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8 April 1985

Latin America Report

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INTER-AMERICAN AFFAIRS

PERU'S AMBASSADOR TO OAS PRESENTS CREDENTIALS

FL191444 Bridgetown CANA in English 1920 GMT 18 Mar 85

[Text] Washington, 18 March (CANA)--The chairman of the Permanent Council of the Organization of American States (OAS), Ambassador Franklin Baron of Dominica, today accepted the credentials of the new Peruvian ambassador to the hemispheric body, Jorge Guillermo Llosa.

The new ambassador of Peru was most recently his country's ambassador to Belgium, the European Community and Luxembourg. He has also held many diplomatic posts throughout Latin America.

CSO: 3348/489

INTER-AMERICAN AFFAIRS

BRIEFS

ECUADORAN BUSINESSMEN TO VISIT CUBA--A mission of Ecuadoran businessmen will travel to Cuba in mid-March to study the possibility of increasing trade exchanges between the two countries. This report made today in Quito says that Ecuador seeks to sell canned sea products, petroleum, bananas, cacao, and other products to Cuba, while it is interested in buying livestock suitable for the coastal highlands. [Text] [Havana Domestic Service in Spanish 0000 GMT 5 Mar 85]

VENEZUELA SEIZES TRINIDAD-TOBAGO BOAT--Venezuelan patrol boats have seized a U.S. oceanographic and seismographic vessel. The incident occurred in the Gulf of Paria. The vessel was chartered by the Government of Trinidad and Tobago. The seizure of the boat has resulted in an exchange of protest notes between the Governments of Trinidad and Tobago and Venezuela. The foreign minister of Trinidad and Tobago said that the vessel received authorization from the Venezuelan Government to conduct studies in our waters. The incident occurred in the sector known as Roca del Soldado, an area that is claimed by both countries. The Trinidadian and Tobagan foreign minister said that he hopes the ship will be released in the next few hours. [Text] [Caracas Radio Rumbos Network in Spanish 2100 GMT 28 Feb 85]

CSO: 3348/481

ARGENTINA

PUBLIC SURVEY SHOWS PERONIST, RADICAL SUPPORTERS DECLINING

Buenos Aires LA NACION in Spanish 24 Feb 85 p 10

[Text] A report distributed by the Aftalion-Mora and Araujo-Noguera Sociological and Political Study has indicated that the latest measurements of public opinion show declining trends in the number of individuals assuming a position as both Peronists and Radicals.

"In this measurement, the rise in the percentage of undecided was particularly large," stated the report on the poll, which shows two trends considered to be important. "In the first place, the constant decline in the number of persons espousing Justicialism that has occurred in the country during recent years. Secondly, the reduction in the number of those espousing Radicalism that has also taken place during the past 6 months, after a major increase achieved by that party previously."

As a conclusion, the report maintains: "The electoral activity is starting, and a larger number of individuals are available now than there were 6 or 12 months ago."

The report asks: "Will Alfonsinism be capable of absorbing again this growing mass of undecided people, or shall we witness, rather, a profound realignment of the electorate?"

It adds: "The processes of change in the political coalitions that became evident in the elections of 30 October 1983 may not yet have reached a point of equilibrium."

Pacts, Plans and Documents

In a chapter entitled "Pacts, Plans, Documents and Disconcerting Commissions," the report claims that "the picture is quite confusing."

It states: "In mid-February, three instruments (pacts, plans or documents) had already appeared. The 'Olivos pact,' proposed by President Alfonsin, the 'medium-term plan' (or Sourrouille plan, or 5-year plan of the Secretariat of Planning) and the '20-point document' (management-trade union)."

It adds that along "with all this paraphernalia of economic policy commissions or task forces also appeared (and disappeared)."

It notes that the "Olivos pact" has general goals, without specifying to any great extent how to attain them; while the "Sourrouille plan," generally speaking, is the most outstanding and precise from a technical standpoint.

The report remarks: "Both seem to want to give more room to the private sector than to the state sector; but this is not concretely explained in the entire policy line. The ideological origin of its authors lends it an interventionist-planning impression. The '20-point document,' is more liberal from an economic standpoint, and this is important, because it represents a milestone for the trade union movement on its path of dissociation from statism."

The Crisis in Peronism

In a chapter devoted to the crisis in Peronism, the report comments that "it is a prelude to new crises."

It adds: "Peronism is caught in the middle of a dilemma. If it wants to be a democratic party, with all the legal and doctrinal requirements, it loses its essence as a movement, which requires emotional loyalties. As a party, it could not display a well defined, consistent doctrine, and it has sheltered in its midst those from the extreme right (nationalists) to the extreme left (Montoneros). If it wants to continue as a movement, it needs a leader like Peron. Isabel Peron is beginning to die out politically."

The report includes two statistical charts which we are reproducing, showing the politicization of the electorate (Chart I) and the individuals assuming a political position (Chart II).

CUADRO I				
(1) POLITIZACION DEL ELECTORADO				
(% de encuestados)				
(4)	Diciembre 1982 (%)	Septiembre (5) 1983 (%)	Junio (6) 1984 (%)	Diciembre (7) 1984 (%)
Definidos (2)	37	38	37	25
Indecisos Apolíticos (3)	27 36	42 20	45 18	63 12
Total	100	100	100	100

<p align="center">CUADRO II (1) PERSONAS POLITICAMENTE DEFINIDAS (% de encuestados)</p>				
	Diciembre (7) 1982 (%)	Septiembre (8) 1983 (%)	Junio (9) 1984 (%)	Diciembre (10) 1984 (%)
Definidos por: (2)				
Justicialismo (3)	19	16	10	7
Radicalismo (4)	10	16	21	14
Otros partidos: (5)	8	6	6	4
Total definidos (6)	37	38	37	25

Key to Charts:

Chart I

1. Politicization of the Electorate (% of those polled)
2. Decided
3. Undecided, apolitical
4. December 1982
5. September 1983
6. June 1984
7. December 1984

Chart II

- | | |
|--|-------------------|
| 1. Politically Decided Persons (% of those polled) | 7. December 1982 |
| 2. Decided in favor of: | 8. September 1983 |
| 3. Justicialism | 9. June 1984 |
| 4. Radicalism | 10. December 1984 |
| 5. Other parties | |
| 6. Total decided | |

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PI LEADER SAYS IMF ACCORD MUST BE ANNULLED

Buenos Aires LA VOZ in Spanish 9 Feb 85 p 8

[Text] The Intransigent leader, Nestor Vicente, has declared: "There is no better way of defending democracy than by offering responses for the crisis that the country is undergoing": for which purpose he noted that, among other measures, "there is an urgent need to nationalize the banks and foreign trade, to reform the tax system and to redefine the role of the state."

In statements on radio, the former Christian Democratic militant claimed: "We cannot hope to solve our structural problems immediately, but we need to give a response, through concrete measures, to the social and economic crisis, and essentially the crisis of trust and hope that the country is experiencing."

