1964.

Another surprise was that the public disclosure of the PNC general council's decision to promote unity talks with the PPP, came from retired prime minister, Dr. Ptolemy Reid.

When Mr. Reid quit as prime minister last year, on grounds of ill-health, it was widely felt here that the aging former general secretary of the PNC had opted for a backseat in the politics of both the country and his party, in which he was actively involved for 23 years.

### **POLITICAL HIBERNATION**

But last week, after months of political hibernation, Dr. Reid hit the headlines with the announcement, in his capacity as "deputy leader", of the PNC's decision to seek talks with the PPP shortly in the interest of "national unity,

promoting development and guarding against imperialist intervention".

Political observers have also pointed to the fact that the PNC chose to go public with its proposed unity initiative even before officially communicating with the PPP on such a sensitive and nationally important question.

This development, likewise, resulted in the PPP, through its well-known Marxist leader, deferring a direct official response to the PNC in preference to publicly declaring the party's intention to first have dialogue with other groups, including the Trades Union Congress (TUC), the labour movement's umbrella body, before entering into any formal discussions with the governing party.

Dr. Jagan, in a statement that followed a special meeting of his party's executive council, explained that the PPP would "carry out the broadest possible consultations with other progressive political and social groups, including trade unions, business, professional, religious and other bodies."

### **DENIAL**

This, he said, was to ascertain their own thinking on the PNC's invitation for "constructive dialogue for national unity".

Significantly, Dr. Jagan took this opportunity to also firmly deny "current rumour", some of it reflected in the columns of the weekly *Catholic Standard*, that the PNC and PPP have been

secretly involved within recent months in talks aimed at a possible coalition government of the two parties.

Even the many who favour PNC-PPP unity are not, however, sanguine about current manoeuvres to achieve it.

The proposal, according to Dr. Reid, is for the dialogue to take place at "leadership level".

This means involving at the outset, the two politicians whose politics have dominated this multi-racial 18-year-old nation for the past 31 years — Mr. Burnham and Mr. Jagan, both now in their 60s and both reputedly committed to the creation of a socialist society, and closest possible relations with the Soviet bloc.

Coming at the conclusion of what Dr. Reid described as "in-depth debate and discussion inside the PNC", the move for unity dialogue with the PPP is viewed by some here as the second most important domestic political development within the past four months.

### DEFEAT

The first was the defeat last September of the PNC in its bid to maintain a 20-year-old domination of the executive council of the TUC.

Militant and independent unions, as well as the powerful Guyana Agricultural Workers' Union (GAWU), which is officially aligned to the PPP, now control the TUC's executive body from which cabinet ministers are now debarred by virtue of a resolution passed since the TUC's historic September congress.

The fact that the PNC's invitation to the PPP coincides with the government's own preliminary arrangements for general elections later this year, has not escaped the attention of critics of both major parties.

It's felt that here, too, that the PNC's expressed concern for co-operation from the PPP cannot be divorced from the Burnham government's current battles with the International Monetary Fund (IMF) for a badly-needed US\$150 million facility.

National registration of Guyanese, 14 years old and over, will conclude on February 28. From this register, as it has done in the past in the face of protests from its opponents, the government plans to extract a new electoral roll for the poll constitutionally due by December this year or by March 1986 at the latest.

If, from the government's viewpoint the registration campaign is proceeding smoothly — a fact questioned by its opponents, including the leftist Working People's Alliance with which both the PNC and PPP have had clashes — this is clearly not the case with IMF negotiations.

Minister of Finance, Mr. Carl Greenidge, told Parliament last month that although his government was making every effort to clear US\$31.7 million in outstanding IMF debt the fund's board of directors was planning to meet this month to declare Guyana temporarily ineligible for further balance of payments aid to overcome the nation's current economic crisis.

### CRITICISMS

Mr Greenidge himself is at present at the receiving end of strong criticisms from the TUC for recently-announced wide-ranging consumption taxes (eight to 25 percent) that have effectively eroded, according to the TUC, the GUY\$2.31 increase in workers' daily minimum wage announced a few months ago.

The daily minimum wage is now GUY\$15.10.

The TUC is also challenging government's claims about a two percent economic growth in 1984; the administration's recent hefty pay hikes for the president, cabinet minister and members of parliament — ranging from 60-150 percent; the worsening cost-of-living situation and growing incidence of serious crimes, and an unemployment rate of approximately 30 percent.

In the circumstances, Dr. Jagan feels that his PPP has very little alternative but to have consultations with the TUC about the way forward, as well as with the Guyana Christian Council which, in the past, was also involved, unsuccessfully, in promoting a government of national unity.

The general view here is that the PPP is keeping its options open while favouring the idea of unity talks with the PNC.

In the 60s, the PPP's own initiatives for a unity government with the PNC, included having parity in a then PPP government's council ministers.

The late Dr. Kwame Nkrumah of Ghana and Dr. Eric Williams of Trinidad and Tobago were also involved in efforts for a PPP-PNC unity government that proved abortive. (CANAL)

CSO: 3298/470

GUYANA

PPP SCORES RUMORS OF JAGAN PARTICIPATION IN GOVERNMENT

Georgetown MIRROR in English 3 Feb 85 p 4

[Text] Rumour-mongering has been added to the deceptive propaganda armoury of anti-PPP forces. It is rather unfortunate that the London-based Caribbean Insight has become a gullible tool in opening its columns to such calculated devices.

Insight, in its January 1985 issue, said PPP General Secretary, Dr Cheddi Jagan, would be given a senior position in government, possibly Vice-President, 'within the next three months.' The article further suggests Cuban involvement in a PPP/PNC rapprochement and the postponement of general elections.

The details of the article were gleefully reprinted by the Catholic Standard which has been attempting to hatch its own plot, and pass it off as the gospel truth.

It is surprising that the Insight reporter has been conned by a story, as the Standard suggests, 'floated in London by a section of the PNC for foreign consumption.'

The standard quoted the all-knowing 'local observers' as to the motive: to influence western powers into aiding the PNC. Elements claiming to hate the PNC have surely become the PNC's mouthpiece. That is, of course, if there is any factual merit as to the likely sources of the story.

The PPP has had no talks with the PNC since 1976. At no time did Dr Jagan entertain or discuss any offer of government positions. Of course, it has been the policy of the PNC to offer lucrative jobs to PPP members, in order to encourage defections. However, the PPP has repeatedly stated publicly that the party is not interested in positions. It is interested in promoting the unity of the people and to move the country onto the road of social progress.

These outpourings and the PNC's invitation for talks have shown to what extent the PPP's proposals for a genuine political solution has taken deep roots. They have confirmed the PPP's position that there can be no solution to Guyana's ills without the PPP.

Last week in responding to the invitation of the PNC for talks the Party took the opportunity to state that 'current rumours being encouraged by forces hostile to us that the PPP was/is engaged in secret talks for the formation of a coalition government with the PNC are totally false and without foundation.'

CSO: 3298/471

GUYANA

# PPP TEAM DISCUSSES PROBLEMS WITH REGIONAL COUNCIL

Georgetown MIRROR in English 3 Feb 85 p 3

[Text] A delegation headed by Councillors K. Sahadeo and P. Sukhai recently met with Abdhl Sattaur, the chairman of Regional Council No 3 (West Demerara-Essequibo Islands) and discussed a wide range of problems facing the citizens in that locality. Matters discussed included the following:

--Urgent and proper maintenance of Coglan Dam and Logic Dam which are in a deplorable condition as usual, despite the fact that they are essential to a big rice growing area. Government has been ignoring these dams for years. The chairman of the Region promised that repair works will be carried out on Coglan dam but that the Region has no money to do Logic Dam. He undertook to see however that the present rice crop is reaped.

--There is little or no potable water supply in Vreed-en-Hoop, Ruimzicht, Windsor Forest, Den Amstel, Anna Catherina, Vergenoegen, Hyde Park and Belle Vue. Water pumps exist in all these areas, but they are out of order in most instances. The chairman revealed to the delegation that he had spoken to Guywa and that he has been assured that in the next few days "the pump at Anna Catherina will be completed, and work will be started on the Windsor Forest pump. Wales estate is making a spare part for the Belle Vue pump while other parts will be arriving for the other pumps in a few weeks' time."

--There are breaches in the sea dam at Philadelphia and Zeelugt EBE. Apprised of this the chairman undertook to speak to the Superintendent for Sea Defence and to instruct him to send workmen to effect urgent repairs.

--Rice farmers and other farmers are not obtaining their fair share of scarce items being distributed by government. The chairman is reported to have concurred with this view, and to have assured the delegation that he will take up the matter with higher authority.

--On the issue of the entrance road at Zeelugt which is in a deplorable condition, the chairman reportedly told the delegation that as soon as the sand builds up at the Tuschen foreshore, the Region will hire trucks to take sand to build up the road referred to. In the case of the bitter dispute pertaining to use of the cattle pasture, he said that the Commissioner of Lands would be going to the area shortly to settle the dispute.

CSO: 3298/471

GUYANA

## PNC ACTIVITIES, GENERAL COUNCIL PROPOSALS REPORTED

### Council's Decisions

Georgetown NEW NATION in English 3 Feb 85 p 8

[Text]

The recent General Council meeting of the People's National Congress set forth a series of new proposals designed to continue the programme of economic recovery. It was out of this meeting that the decision was taken to ensure that the nation fulfils its obligations to its new trading partners.

But this was not the only decision. There has been the decision to have the relevant skilled personnel assigned to the regions under the control of the regional administrations.

The first decision hinges on the second since it is the presence of the necessary skilled personnel in the regions, the place where those activities crucial to Guyana's survival are taking place, that will enable the smooth execution of the projects.

Traditionally, important projects were managed from the centre, a practice that militates against speedy decision-making and proper supervision.

Guyana, at this stage of its development, cannot afford time-wasting nor can it afford the under-utilisation of skills.

General Council has already mandated Central Government to adopt measures it considers fit in dealing with those who are not prepared to be involved in the development process because of their aversion to living away from the coast.

Leader of the People's National Congress, Cde Forbes Burnham, who introduced this topic noted that extensive projects are being undertaken and expanded in various parts of the country. The Eclipse Falls project is being undertaken in Region One, the multi-million dollar MMA project is underway in Region Five, the palm oil project in Region Four, the dairy expansion project, in Region Six and the production of glass and ceramics are all being pursued outside of Georgetown.

Many may question the ability of the General Council of the Party to take decisions that would influence the course of national development. And this situation could only come about because people do not understand the principle of Party paramountcy. In other cases

there are those who deliberately create misconceptions of this issue.

Paramountcy of the Party is an established fact in most countries, including some of the leading capitalist nations. The tradition is for the political party to identify the major areas of priorities since it is the political party in government that must carry out the policies or ensure their execution.

It was the congress of the People's National Congress, in 1970, that mandated the government to own and control the natural resources for the benefit of the people through nationalisation. This mandate was executed in the following year.

General Council, some years later, mandated government to remove the restriction on the closure of gas stations at weekends. A significant decision coming out of the recent General Council meeting is for the Party to invite the People's Progressive Party for constructive dialogue.

In imperialist circles there is a studied programme to isolate Guyana within Caricom. As Cde Burnham noted, this programme is being undertaken by "satellites and by those from outside the region".

The capitalist media insist on carrying derogatory statements about Guyana. Georgetown is continuously described as 'a place of wooden shacks'.

The fact that there have been no riots because of the absence of wheat flour, the restrictions placed on certain imports and that the people have been educated to recognise the various ruses by the imperialists to turn back the Socialist drive, are all factors that continue to anger and to spur the imperialists to greater acts of destabilisation.

For them, Guyana is not a good example, especially when they made a promise and a show of transforming one of the countries within Caricom into a show-piece. That country has been the

scene of riots and massive retrenchment. Unemployment stands at 25 per cent (according to TIME) and is nearly 50 per cent for those under 25 (quoting the same source).

General Council acknowledged that the Guyana situation is different. And in the words of Cde Burnham, "rather than dismiss people, Government took financial relief to the people and is now concentrating on deploying workers into more productive areas and into the Regions.

General Council, the forum for review and planning between Congresses, identified the need for an adequate distribution system since the nation is aiming for growth coupled with equitable distribution. It was Leader of the Party, Cde Forbes Burnham, who remarked that it was possible for a country to record growth and at the same time have a mild distribution system.

### Hemisphere Party Talks

Georgetown NEW NATION in English 3 Feb 85 p 2

[Text] A delegation from the People's National Congress left here Thursday for a number of countries in Central America for Party-to-Party talks with fraternal parties.

The delegation comprises Central Committee member Cde Elvin McDavid; Regional Chairman Cde Surujnarine Singh; Cde Beniprashad of the Women's Revolutionary Socialist Movement; Cde Michael Scott of the Young Socialist Movement; Cde Colin Heywood, Deputy Head of the Department of National Orientation and International relations; and Cde Raj Mongol Officer in the Guyana Embassy in Havana.

The countries to be visited are Cuba, Nicaragua and Mexico.

### Guidelines in Berbice

Georgetown NEW NATION in English 3 Feb 85 p 2

[Text] Assistant General Secretary of the People's National Congress, Cde Urmia Johnson, last Saturday held a briefing session with Party workers in Berbice during a field visit exercise which was successfully carried out on the Upper Corentyne.

Speaking to the cadres at the Eversham Primary School, Cde Johnson said that approaching people must be done in a skilful manner and stressed that cadres must at no time be abusive or hostile. Rather they must counter negative remarks by using persuasive skills.

Cde Johnson who outlined the entire process of getting about the exercise and stated guidelines which could greatly benefit the resource personnel pointed out that the exercise should be used to inform residents about the People's Co-operative Units, the number and name of these units and the cadres should familiarise themselves with the resources in the PCU, human and otherwise.

The cadres were further told to inform the residents of the importance of the national registration exercise and to talk about the Sixth Biennial Congress scheduled for August.

Other areas in the Region are to be visited by Party workers and resource personnel in the ensuing weeks.

### Region Five Investigation

Georgetown NEW NATION in English 3 Feb 85 p 2

[Text] The investigation team headed by Secretary to the Production Committee and member of the Finance Committee of the People's National Congress, Cde Oscar Clarke, will be in the upper parts of Region Five from today.

The team is scheduled to be at the Biaboo Primary School, Mahaica River today. Tomorrow, evidence will be taken from the residents of High Dam, Mahaica, at the High Dam Community Centre.

On Tuesday the team will be at the Weldaad Magistrate's Court and the following day at the Britannia Village Office.

On February 7, the team moves to the boardroom of the Mahaica-Mahaicony-Abary project at Onverwagt and on February 8 to the boardroom of the Regional Development Council, Fort Wellington.

The Village Office at Number Eight Village is the venue for the meeting with the team on February 9 and the following day the team will be at Karamat Primary School, Mahaocony River.

On February 11 the team will be at the PNC District Office, D'Edward and on February 12 the team goes to Ithaca where the meeting will be held at the All Purpose Hall. This brings the field visit by the team to an end. Each session begins at 10:00 hrs.

The team is to meet in session, later, to take evidence from those who submitted memoranda to the authorities. The dates for this part of the exercise are not yet scheduled.

#### Ideology as Bar to Imperialism

Georgetown NEW NATION in English 3 Feb 85 p 4

[Editorial]

[Text] A strong political party leads to the development of a strong nation. The People's National Congress is a strong Party rooted in the working class movement.

The ideology of this Party is socialism, the ideology of the working class and the move is toward the construction of a socialist society in Guyana in spite of opposition by the imperialist forces.

At the recent General Council meeting of the Party, the role of imperialism and prevailing conditions were among the issues discussed. In this light, the need for an even stronger Party is more acute than ever, since weakness will only lead to defeat.

We are aware that there are moves afoot to isolate Guyana within Caricom, because Guyana is considered a bad example. Guyana, along the road to Socialism, is achieving success.

Imperialism at present dominates the international communication network and it is therefore possible for the developing world to be inundated with messages which, in most cases, are designed to promote imperialism.

Ideological education is one of the ways to counter this process. If a people are aware of the realities of a given situation then they can better cope and work toward their own development.

But while the people are working for their development, the imperialists after centuries of uninterrupted reign, and with much practice, will also be working to thwart the efforts of the people.

One of the tools they have used, and will continue to use, is the tool of factionalism. And it was factionalism that led to the collapse of the Grenada revolution which had promised so much for the people of that island.

The People's National Congress is intensifying its programme of ideological training to heighten the awareness of its membership and the people of Guyana.

Our Party is the vanguard party and as such it must continue to be a strong party. The old adage that a chain is as strong as its weakest link still holds true. A party is as strong as its weakest member. It is the influence of the member that helps the party gain respect and prestige.

We are stepping up our ideological training, a decision that came out of the Fifth Biennial Congress of our Party and in keeping with one of the new objects of the Party.

That object reads: "To provide ideological training on a continuing basis for all Party members to enable them to work in a sustained and disciplined way to build a socialist society in Guyana and to function effectively in such a society."

CSO: 3298/471

GUYANA

## CO-OP UNITS WITHIN RDC'S FOSTER COOPERATIVE WAY OF LIFE

Georgetown NEW NATION in English 3 Feb 85 p 3

[Text]

People's Co-operative Units are being established throughout the Regions and are working within the Regional Development Councils and the Neighbourhood Committees, not only to further the development thrust but to make co-operativism a way of life among the people.

This increased momentum in vital areas of co-operation is benefiting from the community visits by Comrade Leader and the contact and communication with the people brought about by these visits.

The result of this acceleration of co-operation on various levels is the continuation of a co-operative thrust equating with the development thrust and giving an incentive to development.

It is significant that at this time the Guyana Electricity Corporation has moved to implement a policy decision on co-operation taken five years ago.

Cde Joseph Holder, Executive Chairman of the GEC, has announced that the Guyana Electricity

Corporation, a corporate entity that derives its status from the Electricity and Public Corporations Act, now comprises nine members, five of whom are executive members.

It is clear that the re-organisation introduces protective and consultative measures for consumers and workers and brings the people into the administrative sector of the GEC.

This is co-operation in action and it should be in action in all national corporations, state enterprises, agencies and businesses which receive subsidies from the state.

It has to be candidly and self-critically admitted, however, that co-operation on this ideal level does not exist in all the areas we have just identified.

Regrettable but true, in many of the businesses identified there still exist underground personal hatred, discrimination, professional jealousy and political feuding, all of which create pockets of colonialism in state enterprises.

CSO: 3298/472

GUYANA

## HINTERLAND SETTLEMENTS NEED UPGRADING FOR REGIONALIZATION

Georgetown SUNDAY CHRONICLE in English 3 Feb 85 p 8

[Article by Leon Walcott "Continuing our Series on Regionalism": "Hinterland Settlements Need To Be Upgraded"]

[Text] The upgrading of Hinterland settlements can go a long way in making a success of the country's regionalisation programme and also in helping to solve the problem of "Coastalitis."

The problem of "Coastalitis" was underlined by President Forbes Burnham when he made an intervention at last Saturday's sessions of the General Council of the ruling People's National Congress.

The regionalisation programme which is expected to result in key personnel being placed in the Regions, where they are needed most, got off the ground last year and is expected to gain momentum in 1985.

However, for it to work, towns like Kwapau and Itaballi on the Mazaruni River, Aishalton in the South Rupununi, Teperu in the Bartica area, Kona-waruk, Tumatumari, Mahdia, Ebini and Mabura should be upgraded. The areas where these townships are located have the resources to generate employment and income for their residents.

While the upgrading and expansion of hinterland settlements can assist in the movement of people from the coastland to the interior, the provision of adequate transportation and communication links are essential to ensure accessibility.

Many of these settlements are virtually cut off from Georgetown, still the administrative and economic centre, through a lack of transport facilities.

The state-owned Guyana Airways Corporation cannot service many of these areas, and most times road and river transportation are virtually non-existent.

The upgrading of these settlements will entail the movement of teachers and health and other personnel from the coastland so that settlers can be assured of some of the basic amenities of life.

Availability of food supplies should not pose a problem, since the soil in most of these areas is extremely fertile and can support a variety of food crops.