He immediately added that "there is no worse situation than despair, and the people are unwilling to create a 'foolish hope' based only on rhetorical concepts."

He maintained: "The Intransigent Party has proposed the concrete measures that should be implemented, and it will continue to state its ideas in bills, theoretical endeavors and popular mobilizations that will address the crisis."

He then added: "We are proving that changes are not only necessary, but possible, and that the participation and mobilization behind the key ideas of a revolutionary change will be the best defense for democracy and the opportunity that all of us who want liberation may have to reconstruct an area of hope that is not childish but rather mature, because it will be founded upon our own strength, the strength inherent in a participating people."

After stressing the urgent need to "nationalize the banks and foreign trade, to reform the tax system and to redefine the role of the state," he cited his agreement with the trade unionist Victor de Genaro regarding "the trap contained in the nefarious comment 'reducing the state means aggrandizing the nation.'"

In this regard, Vicente explained: "What is all-important is not the size of the state, but rather the role assigned to it in the country's reality. We want an efficient state (he emphasized) but not a disregarding one; rather, a planning state."

He subsequently expressed the view that, "It is essential to denounce and annul the accord with the IMF, and to refuse to negotiate any agreement with this international agency that would entail any conditions imposed on the sovereign development of an economic program for national recovery."

ARGENTINA

ECONOMIST SETTI DETECTS POSITIVE STEPS FOR ECONOMIC RECOVERY

Buenos Aires EL ECONOMISTA in Spanish 15 Feb 85 p 8

[Text] Among the various protagonists in the Argentine political crisis, there are two leaders, UCR [Radical Civic Union] and Justicialism, and between the two of us we have not surmounted the crisis of power per se.

This has never been more obvious than since the document submitted by 10 business entities and the CGT [General Confederation of Labor], as a response to the government's economic plan, in a context that is a corollary of deep-seated disagreements, compounded by the serious problems besetting Justicialism, as well as those of Radicalism, which are still being soft-pedaled, at least publicly.

The document submitted to the government, in addition to some contradictions resulting from the lack of a strong, concerted, political power, greatly resembles the Justicialist proposal submitted before the elections. There are in it clearly marked sectorial sacrifices and calls for solidarity, and recognition of the limitations accompanied by constructive goals such as social justice, productivity, profitability, the labor laws of the last constitutional government, social projects, etc. All of this as part of a picture that more closely resembles a national political plan for greatness than a sectorial demand.

A year and 3 months had to elapse before we Argentines returned to this proposal and that period of time was used only to point out the shortcomings and contradictions of both protagonists in the national drama. Delving deeply into the conflicts of power and for power, we find that UCR arrived in the government covering its historic political design of the dawn of the century with the trappings of the promises that the Justicialists kept 4 decades ago, and that typified Argentine history during that interval. But the survival of both only caused an exacerbation of conflicts which have made the underlying plan futile and have precluded giving in to the temptation of keeping the promises.

So the government, as a result of the renegotiation of the foreign debt, is adopting anti-inflationary monetary and fiscal policies of the conventional type and, since the arrangement, has been told, instructively, that it should negotiate better. Presidential adviser Prebisch, in turn, has proposed these measures accompanied by the wage-earners' sharing in the profits of business

firms. Business owners and workers respond that they want social justice, a decent living, employment, productivity and profitability. All with a likewise educated reminder that the master, Prebisch, in his latest book, proposes the wage-earners' sharing in the profits, as an alternate element to be used when it is considered that the distribution system has reached the maximum extent compatible with productivity and profitability. Today, business owners and workers are telling him that first things come first; let's not talk about the 21st century when we have retrogressed to the 1940's.

Justicialism obviously had this proposal for arrangement better devised but, clearly, it had not solved the conflict over internal power and, if it had won, it might have implemented its socioeconomic proposal quickly at lower cost; but the conflict would have cropped out rapidly, and the crisis that we are currently experiencing, which is one of control of power, might also have made the government's action futile.

The Argentine drama is a common one, wherein we struggle with unresolved conflicts. These conflicts of power which are now, moreover, diminished, should be solved not only in both parties, but also in the entire body of society.

Ten business entities and the CGT have given us an example and clearcut indications of what they want and don't want. Never have the citizens given such clear instructions to their political representatives as they have at present.

It is more difficult for the governing party, because the conflicts of power already in evidence are compounded by the decision in the economic and social area that prompted them to adopt anti-inflationary economic policies of a conventional type; while the social sectors are proposing a structural-type analysis with the anti-ethical features that we have already cited. Added to this is the fact that much of the political plan underlying the Radical proposal is completely incompatible with what was stated in the document on the arrangement and the present difficulties may become evident.

In any event, several positive steps have been taken to resolve the Argentine drama; the conflicts over power are starting to be stated clearly, and this will help to resolve them. Moreover, the dialogue of the deaf typical of recent times has started to be surmounted; business owners and workers have found a common language. It now remains for the politicians to be capable of interpreting it. If we achieve this, we shall have institutionalized the republic.

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8 April 1985

ARGENTINA

BANK REFORM PROPOSAL TO ELIMINATE 800 BRANCHES

Buenos Aires CLARIN in Spanish 21 Feb 85 p 17

[Text] Last night, the vice president of the Central Bank, Leopoldo Portnoy, met with representatives of banking entities to analyze the plan to resize the financial market devised by the experts from the BCRA [Central Bank of the Argentine Republic], which affects approximately 800 banks, 32 percent of the total private banks. The plan was announced by CLARIN last Tuesday.

Copies of the plan had been issued to the entities on Tuesday, and hence those attending the meeting with Portnoy (bankers, financiers, representatives of the cooperative banks and trade union leaders from the industry) noted that they had not had enough time for an analysis, and agreed to hold another meeting next week.

From what was learned from the institution, Portnoy urged the leaders to decide on the plan on that occasion; otherwise, it will be the BCRA itself, the Ministry of Economy and the pertinent agencies that will be responsible for implementing the plan for financial resizing.

The Plan

The BCRA plan (accompanied by a lengthy statistical analysis) notes: "While the country's population has become impoverished, the financial sector has expanded physically (in personnel employed and total number of banks), with its efficiency reduced during the same period." It adds: "Furthermore, and as a result of the country's demonetization, a consequence of inflation, that increased structure has generated a burden on the entire society, which affects the financial costs in an amount of about 24 percent per year, a figure four times higher than that in the countries with stable currency."

It goes on to say: "One of the elements lending inflexibility to the inflationary phenomenon is precisely the cost of the financial sector; indicating the need for the resizing."

According to the features of the plan, action should be taken on two variables: "In the first place (it states) the figures (on the attached tables) indicate the need for reducing the number of institutions (branches) in operation.

Secondly, there is a need to determine indicators on efficiency that will calibrate the operational cost in suitable terms, linking the expenses of such a nature (advertising, agencies and fees) that they exceed the bounds considered normal with the business risk."

As for the type of adjustment, it maintains: "The proportion and size of the financial cost are provided by the salaries and related expenses, which amount to an average of 65.5 percent of the total administrative expenses."

Proposals

The BCRA proposes that, "the reduction in the number of banking establishments of private entities" be a number "no less than 20 percent of the total existing to date," with implementation "to be carried out gradually over a period of 20 months." The percentage is as follows: entities with up to 10 establishments, 10 percent; from 11 to 20 branches, 17 percent; from 21 to 30, 25 percent; from 31 to 40, 34 percent; and over 40 establishments, 44 percent.

It adds: "The 50 percent reduction must take place in the area of the Federal Capital and the districts of Greater Buenos Aires and Mar del Plata, Bahía Blanca, Río Cuarto, Comodoro Rivadavia, Santa Rosa, Greater Mendoza, Neuquén, Rosario and San Lorenzo."

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CSO: 3348/431

8 April 1985

ARGENTINA

ECONOMY MINISTRY SECRETARIATS UNDERGO CHANGES

Buenos Aires CLARIN in Spanish 22 Feb 85 p 12

[Text] At 1800 hours today, President Raul Alfonsin will swear in the new secretaries of the Ministry of Economy, Julio Antonio Mendez (domestic trade) and Adolfo Martin Canitrot (economic coordination).

They, in turn, have appointed the undersecretaries: Jose Luis Machinea, for economic policy; Juan Carlos Torre, for institutional relations; Ricardo Ruben Carciofi, for budget; and Jorge Pablo Gandara, for technical and administrative coordination (who will be directly subordinate to Minister Sourrouille).

New Table of Organization

By virtue of Decree No 359, dated 19 February of this year, a change was made in the Ministry of Economy's table of organization, which will now have 10 state secretariats and 14 undersecretariats, one of which will come directly under the minister. The new structure was set up as follows:

Secretariat of Technical and Administrative Coordination

- I. Secretariat of Economic Coordination; Undersecretariat of Economic Policy; Undersecretariat of Institutional Relations
- II. Secretariat of Finance; Undersecretariat of Tax Policy and Administration; Undersecretariat of Budget
- III. Secretariat of Mining; Undersecretariat of Mining
- IV. Secretariat of Regional Development; Undersecretariat of Regional Development
- V. Secretariat of Domestic Trade; Undersecretariat of Domestic Trade
- VI. Secretariat of Foreign Trade; Undersecretariat of Foreign Trade
- VII. Secretariat of Industry; Undersecretariat of Industry

VIII. Secretariat of Maritime Resources; Undersecretariat of Maritime Resources

IX. Secretariat of Agriculture and Livestock; Undersecretariat of Agriculture;
Undersecretariat of Livestock

X. Secretariat of Cooperative Action; Undersecretariat of Cooperative Action

Both Canitrot and the undersecretaries, Machinea, Torre and Carciofi, have been serving up until now in the Secretariat of Planning, headed by Juan Sourrouille, who took them in after his recent appointment in the economic structure.

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ARGENTINA

AGRICULTURE, LIVESTOCK PRODUCERS RALLY IN BUENOS AIRES

PY132310 Buenos Aires TELAM in Spanish 1648 GMT 13 Mar 85

[Text] Buenos Aires, 13 March (TELAM)--Argentine Rural Confederation President Raul Romero Feris has announced that we, the agricultural and livestock producers who are gathered with our trucks on the northern access roads to the city of Buenos Aires, will not move from this place until (Agriculture and Livestock Secretary Lucio) Reca or the minister (of economy, Juan Sourrouille) come here. Romero Feris made this statement when the motorcade that set out shortly after 1300 from an area close to the Boulogne Park was halted by police forces. Security forces wielding tear gas launchers completely cordoned off the turnpike at its intersection with Bernabe Marquez Avenue while numerous police patrol cars and motorcycles are patrolling the area.

An incident without further developments occurred when the truck that was heading the motorcade, a pick-up truck that was carrying Romero Feris, slightly brushed one of the police motorcycles.

Buenos Aires TELAM in Spanish at 1739 GMT on 13 March in a report connected with this issue adds: "In a communique referred to the truck rally in Plaza de Mayo, which has been scheduled by agriculture and livestock producers, the Interior Ministry this afternoon gave assurances that it will respect the constitutional rights to make petitions and to drive on the city streets. The text of the communique is the following:

"With regard to the march scheduled by the rural organizations for today, a march that will converge all kinds of trucks on Plaza de Mayo, the Interior Ministry states, as usual, that it will respect the constitutional rights to make petitions and to drive on the city streets. Nevertheless, aware of its responsibility, the Interior Ministry must also watch over the order and the tranquility of all the citizens who, in this case, will be upset by the characteristics of the demonstration. Therefore, nothing prevents the claimants from petitioning the authorities to uphold boundaries of restraint and due rights."

CSO: 3348/472

8 April 1985

ARGENTINA

BRIEFS

INDIANS REJECT PC OFFER--Formosa--The aborigine community of the La Primavera settlement north of this capital rejected the cooperation offered by brigade members of the Communist Party who arrived in Formosa to cooperate with the native population. The local chieftain told the visiting delegation that the non-acceptance of assistance was based on the need to preserve the cultural principles of his particular society from elements alien to Argentine thinking as a whole, "inasmuch as we do not need them to come (he said) to make us members in exchange for food, clothing and medicines." Police personnel from the province intervened to draw up a record in which the aforementioned statement is contained, and to preserve public order. The Communist Party brigade members (from one of the three contingents engaged in activity, added to those cooperating in the harvesting of coffee in Nicaragua and in the reconstruction of the areas struck by the earthquake in Mendoza) arrived here on 16 February, numbering approximately 50. Shortly after arriving, they held a public ceremony before which one of the brigade members, with the surname Rinck, was approached by three youths who got out of a vehicle and caused cuts to his face, using a razor blade. [Text] [Buenos Aires LA NACION in Spanish 20 Feb 85 p 5] 2909

BEEF EXPORTS CONTINUE DECLINE--(NA)--Beef exports during February amounted to 19,000 tons, 4,000 tons more than in January but 5,000 tons below the figure for February last year, the Meat Board announced yesterday. A board report said meat exports, including by-products, in February brought in 58 million dollars compared to 54 million in January and a monthly average of 62 million in 1984. The report said the proportion of by-products exports continued increasing and accounted for 50 percent of the total in January-February compared to 46 percent in all of 1984, 33 percent in 1983, and 29 percent in 1982. The United States, the European Economic Community (EEC) and Israel continued as Argentina's main customers with the U.S. importing 87,000 tons of tinned and cooked meat in 1984 of a total of 125,000 tons while the EEC took 20,900 tons. During 1984 the Soviet Union bought 48,900 tons of chilled and frozen meat until it suspended shipments in August while the EEC took 37,400 tons and Israel 12,500 tons, the report said. The report stressed the downward trend of Argentina meat exports, specially to its main customers, and compared figures for 1969 and 1984. It said shipments to the EEC were 410,000 and 57,000 tons respectively, to the United States 150,000 and 87,000 tons and to Israel 23,000 and 12,000 tons. [Text] [Buenos Aires BUENOS AIRES HERALD in English 13 Mar 85 p 3 PY]