A large number of economic activities can be carried on in these areas.

Already at Mabura, there is timber production. And natural spinoffs of this activity--charcoal and craft production--can be carried on.

In addition, supporting services such as tailoring, dressmaking, selling of produce, carpentry and joinery are good sources of income.

Above all, the pioneering spirit which was responsible for the development of many countries including the United States of America, will be an essential ingredient for success.

CSO: 3298/472

GUYANA

## BUDGET, ECONOMIC PLANS DISCUSSED, CRITICIZED

Green on 1985 Goals

Georgetown SUNDAY CHRONICLE in English 3 Feb 85 p 1

[Text]

**THE provision of improved fire and rescue facilities at the Timehri International Airport, an efficient overseas telephone service and more reliable ferry transport are among major goals of 1985.**

This was revealed when Vice-President, Social Infrastructure, Hamilton Green answered the queries of journalists on GBC's weekly programme "Face-the-Nation."

Accompanying Cde Green were officials responsible for roads, transport, civil aviation and other areas falling under the Vice-Presidency of Social Infrastructure.

Vice-President Green also outlined plans to improve both rural and urban water supply. He referred to hydro-power development and the pirating of television programmes.

Pipeline repairs, the replacement of pressure mains and the rehabilitation of the well at Kingston are among infrastructural works to be carried out in 1985.

Meanwhile, the regional authorities are expected to be more involved this year in the maintenance of airstrips in various parts of the country. Deputy Director of Civil Aviation Aubrey Alexander

said the new Lethem airstrip should be completed this year.

In addition, the runway and taxiways at the Timehri International Airport will be improved with Canadian assistance.

As regards hydro-power development, Cde Green said construction of the Eclipse Falls hydro-power scheme in the North West District should begin "within months."

The first phase of the project has been completed. The site of the dam and the hydro-power station have

been identified, he said. The Eclipse Falls hydro-power scheme is being built with assistance from the Democratic People's Republic of Korea (DPRK).

Vice-President Green also announced that the Guyana National Engineering Corporation and a Romanian firm are to sign an agreement for the establishment of a tractor assembly plant in Guyana.

On the question of satellite television, the Vice-President noted that the airing of television programmes designed for North American audiences could be "the undoing of our development effort." He said the introduction of local programmes even on private satellite broadcasting systems was being examined. GNA

### Operation 'Fight-Back'

Georgetown NEW NATION in English 3 Feb 85 p 5

[Article by Leon Walcott]

[Text]

Guyana has begun "Operation Fightback". So said PNC Central Executive Committee member and Vice-President, Social Infrastructure, Hamilton Green as he made his contribution to the 1985 'Budget Debate' on Monday.

The "fightback" was reflected by the plans and programmes outlined by the government during the three-day debate.

Through "Operation Fightback" the Government intends to earn \$1.7 billion from current and capital sources of revenue. In fact, while a current account deficit of \$391 million has been estimated, a capital surplus of some \$537 million is projected for 1985, giving an overall surplus of \$145.4 million.

And "Operation Fightback" would not be concentrated in Georgetown, or on the coast for that matter, but will be taken to all regions which will be

responsible for every development project found there.

A whopping \$61.7 million has been earmarked for the 10 administrative regions.

This year \$101.4 million has been earmarked for direct production including agriculture, manufacturing, energy and forestry, reflecting an increase of \$11 million over 1984 estimates.

Public safety and national security will get an increase of \$63 million over the 1984 estimate of \$155.5 million.

There has been a \$24 million increase in the budgetary allocation for education which gets \$126.4 million.

"Operation Fightback"—the groundwork for which has already been laid—can place Guyana in a surplus position for the first time in almost a decade.

One of the projects featuring in "Operation Fightback" includes the \$40 million Black Bush Polder small farm development project which aims at

rehabilitating all primary and secondary drainage and irrigation works in the Black Bush Polder area. 27 000 acres of land will benefit from this programme.

A further 27 000 acres of land in the Canals Polder, Leguan, Pomeroy and Cane Grove areas stand to benefit from improvement in drainage and irrigation facilities. In addition, the massive Mahaica-Mahaicony-Abary agriculture scheme will soon bear fruit.

Exports of timber and timber products from the Demerara Woods Complex at Mabura have begun. And the bauxite industry is showing a turn-around. Now that the sugar industry has been relieved of its subsidy burden things should improve.

But the import bill would have to be kept down through the utilisation of indigenous technology, continued exploitation of local resources and renewed efforts toward self-sufficiency.

### Jagan in Budget Debate

Georgetown MIRROR in English 3 Feb 85 p 1

[Text] The People's Progressive Party is a mighty force to be reckoned with in this country, and there can be no government or political solution in Guyana without the PPP. That the PNC is seeking dialogue with the PPP is recognition of this fact.

So said Guyana's former Head of Government and PPP General Secretary Cheddi Jagan when he wound up the Parliamentary debate on the 1985 Budget for the Opposition on Wednesday last.

The Marxist leader stated in a 45-minute speech that all indications in the \$1.5 Billion Greenidge Budget point to economic collapse and financial bankruptcy.

Citing one such indicator Dr Jagan referred to the national debt burden, and concluded that Guyana is not only "up to its neck in debt" but it was actually sinking. He remarked that last year the country had to find \$699 million to meet debt repayments and interest when current revenues amounted to only \$600 million!

For the Parliamentary record the Opposition leader recalled that the PNC had inherited a "healthy financial position". When the PPP came out of government in 1964 debts were only \$10 million or 15% of current revenues while the budget deficit was only \$0.4 million.

The PPP, he noted, has repeatedly warned the government that it was embarked on the wrong course, including the ruinous road of the International Monetary Fund (IMF). The Party has also repeatedly put up comprehensive programmes which if implemented, could bring the country back on course and out of the crisis, but these have been ignored.

Dr Jagan exhibited in Parliament various Party publications which contain recommendations for economic recovery, and proceeded to summarise those adopted by the PPP's Congress in 1982.

The PPP had advised then that the government abandon the IMF path, pay only one-quarter of current debt payments, suspend the rest which could be used to meet wages demands, subsidise the cost of living and improve social services. Now the PPP is recommending the revolutionary "Bolivian model" of rescheduling the massive and burdensome debt payments.

The Guyanese leader, whose political odyssey as champion of the rights of the downtrodden masses dates back to 1943, again remonstrated against PNC anti-people policies and practices. Lamenting the declining allocations for social services Dr Jagan lectured the government benches on the dialectical unity between welfare and development.

"If you do not make adequate provision for welfare, people will become dissatisfied and alienated. They will not produce and when this happens there will be no production and hence no development. And if you have no development, welfare will obviously suffer. This is why we have had no economic development and no social development in Guyana under PNC rule."

He spoke out vehemently against government's refusal to grant a living wage to the working people and its failure to index wages to the rising cost of living. He also condemned government's discriminatory food distribution system, the erosion of the Rule of Law and lack of democracy, and warned that the people would be forced to take industrial action for improvements.

Saying that force and fraud cannot solve the problem of alienation, Dr Jagan called on government to hold talks with the people and their representatives through open dialogue on what is to be done about the crisis and what is the way forward for Guyana.

"These people," he thundered, "are not realists!" He went on to admonish the government on their interpretation of the theory and practice of socialism adding that socialism is not built by rhetoric nor by pragmatic and opportunistic manoeuvres and meanderings all over the place.

Taking a constructive approach to the debate the Opposition Leader recommended that government immediately implement the following in order to ease the burdens of the masses:--

Suspend debt and compensation payments; reduce Vice-Presidents from four to one; cut number of Ministers by half; cut minister's and super-scale salaries by one-third; stop purchase of arms and additional recruitment of police and army personnel; reduce Foreign Affairs Ministry by half; restrict National Service, abolish Ministry of National Development and reduce the Information services by half.

The PPP wants to see an end to corruption, he added, with the establishment of an All-Party Anti-Corruption Committee. There must also be a return to consultative and representative democracy, an end to political and racial discrimination, resistance to denationalisation, an end to PNC monopoly over food distribution, special treatment for Amerindians and more trade with socialist and revolutionary democratic countries.

In his 80-minute response Prime Minister Desmond Hoyte, who was making his first budget speech in his new portfolio, did not address the issues raised by the Opposition Leader. He said the Opposition had taken an unconstructive approach and had not presented "a single intelligent programme" for consideration! (Sic). However, he underlined his desire for dialogue and co-operation.

#### TUC Reaction

Georgetown MIRROR in English 3 Feb 85 p 1

[Text] The 1985 Budget will result in a steep rise in the cost of living for wage and salary earners of between 20% to 30% which will nullify any gains the public sector workers may have acquired as a result of the meagre pay increases imposed by the government in December last. So said Leslie Melville, Executive Member of the Guyana Trades Union Congress last week.

Mr Melville further said the analysis of the last year's performance by the Minister of Finance in presenting his budget for 1985 failed to focus on the fact that (by the budget's own estimate) real income per head was lower than in 1983 and this was still lower than in 1970 and one-third below that of 1975.

Mr Melville, continuing, said that it must be the concern of the nation that sugar production for 1985 was the lowest for the past 30 years and that the output of rice was about 40% below past peak outputs, and in spite of the increased production in the bauxite industry over 1983, the performance of the industry was still way below its past performances. He none-

theless said that the workers in the industry, both management and non-management, should be commended for their efforts.

He further noted that it was unfortunate that the Minister failed to inform the nation of the rising levels of unemployment which now stand at over 30%. The TUC was more interested in knowing how many new jobs would be created in 1985 instead of the veiled threats made by the Minister when speaking of the structural changes the Government intends introducing.

In response to the generous increases in salary paid to the political directorate, he said the TUC would not deny the political directorate a comfortable living standard but was concerned about the minimum wage which forces so many workers to live in a state of poverty, and the prevalent temptation to which so many of them are succumbing. The minimum wage, he said, is way below the \$1,357.78 per month proposed by the TUC for 1984, standing at present at a meagre \$360.00 per month.

In concluding the TUC executive said that the TUC agrees with the government that increased production and productivity must be our immediate goal if we must turn the economy around, by a more favourable balance of payments position and a narrowed government deficit. He said that that would not be achieved by financial tinkering but by a larger socio-economic analysis and approach.

"What is needed at this stage" he said, "is an investment in people through a realistic wage and salary structure, and an extended dialogue between the government and the people of Guyana as represented by their organisations."

During the presentation of the 1985 budget, the TUC presence in the Parliament gallery was substantial, and included many of the top officials, led by President George Daniels. The TUC maintained a significant presence throughout the debate. In this way it evidently has first hand knowledge of what went on and the attitudes of the various speakers in the House towards the plight of the working class.

CSO: 3298/472

GUYANA

## SUGAR INDUSTRY SITUATION ASSESSED, 1985 TARGET SET

### Guysuco Chief's Remarks

Georgetown GUYANA CHRONICLE in English 2 Feb 85 p 1

[Text] Guyana Sugar Corporation Chairman, Cde Harold Davis, said yesterday that for the sugar industry to return to economic and financial viability, managers will need to be strong and courageous. "Great reliance will be placed upon our hard-working, bright and experienced personnel," he said.

His prescription was given as he addressed administrators attending a meeting at the Ogle Management Training Institute.

Urging administrators to do "some serious soul searching" that should lead to improved managerial efficiencies, including tightening of financial controls, lower cost of production, and higher production of sugar per ton of cane, the Chairman warned that unless a total effort was made in this direction, the industry would face more serious problems.

He said that there had been a serious escalation in the cost of production which had moved from \$1 267 per ton in 1982 to \$1,374 in 1983, and \$1 679 in 1984.

There were wage increases and high interest charges, but in addition to these factors, estates' expenditure in 1984 significantly exceeded the level of 1983.

Cde Davis asked administrators to explain the paradox of "high wage levels against declining performance achievements in all our areas of activity" and declared:

"Surely, proper management, proper supervision, proper guidance of our labour resources, ensuring that certain basic work standards are achieved and ensuring that we pay for work done according to laid down standards, ought to improve the situation."

"I know we have problems. I know that we have not been getting the sort of equipment we would like, but I cannot help feeling very strongly that if we tighten up on the management and supervision of our labour resources, there must be some improvement in our productivity, our cash needs and consequently, our cost of production. We must understand that the recent increase in local prices will not be frittered away", he emphasised.

He also challenged managers to examine the possibility of abandoning or modifying the traditional system of dismantling factories for maintenance twice a year in order to cut down on costs.

The chairman expressed concern about the continuing leakage of spare parts and noted that while there was some reduction in thefts in 1984 as compared to the previous year, this problem has to be tackled more seriously.

Cde. Davis considered the most serious problem facing the industry to be the problem of the amount of cane being used to produce one ton of sugar.

He said this problem has been getting progressively worse over the years. And while there could be some excuse in relation to the weather, there were other main factors causing this low yield. The solution lay in correcting and tightening some basic agricultural and managerial practices.

Turning to financial controls, the Chairman said that tighter controls were needed and urged the "frontline involvement" of both the Personnel and Industrial Relations functions.

The Chairman concluded: "One thing is absolutely clear. The industry cannot and will not be allowed to perform at these costs during 1985, if for no other reason that we simply cannot finance the hitherto accustomed to levels of expenditure."

Response to 'Crisis' Charge

Georgetown CATHOLIC STANDARD in English 3, 10 Feb 85

[Letter to the Editor]

[3 Feb 85 pp 2, 4]

[Text] The following letter was received by the Catholic Standard from the Chairman of Guysuco, Harold Davis, in response to an article entitled "Sugar Industry in Serious Crisis" in the Standard of Jan 20. Due to lack of space, only part of the letter can be printed this week. The rest will be carried in our next issue.

"In the article on sugar in your issue of January 20, 1985 Analyst gives 1984 production in long tons at 241,861 which is not comparable with the production figures given for previous years which are given in metric tons raw value. 1984 production, in metric tons raw value was 256,481.

"This misunderstanding has led Analyst to state that 1984 production was lower than in 1977 when in fact it was higher.

"Analyst mentions bad weather as a factor in low 1984 production only to dismiss it as unimportant. He seriously underestimates its effects.

"The 1984 second crop experienced unprecedentedly adverse harvesting conditions.

"This affected the quality of cane, lengthened the interval between the cane being reaped and entering the factories, and led to an increase in intermittent grinding--all major factors in reducing the yield of sugar.

"We estimate that, because of the incessant rain, production may have been reduced by as much as 35,000 tonnes.

"This is not to deny that sugar has been facing great difficulties in the last few years and that there has been a serious decline in sugar yields.

"What is distressing is Analyst's failure even to try to put the industry's problems in the wider context either of the problems facing all sugar industries in the Third World or, nearer home; of the performance of other sugar industries in Caricom.

"Instead, Analyst finds an easy target in "political interference" and sneers at "the wrong people in key positions."

"This is a sad libel both on those who have remained in the industry through hard times and on scores of well-qualified young Guyanese who are now beginning to make their mark.

"It is true that Guysuco's recruitment, education and training, management succession planning and promotion policies have been badly affected by the immigration of valued staff.

"But let me clearly state that political interference does not enter into any of these policies nor is it a factor in the Management of this Industry.

"Since 1976 when the sugar industry was acquired by Government, the world price of sugar has been deep in the doldrums. In the last three years world prices have touched levels as low in real terms as they have ever been this century.

"At the same time, for well-known reasons, most if not all non-oil-producing Third World countries have experienced a severe shortage of foreign exchange which has made it impossible to provide the essential capital inputs to re-equip the industry in field machinery or adequately renovate equipment in the factories.

"In conditions like these Third World sugar industries all over the world have been in serious and sometimes desperate difficulties.

"Analyst might have fruitfully examined what has happened to sugar industries in the Caricom region as a whole and placed the performance of sugar in Guyana in that context.

"He would then have been able to disclose that sugar in Guyana has come through the trauma which has affected all Third World sugar industries in much better shape than other sugar industries in Caricom.

"Analyst's denigration of the hard work and dedication at all levels which has made this possible is undeserved."

[10 Feb 85 p 2]

[Text]

"Analyst mentions in passing that sugar in Guyana is an important earner of foreign exchange.

"Here again, at a time when foreign exchange is at a premium, he underplays sugar's absolutely vital role as by far the largest net earner of foreign exchange in the country.

"But sugar plays other vital roles.

"It is the largest employer of industrial and agricultural workers in the country.

"It generates business for a vast number of service, supply and small manufacturing concerns throughout Guyana.

"It provides a secure and efficient base on which to undertake the complex task of agricultural diversification.

"Nor is Guysuco's financial picture as Analyst depicts it.

"Heavy accounting losses mask a far more encouraging outlook than your readers have been led to believe.

"Guysuco remains not only a viable but a valuable national asset.

"The following passage from the report issued in 1984 by the international financial consultants, Lehman Brothers, Lazards, and Warburg and Company is instructive:

1981, and 1982 Guysuco's capital deficits were G\$82.3 million and G\$93.2 million respectively.

"However, when these financial results are adjusted by standard cost/benefit techniques to reflect the social valuation of Guysuco's activities, Guysuco actually earned profits in both years.

"These cost/benefit adjustments account for the taxes, contributions, and subsidies Guysuco provides and for a modest premium on the foreign exchange Guysuco earns.

"It is noteworthy that, from a cost/benefit perspective, Guysuco was profitable even in 1982 when sugar prices were at their lowest level of the century in real terms".

"1984 has been a much better year for Guysuco in terms of capital inputs provided for the industry.

"I am confident for the future.

"I am also tremendously proud of the way in which workers in the sugar industry, both managerial and non-managerial, have responded to the great difficulties of the last few years and, in particular, 1984. I wish the Standard could share a little of this pride with me.

"At least, when we improve yields and achieve substantially higher production in 1985 I hope the Standard will be the first to notice and comment".

Harold Davis  
Chairman, Guysuco.

#### Production Target

Georgetown GUYANA CHRONICLE in English 8 Feb 85 p 1

[Text]

EAST BERBICE (GNA) — The Guyana Sugar Corporation has set a target of 266 975 tonnes of sugar for 1985, of which 106 513 tonnes are expected to be produced in the first crop which started on January 18, and some 160 445 tonnes in the second crop. Guysuco Chairman Harold Davis made the announcement in Berbice Wednesday when he said "These targets are achievable and are well within our capabilities." He also pointed out that for land preparation the Corporation has projected

a programme entailing 21 500 acres.

This, he said can be considered a very ambitious programme but if the weather holds good and employees can keep their machines operational, this objective can be achieved.

The Corporation's planting programme of 20 000 acres, he explained, can then be realised thus leaving the industry with reasonable acreage which can be put under flood fallow for early planting in 1986.

CSO: 3298/473

GUYANA

JOINT RESOLUTION ON NICARAGUA ADOPTED BY PEACE GROUPS

Georgetown NEW NATION in English 3 Feb 85 p 8

[Text] **THE recent rally sponsored jointly by the Guyana Committee for Solidarity and Peace, and the Guyana Peace Council, in support of the "valiant people of Nicaragua" passed the following resolution:**

Deeply concerned over the current escalation of tension in Central America and the direct threat this poses to the maintenance of peace and security in the region.

Firmly convinced that the heightening increase in pressures being exerted by imperialist forces and its allies in Central America is intent in subverting the gains of the Nicaraguan revolution.

Conscious of the fact that such acts of aggression against Nicaragua's territorial integrity and sovereignty constitute a blatant violation of the principles of international law as outlined in the charter of the United Nations.

Convinced that the activity of the Manzanillo talks could contribute to a direct reduction in tension between Nicaragua and the United States.

Noting the significant progress made by the Contadora Group in its efforts to provide an

amicable settlement to the present crisis.

Concerned over the tremendous loss of human and material resources and its resultant effects on the life of the people of Nicaragua.

Moreover the overwhelming expression of support for the programmes and policies of the F.S.L.N. as demonstrated by the results of the recently held elections, is clear proof of the legitimacy of the mandate by the newly elected Government to lead the people of Nicaragua in their just struggle to maintain their national sovereignty and independence.

Be it resolved that this solidarity rally held by the Guyana Committee for Solidarity and Peace and the Guyana Peace Council.