ALFONSIN TO VISIT ISRAEL--Last week it was announced officially in the Argentine capital that President Raul Alfonsin is planning to visit Israel this coming June. The Argentine president will arrive in Israel from Geneva, where he will take part in the annual meeting of the ILO. It should be noted that this is the first time a president of Argentina will visit Israel. The newspaper CLARIN emphasizes that, aside from the symbolic aspect of the friendship between the two countries, which was expressed by Israel's military assistance to Argentina during the Falklands war, Argentina is interested in expanding military cooperation with Israel. CLARIN and the weekly LA-SEMANA report that during the visit Israel will be asked to increase its technical assistance to several projects to manufacture weapons in Argentina, as part of the government's desire to become self-sufficient in this area. Possibilities include be noted that both Israel and Argentina regard this visit as more than just a ceremonial visit by a head of state. Alfonsin's government recently refused to permit the PLO to open an office in Buenos Aires. [By Yehuda Tzur] [Text] [Tel Aviv 'AL-HAMISHMAR in Hebrew 24 Feb 85 p 4]

ISRAELI-DESIGNED APC'S--Factories in Argentina have recently begun to manufacture locally the RA'AM APC of Israeli design, according to the Argentine weekly LA-SEMANA. Production is taking place at the Diesel factories owned by the Garfunkel group in Cordoba. Forty of the APC's have already been purchased by the Argentine Border Patrol, and according to reports efforts are underway to sell several of them to Peru. Peru's army is reportedly interested in using them in its war against the underground Sendero Luminoso. [By Yehuda Tzur] [Text] [Tel Aviv 'AL HAMISHMAR in Hebrew 25 Feb 85 p 16]

BANK CLOSURES PLANS CONFIRMED--(NA)--Central Bank Vice Chairman Leopoldo Portnoy yesterday confirmed that the Bank Regulation Account (CRB) would be eliminated by yearend and ratified government plan's to reduce the operating costs of the banking sector by closing down branch offices. Portnoy, testifying before Lower House Budget Committee members, added that "we never said we were going to come out with a decree to close down branches." Portnoy told congressmen that the Central Bank last year ran a deficit equal to 1.3 percent of gross domestic product (GDP) but said 1985 would mean a surplus equivalent to 0.9 percent of GDP. Referring to the CRB--whereby the Central Bank pays private banks the interest on customer deposits--Portnoy said plans have already been made to eliminate use of the account for indexed and dollar-adjusted deposits. He added that its continued use would be limited to regulated interest rate deposits. [Text] [Buenos Aires BUENOS AIRES HERALD in English 13 Mar 85 p 7 PY]

CSO: 3300/19

BAHAMAS

PARTIES TRADE CHARGES AS ROW OVER DRUGS INQUIRY CONTINUES

Bay Street Demonstration

Nassau THE TRIBUNE in English 6 Feb 85 p 1

[Article by Anthony Forbes]

[Excerpts]

WHEN the House broke for lunch today two persons had been arrested by police as hundreds of Free National Movement supporters closed Bay Street to vehicular traffic. However, a human wall of PLP demonstrators prevented opposition supporters from getting near Prime Minister Sir Lynden Pindling as he left the House of Assembly.

Up to the luncheon suspension following the morning session of the debate on the Commission of Inquiry Report in the House, Bay Street was still closed down and opposition supporters told FNM Leader Kendal Isaacs they would stay there until the afternoon session resumed.

One of the two young men arrested by police was photographer Fred Williamson, of the FNM's newspaper, The Torch. Mr Williamson is also an executive of the party's youth arm, the Torchbearers.

The other man was arrested after 1 o'clock this afternoon, about five minutes after the Prime Minister had left the House.

Another young man, wearing an FNM T-shirt, received facial injuries earlier during the demonstration. It is not known how he was injured.

Lawyer Desmond Edwards, an FNM, said that up to 1:40 pm today, police were not allowing Williamson to see his counsel or for counsel to see him.

Supporters of both the PLP and the FNM turned out in large numbers on Bay Street this morning after exhortations from their respective party leaders during well-attended rallies last night.

Thousands crowded the D W Davis auditorium where Prime Minister Sir Lynden Pindling and other speakers urged PLPs to turn out on Bay Street this morning while thousands more attended the FNM's rally on the R M Bailey school grounds to hear their leaders call on them to demonstrate their support for the FNM.

PLP Rally

Nassau THE TRIBUNE in English 7 Feb 85 p 8

[Article by Antony Forbes]

[Text] PLP Chairman Senator Sean McWeeney said Tuesday that he "personally" invited former Tourism Minister Perry Christie and ex-Deputy Prime Minister and Minister of Finance Arthur Hanna to address the party's "Solid as a Rock" rally, but they declined to speak for reasons unknown.

The ruling party's rally on the even of the parliamentary debate on the report of the Commission of Inquiry, was held in the Centreville constituency which is represented by Mr Christie, who was fired on 8 October 1984, the same day Mr Hanna, Ann's Town MP, resigned from the government.

"We happened to be in the Centreville constituency this evening. The member of Parliament for the PLP for Centreville happens to be the Honourable Mr Perry Christie," Mr McWeeney told thousands of PLPs packed inside the Donald Davis Junior High School auditorium and standing around outside.

"I wish to let you know that ten minutes after it was decided to have the meeting of the PLP in the Centreville constituency, the first person I notified, I did not say anybody else now, I personally notified, was Mr Perry Christie," Mr McWeeney said.

"I invited Mr Perry Christie to speak at this meeting and he declined. Those are the facts," he said. "So I don't want any speculation, any unnecessary talk about that."

"The usual courtesies were extended. Now maybe Mr Christie had other things to do tonight. It may be that he has a prior engagement but I don't want to make any unnecessary comment about that," the PLP Chairman said.

"But the point is, people have asked me whether in fact he was invited. I wish to tell you that he was personally invited and he personally declined," he added.

Mr McWeeney also said he extended a "personal invitation" to Mr Hanna, the deputy leader of the PLP.

"And he too personally declined to me personally. He told me this," Mr McWeeney said. "Again it may very well be the Deputy Leader has other engagements, it may be that he has other commitments."

"The point I wish to make I want no stones thrown at either myself or any of my national officers. The point is that the courtesies were extended to the Deputy Leader, to the Member of Parliament for Centreville," he said.

"This is a PLP meeting. They were invited to address a PLP meeting. They declined to address a PLP meeting. And that's all I have to say about that," he added.

The ouster of Mr Christie as a Cabinet Minister by the Prime Minister last year followed an internal crisis within the party that started with the resignation of Mr Hanna for reasons of conscience. Two other ministers, both severely criticized in the Commission of Inquiry Report--Rolleville MP George Smith and St Agnes MP Kendal Nottage—also resigned.

It was reported that Mr Christia, whose law partner and former Cabinet colleague Hubert Ingraham was also fired by the Prime Minister, were to follow Mr Hanna with their resignations, but the Prime Minister pre-empted the move by dismissing them before they had time to act.

Mr Hanna told the PLP convention last October that he had resigned because he felt the government had compromised the party's principles and policies. He said he was faced with a decision between right and wrong.

It was speculated that it was because of this rift that Messrs Christie and Hanna declined to address Tuesday night's rally.

Telling cheering supporters that some PLP's have misunderstood the "play," Mr McWeeney said that the FNM is playing a divide and conquer game on the PLP.

He said that FNM and Official Opposition Leader Kendal Isaacs announced "the other night" that all PLPs are as guilty as everyone else because they support the PLP and the Prime Minister.

"That is a declaration of war on not only the PLP leadership, that is a declaration of war on PLPs period, and whether we like it or not, the point is that this has come down to a contest, a showdown between the PLP and the FNM," he said.

"The FNM understand this. The question is whether all PLPs understand it because I get a faint impression that some PLPs, wittingly or unwittingly, are playing into the hands of the FNM's divide and conquer campaign," the PLP Chairman said.

He said that since he was elected as chairman last October, he has adopted a "tit-for-tat" policy for FNM.

"You will have heard on the air and in the newspapers if they hit us we hit them back because the name of the game of this administration is we are not taking no last," he said.

He said that the FNM sent Arthur Foulkes, Blue Hills MP, and Orville Turquest, Montagu MP, but they were "taped up" and have not been heard of since, but that the FNM has now sent former House Speaker Arlington Butler and George Wilson, head of the Action Group.

Nottage on NPC 'Conspiracy'

Nassau THE TRIBUNE in English 7 Feb 85 pp 1, 7

[Article by Athena Damianos]

[Text]

THE PILOT who flew Larry Pinder to Gorda Cay is connected to a company whose major shareholder is Montagu MP Orville Turnquest, St Agnes MP Kendal Nottage said in the House of Assembly last evening. Mr Pinder was an anti-Government Commission of Inquiry witness.

Mr Nottage noted that Mr Pinder, who acts as a bodyguard for Opposition Leader Kendal Isaacs, was employed by Video Communications of Richmond, Va. Prime Minister Lynden Pindling has tagged Video Communications as a "CIA front."

The former Cabinet Minister spent the whole of yesterday developing his NBC "conspiracy" theme which, he said, involved the FNM, low level US officials, certain Bahamian businessmen, certain Bahamian politicians and "lastly, when the conspiracy really got rolling - even though maybe not a major partner in the first instance - The Tribune decided to become a willing pawn in this game."

Mr Nottage, who the Commission of Inquiry said "fronted" for an American crime figure "whether he knew it or not," described Mr Pinder as a "programmed witness." He said Mr Pinder was instructed to say detrimental things about "Nottage and Pindling."

At one point Mr Pinder failed to show up as a witness at the Commission because he was in Virginia taking instructions from his employee on what to say, Mr Nottage told the House.

"I have his travel arrangements. I have his ticket number. His flight number," he said.

Mr Nottage said that Mr Pinder flew to Miami aboard Eastern flight 824, and then to Washington on Eastern flight 190.

Mr Pinder testified to the Commission that the pilot who flew him to Gorda Cay, which was the base for a drug operation, told him the plane was owned by Kendal Nottage.

Mr Nottage said that the pilot, Tom Rouke, was associated with a US company, North South Distribution which, his investigations show, is connected to Pertino Investments Ltd of the Isle of Wight.

He said that the shareholders are Michael Kennedy, with one share, and Orville Alton Turnquest of Nassau with 1,999 shares.

Mr Nottage said that Project Masters, the US firm that conducted and orchestrated the FNM's 1982 election campaign, was instrumental in establishing Justice International. Justice International was set up on September 1, 1983, - four days before the NBC newscast.

Although Kendal Isaacs and Mr Turnquest said they did not meet with Morgan Cherry of Justice International until after October, 1983 - and the Commission accepted this - Mr Nottage pointed out that the FNM was its only client.

He said this made him believe that "either some angel from heaven or some devil from hell came along to Project Masters and told them to register before October."

Mr Nottage said that either an angel or devil caused Justice International to register as an agent for the FNM before October. He said that Justice International was involved in leaking information from frustrated, low level US officials to NBC.

Earlier in his address, Mr Nottage challenged anyone who could prove - not within reasonable doubt, but who could prove - that either he or his wife, Rubie, fronted for anybody.

8 April 1985

Nottage on Maillises' Role

Nassau THE TRIBUNE in English 8 Feb 85 p 1

[Article by Anthony Forbes]

[Text]

FORMER Youth Minister Kendal Nottage charged Thursday that former PLP Senator Alexander Maillis and his son, lawyer Pericles Maillis were "an integral part" of an international conspiracy against the Prime Minister, the PLP Government and the Bahamian people, which culminated in the NBC report of September 5, 1983.

Continuing his marathon debate on the report of the Commission of Inquiry, which was appointed to investigate the NBC allegations, Mr Nottage said that the Maillises told the Commission "cold, calculated and deliberate lies" on Prime Minister Sir Lynden Pindling, former Deputy Prime Minister Arthur Hanna, Tourism and Foreign Minister Clement Maynard and himself.

According to Mr Nottage, the Maillises had a "classic association" with Frank Barber, a drug smuggler who once operated out of Gorda Cay, Abaco, and the Commissioners were unable to accept that the Maillises were not aware of Barber's illegal activities.

He said that Alexander Maillis comes under the terms of reeference of the Commission, but he did not hear The Tribune and the official opposition Free National Movement say anything "as they are an elaborate part of this conspiracy."

He said he wondered why Pericles Maillis, a former Crown Counsel in the Attorney General's Office, did not tell the police he had a client who was involved with drug trafficking on Gorda Cay.

He said that Commission chief counsel Robert Ellicott, QC, of Australia, dealt with the Maillises as if they were princes while cross examining him (Nottage) for a whole day as to whether he knew fugitive financier Robert Vesco.

Accusing the Maillises of concocting their story with Barber, Mr Nottage said that Mr Ellicott did not check the story, but left it for Mr Hanna to disprove.

He claimed that the Maillises were angry at the Prime Minister and Mr Maynard because of something they were unable to obtain for their second cousin, Thomas Maillis.

Mr Nottage said that it was known to law enforcement officials that Thomas Maillis was involved in drug operations in Grand Bahama and involved with others in a number of drug operations and criminal activities in Freeport, Grand Bahama.

He then read to the House a letter written by Pericles Maillis on February 26, 1980, to the Prime Minister asking him to make an acquaintance with his second cousin who had acquired immense personal knowledge of the international drug trade.

He accused Pericles Maillis of backing a criminal from Grand Bahama to get the Government to give him a break.

He said the FNM and The Tribune owe the country an apology and if they want to stand up and be counted they should make the apology.