(i) Expresses its firm and unflinching support for the struggle of the valiant people of revolutionary Nicaragua, who, led by their President Daniel Ortega under the Sandinista banner, are carrying out the noble task of democratising the Nicaraguan society;

(ii) Calls for an immediate and unconditional cessation of all acts of

hostility aimed at undermining the territorial integrity and sovereignty of the people of Nicaragua and their inalienable right to self determination;

(iii) Expresses its support for the efforts of the Contadora Group and calls on the international community to intensify its campaign in support of the efforts of this group;

(iv) Firmly hails the Nicaraguan Government in its acceptance of the mandate of the people of Nicaragua to carry out the tasks of preserving and enhancing the gains of the Nicaraguan Revolution;

(v) Calls for the resumption of the Manzanillo talks aimed at reducing the existing tension between Nicaragua and the United States;

(vi) Calls on all progressive peace loving forces the world over to render their support to the just cause of the Nicaraguan people in defence of their sovereignty and territorial integrity;

(vii) Calls on all hemispheric and extra hemispheric forces to observe the Caribbean as a Zone of Peace.

HONDURAS

BRIEFS

SANDINIST ARMY ATTACK CHARGED--Tegucigalpa, 13 Mar (EFE)--A radio station in this capital reported today that the Sandinist Army bombed the Honduran town of La Lodososa using grenades and rocket launchers, killing one person and seriously wounding two others. According to the official Honduran radio station, HRN, the attack occurred yesterday afternoon when some 35 grenades were fired from RPG-7 grenade launchers over La Lodososa, in the eastern El Paraiso Department, bordering Nicaragua. One of the grenades landed in a house and blew off the legs of a 17-year-old boy, Fernando Antonio Pineda, who died instantly. According to the HRN report, other grenades seriously wounded Carlos Humberto and Juan Rodriguez Maldonado, who are in critical condition at the Danli City Hospital in El Paraiso Department. The youth killed was a Nicaraguan, while the two wounded are Hondurans. There are no reports on whether the Honduran Army responded to the attack or sent any reinforcements to the area. The Sandinist Government has repeatedly charged that the Nicaraguan Democratic Forces (FDN) has camps and operational bases in Honduran territory bordering on Nicaragua. [Text] [Madrid EFE in Spanish 0025 GMT 14 Mar 85]

CSO: 3248/294-F

JAMAICA

ISSUE OF POLITICAL UNITY REMAINS UNDER ACTIVE DISCUSSION

Interview With Patterson

Kingston THE SUNDAY GLEANER in English 3 Mar 85 p 11

[Text] The concept of national unity is one which has been in the forefront of national discussion in recent weeks. It looms large because the two major political parties--the ruling Jamaica Labour Party and the People's National Party--have set certain pre-conditions before they entertain dialogue on some of the fundamental issues which affect the development of the country.

Last week the GLEANER spoke to the chairman of the People's National Party, Mr P.J. Patterson about his party's stance on national unity.

**GL:** There has been much talk about the question of national unity, could you give us a definition?

**PJ:** National unity requires the bringing of the people of a country together so that there is a oneness of purpose. In my view, national unity goes far beyond the question of a pact between the political leadership of our major parties.

It would have to involve the people themselves and a broad base of institutions and community organisations. It does not mean that differences of perception or of method by which national goals are to be achieved will disappear. For, to expect this would really require the disappearance of separate political parties, and even more, would entail an identity of views that one can hardly expect in a democracy.

**GL:** Has there ever been a time in this country when there was national unity?

**PJ:** In the way that I have defined it there has never been a time when true national unity has existed. There

were times when the political differences seemed less intense, and when there was a more general acceptance of goals for Jamaica such as occurred in the transition from colonialism to independence.

Over the last few years there has been a worrying increase in the level of political tension and there is great danger of the society being permanently divided into political tribes. To avoid this, greater intercourse is needed both between political parties and in the community.

### Personal animosity

**GL:** The understanding, and perception on the streets speaks of personal animosity between the leader of the JLP Mr. Seaga and the leader of the PNP Mr. Manley. Is such a perception correct?

**PJ:** I cannot speak for Mr. Seaga but I have worked closely with Mr. Manley both in the government and in the Party. I do not think it is necessary for both party leaders to like each other personally. I think what is necessary is that they be able to communicate with each other directly and feel that the word of each

other can be trusted absolutely.

When we formed the government we sought to maintain open lines of communications with the JLP. It was for Mr. Seaga to decide whether he conducted that communication with the Party himself or deputed others to do so.

We had structured discussions on the elimination of discrimination, distribution of scarce benefits ... and of curbing political violence. The most notable was the agreement for our electoral system and constitutional reform. We had agreed on the next step of the National Registration System. We had agreed that the model used for agreeing on electoral reform could have served to provide changes in the Constitution consistent with the national requirements of our time.

## **Basis of confidence shattered**

We have always remained prepared to be involved in dialogue. What the bogus elections of 1983 did was to shatter the basis of confidence and thrust which is a prerequisite for entering into meaningful discussions needed to achieving national unity.

The call for national unity would be itself an admission that there is need to restore credibility in the Government and to secure leadership which can inspire the nation by itself. The PNP will seek increasingly to articulate this concern. It will also seek to harness the mounting pressure of the people to oblige Mr. Seaga to call elections, so that there may be a democratic expression of the will of the nation that enables it to resume economic and social advances.

**GL:** Let us touch a bit on the aspect of the definition which relies not just on a pact between the political parties but on broad-based institutions and organisations. How do they fit into all this when you get a feeling that everybody is polarised into one camp or the other?

PJ: The Churches, the trade unions, the several private sector organisations, the commodity groups, the community structures, all have invaluable contributions. Their voices

must be heard on the issues of the day, and they must speak out of what is right without regard for whom it may offend.

In several respects there seems to be double standards being applied in judging the actions of the PNP and the JLP. Several of our institutional leaders and many organisations expect the PNP to stand up for principle on particular occasions but abandon them when it seems convenient to do so.

The reform of the electoral system was based on principle. The breach of the understandings reached was a breach of principle. Why has not there been strong condemnation of the JLP for breaking this agreement? Why is such little moral pressure being exerted on the JLP to do the honourable thing and call elections based on the new electoral system? Instead pressure is being applied against the PNP to enter a new round of talks without any offer of amends or any pre-condition whatsoever, and without any protection that we are not entering a political ambush.

## **Holding elections**

**GL:** You are giving an important role to these commodity groups, organisations, whatever they are to come out on the issues on matters of principle. Are you not, as a Party running the risk of not really taking cognisance of what the people are saying, that they don't really want elections, that technically Mr. Seaga was right in law...

PJ: I don't think the people are saying that. First of all the polls show a majority, albeit slight, in favour of holding elections. The fact that the minority who say there is no need for elections now is sizeable can be explained by a number of factors.

It stems largely from a fear that associates elections with political violence, and for this reason many persons would like to postpone that period for as long as possible. This is, however, a very dangerous trend because if taken to its logical conclusion would result in the postponement of elections forever. We do not regard democracy as expendable.

A number of persons, also, have been inclined to favour the postponement of elections because they believe

that elections are not conducive to production. That also is a fallacy. Mr. Seaga justified the call of the 1983 elections on the need for a mandate to secure confidence of would-be investors. An unrepresentative one-party Parliament ... He has established a system which itself creates an absence of confidence. In any event our stand is made on the fundamental principle that a government exists by the will of the people and cannot exist on the basis of a trick.

## **Meaningful unity**

**GL:** What are the chances of getting any meaningful national unity say within the next two years?

PJ: Do you mean in the absence of elections? Let me put it clearly. In the absence of elections there is no chance of creating national unity.

It is not merely that the leadership of the People's National Party will be wary of entering any such discussion having regard to our recent experience of double cross but that a large body of people in the society who are suffering great hardship, operating in a climate of social injustice, and who feel that present policies are incapable of addressing the problems which Jamaica faces today would not wish to participate in any such effort without an election first taking place.

**If we have an election and they are conducted fairly and the PNP loses we will, as in 1980, accept that defeat with dignity, and with grace and continue to make our contribution in a responsible way within our Parliamentary traditions.**

If elections are held and we win those elections we are committed not merely as a question of short-term convenience but on long-term considerations to actively promote all such efforts as contribute towards national unity.

The economic and social plan which we have prepared, and which will form the pillars of our election manifesto insists on a participatory approach and that will entail the input of producers, trade unions and community groups. It will also require the support of all persons regardless of their political or religious persuasion. This, obviously, can only be attained if there is effective political dialogue between both political parties.

## Carl Stone Assessment

Kingston THE DAILY GLEANER in English 13 Mar 85 p 8

[Article by Carl Stone]

[Text]

Every time I carry out a Stone Poll for the **Gleaner**, it leaves me depressed to discover how polarised this country is between JLP and PNP followers.

We have just completed yet another Stone Poll and on every issue that is politically sensitive or has become an item of national debate, there is a huge gap separating JLP from PNP opinions.

These range from matters relating to security and the police, to issues relating to government economic policies as well as to matters affecting more political issues.

Creating a climate of national unity involves more than just getting party leaders to dialogue. The whole perspective of our grass roots politics has to change because the parties thrive on myths that define their political enemies as devils.

### Sharp divisions

Indeed, part of the intensity of the partisan feeling that is so much a part of our political culture is based on these sharp divisions and antagonisms between JLP and PNP adherents. With the best will in the world changing that is not an easy task.

Of course, the call for greater national unity in the face of a national crisis is well intentioned and desirable. But let's be realistic. It will only begin to take shape if the factors causing distrust between the parties can be either reduced or removed.

There are just too many issues on which the Government has done things which have aggravated and increased distrust about its real intentions.

The transfer of funds for local expenditure to the control of M.P.'s in a one-party Parliament does not inspire trust. The taking away of Local Government functions on the eve of a Local Government election likely to produce an opposition party victory hardly inspires trust.

### Consistent failure

The consistent failure of the Prime Minister to share information with the PNP on matters relating to IMF agreements and his outburst over Mr. Sam Mahfood's conversation with Mr. Manley with respect to the IMF Washington visit does not inspire trust. The Prime Minister's failure to brief the country on the pounds of flesh being demanded by IMF-World Bank agreements does not help either.

Beyond the motivation for the PNP to show gestures towards national unity, there is another problem. Mr. Seaga has consistently undermined confidence in his Government and his policies by giving the impression that he has no regard for local professionals and that he believes that professional competence worth anything should have a tag of "foreigner" on it. I don't think Mr. Seaga realises how deep-rooted this problem is. The man in the street hardly cares about this issue but the fact is that 80% of Jamaican professionals are angry with Mr. Seaga over this issue and they are the opinion leaders in the country.

### Political hurdle

The unity call also has a major political hurdle to overcome. The call for unity begs the question about unity behind what. The fact is that Mr. Seaga's popularity is now at a low level. Most Jamaicans have lost confidence in his policies. As prices rise and economic pressures mount, the people react to their hardships by blaming the Government and Mr. Seaga in particular.

As a political scientist I frankly do not believe the Government and the Prime Minister have enough credibility or support to induce most Jamaicans to unite behind their policies.

### Bauxite setback

Mr. Seaga's position recognises this reality. He has accepted the fact that he and his Government will be blamed for the hardships, but he keeps going out on the faith that time will prove him right when people begin to see the positive gains that will come from these policies.

Any government in power since 1983 would have had to carry out very unpopular austerity measures.

What is worse is that Mr. Seaga promised us three years of hardships after which he hoped that things would have got brighter. The bauxite setback has overturned all of those projections. It is as if the country was asked to run three gruelling laps of hardship after which rest was promised. Having run the three gruelling laps we are now being told to keep running as no one is able to say when rest will be possible.

Getting people to rally behind a government caught in that credibility crisis will not be easy.

The PNP do not wish to be identified with policies and a government that most people see as having failed miserably and are therefore not likely to be tempted into any gestures of unity which could be read as endorsement of an unpopular government.

### Realistic

In spite of these problems the unity call in my view has to attempt to achieve a number of objectives that are going to be important if the country is to have a worthwhile future. It has to begin to move beyond just suggesting that Manley and Seaga talk and begin to initiate a national debate on solutions which can divert the creative energies of the professionals and our private sector away from negative griping about problems and towards identifying solutions beyond what the Government is now trying.

Secondly, it must seek through that process of dialogue and national debate to give the man in the street a realistic understanding of what lies at the root of our problems and what are the possible feasible solutions. That dialogue has to be bigger than the JLP talking to the PNP and Mr. Manley to Mr. Seaga.

The country suffers from a virus of ignorance about matters economic and that has to be corrected before realistic policies can be understood and people begin to appreciate realities sufficiently to rally behind some set of policies be they JLP or PNP in origin.

The PNP must recognise that in the long run it has a vested interest in promoting a framework in which national unity can become a possibility on critical policy issues. If they come to power in this climate of ignorance, within six months Mr. Manley's credibility problem will be as big as Mr. Seaga's is at the moment because people will expect miracles from him.

### **Gripes, problems**

Once we can get the country (and not just Manley and Seaga) talking to an agenda that centres on solutions rather than gripes about problems, it will be possible to develop a common core of policy priorities which we can all agree to support, given the circumstances of the country. That will at least ensure policy continuing when governments change and re-

duce the unwillingness of PNP supporters to see anything good in what the JLP does and the unwillingness of JLP supporters to see anything worthwhile in what the PNP does.

Most importantly is the idea Ronnie Thwaites keeps emphasising of party leaders at the local grass roots levels joining forces on a community basis and helping each other and the people in working out solutions to problems that people face daily in their struggles to survive in hard times.

Implicit in Thwaites' call and Father Holung's call is the message that a new kind of politics has become necessary in this country. Parties cannot serve the people if they merely seek votes by thriving on the people's ignorance, or fail to develop greater public understanding of the country's problems and options as against the personal hardships we all face.

But national unity is not just political. It is also social. Those who are suffering to buy food and pay bus fares or find the clothes to send kids to school cannot rally behind calls for sacrifice when they see the rich and the affluent engaging in an orgy of luxury living. The wealthy have to adjust their life style to the social realities of Jamaica. Father Holung's call for new life style codes appropriate to the country's resources is a serious one that cannot be ignored if the unity call is to be credible.

Unanswered Questions in Senate

Kingston THE DAILY GLEANER in English 11 Mar 85 p 3

[Text] Opposition senators have again knocked the government for not producing answers to questions asked in the Upper House.

At Friday's sitting of the Senate, the leader of the Opposition members, Senator Lloyd Barnett, started off the attack after no answers were produced in Question Time, by saying that he did not think there was any point in asking questions when they were not being given the attention they deserved.

Senator C. S. Reid (Opposition), said that the time had come for a conclusion to be reached as to how questions were to be handled in the Senate and called for an assurance that they would be answered.

Senator Errol Miller (Opposition), said that he could not see why certain questions which were on the Question Paper could not be answered in the Senate, while they were being answered by ministers on public "call-in" programmes.

Senator Barnett said he was asking questions on "ordinary and simple matters" which deserved answers, but found that they were not being given the attention they deserved. He referred specifically to two questions asked by him between 15 June and 6 July last year which were still on the Question Paper unanswered.

The first of his questions dealt with the amount paid out in public funds in damages as a result of settlements and judgment of the courts, in respect of claims arising out of the actions of the security forces between 1980 and 1983. The second, concerned the number of cases in which Coroner's Inquests, although required by law, had not been held.

Senator Ossie Harding, leader of Government Business, said that he had no quarrel with the criticisms raised by Senator Barnett, but there were difficulties in obtaining the required information. It was not a matter that he was not enquiring, he said.

However, the Opposition Members were not satisfied with his reply and Senator Reid who spoke next said: "I think we need to come to some conclusion on the matter of questions. Perhaps the problem does not appear to be as severe in the minds of the government as it is to us.

"If the only opportunity for exploring and hopefully exposing information that the country needs is not given in Question Time ...then it really is a matter of some vital importance to have some assurance that questions can be answered.

"The regulations governing activities and debates in this House are very stringent and in the light of those stringent rules, the formally provided opportunities should be treated seriously: they should really be treated in such a form so that they can bring results.

"There is absolutely no point in having a whole series of questions idling there on the paper. It does not advance in any way the business of the Senate. We really need some kind of policy that says that Question Time in this Senate is a serious occasion in the national interest.

He said that while he did not doubt the good intentions of the Leader of Government Business and his predecessor, the Senate required more than good intentions and some kind of will was necessary.

"Is there a will to provide the information that the country needs to know? Is there a will to treat in any kind of serious way the role that we have to play here on this side. If there is the will, I am saying, we must get more results than what we have been getting. Heads have rolled for lesser things in this country than refusing to pay any attention to what is required by Parliament of the ministers of government."

Senator Miller said that Ministers had been heard on public radio programmes answering questions which were raised by the Opposition in the Senate.

"It is amazing therefore that the minister can answer questions on "Public Eye," but cannot provide the answers to the questions which are asked in the Senate. We need to be assured that we are being taken seriously. I am disturbed about one or two things, that have occurred. For example, the very argument that we raised in this Senate concerning the Tourism Bill has been raised by another body, and as a result of that the Bill is delayed; but we are not taken seriously here.

"We are not politicians; we are not here because we hope to make any future political gain. We are here because of a particular situation which exists and if the government is now showing that what we say here and the questions that we ask here and the contributions we make with respect to discussions here, are not taken seriously, then we must begin to ask now, 'what are we really doing?'"

Senator John Issa (Government), said that he "concurred" with the sentiments raised.

He said that he had already had discussions with one or two of his colleagues on his side and would be having further discussions after the sitting to see what the Government Members, in cooperation with the Opposition Members, could do to bring pressure on the ministers or ministries to show the Senate the respect it was due.

Opposition Senators applauded Senator Issa's suggestion.

CSO: 3298/492

JAMAICA

CAPITAL SPENDING SLASHED; PNP VOICES OBJECTIONS

Supplementary Estimates

Kingston THE DAILY GLEANER in English 8 Mar 85 pp 1, 3

[Text] **T**HE FIRST SUPPLEMENTARY ESTIMATES for the financial year 1984/85, showing cuts in budgetary expenditure totalling a net \$151 million, were tabled in the House of Representatives yesterday by the Prime Minister and Minister of Finance, the Rt. Hon. Edward Seaga.

The net Supplementary vote proposed in the Estimates is a Recurrent figure of \$22,158,308 as against a cutback of \$173,243,500 on the Capital side to show a net position of minus \$151,085,192.

The deepest cuts were proposed in the Capital Expenditures which revealed savings and under-expenditures of \$188.6 million, compared to \$44.5 million in the Recurrent Expenditures. Total under-expenditure projected is \$233.2 million.

Gross Supplementary Expenditure is \$78,893,818 (Recurrent), and \$43,843,633 (Capital) realising a total of \$122,737,451 in statutory funds and funds to be voted.

Transferred Items totalled \$12,151,510 (Recurrent) and \$28,422,133 (Capital) making a total of \$40,573,643.

The Supplementary Estimates have reduced the total budget for 1984/85 from the original \$3.893 billion approved last May to \$3.742 billion.

Hardest hit in the recurrent expenditures was the Ministry of Finance which had cuts totalling \$114.3 million, mainly affecting multilateral/bilateral programmes which were cut by \$64.8 million.

The Ministry showed savings of \$15 million in devaluation expenses; a redistribution to other heads of \$10 million originally budgeted for travelling allowances to public officers; a reduction by \$8 million in expenses for the administration of exchange control; and, a reduction of \$6 million from the original \$43 million subsidy for the Basic Needs Basket.

The Ministry was also hit in the Capital Expenditure reductions as follows: \$3.1 million from the UNDP's Trust Fund; \$3.1 million from the Urban Development Corporation's infrastructure works programme; and the reallocation of \$25.4 million, originally budgeted for the Local Development Programme under which Members of Parliament are granted \$½ million for projects in their constituency, to the capital budgets of the Ministries of Education, Youth and Community Development, Agriculture, Public Utilities and Transport, Construction/Works and Local Government.