He noted that Mr Maillis then wrote two other letters on February 26, 1980 to Mr Maynard, who was then Minister of Home Affairs and to the Commissioner of Police on behalf of his second cousin.

"That's why he don't have any faith in them, because they did not fix up his second cousin," Mr Nottage said, calling Thomas Maillis a "criminal and a drug smuggler."

"It ain't us who are involved in drugs, it's them," he said, referring to the FNM.

Asked by Carmichael MP Frank Watson to call names, Mr Nottage said that he meant members of the FNM who "facilitated and promoted drug smuggling in the Bahamas."

James Knowles, MP for Clarence Town, Long Island, then rose on a point of order and asked Mr Nottage to call the names of the FNM members who are involved in drug trafficking.

Mr Nottage said that there is "clear, pure, unadulterated, unequivocal and unmistakable evidence" which shows that members of the FNM were concerned together with drug smugglers.

At that point, Mr Watson rose again, but the Speaker said that Mr Nottage had made his point Wednesday in his communication and was merely referring again to it.

Then Montagu MP Orville Turnquest asked the Speaker whether he thought the statement made by Mr Nottage was an improper one to be made on the floor of the House because the opposition will have their time to speak.

Mr Nottage said that he did not intend to convey the impression that the opposition were concerned together with drug smugglers in their operations at the time, and was only developing his conspiracy charge against them.

"I don't care whether he withdraws or not, I only want a ruling on whether that is a proper statement," Mr Turnquest said.

House Leader Clement Maynard then rose to say that Mr Nottage had withdrawn his remark.

According to Mr Nottage, the Maillises had a "classic motive" to lie on the Government before the Commission as the Government was immovable in its position that Thomas Maillis had to leave the country as he was undesirable.

He said that the matters involving the Maillises should not have been put before the Commission because it was "purely and simply" to smear the characters of members of Government.

Mafia-Link Charges

Nassau THE TRIBUNE in English 8 Feb 85 pp 1, 4

[Article by Anthony Forbes]

[Excerpts]

OFFICIAL Opposition Chairman Cecil Wallace-Whitfield last night refused to withdraw a statement that money paid to Everette Bannister by Sorkis Webbe - who he said was a higher-placed Mafia figure than Salvatore Caruana - was funnelled into the account of Prime Minister Sir Lynden Pindling.

House Leader Clement Maynard, MP for Yellow Elder, objected to Mr Whitfield's remark calling on the opposition chairman to tell him where the information could be found in the Commission's report. He asked Mr Whitfield to withdraw the statement.

Seconds after Mr Whitfield's refusal, House of Assembly Speaker Sir Clifford Darling suspended the debate on the Commission of Inquiry report for two weeks - to February 20 - with Mr Whitfield, MP for Pine Ridge, Grand Bahama, still on his feet protesting the surprise move.

Mr Whitfield, who followed Mr Isaacs in protesting the long adjournment said that the Opposition had come to the House ready to debate the Commission report.

"When we adjourned," he said, "the Opposition gives notice of our intention to move for the appointment of a select committee because we have some very important things to say, particularly affecting corruption in the government and particularly corruption surrounding the Prime Minister and particularly from the criminal elements from whom monies were funnelled finally into his account." Mr Whitfield referred to "a company with which Mr Bannister had an arrangement with a very highly

placed Mafia figure." Mr Whitfield said the person of whom he spoke was "more highly placed even than the one for whom the member of St Agnes (Kendal Nottage) was, by the verdict of the Commission fronting, Mr Caruana...and that person is Mr Sorkis Webbe."

Mr Maynard, Minister of Tourism and Foreign Affairs, moved for the suspension shortly after former Minister of Youth, Kendal Nottage, ended 13 hours of debate on a resolution to present a "humble address" to the Governor General for appointing the Commission.

Mr Nottage, who dominated the entire two days of debate, told the Speaker that he will continue his address when the House meets again on

After the question had been put to the floor, Mr Isaacs rose to say that Mr Nottage, MP for St Agnes had monopolized the time of the House for two days during debate of such great public importance and still says he has more to say.

"It is almost criminal for the Government to suppose that we should wait for two weeks to continue the debate," Mr Isaacs declared.

He told the House that the Government's action goes to show the insincerity of the resolution moved by Mr Nottage.

Declaring that the two week suspension is unconscionable, Mr Isaacs told members of parliament that he is certain that he spoke not just for his Free National Movement party, but for the majority of Bahamians.

Outside in the street below, scores of FNM supporters waited patiently for their leaders to leave the House.

They were held behind barricades on the north side of Bay Street by scores of uniformed policemen while others surrounded Parliament Square, which was also cordoned off by barricades.

Mr Isaacs told the crowd that FNMs, PLPs, Vanguardians and all Bahamians were waiting for the report of the Commission to be debated by their parliamentary representatives, but Government had suspended the House for two weeks.

He said that there is a strong possibility that the House might be dissolved before February 20 when the next sitting is scheduled but that is what the FNM has long been waiting for.

Mr Whitfield also told the crowd that they had forced the Government into a retreat and that it is likely that the Prime Minister might dissolve parliament and call fresh elections as the FNM has been demanding.

Nottage Attack on Ellicott

Nassau THE TRIBUNE in English 9 Feb 85 pp 1, 13

[Article by Athena Damianos]

[Text]

ST AGNES MP Kendal Nottage accused the chief counsel to the Commission of Inquiry, Robert Ellicott, of trying to "railroad" him in the Steadman Brown incident.

Brown, a Jamaican who is married to a Bahamian with Bahamian children, told the Commission that he helped load 170 pounds of cocaine into Kendal Nottage's car. Mr Brown also testified that Robert Vesco and Colombian drug kingpin Carlos "Joe" Lehder followed Mr Nottage to the Public Analyst's office, where the cocaine was stored, in a separate car.

Mr Brown was deported from the Bahama at the beginning of 1984 for overstaying his Immigration welcome.

"In the Steadman Brown story Mr Ellicott never intended to give me a fair (opportunity) to defend myself," Mr Nottage said.

"As far as I am concerned, he held pertinent information from me and misled the Commission on certain pertinent facts." He implied that Mr Ellicott withheld information to his "peril" so that people would accept "this lying conspiracy."

Mr Nottage said that in order to prepare his defence, the Commission was asked to supply a copy of the full transcript of an interview with Mr Brown, the immigration files on the former public analyst, the late Mehendra Yagnik and Mr Brown, Mr Brown's criminal record in the Bahamas, his criminal record in Jamaica, and a copy of a document concerning him and Dr Williams.

He said the request was made in a letter to the Commission dated January 31, 1984. Patrick Eskine-Lindop, secretary to the Commission, responded to the letter.

Mr Nottage said he was informed that neither Dr Williams nor Steadman Brown had furnished the Commission with signed statements. He was also told that the Commission did not have a copy of Mr Brown's criminal record in the Bahamas.

However, Mr Nottage said that in evidence, Mr Brown was asked if he gave a statement to the Commission's investigative team. He replied that he had given more than one signed statement.