Cuts in its multilateral, bilateral programmes included: deferral to 1985/86 of \$13.6 million allocated to the Agricultural Credit Bank under a CDB loan; a \$3.1 million cut in the Self Start Fund; a \$6 million cut in the small scale mini-hydro project; \$14.5 million from the Energy Credit Fund due to the slow pace of demand; \$5.9 million from the Rural Farm Credit programme; a \$4.4 million saving from the programme for the computerization of the Revenue

Board, which was due to the late arrival of equipment; and, a \$10 million chop from the \$11.1 million Tax Review Project.

Other hard hit areas were multilateral/bilateral programmes in the Ministries of Education (\$9.9 million), Health (\$5 million), Agriculture (\$9 million), Mining and Energy (\$5 million), Public Utilities and Transport (\$8.5 million), Construction (Works) (\$13.6 million), Youth and Community Development (\$6 million), Construction (Housing) (\$6 million) and Local Government (\$5.6 million).

In the Ministry of National Security a total of \$3.6 million was cut from the programmes for construction of new police stations and the provision of new police equipment.

In the Ministry of Education, \$6.4 million were saved from the programme for building new primary schools and replacing old ones due to the late start of projects.

In the Ministry of Youth and Community Development \$5.8 million was saved from the Jamaica-World Bank Third Education Project due to its late start.

The Health Management Improvement Project in the Ministry of Health was reduced by \$4.6 million due to the rescheduling of project activities.

The Ministry of Agriculture's Japanese Coffee Project had a \$2.5 million cut due to reduced activities.

The Ministry of Industry and Commerce's grant to the Trade Board was reduced by \$1.3 million.

The Ministry of Mining and Energy's USAID assisted Energy Conservation and Alternative Usage programme was reduced by \$3.1 million and the Alternative Energy Research and Development Programme saved \$1.2 million due to delays in implementation.

In the Ministry of Public Utilities and Transport, \$4.6 million was cut from the Jamaica Railway Corporation's budget for 1984/85; \$1.2 million from the airports projects and \$5 million from the Rural Electrification programme.

The Ministry of Construction (Works) saved \$2.2 million from the programme of clearing channels of the Rio Cobre River as well as the Sandy Gully. The Jamaica/World Bank Road Improvement and Maintenance Programme had a \$3.8 million cut and the Kingston Metropolitan Region-Urban Transportation project (Jamaica-

/World Bank) had a \$4.9 million cut.

In the Ministry of Local Government, the General Amenities and Facilities (Sanitation and Mechanical Equipment (K.S.A.C.) project was cut by \$5.6 million due to the delay in the supply of equipment.

Among the areas where additional spending was proposed in the Capital Expenditures were: Non-Recurrent grants to Parish Councils for increased salaries and fringe benefits based on parity between the NWC, KSAC and the Parish Councils water supply workers — \$4 million; a deficit grant to the Housing Fund of \$1.9 million and a contribution of \$5 million to the same fund to meet construction costs in the Ministry of Housing; \$1 million to the JIDC for the continuation of the factory construction programme; \$3 million for the development of land settlements in the Ministry of Agriculture; an additional \$1.5 million to the Bellevue Hospital; \$5.7 million for improvements in fringe benefits for nurses and junior doctors; and, \$1 million more for food and maintenance of Children's Homes.

There was also a total of \$9 million for estimated public officers' pensions and gratuities, compassionate grants and teachers' pension; \$1 million for International Youth Year expenses; \$8.3 million to cover increased operational costs affecting the Police Force and \$3.7 million additional requirement due to the Grenada operations and the devaluation of the Jamaican dollar.

The House passed a resolution moved by the Leader, the Hon. J.A.G. Smith, referring the Estimates to the Standing Finance Committee which will meet on Tuesday morning at Gordon House to study the figures. The debate on the Estimates is expected to commence in the House on Wednesday.

Items To Be Cut

Kingston THE DAILY GLEANER in English 8 Mar 85 pp 1, 3

[Text] The first Supplementary Estimates of the fiscal 1984-85 Budget calls for \$151 million of net spending cuts or under-expenditure in an attempt to trim the budget deficit in line with the IMF targets. Here are examples of some of the major cutbacks that will impact on the society directly:

--The Basic Needs Basket subsidy has been cut by \$6 million (14 percent) from \$43 million to \$37 million.

--The Agricultural Credit Bank had \$13.6 million of government matching funds on a CDB loan deferred.

--The Self-Start Fund has been cut by \$3.2 million some 61 percent from an original amount of \$5.2 million.

--Rural Township Programme has been cut by \$2.6 million from an original \$14.7 million.

--Rural Farm Credit has been cut by half from \$11.4 million to \$5.5 million.

--The Police had \$1.3 million or 46 percent of their vote of \$2.8 million for construction and capital improvements reduced. In addition, \$2.3 million of equipment was taken out of the \$7.9 million budget.

--Student Aid programmes will lose \$1.3 million in scholarships and fellowships.

--Primary Schools construction and improvements is being trimmed by \$7.5 million.

--C.A.S.T. will lose \$2.9 million due to late start of project.

--Vocational Training will lose \$5.8 million due to late start of the World Bank project.

--Hospital improvements have been slashed by \$2.9 million and the Health Management Programme cut \$4.7 million due to rescheduling of the project.

--Rural Markets lost \$1.0 million and the Agricultural Marketing Development programme was cut by \$1.5 million.

--Rural Electrification was slashed by \$5.1 million.

--Road improvement and maintenance was cut by \$3.8 million; bridges by \$2.6 million and the Kingston Metro-Urban transport by \$5.0 million.

--Settlement improvement projects had \$5.0 million of the original \$7.7 million slashed from the budget.

--KSAC Equipment amounting to \$5.6 million of an original \$5.7 million, was cut from the budget. This covered sanitation and mechanical equipment.

PNP Call for Explanation

Kingston THE DAILY GLEANER in English 13 Mar 85 pp 1, 3

[Text] The People's National Party spokesman of Finance, Mr. Seymour Mullings has said that Prime Minister Edward Seaga has a responsibility to provide the country with reasons for "massive cuts" in the Capital Expenditure and the "continuing deterioration" of the Jamaican economy.

Mr. Mullings who on Monday issued a statement on the First Supplementary Estimates tabled in the House of Representatives Thursday last, said that the estimates underscored the "serious deterioration" of the economy taking place under the JLP administration.

"The people have lost confidence in the Government; the Government has never displayed any confidence in the people. The International Monetary Fund and other financial institutions have lost confidence in this Government," he said.

Mr. Mullings criticised as "ominous," what he called the "savage cutback" of \$173 million in the capital expenditure, which he said was hardly expected in a year in which the largest ever tax package on new taxes — \$200 million — was imposed on the Jamaican people.

He said that "this serious trend" meant that the capital assets which should be created at a time when the country's national debt was growing to worrisome levels, were not developed while existing assets were being steadily run down through lack of maintenance.

He cited under-expenditure of \$7 million on constructions, a cutback

of \$2.9 million in hospital improvements and reduction in the allocation for road improvement and maintenance by \$3.8 million, as "inexcusable, unreasonable and unpardonable."

He said that the Estimates had taken away "half the little" provided in the April budget for assistance to small farmers in the face of steep increases in agricultural inputs.

Mr. Mullings said that the First Supplementary Estimates gave a clear point that the Government was "hobbling along from crisis to crisis, making budget cuts indiscriminately and creating confusion, chaos, misery and hopelessness."

On the IMF, he said that the country had not been told the results of the 1984 performance tests. The failure of the tests in 1983 created what he said were harsh conditionalities in the Standby Agreement, he added.

"The year 1984 was one long nightmare of suffering for the Jamaican people. Our performance in the two final quarterly tests will therefore, in all probability, make life unbearable in 1985," Mr. Mullings said.

He said that Mr. Seaga had the responsibility to provide the country with honest reasons for the massive cuts in the Capital expenditure and the continuing deterioration of the Jamaican economy.

CSO: 3298/492

JAMAICA

SEAGA SAYS U.S. BILL POSES THREAT TO ETHANOL PROJECT

Kingston THE SUNDAY GLEANER in English 10 Mar 85 pp 1, 2A

[Text] Prime Minister Edward Seaga yesterday announced that the Ethanol Dehydration Project between Tropicana International (Jamaica) Limited and Shell Company (W.I.) Limited was being threatened by a Bill which could make the product ineligible for duty free status under the Caribbean Basin Initiative.

This was disclosed by Mr Seaga at the opening ceremony of the plant at Rockfort, Kingston, and he assured officials of both companies that the government would give its support and fight the issue so that the intention of President Reagan was not defeated. By the action of the Senate the United States Congress would stand accused of sending mixed and confusing signals to the CBI countries, he said.

The plant will produce ethanol, a gasoline additive, for the United States market, and is expected to contribute nearly US\$6 million a year to the Jamaica economy.

It was built by Tropicana International (Jamaica) Limited, a subsidiary of Tropicana Petroleum Limited of Brea, California, U.S.A., in association with Shell Company Limited, and represents an investment of more than US\$20 million, the largest American investment to date under the Caribbean Basin Initiative (CBI).

High Technology

The plant is a high technology azeotropic ethanol manufacturing plant which will chemically transform beverage grade (190 proof) alcohol from wine and rum distilleries into motor fuel grade ethanol (199-plus proof) for use in the United States as a gasoline octane booster.

In his speech, Mr. Seaga said that the ruling by the United States Customs Services had been challenged by private producers of the same product who had filed a petition which was to be heard by the U.S. Customs in four to five months.

The Bill which was introduced in the Senate last week seeks to ensure that the product was subjected to a 60 cents per gallon duty and to reverse the ruling by the United States Customs Services that the product produced by Tropicana satisfied Customs regulations.

The action now was for the product not to be considered a product of the CBI. This would mean that it would not be eligible for duty free status. However, Mr. Seaga said that because of the complexity of the United States legislative process the danger to the project was some months away.

He pointed out though that there was another danger that was immediate. This was related to the eroding of the confidence of the investors in the CBI countries. Mr. Seaga said that when the CBI was enacted as legislation under the Caribbean Economic Recovery Act it settled rules by which benefits could be obtained. As an act it had given investors the confidence to proceed, particularly those who had received favourable rulings in instances of doubt.

"It is one thing for private parties to challenge the eligibility of such ruling but it is an entirely different matter for the very rules to be threatened because the U.S. producers cannot face the competition which results. By the action of the Senate the U.S. Congress will be replacing the known support President Reagan has given the CBI. The U.S. Congress will stand accused of sending mixed and confusing signals to the CBI countries," Mr. Seaga said.

He added that such action would have a chilling effect on the future of investment in the CBI countries. If the mixed signals were to be the order of the day then the confidence that would be expected at the time of making decisions for investment, would not be there and the CBI itself would be threatened and jeopardised in terms of the success it was expected to achieve.

Mr. Seaga said: It is understandable that a producer would take this action in self defense but what is not understandable is the action of the United States Congress to protect domestic producers from competition by imposing a duty on imported ethanol contrary to the spirit of the Caribbean Basin Initiative."

He explained that the basis of the success of the project was that the ethanol was to be exported duty free under the terms and conditions of the CBI. He added that the Company, to ensure compliance with those terms had sought and obtained a ruling September last year from the United States Customs Services that the upgrading of the wet grade ethanol into fuel grade, satisfied the CBI test that the product went through process of substantial transformation. The approval was based on the grounds that a new and different article of commerce had been created.

"This plant will help strengthen the economic and political ties between the United States and Jamaica, a goal that is in the best interest of both our nations," Mr. Richard B. Vind, President of Tropicana Petroleum, said at the ceremony. "Tropicana Petroleum is proud to play such a prominent role in the President's (Reagan) Caribbean programme and looks forward to making a long-lasting contribution to Jamaica's economy."

Tropicana will begin operating the plant this week using beverage grade alcohol imported from Spain to supplement Jamaican feedstocks. By 1987, Tropicana will be using almost exclusively beverage grade alcohol produced in the Caribbean.

The manufacture of fuel grade ethanol from beverage alcohols involves the use of expensive azeotropic distillation equipment. Fuel grade ethanol cannot be produced by simple distillation used in beverage alcohol distilleries.

To transform beverage grade alcohol, which cannot be used as a fuel additive in the U.S., to fuel grade ethanol, requires the addition of an azeotropic agent (benzene) in a special 158 foot distillation column. This manufacturing process results in fuel grade ethanol at 199-plus proof, which is a high octane, lead free gasoline octane booster that can be used as a motor fuel additive in the U.S.

Currently, lead and ethanol are used to increase the octane level of gasoline. The U.S. Environmental Protection Agency on March 4, 1985, announced new regulations requiring the reduction of the amount of lead permitted in auto fuels beginning July 1, 1985 and further reducing the allowable amount in January 1986. This will greatly increase the demand for fuel ethanol.

Tropicana plans to use fuel grade ethanol as an additive to boost the octane ratings of gasoline produced at its domestic refinery.

Tropicana is a privately owned, independent refining company.

JAMAICA

BANK GOVERNOR ASSESSES ECONOMY, CITES NATIONAL DEBT

Kingston THE DAILY GLEANER in English 5 Mar 85 pp 1, 3

[Text]

Jamaica's foreign debt is now approximately US\$3,000 million having grown from "minuscule proportions" in 1973, Deputy Governor of the Bank of Jamaica, Dr. Owen Jefferson said yesterday.

He was addressing the annual luncheon of the Building Societies Association of Jamaica at the Wyndham Hotel, New Kingston.

He said also that Jamaica will pay out some US\$470 million in debt servicing for fiscal year 1984/85. This is some 32 per cent of total foreign exchange earnings and is arrived at after allowances have been made for refinancing operations with commercial banks and bi-lateral lenders which took place during the year. Debt servicing and petroleum imports will account for some 57 per cent of the earnings from the exports of goods and services.

Dr. Jefferson said the foreign debt service had now become a significant item in foreign exchange operations. The debt service ratio was now 32 per cent and rising.

Speaking on the performance of the Jamaican economy from 1973 to the present, Dr. Jefferson said: "The foreign debt of the country grew from minuscule proportions in 1973 to approximately US\$3,000 million at the present time. It has now become clear that the country cannot continue to borrow at the rate to which we have become accustomed."

On the effects of the closures of

Reynolds and Alcoa, and the rumoured closure of another bauxite/alumina plant, Dr. Jefferson said that these developments would make it difficult to consolidate in 1985/86 the gains made in 1984/85.

"The fall-outs in foreign exchange earnings will require a continuation of tight demand management to keep aggregate demand in line with foreign exchange availability. We have to avoid falling into the trap of believing that in a situation of foreign exchange shortage we can get an increase in real out-put simply by expanding the supply of domestic credit.

"The more likely result would be additional demand pressure on the supply of foreign exchange with further depreciation in the exchange rate and the attendant increase in inflation."

Growth in disposable income of households which was linked to the growth of real output in the economy and recent developments would make it more difficult to generate growth during 1985, Dr. Jefferson said.

Turning to the building societies, the Deputy Governor said that legislation to remove the ceilings on lending rates of the building societies should be ready shortly.

With these proposed changes, the onus would be on the societies to find creative solutions to cushion the burden of higher lending rates to

their borrowers.

On the construction industry, Dr. Jefferson noted that that sector registered a growth of 3.4 per cent in 1983 and preliminary data suggested that there would be little growth in 1984. Prospects for 1985 were dim, he said,

Commentaries on the building industry, Dr. Jefferson said, tended to focus on interest rates as the main inhibiting factor which retarded progress in the sector. While this may be superficially appealing it focussed on the symptoms rather than the basic underlying constraint which was basically the tight foreign exchange situation which lay in the curtailment of domestic credit.

The sector, he said, was a large consumer of foreign exchange as the import content was about 40 per cent. He noted that the import content of a bag of cement was 65 per cent and that oil *[line illegible]*.

CSO: 3298/493

JAMAICA

LABOR MINISTER CRITICIZES IMPACT OF LOAN CONDITIONS

Bridgetown CANA in English 1615 GMT 8 Mar 85

[Text] Kingston, 8 Mar (CANA)--Jamaica's labour minister, J.A.G. Smith, has lashed out at stiff loan conditionalities applied by international agencies to Third World countries that can hit social programmes.

The policy of international lending agencies does not appear to take into account the fact that, countries facing deep economic crisis cannot take reference to either social consequences or the urgent need to refurbish for increased production, Smith said in a speech here.

These agencies do not apparently recognise that the repair and refurbishing of roads, water systems, safety equipment, fire-fighting equipment and supporting equipment for the security forces are vital areas which must be addressed, sooner rather than later, in favour of any structural adjustment that will leave a country productive and viable.

Jamaica is currently implementing an austerity International Monetary Fund and World Bank adjustment programme that has caused the government to cut back sharply on public spending, but Smith warned that care had to be taken that in budget pruning safety measures do not become casualties.

In situations where great sacrifices are needed, Smith said, we must ensure that this particular area which affects the life and limb of workers is not called upon to suffer, since the human life should be regarded as sacrosanct. It is therefore important, the minister said, that when reduction of expenditure has to be addressed, management must ensure that safety at the workplace, both in terms of the equipment and manpower required, is not pruned out.

The labour minister said his ministry, as one of the competent authorities on industrial safety, must be vigilant in the implementation of regulations to ensure the safety and health of workers and the protection of the environment.

He said that the local office of disaster preparedness should be kept fully appraised of the planning and implementation so as to facilitate their own preparedness to respond to a disaster caused by a lack of or inadequate safety. Developing countries like Jamaica cannot wait for disasters to occur before putting in place measures to safeguard against the possible occurrence. It is much too costly, so we have to learn from the experiences of other countries and make the sacrifice now in order to avoid the catastrophe later.

Smith said there was practice by developed countries to dump dangerous materials on Third World countries without implementing the necessary safety measures. He cited the incident of chemical spill in Bhopal, India last year which killed more than 2,000 people as one example of such negligence.

The minister said that health and safety were part of the social and economic wealth of a nation and apart from the human consequences of industrial accidents, the record of working days lost, due to such occurrences, was reason for great concern.

CSO: 3298/493

JAMAICA

PRICE INCREASE, EXPORT TARGET SET FOR BANANA GROWERS

Kingston THE DAILY GLEANER in English 2 Mar 85 p 1

[Text]

**A MAJOR PRICE HIKE FOR BANANA GROWERS** was announced yesterday as a new company took control of the industry in what the Minister of Agriculture said was the final plank in the restructuring exercise.

The new body, the Banana Export Company (BECO), established to replace the Banana Company of Jamaica, has set a target to increase production to 150,000 tonnes of "high quality fruit" to be shipped to the United Kingdom within five years, the Minister, the Hon. Percy Broderick, said.

The Government has made available to BECO a working capital of \$4.5 million, which has given the board of directors at their first meeting on Thursday the immediate option of paying growers a "more reasonable price."

The new price structure is 70 cents per pound for all fruit meeting the United Kingdom requirement of 80 per cent or better, up from the present 46 cents. Prices for other grades are: 75%-79%, 62 cents per lb.; 70%-74%, 56 per lb.; 65%-69%, 52 cents per lb.; and below 65%, 48 cents per lb. The prices include the two cents per lb. insurance cess.

BECO has also set as another of its "major targets" the restoration of the Jamaican industry to its "envied position" as the primary supplier of fruit to the United Kingdom market, reversing several years of decline.

Dr. Broderick said that the establishment of BECO, returning the banana industry to full control by the growers, represented the final plank in the Government's phased programme of resuscitating the industry.

"I am satisfied that under this new structure the growers will achieve the targets that have been established between themselves and the UK market. The fate of the industry is now fully in their hands," Dr. Broderick said.

He said that the milestone could not have been achieved without the timely implementation of the earlier phases. He listed Eastern Banana Estates in St. Thomas, the Victoria Banana Estate in Clarendon and the St. Mary Banana Estate in St. Mary among the earlier phases.

These projects, he said, were the result of negotiations between the Government of Jamaica, JAMCO, the UK Government, Jamaica Banana Producers Association, United Brands and the National Investment Bank of Jamaica. They involve substantial private sector interest and will, along with the many growers of bananas in Jamaica, ensure a production base for further development of the industry along strictly commercial lines.