Mr Nottage said that he now has a copy of the statement signed by A Wells of the investigative team and Mr Brown.

"You see the point, Mr Speaker? They lied to me. That's what happened," Mr Nottage said.

He said that when Mr Brown gave the Commission that piece of evidence, the president directed that a copy of the statement be given to Mr Nottage.

Mr Nottage told Parliament that Mr Ellicott "did a railroad job on Kendal Nottage."

"That is why I one have no faith in Mr Ellicott. I ain't speaking for the Government now. Kendal Nottage has no faith in the integrity of Mr Ellicott...and we paid him hundreds of thousands of dollars..."

Mr Nottage said that when taken to the Public Analyst's building Mr Brown was not even able to show the Commission where Mr Yagnik's office was.

He said that one of the Immigration officers who took Mr Brown to the airport from prison last year, Anthony Lewis, gave a statement to the Commission. Upon leaving the prison, Mr Brown saw FNM senator and lawyer Henry Bostwick. According to the

statement, Brown said that Mr Bostwick's wife, Janet, the MP for Yamacraw, was his lawyer.

Mr Lewis said that Brown was bitter about being deported. Mr Nottage said that according to the immigration officer's statement, Brown wanted to give Mrs Bostwick some information for the Commission.

Mr Wallace, who was accompanied by another officer, D Wallace, told Brown they didn't have time to speak to Mrs Bostwick. However, Brown spoke to Mr Bostwick out of earshot of the officers.

According to Mr Nottage, the statement said that Brown asked if he would be able to come back to testify before the Commission. Brown also told the officer that Yagnik's car death was not an accident and that he had been pushing drugs for a Member of Parliament, who he referred to as "blank-blank." Mr Nottage said that Brown was not referring to him.

He side-stepped requests from the Speaker to give him a copy of the statement so he (Speaker) would know who "blank-blank" is. Mr Nottage said he would have to block out the name of the MP if he gave the Speaker a copy of the statement.

He said he didn't believe the story. But, he wanted to know why Mr Ellicott didn't investigate "blank-blank."

Mr Nottage said it was Mr Bostwick who told Brown how to get in touch with the Commission. He said Brown telephoned the Commission and spoke to the junior counsel who, upon hearing the cocaine story exclaimed, "You've got to be crazy!"

Mr Nottage said that Mr Bostwick telephoned Mr Ellicott on telephone no 33998 telling him that Brown had a story to give the Commission.

"I will not sit here and listen to baseless allegations made against Mr Henry Bostwick or myself," Mrs Bostwick said on a point of order.

Mr Nottage said he would prove what he said if pressed.

"I press you. Prove it," shot back Mrs Bostwick.

"I promise Honourable Members that I'll prove it," Mr Nottage responded.

Mr Nottage said that Mr Bostwick telephoned his wife, Rubie, to say he had absolutely nothing to do with the Steadman Brown evidence. He said Mr Bostwick told his wife he (Bostwick) was very sorry for her.

"I think this means, 'Rubie, this low down, no good husband. I'm sorry for you,'" Mr Nottage said.

"That same day in comes Mr Steadman Brown at my wife's law office. He told the receptionist he would like to see Mr Cedric Parker," Mr Nottage said. Mr Parker, a former FNM candidate, is a lawyer in another firm.

"They run him (Brown)," Mr Nottage said.

Shortly afterwards, a photographer arrived at the Nottage law firm, he said.

"The idea was to take a picture of Steadman Brown at my wife's law office, but the photographer came late."

Mr Nottage said the photographer left before it could be learned which newspaper he came from.

He said he reported that matter to Mr Ellicott. He wanted to know why Mr Ellicott didn't allow the immigration officers to testify.

(Tribune editor Eileen Carron said today that if such an incident had ever taken place and if Mr Nottage were really interested in knowing the truth, it would have been very easy for someone from Mr Nottage's office to have checked with the two newspapers to find out which one might have sent a photographer to his office. She said that no one from The Tribune had ever gone on such a mission. She suggested that Mr Nottage should now check with The Guardian editor and if that too fails to supply the answer, then maybe he should inquire of his own party newspaper).

Whitfield: 'Invitation to Revolt'

Nassau THE TRIBUNE in English 9 Feb 85 p 11

[Article by Anthony Forbes]

[Excerpt]

FREE National Movement Chairman Cecil-Wallace Whitfield declared last night that Prime Minister Sir Lynden Pindling is inviting the Bahamian people to "revolt" by insisting on holding office when the convention of the constitution requires him to resign.

He said that Police Commissioner Gerald Bartlett and Attorney General Paul Adderley have a responsibility not only to stop obstruction of traffic, but also to cause the Prime Minister, who has operated in a corrupt situation, to remove himself from office.

Mr Whitfield, a former Cabinet Minister in the early years of the PLP Government, further charged that where the Prime Minister and his Cabinet have allowed a situation of corruption to exist, the churches have a responsibility to condemn it from their pulpits.

Mr Whitfield, MP for Pine Ridge, Grand Bahama, also told hundreds of FNM supporters at a rally at the Southern Recreation Grounds that former Minister of Youth, Sports and Community Affairs Kendal Nottage is not "worthy" of being a Cabinet Minister or representative of the Bahamian people.

He said that the Prime Minister, Sir Lynden Pindling, hand-picked the Commission and when he appeared before the Commission and was asked if he wanted a thorough investigation done, he replied yes.

But Mr Whitfield asked why is it that Mr Nottage, encouraged by the Prime Minister, is today complaining about "their" Commission that "they" appointed and set the terms of reference for.

The FNM Chairman said that for two days Mr Nottage, who resigned from the Cabinet three months before the Commission had concluded that he fronted for fugitive Mafia Salvatore Michael Carauna, was complaining about the findings of the Commission.

More on Nottage Charges

Nassau THE TRIBUNE in English 11 Feb 85 p 4

[Article by Anthony Forbes]

[Text] FORMER Minister of Youth, Sports and Community Affairs Kendal Nottage Wednesday attacked Commission of Inquiry chief counsel Robert Ellicott, QC, of Australia, for conducting a "witch hunt" against the PLP, but failing to probe deeper into the opposition's connection with fugitive financier Robert Vesco and Colombian drug smuggler Carlos "Joe" Lehder.

Leading off the debate in the House of Assembly on the Commission's report, which concluded that "whether he knew it or not," he had "fronted" for Mafia fugitive Salvatore Michael Caruana, the St Agnes MP claimed that Mr Ellicott should have been his lawyer instead of his "prosecutor and persecutor."

According to Mr Nottage, who resigned three months before the Commission delivered its report, Official Opposition Leader Kendal Isaacs once represented Lehder while FNM Treasurer Orville Turnquest, MP for Montagu, once represented Vesco.

Mr Nottage said that one aspect of the NBC report, which led to the appointment of the Commission, which has been established is that Norman's Cay was being used as a drug base to facilitate the trafficking of drugs through the Bahamas destined for the United States since 1979.