The earlier phases also placed in position for traditional growers a structural adjustment loan programme providing \$15 million through the Agricultural Credit Bank to allow farmers to improve their infrastructure.

There was a write-off of about \$200 million of debt accumulated over many years of poor management of the industry, removing from today's farmers the "burden and legacy of past failures," Dr. Broderick said.

The divestment of the Banana Company's growing projects, already underway, and to be completed within the next 60 days, was part of the phases.

"With these structures in place and the growers in full command of the industry, I am satisfied that bananas are assured of a bright future and can once more become the cornerstone of Jamaica's agricultural sector," Dr. Broderick said.

Board members of BECO are: Dr. Marshall Hall, Chairman of Eastern Banana Estate Ltd.; Mr. David Lord, Director, Victoria Banana Estates Ltd.; Mr. R.G.S. Jackson, Chairman, Agualta Vale and St. Mary Banana Estates; Mr. John Pringle, Chairman, JAMCO; Mr. Bobby Pottinger, Chairman, AIBGA; Mr. Hugh Gentles, member, AIBGA; Mr. Eugene Walsh, Banana Farmer; and Mr. Clarence Franklin, Permanent Secretary in the Ministry of Agriculture.

JAMAICA

#### JAPANESE COMPANY TO SUPPLY CEMENT PLANT EQUIPMENT

Bridgetown CANA in English 1504 GMT 22 Mar 85

[Text] Kingston, 22 Mar (CANA)--The Jamaica Government-owned Caribbean Cement Company has signed contracts with the Japanese company Hitachi Zosen Corporation for the supply of equipment for its conversion to coal as its energy source, it has been announced here.

The contract, worth US\$3.2 million, is the second won by a Japanese company under a US\$90 million programme to refurbish the plant, double capacity to 800,000 tonnes and give it coal burning capabilities.

It provides for the supply of all the coal burning, coal storing, transporting, receiving and pulverising equipment as well as detailed engineering, officials say.

The Jamaica Government has major plans for conversion to coal, including major aspects of the generation of the state-owned light and power company, Jamaica Public Service Limited. It has also been encouraging the bauxite alumina companies operating here to convert to coal to make the Jamaica product more cost competitive, but the firms in light cash situations have been hedging against the investment, said to be in the region of US\$100 million per plant.

We are in fact setting the stage for the utilization of coal in Jamaica. So both from a national standpoint and a corporate standpoint, we are taking a long overdue step, said cement company chairman, Paul Matalon.

Matalon said that regardless of what happened to oil prices, the company could make the best of that situation, since it could burn fuel oil in addition to coal. He said if the plant had already installed coal burning facilities, Jamaica would have been in a position to export cement on an on-going basis.

The next phase of the expansion programme will be the installation of three 5-megawatt generators to complement the existing power units and the building of a 400,000 ton kiln. Contracts for these are yet to be awarded.

Caribbean Cement has told Eastern Kingston residents, where the plant is located, that they have no fear for the environment with the conversion to coal. Stringent international standards have been employed with respect to pollution abatement

for the new coal-fired kiln, it says. As a result of proper waste water management, dust and exhaust gas control systems, nearly all possible pollutants will be eliminated, it has told residents. In particular, it is expected that gases/dust exhausted through the new chimney will be barely visible to the naked eye, on occasions.

Unlike other coal-fired operations, the discharging of gases which subsequently results in acid rain is virtually eliminated as the small traces of acidic by-products remaining after combustion of the coal will be absorbed by the raw material components in the cement making process, residents and environmentalists have been told.

Two years ago, the American consultants Bechtel Corporation did major studies for the Jamaica Government on local conversion.

Last year, Jamaica and Colombia signed an understanding for a coal supply agreement that was to also include a joint venture aluminium plant in Colombia which would utilise Jamaica's alumina and Colombia's cheap coal and hydro-energy.

CSO: 3298/493

JAMAICA

CANADIAN ALUMINUM COMPANY WILL REMAIN IN OPERATION

FL181640 Bridgetown CANA in English 1614 GMT 18 Mar 85

[Text] Kingston, 18 Mar (CANA)--Jamaica's bauxite/alumina industry has received a much-needed endorsement--a declaration by the Aluminum Company of Canada (Alcan) that it will not pull out of the island.

Unfortunately, we cannot see clearly into the future, Alcan's president for the Caribbean and Ireland, Robert Rosane, told a weekend business conference here. But for Alcan--God and the chairman of the board willing--Jamaica is the location for the eighties.

The Jamaican bauxite/alumina industry, already reeling from a three-year recession in the world aluminum market, received two heavy blows over the past year--a decision by the American transnational Reynolds last June to end bauxite mining here and February's indefinite shutdown by the aluminum company of America of its alumina refinery.

There is further worry here because of the uncertainty over the future of Alpart's 1.1 million tonne refinery jointly owned by Kaiser, Reynolds and Atlantic Richfield, which is seeking to pull out of the metals business.

Alcan has two 550,000 [ton] refineries in which the government has a seven percent share, and Rosane's declaration that they would not be shutting down brought him a standing ovation from the conference participants.

Apart from its alumina refining, Alcan in Jamaica is also involved in farming and the manufacture of aluminum products. Rosane said that Alcan's participation in Jamaican life in the 1980's could not be maintained without the strong support of a healthy alumina industry. Fortunately, we understand this: the company, the government, the informed public. And fortunately we are doing something about it. We have dialogue, not confrontation. We have commitment to problem solving, not departure.

CSO: 3298/493

JAMAICA

SPAULDING COMMENTS ON CUBAN-TRAINED TERRORISTS

Kingston THE DAILY GLEANER in English 12 Mar 85 p 8

[Text]

THE EDITOR, Sir:

Your 'Listening Post' of March 7, 1985, refers to an article by Mr. Joseph V. Treaster in the New York Times. According to your paper, the article stated that:-

"Mr. Spaulding, Minister of National Security has charged that Cuba has been training gang members in hopes of toppling the government of Prime Minister Edward Seaga."

The article, according to your paper, further states:-

"But neither the police nor Mr. Spaulding's fellow party members give much credence to his theory."

I have given details in Parliament, on various occasions the last of which was December 12, 1984, of some of the connections between Cuban-trained terrorists in Jamaica and their activities as well as the activities of a wider criminal network to which they belong.

If anyone is of the view that these trained terrorists are to help to promote the stability of the Seaga Government they are entitled to that viewpoint. The facts however speak for themselves.

The extent of what I have said and the manner in which I expressed it as distinct from Mr. Treaster's summary of it is a matter of national record in Jamaica.

In a party with several hundred thousand supporters, there will inevitably be found people who share different views even about established facts. However, insofar as the statement is intended to imply any difference of views within the government on this topic as presented by me, it is hardly worthy of comment. If anything is true my "fellow party members" are deeply concerned about this issue.

My concern however is with the reference to the police. The evidence concerning the criminal activity in Jamaica of gunmen who have received training in Cuba or gangs organised by or associated with these criminals has been substantially gathered by the police of this country. I therefore regard that comment attributed to Mr. Treaster as not only puzzling but unfounded.

People may write what they wish here and abroad. Unfortunately, the pens of even the most influential writers cannot cause the unpleasant realities we face to disappear even if (as your article stated) it might have brought glee to the P.N.P. on this occasion.

I am, etc.,

WINSTON SPAULDING

Minister of National  
Security and Justice

12 Ocean Boulevard,  
Kingston mall.

CSO: 3298/494

JAMAICA

GOVERNMENT RULES OUT PARAQUAT SPRAYING FOR DRUG CONTROL

FL212046 Bridgetown CANA in English 1824 GMT 21 Mar 85

[Text] Kingston, 21 Mar (CANA)--The Jamaica Government, battling to control marijuana exports to the United States, has ruled out the use of the quick-acting herbicide paraquat to spray marijuana fields here because there is no cure for its poison, a senior official said. We have been advised there is no effective treatment ... no antidote for this poison, said junior foreign minister and chairman of the National Council on Drug Abuse Ossie Harding.

Harding told a council meeting here Wednesday of reports of at least one person dying from the substance abroad because of a lethal dose of 4 milligrams of the substance.

Jamaica is a major supplier of marijuana (called ganja here) to the United States and has been under pressure from Washington to step up its anti-drug operation. The government says it is doing all it can within the limits of its resources and often points to recent stiff legislation aimed against traffickers.

However, a recent State Department report questioned in some respects local zeal at eradication and interdiction and mentions Jamaica's disinclination to spray the marijuana fields.

The report estimated that in 1984 there were between 1,400 and 2,400 hectares under marijuana here with a potential yield of between 1,890 to 3,240 tonnes.

It estimated that 390 hectares of marijuana were eradicated last year, with a loss of 263 tonnes of marijuana, while 200 tonnes were seized by the authorities.

Three-quarters of Jamaica's total marijuana production was said to have been exported, 90 percent going to the United States.

Paraquat, under insistence from Washington, has been used in some Latin American countries for marijuana and cocaine control. But other nations have taken similar positions to Jamaica.

Harding noted the U.S. requirement that an environmental impact statement be filed before herbicides can be sprayed on narcotics. We propose to do the same thing in Jamaica, he said. A scientific committee was asked to prepare a report on paraquat, he noted, revealing the basis of the Jamaica decision.

Jamaica would consider other methods of eradication, and its position not to use paraquat is not irrational or irresponsible, the minister said.

There were concerns for the possibility of persons smoking marijuana sprayed with paraquat and the implications on domestic and legitimate agriculture.

Added Harding: It is very difficult for us because we know the habits of our farmers when they under-crop these plants--so ... apart from those who would smoke the marijuana being sprayed and the dangers there, the question is the domestic food production.

CSO: 3298/494

JAMAICA

# POLICE COMMISSIONER HOLDS TOP-LEVEL TALKS ON CRIME

Kingston THE SUNDAY GLEANER in English 10 Mar 85 pp 1, 2A

[Text] The Commission of Police, Mr. Herman Ricketts, yesterday morning held top-level discussions with senior officers of the Police Force to streamline operations for dealing with a series of shootings and robberies which took place in St. Catherine and the Corporate Area between Friday night and early yesterday morning.

A police task force has been set up to carry out intensive investigations and increase patrols.

The Police Information Centre said the action by the Commissioner followed crimes committed by four men armed with M-16 rifles and handguns in St. Catherine and the Corporate Area between Friday night and yesterday morning, during which five persons, including a policeman, were shot and four others injured.

The gunmen, on foot, first struck at Cumberland Pen, Portmore, where they held up and robbed a woman of cash and her house keys. Next they went to Caymanas Gardens where they robbed a bar owner, shot and seriously injured a policeman and stole his service revolver. Afterwards the gunmen went to Caymanas Race Track where they shot and wounded a security guard. They then went to Bridgeport where they robbed a man of his motorcar, locked him in the trunk and drove to Garveymeade. The owner of the car later escaped.

At midnight the men, travelling in the stolen car, opened fire on a group of men along Bridgeport Road, hitting a cane vendor. The gunmen next surfaced in Kingston where they robbed two persons sitting in a motorcar along Waterloo Road, Kingston 2. From Waterloo Road they went to Kingston 11 where they robbed the occupants in a van of cash and jewellery. The last criminal act by the gunmen took place at Camperdown and Lacey Road in Eastern Kingston where they gumbuted a man and robbed him of cash and jewellery.

Elsewhere on the crime scene Michael Gordon of a Trevennion Road address was shot and killed at about 8:10 Friday night while he and a woman were sitting in a motorcar in a car park on Port Royal Street in downtown Kingston. Detectives from Central Station are investigating.

CSO: 3298/495

JAMAICA

WESTERN AREAS HIT BY PROTEST OF WATER WORKERS

Kingston THE DAILY GLEANER in English 6 Mar 85 pp 1, 3

[Text]

Domestic and business activities were disrupted in parts of Western Jamaica yesterday by a protest demonstration by National Commission Workers which left many areas without water. Agreement to end the demonstration was reached in Kingston last night at an emergency meeting between the NWC and JALGO.

The effects of the demonstrations were heavily felt in Montego Bay, particularly in the schools, homes and the hotel sector.

A number of schools were forced to send home students, having no water, while the multi-disciplinary Cornwall Regional Hospital resorted to its emergency supply.

Late yesterday evening, the administrator of Cornwall Regional Hospital, Mrs. Sheila Weatherly, told the *Gleaner* that if the situation continued the hospital would have to begin sending patients home.

Since the protest demonstration began on Monday hoteliers, in fear of the adverse effect this could have on the industry, appealed to the workers to resume work.

The NWC workers resorted to industrial action on Monday in protest against what they said was the company's policy of dismissing staffers while at the same time recruiting new ones.

However, a spokesman for the NWC in Montego Bay told the *Gleaner* that there had been only eight recent appointments and these were made temporarily for periods not exceeding two months.

As the demonstration picked up momentum on Monday, NWC staffers in Hanover and Westmoreland withdrew their services in support of

their St. James colleagues. JALGO represented workers at the St. James Fire Department also joined in, answering emergency calls only.

As a result of the NWC workers withdrawing their services, water pressure began falling as early as Monday afternoon in areas of St. James, Hanover and Westmoreland which have since been without the commodity.

Supervisory staffers tried to cope with the situation but were unable to

maintain the required level of supply; as a result a number of areas were left without water.

When the *Gleaner* visited the NWC offices in Bogue yesterday placard-bearing demonstrators were on the compound chanting their grouses.

After a meeting at NWC headquarters, Oxford Road in Kingston yesterday evening agreement was reached to restore normality immediately. The agreement, signed by NWC Chairman Mr. Cecil Charlton and JALGO General Secretary Mr. E. Lloyd Taylor, provided that

any person taken on by the Commission who could appear to be filling the position of any worker who had been made redundant should be laid off with immediate effect until a meeting is held between the parties within the next seven days.

The agreement also stipulated that "any form of work, namely relief, temporary or permanent, priority must be given to all the workers who were made redundant."

Also "The union must be notified of the people who are to become redundant and those who are to be retained, allowing them participation in arriving at a decision at least seven days prior to any promulgation of redundancy by the Commission."

"The principle of last in first out will also be observed apart from exceptional cases."

JAMAICA

BRIEFS

MANLEY'S HEALTH--I hear that concern is high, not only in PNP circles, about the party leader's health. All wish him early recovery, but two operations in less than 6 months are causing talk. There is one section of the party who seem satisfied that "P.J." could take over if the leader withdraws or takes a sabbatical. But there is unease in other sections. The names of Tony Spaulding, Hugh Small and Horace Clarke are being mentioned. Meantime, Arnold Bertram seems to have dropped out of active party politicking for personal reasons. [Text] [From column "Listening Post," signed "The Listener"] [Kingston THE DAILY GLEANER in English 2 Mar 85 p 5]

RAISE AT JPS--The Jamaica Public Service Company Limited and Union of Technical, Administrative and Supervisory Personnel yesterday signed an agreement at the Ministry of Labour under which supervisors, engineers and operators at the company are to earn \$156 more per week in a salaries and allowances package over 2 years. A release from the Ministry of Labour on the settlement said: "At a meeting held at the ministry of today (5 March 1985) under the chairmanship of the Hon. J.A.G. Smith, minister of labour, an agreement was signed between representatives of the Jamaica Public Service Company and the workers employed by the company and represented by the Union of Technical Administrative and Supervisory Personnel (UTASP). "The agreement is for the 2-year period 1st June 1984 to 31st May 1986 and provides for increases as follows: (1) in the first year wages and fringe benefits totalling \$78 per week, and (2) in the second year an additional \$78 per week for wages." They had rejected an earlier package offer of \$150 over the 2 years made by the company last year and the matter was referred to the minister for settlement. Also involved with the conciliation were Mr. Tony Irons, Industrial Relations Director at the ministry, Mr. Alty Mills, Industrial Relations Manager at the JPSCo. and Mr. Reg Ennis, General Secretary of UTASP. [Text] [Kingston THE DAILY GLEANER in English 6 Mar 85 p 3]

HYDROELECTRIC PLANS--Six hydroelectric plants with a total capacity of 12 megawatts will be constructed by the Petroleum Corporation of Jamaica (PCJ) over the next six years. This information was disclosed by the managing director of PCJ, Mr. William V. Saunders as he addressed the opening session of the International Peat Society symposium at the Jamaica Pegasus Hotel, New Kingston, Monday morning. These plants would be small, run-of-the-river units, the sizes of which would be dictated by the stream flow of the rivers and their topography--which limited Jamaica's total hydro energy to only 8 per cent of its current demand, Mr. Saunders said. [Excerpt] [Kingston THE DAILY GLEANER in English 2 Mar 85 p 20]

CORN, SUNFLOWER OUTPUT--Large-scale production of corn and sunflower with a view to substituting part of the present US\$40 million-a-year import of corn for human consumption and animal feed, is to be promoted by the government as a matter of priority. This was the high point of an address by the Minister of State in the Ministry of Agriculture, the Hon. Brascoe Lee, as he congratulated Pioneer Overseas Corporation on the strides it had made in corn research and breeding over the past 15 years, at a field day at the company's research station at Caymanas Estate, yesterday. Declaring that "we can emulate your example," Mr. Lee said that in the area of import substitution, which was one of two areas in which the Government had set out to earn and save foreign exchange, corn and sunflower offered particular promise, because of the advantage created for local agriculture by the devaluation of the Jamaican dollar. It had been found, he said, that in the production of local meats, there was an over-dependence on imported corn and soya; and this over-dependence on imports had been the principal factor driving up the price of this item to the consumer. [Excerpt] [Kingston THE DAILY GLEANER in English 2 Mar 85 p 3].

FALLING DOLLAR--The Jamaican dollar went down by 11 cents against the U.S. dollar at yesterday's auction. The auction closed at J\$5.40, down 2.1 percent below last Thursday's clearing rate of J\$5.29. The transaction rate for the U.S. dollar at which the commercial banks will buy today is J\$5.36 and selling at J\$5.40 and compares with J\$5.25 to J\$5.29 previously in effect. Demand was moderate with bids amounting to US\$6 million of which US\$5.6 million qualified for the auction. Unsatisfied bids amounted to US\$2.6 million compared with US\$2.2 million at last Thursday's auction. The supply of US\$3 million satisfied 53.57 percent of qualified bids and 50 percent of total demand. [Text] [Kingston THE DAILY GLEANER in English 13 Mar 85 p 1]

CSO: 3298/495

MEXICO

CHIAPAS: VIOLENCE BETWEEN CNC, CIOAC

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 8 Feb 85 p 2

[Text] Simojovel--While 120 CNC [National Peasant Confederation] peasants who live in the third division of La Ilusion invaded the Rancho Alegre farm, two other CNC members ambushed a peasant active in the CIOAC [Independent Central Organization of Agricultural Workers and Peasants]. Fortunately, he did not die but only had a broken leg as a result of the 12 bullets they fired at him with a 20-caliber gun.

Members of the Union of Small Owners reported that, on 2 February, a group of 120 peasants who have land in the third division of La Ilusion farm invaded the Rancho Alegre farm owned by Manuel Morales and Amada Morales de Aguilar and seized the possessions of the owners and the coffee crop. The owners reported this to the appropriate authorities, stating that the invaders were members of the CNC and were creating many problems in the municipality.

Jorge Gomez Lopez, 32 years old, was the victim of an ambush by Genaro Perez Alvarez and Bonifacio Perez Heredia, both members of the CNC. They live on the La Concepcion farm. He was hit 12 times by 20-caliber bullets which broke his left leg.

This was reported by Enrique Lopez Ruiz, a member of the CIOAC as is the victim, Gomez Lopez. He said that these events occurred last Friday when the victim was returning from San Cristobal with medicine and food for his family. He was robbed of this and his cash by the aggressive CNC members who are led and advised by professor Javier Ramos Infante.

Since the CNC members are provoking many conflicts and clashes in different parts of this municipality between peasants who are members of the CNC and those who are members of the CIOAC, those affected are requesting intervention by the judicial authorities against professor Ramos Infante. They indicate he is responsible for the conflicts, invasions and confrontations.

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CSO: 3248/267

MEXICO

BRIEFS

FORCED DRUG CULTIVATION PROTESTED--Chilpancingo, Gro., 9 Feb--Some 300 residents of Chihuiltepec in the municipality of Tlacotepec in the Guerrero mountains demonstrated in front of the Government Palace and the Attorney General's Office. They were led by their commissary [as published] Gonzalez. They were protesting abuse and other crimes constantly committed against them by two gangs of drug traffickers and thieves. Gonzalez indicated that the state governor, Alejandro Cervantes Delgado, and Attorney General Nelson Bello Solis were not in their offices. They were seen by the assistant director of the police, Francisco Vargas Najera, who promised to make an in-depth investigation. He indicated that the two groups of felons are commanded by Fernando Lopez, "El Abuelo," Simon Nava Bienon, Mario Luevano Cuevas and Israel Rodriguez Gama. They try to force the residents to grow marijuana and poppies on their parcels of land and promise them food, arms and fabulous amounts of money. He stated that they are angry because the crooks have stolen pigs, cattle and other possessions from them. The most serious crime is that three times they have sexually attacked women, including a 14-year-old girl. Last, he revealed that if the Judicial Police do not do something, the Army should intervene and end this climate of terror that reigns in the region. [Text] [Mexico City EXCELSIOR in Spanish 10 Feb 85 p 36-A] 7717

NORDIC AID FOR REFUGEES--Yesterday ambassadors from the Nordic countries began to deliver the production infrastructure for the poultry program that COMAR [Mexican Commission on Refugee Assistance] promotes to benefit Guatemalan refugees in Mexican territory. About 25,000 birds and other supplies will be distributed to more than 3,500 families so that these can eventually achieve economic self-sufficiency by generating income that permits them to have standards of living comparable to the Mexicans in the zones where they live. The delivery of the birds began in the towns of Quetzal-Edzna and Canazayab. The ambassadors of Denmark, Sweden, Finland and Norway delivered them to officials of COMAR and the UN High Commission for Refugees. [Text] [Mexico City EXCELSIOR in Spanish 9 Feb 85 p 20-A] 7717

CSO: 3248/267

NICARAGUA

SUGAR PRODUCTION COSTS EXPLAINED TO READERS

Managua BARRICADA in Spanish 25 Feb 85 p 3

[Text] Introduction

To the great majority of Nicaraguans, price increases are a concern, not only because they feel their wages do not keep up with the increased cost of living but also because they do not really know the reasons for price increases.

One of the most recognized reasons is speculation by unscrupulous merchants. This is being combatted. There are other reasons, though, that make prices go up; these are beyond the control of the revolution. These should be known in order to understand the consistent effort that the 1985 economic plan means.

In this "Lunes Socioeconomico" BARRICADA tries to explain the price increase for sugar as well as the effects that the subsidy policy has had on the national economy. It is already known that sugar production is one of the export sectors that brings dollars into Nicaragua. The price of sugar on the international market is 50 times lower than 10 years ago.

Perhaps it is not as well known that Nicaragua consumes more sugar than it exports. In other words, a cutback in domestic consumption would increase the amount allocated to the international market. If we ate less sugar, we would earn more dollars.

What influences the price of sugar?

Let us say first that sugar is an agroindustrial product. That means it has an agricultural side (planting, clearing, irrigating, maintaining, harvesting) and an industrial side (grinding, cleaning, processing, refining) before that product reaches our homes or the export docks.

If we know how resources and money are used in each one of these steps, we will realize that the price of sugar is the result of everything we invest in the stages of agricultural and industrial production.

We will also realize that it is an urgent need of the revolution to increase production and productivity and, at the same time, stimulate austerity.

## Agricultural Production

To explain how the price of sugar is reached, we will use the Julio Buitrago Urroz Mill in 1983-84 because it works with both the agricultural and the industrial stages. The mill has more than 5,000 manzanas of its own to harvest.

How is the production cost of each manzana harvested calculated? It is pretty simple. First we take all the money that we spend to make those 5,000 manzanas produce cane and then we divide it by the number of manzanas harvested.

For example, if we spent 5,000 cordobas and we divided this by the 5,000 manzanas, we would know that the cost would be 1 cordoba per manzana. What we spent is called costs of agricultural production and the quotient is the cost per manzana harvested.

In the case of the Julio Buitrago Mill, the calculation would be as follows:

Costs of agricultural production	115,981,876.18 cordobas
Divided by manzanas harvested	5,157.05
Cost per manzana harvested	22,489.97 cordobas

What expenses are involved in producing cane?

In a simplified way, let us say they include materials that range from machetes and tools to machines and motors. Then it is necessary to pay for manure and fertilizer so that the cane grows and for pesticides to combat insects.

In addition, to calculate the price per ton, it is necessary to take into account the fuel and lubricant needed to make the machines work and the wear and tear that both the equipment and the land suffer (which is called depreciation). Finally, we must remember that it is necessary to pay the workers of the mill their wages and social benefits as well as other expenses. All of this together constitutes what we called costs of agricultural production.

To calculate how much a ton of cane (20 quintals) costs us, we have to consider what we spend in each one of the categories mentioned (materials, fertilizer, fuels, etc.) and total them to obtain the final cost. For the 1983-84 cycle, each ton of cane that left the Julio Buitrago Mill cost 474.54 cordobas. (See chart.)

## Industrial Production

Industrial production does not begin when the trucks loaded with cane enter the yards of the mill. Repairs and preparation of the machinery at the mill involve preharvest work. Naturally when the harvest comes, the costs of industrial production increase.

It is important to know that the great majority of the materials used in the industry are purchased abroad; that is, they are paid for in dollars. This is true for the agricultural stage as well as the industrial stage. The energy and fuel used are paid for in dollars. The machinery, parts, fertilizer, etc., are also imports.

# Costs of Agricultural Production (Cane) 1983-84

<u>Expenditure</u>	<u>Cost per ton of cane</u>
Materials	53.66
Manure and fertilizer	7.31
Pesticides	10.09
Fuel and lubricants	40.55
Services purchased from others	45.88
Personnel expenses, wages and benefits	232.54
Depreciation, amortization, etc.	95.45
Less transfers and others	10.94
Total agricultural costs	474.54

It should be remembered, then, that despite the fact that the costs are calculated by the mill in cordobas, on many occasions we are talking about products that cost the nation foreign currency. If the foreign currency is not promptly obtained, time is lost during the harvest and, therefore, production costs increase.

It should also be remembered that when the costs of industrial production are calculated, the value of the sugar cane is included. These calculations are done in quintals (20 quintals equal 1 ton).

What are the costs of industrial production?

They are similar to the agricultural costs but the majority is spent on materials and parts. In spite of the fact that the industry uses bagasse as fuel for the mill, lubricants and fuels are used in other sectors.

Another factor in calculating the cost is the transportation of personnel and cane during the harvest. Since the mill does not have the resources to do all this work, it has to contract the services from private individuals.

As in the agricultural stage, wages and benefits are paid as well as depreciation and amortization. All these expenses are taken into consideration to calculate the cost of each quintal of sugar. How do we do it?

We take the amount of money we spend--let's say 1,000 cordobas--and divide it by the amount of sugar we produced. Let us assume that we produced 1,000 quintals. How much did each quintal cost? One cordoba per quintal.

In the case of the Julio Buitrago mill, 163,374,577.63 cordobas were spent during production. The general calculation is as follows:

Costs of industrial production	163,374,577.63 cordobas
Divided by sugar production	514,180 quintals
Cost per quintal of sugar	317.74 cordobas

## Costs of Industrial Production 1983-84

<u>Expenditure</u>	<u>Cost</u>
Materials	255.99
Fuels and lubricants	1.57
Services purchased from others	2.58
Personnel expenditures, wages and benefits	30.40
Depreciation, amortization, etc.	27.20
Total production costs	317.74

### Real Price, Fiscal Cost

We Nicaraguans consumed 3,125,000 quintals of sugar last year. It reached the most distant communities through the people's stores.

CANSA [National Sugar Company, S.A.], the MICOIN [Ministry of Domestic Trade] enterprise responsible for marketing sugar, distributed the basic product through its 14 agencies located in all the departments in the country. These delivered the sugar to the zonal or regional distributors and then reached the stores.

### Real Price of Sugar

The sugar that we Nicaraguans ate last year meant a disbursement by the Ministry of Finance of 525,194,839.03 cordobas. In other words, that was the sugar subsidy for the last season.

The subsidy for the domestic sale of sugar began with the 1981-82 harvest when it was determined that production costs per quintal of sugar in the mills substantially surpassed the sale price to the state marketing company, CANSA.

To cover the costs of the mills at that time, a guaranteed price of 200 cordobas per quintal was established for the product. This was maintained until the 1984-85 cycle when the price per quintal for the producer rose to 300 cordobas.

### CANSA Sales

The sugar that the mills delivered to CANSA last year on consignment was sold for 155 cordobas per quintal.

Since CANSA retains the taxes that the producer has to pay, it deducted 10 percent from the 155 cordobas for the sales tax. This meant 15.50 cordobas per quintal which it later sent to the treasury.

Other deductions that CANSA made last year were 8 cordobas for every quintal of sugar for the sugar industry investment fund and 17 cordobas for marketing costs (transportation of the product and administrative expenses).

Therefore, CANSA paid the producer 114.50 cordobas for every quintal of sugar delivered. Since the state had guaranteed 300 cordobas, the Ministry of Finance paid the mills the difference between CANSA's purchase price and the guaranteed price ( $300 - 114.50 = 185.50$ ).

Since CANSA is not subsidized, it sold at prices that permitted it to pay its expenses. Therefore, it sold each quintal of sugar to the distributors with a differential of 2 or 3 cordobas for freight or transportation, depending on the department.

Thus, for Managua (Region III) it billed at the rate of 155 cordobas as of 16 February.

The zonal distributors in the capital delivered the product at the cost of 159 cordobas per quintal to the stores. The latter are permitted a small profit margin to pay for expenses to transport sugar from the warehouses to the people's stores.

In the people's stores, the consumer received a pound of sugar for 1.70 cordobas by showing his family card. Therefore, the grocer marketed the basic sugar at 170 cordobas per quintal.

With the elimination of the subsidy, a pound of sugar costs the consumer 6 cordobas. The revolutionary government took this necessary measure because the subsidy meant an expansion of the budget and, therefore, a large fiscal deficit.

Until then, production costs for each pound of sugar totaled more than 3 cordobas and the basic sugar cost the consumer 1.70 cordobas.

#### Consumption and Export

In the 1983-84 harvest more than 5 million quintals were produced. Consumption and export were as follows:

<u>Use</u>	<u>Quantity</u>
Domestic consumption	3,125,000 quintals
Export	2,070,000 quintals

In other words, our consumption was higher than our exports.

#### Some Conclusions

It is always necessary to add something to the agricultural and industrial costs already seen: the expenses each enterprise has to pay for administrative work and commercial operations.

If the cost we had at the end of the industrial operations was 317.24 cordobas per quintal, 69.23 cordobas must be added for operational expenses which leaves us a final cost of 387.97 cordobas.

As you can see, to produce at those costs in order to sell for 1.70 per pound is a long road. The difference has been assumed by the state so far.

The price increase is nothing more than an adjustment to a situation that has created a deficit for our country for 5 years. Now we all have to assume this cost. This is especially true since, in the current harvest, many of the costs mentioned here will have increased again.

For example, everyone knows that oil, fertilizer, sacks which doubled in price and wages and benefits have increased.

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NICARAGUA

BRIEFS

NEW CHIEF JUSTICE, AMBASSADOR--Exercising his power, Commander of the Revolution Daniel Ortega Saavedra, president of the Republic, appointed Alejandro Serrano Caldera as the new chief justice of the Supreme Court. Serrano Caldera was previously the Nicaraguan ambassador to France. A communique from the Information Secretariat of the Presidency stated that Dr Roberto Arguello Hurtado [former Supreme Court chief justice--FBIS] was appointed Nicaraguan ambassador to France. [Text] [Managua Radio Sandino Network in Spanish 1200 GMT 27 Mar 85]

HUNGARIAN DONATION--Hungarian Ambassador Janos Kiss presented a donation from his government to officials of the FSLN International Relations Department consisting of 458 crates of medical supplies, foodstuffs, and clothing. In expressing thanks for the donation, FSLN official Plutarco Codero said that the items will be used to help combatants and people displaced by war. [Summary] [Managua Radio Sandino Network in Spanish 1200 GMT 27 Mar 85]

CSO: 3248/305-F

PERU

# FINANCE MINISTER ANNOUNCES ECONOMIC PLAN FOR REMAINING TERM

Lima EL COMERCIO in Spanish 7 Mar 85 p A-15

[Text] The economic program that has been formulated and implemented is aimed at reducing the fiscal deficit and protecting international reserves, stated Finance and Economics Minister Guillermo Garrido Lecca last night.

In the minister's view, the first objective will be made possible by increasing revenues or cutting spending, or a combination of the two. The administration has opted for the latter alternative, "because we are aware that the tax burden is quite heavy."

The minister commented that this will be the government's basic strategy until 28 July of this year.

Among the measures already adopted, he emphasized the gradual increase in taxes on the consumption of petroleum derivatives, the increase in the general sales tax, higher tariffs, and changes in the income and capital taxes.

He stressed that this fiscal austerity policy has not prevented the government from raising wages in order to cushion as much as possible the impact of inflation on workers.

"This is one of the government's basic concerns, and it is always taken into consideration in the execution of the economic program."

## Warning

It is estimated that the aforementioned measures will bring the deficit down to a level lower than in previous years, but it will still require financing in the order of 7 percent of the GDP.

"It should be made clear, however, that the list of 1985 budget outlays drawn up by the bicameral budget committee of Congress is based on the assumption that the sales price of gasoline will remain at 1.25 sols per gallon throughout the year. Since we have decided to increase the price of that product gradually, we must find other means to cut spending to meet our goal of reducing the fiscal deficit."

## Reserves

The other major objective, in the minister's view, is the protection of the current level of the country's foreign exchange reserves, which are held by the Central Reserve Bank.

"To achieve this, the Central Reserve Bank has devised a monetary program and an exchange policy that are compatible with the management of public finances and will also protect the levels of domestic savings."

## Trickle of Money

"The issuance of currency," stressed the minister, "will be kept to the minimum necessary to finance productive activities. Within that context, there will be a moderate additional flow of credit to industry, agriculture and other productive activities; until July of this year the public sector will completely abstain from utilizing such resources, thus facilitating the continuation of the recovery."

## Flow of Foreign Exchange

The minister emphasized that "maintaining the current level of international reserves means guaranteeing that exports generate sufficient foreign exchange to finance the country's import needs, primarily \$1 billion in inputs and about \$300 million in foodstuffs such as wheat, cooking oil, dairy products and meats."

"The problem," he added, "is not limited to those imports, however. We have other foreign currency needs, including the servicing of the foreign debt."

## Deterioration of Terms of Trade

Garrido Lecca emphasized the weak performance of the foreign sector in 1984. "Our revenues from exports rose only slightly, even though we made a substantial effort to sell more products abroad. This effort was cancelled out by the deterioration in the terms of trade. In 1984, the real per capita value of exports fell to the lowest level in 20 years."

Last year, the balance of payments was also hit hard by the international banks' withdrawal of short-term credit, and by an outflow of Peruvian capital to other countries.

According to the minister, "in view of this lack of revenues, two exceptional circumstances prevented a decline in the level of international reserves. One was that the low level of economic activity sharply cut imports, from \$2.7 billion in 1983 to \$2.14 billion in 1984, the lowest level in recent years. The second factor that protected the reserves was the fact that we went into arrears on our foreign debt service."

## Foreign Exchange Not Enough

In another part of his speech, the minister noted that "if we add up all the foreign exchange income that we expect to obtain in 1985 from exports, loans from international organizations and other sources, we realize that the total is not enough to cover our import needs and our other expenses that must be covered in foreign currency. For this reason, we must refinance our foreign debt."

8926

CSO: 3348/478

PERU

CENTRAL RESERVE BANK REPORT REVIEWS 1984 ECONOMY

Lima EQUIS X in Spanish 4 Mar 85 pp 26-27

[Article by Edilberto Paz Entralgo; passages enclosed in slantlines printed in boldface]

[Text] During the current economic crisis, the data on the development of that crisis are of particular interest, even in social spheres that are normally unconcerned with such matters. Hence the journalistic value of specialized publications such as the /Economic Report/ of the Central Reserve Bank (BCR), whose December 1984 edition just came out.

Recent Developments in National Economy

Based on information contained in this important official document, we feel it is appropriate to summarize some of its main features for the reading public. Particularly interesting is the section called /Recent Developments,/ which provides that latest data, as of the end of last year, on the performance of the national economy. The text also includes more detailed information on production, income from labor, currency and credit, the balance of payments and public finances. In addition, it contains analyses and commentaries, and a wide-ranging statistical appendix. We will make pertinent comments on all of these aspects.

The report states that liquidity in national currency totaled 4.593 billion sols in March 1984; in September it totaled 6.671 billion; in October, 7.121 billion; and in November, 7.477 billion.

This growth in liquidity in national currency was due primarily to the increase in primary currency issuance, given that the expansion of secondary issuance was less significant.

Among the internal factors in the expansion of the money supply, it is noted that credit from the Central Reserve Bank was channeled principally toward development banks (184 billion sols between September and November). The Agrarian Bank was the main recipient of such funds, with 105 billion sols. The BCR also extended 93 billion in credit to commercial banks for the purpose of supporting non-traditional exports.

It is important to note that at the end of October the BCR raised the interest rates charged by financial intermediaries and those corresponding to promotional credit lines. The purpose of this measure was to gradually reduce the implicit subsidy to final users, thus discouraging the speculative use of the allocated resources.

Thus, on 15 December 1984 annual interest rates, in nominal terms, rose from 58 to 65 percent on the selective regional credit line; from 55 to 64 percent on the selective agrarian credit line; from 46 to 55 percent on transactions with the Agrarian Bank; and from 54 to 61 percent on transactions with the Mining Bank.

According to the /Report,/ the BCR's international liquidity performed favorably last year, with a maximum level of reserves of \$1.193 billion by the end of November and an end-of-year figure of \$1.125 billion. The latter figure was \$236 million higher than the figure registered at the end of 1983. The reason for this rise was the larger surplus in the currency exchange trade balance (\$285 million).

The international situation continued to be bleak. Although in October nominal interest rates began to fall, that was not a permanent trend. On the other hand, prices for mining exports were very depressed. Thus, the average price of refined silver was \$8.10 per troy ounce, and that of copper was 62.6 cents per pound (U.S. currency). In 1983, these averages had been \$11.50 and 72.2 cents, respectively. The downward trend accelerated in the last quarter of 1984, when the average prices were \$7.20 per troy ounce of silver and 59.7 cents per pound of copper.

With regard to the foreign public debt, in 1984 there was a significant shrinkage of the number and amounts of loans contracted, in general. The total reached \$474 million, as opposed to \$2,586 billion in 1982 and \$2,375 billion in 1983. Seventy-one percent of that amount was loaned for terms longer than 10 years. On the other hand, as a reflection of the international banks' desire to reduce their investments in view of the country's debt payments difficulties, these banks did not grant a single loan.

In contrast, official agencies, governments and international organizations continued to provide credit support, although at much lower levels than in the previous year. In any case, the loans were used for food imports. Suppliers also provided credit, generally used for the same purposes as the credit obtained from multilateral development agencies and governments.

The BCR developed a more aggressive policy in managing the exchange rate; the sol was devalued by an average of 9.5 percent a month. November and December had particularly high rates of devaluation, 9.3 and 12.3 percent, respectively. This brought about a gain of 8.1 points in parity during this period, even though the dollar continued its upward climb on the international market --with the exception of November--and the domestic inflation rate of 6.7 percent a month was higher than during the July-September period.

In December 1984, because of the rate of devaluation and the lower rate of domestic inflation, there was a gain of 9.5 percentage points in the real

exchange rate compared to the December 1983 figure, despite the upward trend of the U.S. currency.

Cumulative inflation in 1984 totaled 111.5 percent. The downward trend that was evident between January and September, to the point that in September the inflation rate was as low as 99.9 percent, was reversed; as of October, prices began to show the impact of the higher devaluation rate and the larger increases in some controlled products, among other factors. In December, prices for adjustable goods and services rose by 9.8 and 11.3 percent, respectively, which had a decisive impact.

#### Growth of GDP During the Year

In the section on national production, the Report notes that it rose by 3.4 percent in the /third quarter of 1984/ with respect to the immediately preceding quarter, continuing an upward trend begun in the first quarter.

The favorable weather conditions contributed to the recovery of the agriculture, fishing and raw materials processing sectors. The mining sector benefited from the fact that there were far fewer labor disputes and that operations began in new oil deposits, in addition to the greater secondary recovery in the jungle area. Agriculture and livestock production climbed 7 percent above the figure for the second half of the year.

During the /third quarter of 1984,/ mining production climbed 5 percent above the level of the second half. But this activity was still affected by the drop in sales prices on the international markets, especially in terms of copper and silver. Copper production picked up, however, thanks to increased activity in large-scale mining, the higher mineral content of the ores obtained, and the increased oil development carried out by Occidental.

Manufacturing production grew by 1 percent with respect to the second half of the year. Compared to the same period of 1983, however, it registered a 4 percent rise. The greatest increase was seen in the raw materials processing industries, with a 9 percent growth rate. The most dynamic groups were in the agriculture and livestock, and fishing sectors.

Production in the construction sector rose by 10 percent in real terms, compared to the same period of 1983. This performance was partly due to the higher real public investment that took place in the quarter. The value of public projects opened for bidding during this period was 35 percent higher than the figure for the same period of the previous year, in constant terms.

As for labor income, the real average index of the SMV [expansion unknown] unit of reference rose by 7 percent /between the second and third quarters./ Workers whose raises did not result from collective bargaining obtained a maximum increase of 79,200 sols per month. Workers covered by collective bargaining saw their remuneration indices rise by 2.5 percent of their real salaries. Wages rose by 3.9 percent. The income of independent workers, on the other hand, rose slightly during the third quarter of 1984.

Monetary policy during the January-September period of 1984 was still oriented toward protecting a strategic level of international reserves. This objective coincided with that of preventing additional pressure on prices. The credit support provided by the banking system was aimed primarily at the private sector through the expansion of lines of credit from the BCR for non-traditional exports, forestry activities, selective agrarian credit and the industrial consolidation line.

With regard to the balance of payments, in the third quarter of 1984 the current account deficit in that balance rose to \$31 million, significantly lower than the average for all the quarters of 1983 but slightly higher--by just \$9 million--than the figure for the preceding quarter. The reason for this was the surplus in the trade of goods, which rose to \$282 million during the quarter in question. The balance of services yielded a deficit of \$358 million, \$28 million more than the figure for the second half.

One important aspect of this category is the foreign debt. As of 30 September 1984, it totaled \$13.077 billion, 2 percent higher than the figure registered at the end of June. Of that total, 90 percent corresponded to medium- and long-term obligations. The public sector was responsible for this increase in indebtedness. During the third quarter, the total outlays to pay for the medium- and long-term public foreign debt rose to \$778 million.

During the period from January to September 1984, the public sector saw a substantial improvement in its economic performance compared to the same period of 1983. There was a deficit of 2.526 trillion sols, equivalent to 6.5 percent of the GDP, which meant a drop of 3.5 percentage points in that ratio. The reason for this decline is the higher yield of the central government's accounts, and the reduction of the public enterprises' deficits.

8926

CSO: 3348/478

PERU

BRIEFS

SHIPYARD ASSUMES DUTCH CONTRACT--Vice-Admiral Jorge Du Bois Gervassi, Minister of the Navy, denied reports that his ministry was cheated by a Dutch consortium, and confirmed that the contract for modernizing the cruiser "Almirante Grau" is still in effect. When the firm Amsterdamse Droogdok Maatschappij B.V. (ADM) went bankrupt, the Peruvian Navy demanded that the other partner in the consortium, Hollandse Signaalapparaten B.V., assume full responsibility for the execution of the contract. The latter agreed to that condition. Due to problems arising out of ADM's bankruptcy, the cruiser "Grau" postponed its journey to Holland, scheduled for the first half of January this year; but once the impasse was resolved, the ship left for Holland this past 27 February. Du Bois Gervassi reported that in August 1983 his ministry signed a contract for the modernization of the "Grau" with the aforementioned consortium. Hollandse Signaalapparaten is a subsidiary of N.V. Philips Gloeilampenfabrieken, one of the most powerful firms in the world. [Excerpt] [Lima EL COMERCIO in Spanish 8 Mar 85 p A-5] 8926

NONMETALLIC MINERAL DEPOSITS MAPPED--The Geological, Mining and Metallurgy Institute (INGEMMET) has discovered and inventoried potential deposits of nonmetallic minerals, which contain 77 different substances. Among them are barite, asbestos, kaolin, clay, sulfur, feldspar, fluorite and talc. After an arduous effort, INGEMMET specialists have managed to complete a national inventory that will enable them to study in detail the deposits located throughout national territory. The study involves the publication of 14 maps which include detailed reports, locations, index cards, and recommendations on the need to carry out technological tests in pilot plants with a view to exploiting these reserves on a larger scale. [Excerpt] [Lima EL COMERCIO in Spanish 28 Feb 85 p A-10] 8926

CSO: 3348/478

TRINIDAD AND TOBAGO

COMMENTATOR SEES NEW FOREIGN POLICY OPPORTUNITIES

Port-of-Spain SUNDAY GUARDIAN in English 10 Mar 85 p 3

[Excerpts] The Prime Minister's decision to visit Britain later this year will calm the concern of many over his prior cold-shoulder for traditional allies and friends; and, hopefully, will mark the start of much-needed rapprochement with long-time friends, notably the USA, our principal trading partner, and Canada our durable ally.

The UK decision restores hope and is both welcome and relieving, but it should not be overlooked that an equally important step may have been taken by the incumbent with the appointment of Errol Mahabir as Foreign Affairs Minister. Mahabir's known capacity for application embraces valuable working knowledge of labour and a clear perception of the role of enterprise in an economy.

Unique Approach

He, more than most realises the need and importance of foreign markets and investments in these challenging times, and it would be contrary to the minister's initiative and drive if he didn't soon embark on building bridges and goodwill among our neighbours, close and not so close.

In fact, the new Chambers-Mahabir foreign policy thrust is very likely in the near future to restore good relations with North America to the point where invitations to "come visit" may materialise from the White House and from Ottawa. It would be truly a balanced and unique approach to nonalignment if Trinidad and Tobago can make tangible gains from a working accord with China, as well as America. It could be a lesson to the world in even-handedness if Trinidad and Tobago can make it work.

Improving relations with the USA would be beneficial from many points of view. We need their market. Increased tourism and investment are desirable. The great majority of our citizens visit and buy in the United States, and many have ties there.

Almost the same can be said for Canada, and it would be good for the energetic Mahabir to place these high on his priority list.

## Bulging Coffers

This column shares the views of many that the Chambers-Mahabir team may well be on the way to a "win-win" foreign policy and in this mood and context, perhaps they can include:

(a) Attention to getting more imports into Japan, and more investment from the Land of the Rising Sun. Japan's coffers are absolutely bulging. Her technology is world-leading in many areas. Japanese investment and technology would be a "natural" for the "science park" the Prime Minister mentioned in his budget. Additionally, even isolationist Japan is realising that as an almost super-power, it needs to encourage more overseas investment. And as far as imports are concerned, why not processed asphalt for Tokyo?

(b) Use of investment opportunity in Guyana. Would it be possible to employ the obvious good relations Chambers seem to enjoy with Forbes Burnham into mutually useful economic benefits? After all, U.S. and Japanese companies do major projects in Russia. Why not similar arrangements between Trinidad and Tobago and Guyana? The latter owes us lots of money, certain more than \$50 million. Would they consider repaying it in land and factory leases in Guyana that Trinidad and Tobago farmers and entrepreneurs can develop? Products and activity would benefit both nations ... and beyond.

(c) The possibility of stepping up food imports from neighbouring Venezuela, a country with which we have much in common, including history, aspects of culture and, of course, fishing. One of the areas of abundance in Venezuela is food. Would it not be possible to open up trading in this field, as well as tourism (principally to Tobago), in exchange for Trinidad and Tobago exports of shoes, shirts, asphalt, etc.?

(d) Haiti has remained the traditional pariah of the region. Its roads are in an atrocious condition. Could we not exchange asphalt for their famous art, carvings and furniture? Southern Haiti is also renowned for strawberries and other produce and trading with this neighbour would be doing a genuinely good deed for a people no one wants.

The upcoming visit to Barbados is beginning to fit into the positive foreign policy that appears to be emerging. We wish our leaders well, and good success. We all need it.

CSO: 3298/498

16 April 1985

TRINIDAD AND TOBAGO

PNM SUBJECT OF FURTHER INTERNAL, EXTERNAL ANALYSIS

## Call for Party Organ

Port-of-Spain SUNDAY EXPRESS in English 17 Mar 85 p 3

[Text]

**THE PEOPLE's National Movement Education Committee believes there is an urgent need for a party organ to counteract the "misinformation which the local newspapers are feeding the public."**

This decision was taken at a recent consultation of party education officers at the Valsayn Teachers' College.

Members felt that the Party should make greater use of television time at its disposal, should reduce or eliminate the amount of pettiness that exists between party members and further called for the establishment of a "talent bank."

Dr Ruby Atwell-Ferguson, who delivered a paper on the role and function of the education officer, said: "There is nothing more constant than change, hence the education officer must permit himself to be influenced by these changes if he is to function effectively in the party and the community. If this is not done, he will become a complete failure."

Stating that the internal education of the party was not adequate, Dr Ferguson said that criticisms and charges must be dealt with effectively in public.

"A great deal of information is available nowadays," she said, "but a majority of what is printed is half-truths, and is couched in plausible language. Perhaps, what is printed is that which the interview-

er or researcher obtained.

"The time has come," she said, "that incorrect reports should not be ignored, but should be corrected, because while you and I may know what is correct, there are thousands who do not know and are accepting what they read as correct.

to settle or lie, as they are bought by the public at wrong values to the detriment of the Government and the party.

Meanwhile, a series of public lectures/discussions on the 1985 Budget will be presented throughout Trinidad and Tobago tomorrow in various constituencies.

The Education Committee also decided to convene a consultation of education officers of all units and at all levels of the Movement. The consultation is to achieve a two-fold purpose: to discuss the role and function of the education outfit of the Movement and to develop a dynamic education programme for the Movement for the period 1985-1986.

Basdeo Criticism

Port-of-Spain EXPRESS in English 18 Mar 85 p 3

[Text] **OPPOSITION** Senator Dr Sahadeo Basdeo said the move to opposition unity had brought on a mood of political optimism in the country. He added that this was likely to bring about the much needed change in 1986.

Dr Basdeo was speaking at the inauguration of the Cedar Hill/Princes Town Electoral District Committee of the National Alliance. The meeting was held on Saturday.

The committee was coordinated by Dr Emmanuel Hosein and councillor Sonnylal Mahabir. The Bronte District Committee, also inaugurated on Saturday, was coordinated by councillor Kenneth Paulsingh.

Dr Basdeo said the National Alliance had been engaged in building the foundation of a political movement which offered the only hope for the country. He said the People's National Movement (PNM) had "outlived its usefulness" and could no longer provide the inspired leadership to turn around the economy or instill a sense of pride in the people.

Dr Basdeo told the meeting that the PNM would be looking for a "political excuse to remain in power for another

five years". But, he told the people, the PNM had exhausted all its energies and had succeeded only in mismanaging the country.

He said the government's incompetence had been reflected at all levels of the society, and identified the problems of unemployment, shortage of funds and widespread corruption.

He appealed to the electorate to join the Alliance bandwagon.

Dr Hosein, who is the parliamentary representative for Naparima, said that in 1981 he had predicted a shortage of food and a crisis of funds.

Said he, "If you look around you would see that I was not wrong.

There are many people in the country starving at present because the government had failed to offer them employment".

Dr Hosein told the audience that "very soon" the residents of the Sugar Welfare Scheme at Cedar Hill will have an electricity supply. Dr Hosein said this assurance was given to him by the Trinidad

and Tobago Electricity Commission (T&TEC) southern area superintendent Neil McConnie.

Dr Hosein also announced that Sou Sou Lands Ltd would shortly be offering the Cedar Hill residents an opportunity to get a parcel of land on which to build houses under the innovative Sou Sou Lands programme.

Chambers on Quamina Report

Port-of-Spain TRINIDAD GUARDIAN in English 19 Mar 85 p 3

[Text]

**POLITICAL REPORTER**

ANY SECRETARIAT, such as the registry in a Government Ministry could only reflect the body of which it is a party, Mr. Alvin Quamina, General Secretary of the ruling People's National Movement (PNM), told the PNM's General Council recently.

According to a reliable source, Mr. Quamina was replying to criticisms levelled by the Political Leader of PNM, Prime Minister George Chambers, at January's meeting of the Council.

In an address to the council, Mr. Chambers reportedly expressed reservations about a report prepared by Mr. Quamina on the challenges facing the party in 1985, a year which, according to the Secretary, was an emergency one for the party.

Mr. Chambers felt it was quite in order for Mr. Quamina to project ideas, but that there was a proper way to do this. His greatest objection to the document coming to the council was that it was not discussed initially with PNM Chairman Francis Prevatt.

But in his reply at the council's February 24 meeting, Mr. Quamina pointed out that Mr. Prevatt knew about the report and that at a meeting of the party's Central Executive held on January 8, 1985, Mr. Prevatt suggested that the report

be presented to the council.

Regretting the absence of dialogue at certain organs of the PNM, Mr. Quamina claimed that a PNM parliamentarian complained he was afraid to speak out on certain matters.

According to a party source, Mr. Quamina told the meeting he tried to have an audience with the Political Leader since three years ago — but without success.

**SECOND TIME**

The source, who made it clear that there was no rift between the Political Leader and the General Secretary, added:

"In his reply, Mr. Quamina referred to a statement that it was the second time Mr. Quamina had presented a paper 'in this manner' and the first document ended up in the newspapers causing untold harm to the party.

"Mr. Quamina told the meeting he was concerned about that particular statement as it appeared somehow he was to be blamed for that."

Stressing his report was not a dogmatic paper he reiterated that there was serious issues facing the party and one positive way of handling them was for party officers to discuss them and come up with possible solutions.

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16 April 1985

## TRINADAD AND TOBAGO

## TWO TAPIA HOUSE OFFICIALS QUIT, URGE NEW MOVEMENT

## Treasurer's Resignation

Port-of-Spain EXPRESS in English 11 Mar 85 p 1

[Text] At a council meeting of the Tapia House Movement held yesterday at St Mary's College in Port of Spain, treasurer Peter Fung-Kee-Fung (above) [photo omitted] resigned from the executive and relinquished his membership in the party.

In a statement after the meeting Fung-Kee-Fung said: "I have taken this personal risk to articulate a new possibility. The country is ready for a new beginning and a rebirth."

"There are men and women in every political party and men and women outside of party politics who are ready and able to pull the country together and take it forward."

Fung-Kee-Fung said that anything new must not be "pie in the sky," but must be built on clear insight and an accurate assessment of the resources, both tangible and intangible, both economic and political, which had been built up over the years through experience.

## Departing Secretary's Remarks

Port-of-Spain EXPRESS in English 18 Mar 85 p 3

[Text] A SECOND leading member of the Tapia House Movement has resigned with a call for a new national movement.

The resignation of Anthony Harris, secretary, came a week after Peter Fung Kee Fung stepped down as treasurer.

In a press statement, Harris said that the political situation in Trinidad and Tobago has been thrown into sharp relief by recent developments.

"First," he said, "there was the Tobago House of Assembly (THA) elections in November, 1984 which put ANR Robinson and the Democratic Action Congress (DAC) in the spot-

light with their resounding victory.

"This was followed by the 1985 budget of (George) Chambers and the People's National Movement (PNM) which brought a hidden devaluation and almost universal condemnation from the population.

"Another major event occurred when Chambers took another step in his eventual approach to the IMF (International Monetary Fund) with his Cabinet reshuffle.

"In between these events the country was beguiled by snippets of information concerning the attempt by the opposition parties in the

NAR (National Alliance for Reconstruction) to come together.

"One thing that has become clearer with the passage of time is that the NAR, a necessary step in our political evolution, is a national opposition coalition and a far cry from the new national movement which the country both needs and wants.

"The real difficulty is that all of the political parties on stage represent sectional interests and, therefore, retain their validity but are unable to speak for the country as a whole," Harris said.

TRINIDAD AND TOBAGO

DONALDSON PROMISES OPEN DOOR POLICY FOR MINISTRY

Port-of-Spain TRINIDAD GUARDIAN in English 7 Mar 85 p 1

[Text]

MR JOHN DONALDSON, newly appointed Minister of Labour, Social Security and Co-operatives, admitted yesterday that he was still adjusting to his new duties and would be depending on the advice of professionals in his Ministry for some time.

But he promised representatives of labour and employers that he would maintain an open-door policy with them.

In return, Mr Donaldson was promised full support from both sides.

This exchange took place during Tripartite Talks held at the Labour Ministry, Riverside Plaza, Port-of-Spain, yesterday morning.

It was the first time that the Minister was meeting with representatives from both sides since his appointment last week and normal business of the day was set aside briefly for the informal "getting to know you" meeting.

With the new Minister at the meeting was his new Parliamentary Secretary, Mr Ian Anthony, who has been placed in charge of the Southern Division of the Ministry. Also present was Dr. Zin Henry, special adviser to the Minister, and other senior officials.

Although Mr Donaldson and Mr. Anthony are still going through "their learning process" with their new jobs, activities at the Ministry will continue as usual.

Conciliatory meetings scheduled for this month will go ahead as planned.

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TRINIDAD AND TOBAGO

GOVERNMENT COMMITTED TO FREE PRESS; TTT ENDS POLITICAL CASTS

TV Action

Port-of-Spain TRINIDAD GUARDIAN in English 5 Mar 85 p 1

[Article by Francis Joseph]

[Excerpt] Trinidad and Tobago Television (TTT) is discontinuing its policy in which the station gave all recognised political parties broadcasting time. This decision is as a result of a court judgment handed down against TTT last 17 January.

Mr. Martin Daly, S.C., counsel for TTT, said yesterday that since the judgment was delivered by Mr. Justice Deyalsingh on 17 January, TTT decided not to continue its policy on political broadcasting.

Prior to the judgment, the ruling People's National Movement (PNM) had been allocated seven periods of ten minutes each; the Organisation for National Reconstruction (ONR) three periods of ten minutes each and the United Labour Front (ULF) two periods of ten minutes each.

Williams' Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 9 Mar 85 p 1

[Article by Clevon Raphael]

[Excerpt] The incident with a female motorist and the police wrecker on 26 February 1985, and the subsequent events at Trinidad and Tobago Television in which a temporary worker was dismissed and another suspended, do not constitute a threat to the freedom of the Press from any quarter whatsoever.

State Enterprises Minister Ronnie Williams told this to the House of Representatives in a statement yesterday following Thursday's abrupt adjournment of the House following a verbal clash between Prime Minister George Chambers and Opposition Leader Basdeo Panday.

Mr. Williams issued the statement because the government did not get the opportunity to reply on Thursday. Contrary to what was reported, Minister Williams said the memorandum sent to Verne Burnett, the suspended employee, was not copied to Mr Chambers, but to the company's personnel manager.

After giving the background to the incident, Mr. Williams, dealing with the criticisms leveled by Mr. Panday, said:

"It is clear Mr. Speaker, that the facts I have stated do not support the wild allegations that the news at TTT is being edited by the Police, that the incident and its handling were any evidence of the "coercive machinery" of the State in order to stay in power and that the state-owned media is being muzzled."

CSO: 3298/499

TRINIDAD AND TOBAGO

## TEACHERS ASSOCIATION IN 3-POINT ATTACK ON GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 11 Mar 85 p 3

[Text]

TRINIDAD and Tobago Unified Teachers' Association (TTUTA) has accused Government of "bad faith" in the appeal by State-owned Caroni Limited against the decision of the Industrial Court awarding increases to sugar workers.

In one of three statements issued by TTUTA and signed by its President, Mr. Anthony Garcia, the organisation stated Government clearly had an obligation to exemplify, as an employer, the standards for which it stood guarantor for the rest of the labour market.

TTUTA also spoke out strongly on its concern over "persistent rumours" that the monthly salaries of teachers and other public servants were in jeopardy due to the Government's lack of funds.

And in the third issue, TTUTA condemned the recent Cabinet decision to debar students who failed examinations at the end of their Form Four Year, or at the Easter of the Form Five year, from being entered in the CXC, GCE and NEC examinations at State expense.

On the Caroni issue, Mr. Garcia said the various negotiations pending in a number of other state enterprises and statutory authorities and even in the public sector, if taken for arbitration, may suffer a similar fate.

Arguing the appeal was a bad precedent, Mr. Garcia said, adding:

"The implication is that if the Government can appeal decisions of the Industrial Court big businesses would do likewise.

"The question that one must ask is

### ●Caroni appeal ●No pay rumours ●Ban on students

to what end is given the jurisdiction of the Appeal Court. In Section 18 of the IRA under which an appeal is possible, the Appeal Court cannot determine salary increases or any issue under dispute.

"The Appeal Court can only send the issues back to the Industrial Court. The effect of this is to delay settlement of the salary negotiations not only of Caroni Limited, but every state enterprise, statutory authority and even the public sector negotiations.

"This move by Caroni Limited on behalf of the Minister of State Enterprises and the Corporation Sole has set the stage for industrial unrest and questions the validity of this constitutional body set up by the very Government."

#### ILL-ADVISED

Dwelling on the examinations problem, TTUTA said Cabinet's decision also affected students who failed to maintain a 75 per cent attendance record in their chosen courses during their Form Four or Form Five years.

Any such student may be entered at the expense of parents with all monies to be refunded if the student is successful.

But TTUTA said it was convinced this decision was an integral aspect of

the Government's policy of reducing expenditure, and an ill-advised attempt to reverse the high failure rate in examinations without addressing fundamental causes and problems in the education system as a whole.

Mr. Garcia went on:

"We are of the view that this new policy will serve to entrench the distinction between the so-called 'prestige' schools and the senior comprehensive system, that it constitutes an attack on the very concept of democratic education with free and equal opportunity for all, and that it will place undue hardship on those parents who can least afford to pay examination fees.

"Among the first casualties will be the relationship between teachers and students and parents. TTUTA cautions that his new policy will provoke new levels of student indiscipline as students and their parents blame teachers for their withdrawal, and as school administration is weakened.

"Additionally, without the motivation of writing examinations, the drop-out rate is likely to increase as students face the reality of seeking jobs or remaining on the streets.

"For those who fail and yet remain as students without even this motivating factor, the tendency to delinquent behaviour would be heightened, they adding to the discipline problems experienced at secondary schools."

Mr. Garcia said the new policy without consultation with TTUTA was a breach of trust and a violation of the principle of co-operation.

TRINIDAD AND TOBAGO

## APPEALS COURT REJECTS CARONI PLEA; PAYMENT ORDERED

### Court's Dismissal

Port-of-Spain TRINIDAD GUARDIAN in English 12 Mar 85 p 1

[Article by Francis Joseph]

[Text] AN APPLICATION by Caroni (1975) Limited to have the appeal against a \$147 million judgment of the Industrial Court heard very urgently was dismissed yesterday after lawyers for the company failed to appear in the Court of Appeal.

The Court, comprising Chief Justice Cecil Kelsick, Mr Justice Bernard and Mr. Justice Persaud, dismissed the application and ordered Caroni to pay costs to the All Trinidad Sugar and General Workers Trade Union.

When the matter was called yesterday, Caroni Limited was not represented. However, Mr. Basdeo Panday, President General of the Union, and Mr. Ramesh Lawrence Maharaj appeared for the union.

The other party involved was the Association of Technical Administrative and Supervisory Staff, the other bargaining body for workers at Caroni, but no lawyers appeared for this body.

There are 9,255 members of the All Trinidad Workers Union at Caroni while ATASS represents 378 workers.

Mr. Maharaj said he had no objection for the appeal to be deemed urgent and heard as soon as possible, but since Caroni was not represented, he asked the court to strike out the appeal.

He said afterwards that the union would itself be filing an application later this week with the court to have the court deem this appeal urgent.

Caroni was seeking an order that the appeal be deemed urgent and fit to be placed on the list for hearing as soon as practicable in priority over all other appeals, if necessary.

Caroni has appealed against an order of the Industrial Court dated January 25 in which \$147 million was awarded to workers of the sugar company for the years 1983, 1984 and 1985 inclusive.

The Industrial Court made the award since the last agreement expired in December 1982. Caroni appealed the decision on February 26.

### GROUND OFS OF APPEAL

Caroni appealed on the ground that the Industrial Court erred in holding that its substantive submission of "inability to pay" was not relevant and/or was insufficient for the determination of the issues to be decided by it in relation to the trade disputes before it.

The company said the court also erred in holding that the only issue for determination before it was the measure of comparison existing between wage rates of the company's workers and the wage rates prevailing in the country as a whole for comparable duties and responsibilities.

Caroni said further that the Industrial Court erred in holding that the submissions of the Attorney General with reference to Government's revenue position.

were unacceptable in the circumstances obtaining and, if so, in failing to exercise its powers under Section 8(5) of the Industrial Relations Act and requiring further oral evidence and argument.

Other grounds of appeal in which Caroni relies include that the Industrial Court:

- failed to have due regard to the provisions of Section 20(2) of the IRA which formed part of the submissions of the Attorney General — intervening at the invitation of the court — and those of the company;
- failed to take cognisance of the undisputed fact that Caroni was the highest cost producer of sugar in the world and that the existing wage quotient was the measure contributing to such high costs;
- held that in the absence of any evidence led before the Industrial Court and/or without Caroni being given the opportunity to be heard and/or in contravention of section 9(1) of the IRA, that the same level of increases applied to wage rates in the country as a whole as it did to Caroni in the period 1977 to 1982.

#### Industrial Court's Order

Port-of-Spain TRINIDAD GUARDIAN in English 14 Mar 85 p 1

[Article by Francis Joseph]

[Excerpt] Caroni (1975) Limited was yesterday ordered by the Industrial Court to pay \$40 million to the 10,000 workers of the company as an interim payment pending the hearing and determination of the appeal against the \$147 million award of the court.

The \$40 million represents the offer made by Caroni Limited to the two representative unions responsible for negotiating for the sugar workers.

Caroni was ordered to pay the \$40 million after the Industrial Court granted the company a stay of execution against the \$147 million award made on 25 January.

Caroni had offered 3-3-3 per cent to 9,255 members of the All Trinidad Sugar and General Workers Trade Union; while the 378 members of the Association of Technical Administrative and Supervisory Staff (ATASS) were offered 2-2-2 percent by the company.

The Industrial Court had ordered that members of the ATSGWTU get 20-5-5 over the three-year period while members of ATASS were awarded 15-4-4 over the same period 1983 to 1985 inclusive.

CSO: 3298/499

TRINIDAD AND TOBAGO

TTEC PROPOSING WAGE FREEZE, BROAD CUTS IN BENEFITS

Port-of-Spain TRINIDAD GUARDIAN in English 5 Mar 85 p 1

[Article by Suzane Morris: "Workers Stand to Lose Benefits"]

[Text] Weekly and monthly-rated employees of the Trinidad and Tobago Electricity Commission (T&TEC) have been asked to accept a wage freeze this year with no promise of increases for the next 3 years.

In addition, the workers are faced with possible reductions in their allowances and benefits.

These proposals by TTEC are being made against the background of a 70-percent wage increase demanded by the Oilfields Workers Trade Union (OWTU).

The parties started negotiations for a new collective agreement last week. The commission submitted counter-proposals only after talks started. Details of the counter-proposals show that adjustments to wages will be based on the outcome of a job evaluation exercise now being undertaken by the commission. No increased allowances have been suggested.

TTEC has also proposed changes in working hours. In some cases this could mean that employees will be faced with a longer work week. Others may have to report for work at an earlier time.

All workers will be compelled to clock-in and the commission wants to be able to dismiss instantly any employee found outside his or her allotted station during working hours.

Sick leave will be granted at the discretion of TTEC only for a maximum of 14 days. Workers will no longer have this leave as an entitlement.

Cut in Overtime

The Commission is also seeking a reduction in emergency leave. In addition, it wants relief from payment of medical bills for workers who are injured on the job through their own negligence.

A reduction in shift bonuses is also being sought.

Officials of TTEC also want to withdraw their offer of transportation for workers who must work late. No housing will be offered to employees transferred to the Penal Station.

According to TTEC's proposals, the minimum guarantee on overtime work will be reduced from eight to four hours and no time-off will be provided in lieu of overtime payments.

In addition, the Commission wants to approve all union notices to employees before they are placed on display.

Another proposal from the Commission is that payments of wages be made on Fridays at 3 p.m. instead of on Thursdays.

The union will meet to analyse these counter-proposals and will comment on them later this week.

CSO: 3298/500

16 April 1985

## TRINIDAD AND TOBAGO

## WILLIAMS SEES BLEAK FUTURE FOR SUGAR INDUSTRY

Port-of-Spain TRINIDAD GUARDIAN in English 5 Mar 85 p 1

[Article by Jerry Johnson]

[Text]

THE MINISTER of State Enterprises yesterday described the future survival of the sugar industry as daunting at best, perhaps even bleak — both internal and external forces having converged to undermine its foundation.

Mr. Ronnie Williams was delivering the feature address at the opening of the 22nd Conference of Sugar Technologists of the Caribbean at the Holiday Inn.

The Conferences began in 1938 by the then Imperial College of Tropical Agriculture which was taken over by the West Indies Sugar Association in 1943. Since the early 1970s the conferences have been organised by the Sugar Association of the Caribbean and this is the first conference in Trinidad and Tobago in 16 years.

The Minister informed the delegates that since those 16 years the Caribbean sugar industry underwent a major transformation in its ownership, performance, and prospects. In 1969 it was largely owned and controlled from overseas and the industry was marginally profitable but the prospects for sustained profitability were good.

Today, the industry in every Caribbean country, Mr. Williams disclosed, is a huge loser.

"Domestic costs of production are too high and rising too sharply; yields of cane per acre have not increased; indeed in many cases they have fallen," he declared.

"The extraction rate of the factories is low and in some cases ... declining. Labour costs have been rising sharply and these have compounded the adverse effects of the rising prices of imported naturals."

The Minister further disclosed that the sugar industry benefited slightly from declining real price of imported fuel which, however, turned out to be a mixed blessing for the country.

## PRECARIOUS POSITION

"These difficulties, common to Caribbean sugar, have placed the Trinidad and Tobago industry in such a precarious position that its very abandonment has been strongly proposed by one international organisation," he argued.

In 1984, the cost to produce a tonne of sugar was \$4,966, 54 per cent of which was labour cost ... not taking into account the new wage rates proposed by the Industrial Court for the industry.

"The cane farming community supplied only 30 per cent of the sugar cane milled," the Minister noted. "It is capable of producing a great deal more on the lands which it currently cultivates and of doing that at a much lower price than the estates appear able to do."

"Yield per acre on the estates fell to a low of 13 tonnes in 1984 and the extraction rate was as high as 13.57 TC/TS. In effect, a deepening malaise has suffused every sector in the industry, resulting in unsustainably large losses which the Government has had to meet."

Caroni, the Minister said, has been directed to take specific steps to rationalise the industry and reduce, if not prevent, further losses.

"I have asked the Chairman of Caroni to explore with its partners in the Caribbean sugar industry feasible arrangements under which the enlarged refining capacity which Caroni brought on steam in 1984 could be mobilised to supply the white sugar needs of at least the Caricom region," the Minister further stated.

Mr. Williams noted that the market for sugar cane, internationally, has been reduced sharply by the introduction of artificial sweeteners.

16 April 1985

TRINIDAD AND TOBAGO

## MANNING COMMENTS ON UNSETTLED VENEZUELAN CRUDE DEAL

Port-of-Spain EXPRESS in English 7 Mar 85 p 48

[Text] **ENERGY and Natural Resources Minister Patrick Manning yesterday refused point blank to talk about the proposed deal whereby some 20,000 barrels of crude oil per day would be imported from Venezuela for processing in the Trintoc refinery in Point Fortin.**

"We are not saying anything at all about this at present because of the critical stage of the discussions," Manning said. "I said this already in Parliament recently."

Asked whether these discussions were linked with the Texaco negotiations, Manning said, "There are several angles involved but the philosophy is wider than that."

Prime Minister George Chambers announced confidently in his 1984 Budget speech that a deal was in the offing with the Venezuelan authorities for the supply of 20,000 barrels of crude oil a day to be refined in the

Trintoc refinery at Point Fortin.

Negotiations that ought to have led to the deal were begun by the Minister of Energy and Natural Resources during a visit to the mainland in 1983. Minister of State Enterprises Ronald Williams was reported later to have said that having to supply Texaco with crude for its refinery at Pointe-a-Pierre was "a strain on Trintoc." There has been speculation that this meant Trintoc's own refinery was thus deprived of crude to process, but Minister Manning denied this yesterday.

Overtures were also to be made to Nigeria to see whether crude could be imported for refining from that country as well. But negotiations were delayed by the coup that toppled President Shehu Shagari in January 1984.

When the then Minister of External Affairs Basil Ince visited Venezuela in March 1984, the deal was said to be "the major item on the agenda."

CSO: 3298/500

TRINIDAD AND TOBAGO

TOBAGO AIRPORT TO GET NEW 9,000-FOOT RUNWAY

Port-of-Spain EXPRESS in English 6 Mar 85 p 3

[Article by Compton Delph]

[Text] By COMPTON DELPH

**A NEW 9,000-foot runway of international standard is to be built at the airport at Crown Point in Tobago to complement the \$19.2 million terminal building now under construction.**

Disclosing this yesterday, Selwyn Richardson, chairman of the Airports Authority, said it would be "useless to build an international terminal building and not have a runway of international standard."

He and members of his board were meeting with the Tourism and Environment Committee at the THA, headed by Assembly Chairman A.N.R. Robinson, at the Crown Reef Hotel to discuss development plans for the airport.

Richardson said that work on the terminal building was not only on schedule but if the present rate of progress was maintained, it would be ready for occupation by November instead of April next year.

The present runway which is 6,000 feet long can accommodate only Avros and DC-9 aircraft. An additional 3,000 feet is necessary if the larger planes are to come directly to Tobago. And, said Richardson, he and his board have already taken the decision that such an international runway is to be provided in Tobago.

But this, he and the general manager of the authority, Oswin Moore, explained, will take about three years and cost more than \$80 million.

Meanwhile, they explained, the existing runway is to be reconditioned and rehabilitated. But the release of funds, and unravelling the legal tangle of the MBM-Alves contract for the

same work, had delayed start on this project.

Moore, however, gave the assurance that once started the rehabilitation work will not take more than five months.

The longer term project, extending the runway to 9,000 feet to accommodate wide-bodied jets, presented two alternatives:

1. Filling in the sea to build a 3,000-foot extension of the existing runway; or
2. Re-aligning it to run inland to obtain the additional 3,000 feet.

Moore disclosed that a British firm of airport engineers was interested in the Crown Point project and had considerable experience in "building in the sea."

He conceded that there was local expertise available, but explained that the offer by the British firm to investigate was at no cost to the Airports Authority.

Another plus, he stressed, was the fact that the British firm was prepared to invest not only in the construction but also in the general tourism and hotel development of Tobago.

Both he and Richardson said that in about three months the authority will be in a position to take a decision on which of the alternatives for extending the runway will be accepted.

Robinson, who at the start of the meeting had stressed that the Assembly needed to have a time schedule for the airport plans so that the Assembly could accordingly plan its own tourism development, thanked Richardson and his board for responding promptly to his request for a meeting. The foundation, he said, had been laid for future dialogue and co-operation.

16 April 1985

## TRINIDAD AND TOBAGO

## BRIEFS

PUBLIC WORKERS DEMONSTRATION--The tactical squad of the Trinidad and Tobago Police Force was called out yesterday as 2,000 public works employees demonstrated outside the prime minister's office. Their action was to protest financial cuts to the Works Ministry which, according to ministry officials, will mean a reduction in the programme of the Development and Environmental Works Division (DEWD), which employs casual labour on crash programmes. The demonstration coincided with the regular Thursday cabinet meeting. The demonstrators failed in an attempt to prevent Prime Minister George Chambers' car from leaving the compound. They also did not manage to get an appointment to meet him to discuss their grievances. This year, 124.6 million dollars (one TT dollar; 41 cents US) has been allocated to the DEWD, 26 million dollars less than last year's figure. Last year, DEWD workers staged similar demonstrations when the funds ran out before the end of the year, causing Government to allocate more funds to the programme to see it through to the end of the year. This year, the programme, which was due to start on 11 March but has been delayed, has already used up 13 million dollars of the 124 million dollar budget. [Text] [Bridgetown CANA in English 2036 GMT 22 Mar 85]

TEXACO JOB SECURITY--San Fernando--The 4,200-plus oil workers employed with Texaco Trinidad Inc. have been assured that there will be no retrenchment when government officially takes over the company's refinery and other assets in Trinidad and Tobago. Further, the workers were informed that their pension plan money which runs into millions of dollars, would not be touched or interfered with. Giving the assurance was Mr. George Weekes, President General of the Oilfields Workers Trade Union on Tuesday evening at a public meeting held at Marabella. "I was asked to inform you that there is to be no retrenchment and the question of the pension plan fund is well taken care of. It will be in the hands of nationals, in the main Trintoc, but the question of having one pension plan just like we have one agreement is to be worked out," he told the workers. [Excerpts] [Port-of-Spain TRINIDAD GUARDIAN in English 14 Mar 85 p 1]

TEXACO PACT SPECULATION--Final details of the agreement between Texaco International and the Government of Trinidad and Tobago are being kept secret until an official announcement, but the EXPRESS understands that a separate agreement has been drawn up whereby the government has bought into the company's lucrative offshore holdings. A high-powered team of government negotiators, led by this country's ambassador to the United Nations in New York, Dodderidge Alleyne, has

been holding talks with top executives of Texaco over the last 12 months for the sale of the company's land holdings. But it has been disclosed that the final agreement, when it is announced, would contain disclosures of the government's acquisition of the marine operations as well. [Andy Johnson] [Excerpt] [Port-of-Spain EXPRESS in English 13 Mar 85 p 1]

1984 TRADE BALANCE--Trinidad and Tobago has recorded a favourable balance of visible trade totaling \$616.4 million for the period January to December 1984. According to figures released by the Central Statistical Office, during January to December, 1984, this country imported goods worth \$4,586 million while total exports amounted to \$5,202.4 million. Of this sum, \$5,034.9 million represented domestic exports. Figures for 1983 show that total imports amounted to \$6,138.6 million and total exports \$5,728.6 million, of which \$5,436 million were domestic exports. An adverse balance of trade of \$410 million was recorded for the corresponding period in 1983. The improvement in the balance of visible trade in 1984, compared with 1983, was due to a decline of \$1,552.6 in total imports, whereas total exports decreased by \$526.3 million, the CSO said. The CSO further stated that decreases of \$890.2 million in machinery and transport equipment; \$394.3 million in manufactured goods; \$163.6 million in mineral fuels, lubricants and related materials; \$39.5 million in beverages and tobacco; \$32.6 million in crude materials; \$27.3 million in food and live animals and \$20.5 million in chemicals were mainly responsible for the decline in imports. [Excerpt] [Port of Spain EXPRESS in English 13 Mar 85 p 31]

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