Declaring that the NBC report falls to the ground, Mr Nottage added: "There is no real substance to the report except that Norman's Cay was a drug base from early 1979 to September, 1982."

He said that the Commission's terms of reference places some seven categories of persons to be investigated, which included Ministers, MPs, civil servants, persons who offered for political office, holders of political office, those who have held office and holders of office in a political party.

He said that certainly more than the Prime Minister, himself and a few others should have been investigated by the Commission.

He said there is an "overt," very obvious and definite link between Montagu MP Orville Turnquest and Vesco, yet Mr Ellicott did not conduct a deep investigation into Mr Turnquest.

He said that Mr Turnquest and the late Eugene Dupuch, QC, were Vesco lawyers and that he knew why Mr Dupuch could not appear before the Commission, but that Mr Turnquest could not be missed by the Commission.

He said that in a letter on September 11, 1975, to the Immigration Department, Mr Turnquest wrote in glowing terms on behalf of Mr Vesco for permanent residence status.

He said that Mr Dupuch also endorsed Mr Turnquest's letter, and that Mr Turnquest wrote another letter seeking permanent residence for Vesco on September 15, 1978.

He said that at that time Mr Turnquest was on notice that Vesco was accused of an international swindle involving over \$200 million.

He said that the Montagu MP did not believe the accusation against Vesco or he could not have written such a letter to Immigration seeking permanent residence for Vesco in the Bahamas.

He questioned why Mr Turnquest's letters were not put before the Commission by Mr Ellicott and charged that it "looked like a witch hunt on Pindling and Nottage."

He told the House of a company called Harbour Bank Limited, which in 1974 had shares, one each, held by Mr Turnquest, his wife Edith, Mr Dupuch, a F G McCartney, Olga Lolita Roach, Rowena Symonette and Harbour Trust.

He said that in April, 1981, a Mr F G Murray was president and director, Mr Dupuch, a director, and Mr Turnquest secretary and director.

He said that except for the cross-examination of the Prime

Minister, Mr Ellicott made no in depth investigation of Harbour Bank Ltd, which was reputed to be owned by Vesco and his family.

He said that whether it is true or false, Vesco has over and repeatedly been accused and designated by the United States Government as a fugitive from justice in the US.

He said that Vesco is accused of defrauding a group of people in an IOS scheme of over \$200 million.

He said Mr Turnquest obviously would have been a front for a fugitive from justice if he had held shares in trust for Vesco.

He also asked whether a prudent man would not have taken greater care in his dealings with Vesco.

He said Mr Ellicott did not inquire into Mr Turnquest's link with Vesco because he was not a PLP.

"It was a PLP commission investigating the PLP," he added.

He said that the next kingpin in the NBC report was Colombian drug smuggler Joe Lehder.

He said Mr Ellicott had also been given information that Mr Turnquest was given instructions from the Lehder organization over the changing of the law firm, which represented Lehder.

He said that Mr Turnquest seems to have had connections with the "two big boys," but nothing was done by Mr Ellicott.

"So what's the difference between the member for St Agnes and the member for Montagu? He is entitled to no more than me," Mr Nottage said.

He said that Opposition Leader Kendal Isaacs has con-

nections with Lehder, but nothing was asked him about it by Mr Ellicott.

He said that if Mr Ellicott were pursuing Vesco and Lehder and if the Commission had found Norman's Cay to be a base for Lehder's drug smuggling operations, he believes with Mr Ellicott's search of the Registry and the Central Bank he could not have missed Mr Isaacs.

He said that a letter was written on January 10, 1979, by the law firm of Isaacs, Johnson & Co to the Central Bank seeking approval of International Dutch Resources Ltd, owned by Lehder, to purchase most of the land on Norman's Cay.

Mr Nottage noted that Mr Ellicott took his wife, Mrs Ruby Nottage, to pieces for her dealings with Mafia fugitive Salvatore Michael Caruana, yet no in depth investigation was made of Mr Isaacs.

He said that when Mr Isaacs' law firm represented International Dutch Resources Ltd in its acquisition of land on Norman's Cay for \$875,000, it was conveyed by some such 40 conveyances.

He said that the 40-plus conveyances were done that way so that the stamp duty could be reduced as one conveyance would have cost more.

He said that Mr Isaacs' firm represented Lehder when the drug trafficking started on Norman's Cay in 1979.

He questioned whether Mr Isaacs should not have exercised greater prudence as to whether he was facilitating the establishment of a drug base.

He asked how it could be all right for Mr Isaacs and Mr Turnquest, but not all right for him.

Isaacs on Ward, Lehder Links

Nassau THE TRIBUNE in English 11 Feb 85 p 4

[Article by Anthony Forbes]

[Text] FREE National Movement Leader Kendal Isaacs said Friday night that his law firm only set up a company for American Edward Ward and represented Colombian Joe Lehder in his acquisition of land at Norman's Cay.

Mr Isaacs, the Official Opposition Leader and MP for Delaporte, was replying to comparisons drawn by St Agnes MP Kendal Nottage Wednesday and Thursday between his law firm representing Ward and Lehder and Nottage's law firm representing companies owned by fugitive Mafia Salvatore Michael Caruana.

He said that Mr Nottage, "in his nasty little way" tried to "smear" him as having connections with Ward and Lehder.

Telling supporters that it is true that he formed a company for Ward, Mr Isaacs declared: "My firm formed a company for him and before anything else happened he got instructions to take that company to another law firm and that was the end of our association with Mr Ward."

Mr Isaacs said that the matter was brought before the Commission of Inquiry who realized what had happened and decided that nothing was wrong.

He said that his connection with Lehder was just the same, adding that his law firm was hired to represent Lehder and his company in purchasing a piece of land at Norman's Cay.

"We represented that company not knowing Lehder at that time...that was 1979 before he began his operations at Norman's Cay. We represented the company, the conveyance was done and that was the end of our association with Lehder and his company," Mr Isaacs said.

He said that Lehder's company was never registered in his law firm but in a trust company's office.

He said that the Commission looked into the matter and found that there was "nothing culpable, nothing blameworthy about what I had done."

Mr Nottage's remarks came as he dominated two days of debate on the Commission of Inquiry's report charging that the Commission's chief counsel had conducted a witch hunt against him (Nottage) and the Prime Minister, had badgered his wife, Mrs Ruby Nottage, and had not probed deeply into the affairs of the FNM.

Mr Nottage drew comparisons between the legal work done for companies owned by Caruana by his law firm and for companies owned by Mr Isaacs and other FNM leaders and charged that Mr Ellicott used double standards in dealing with them.

Mr Isaacs said that towards the end of his speech, which will be continued when the House meets again on February 20, Mr Nottage tried to give the impression that former Agriculture Minister George Smith was "white as snow" and was innocent.

"Not only did the Commission find George Smith guilty, but they recommended that the matter be looked into by the Attorney General with a view to the Attorney General taking whatever appropriate action he might see fit to take," Mr Isaacs said.

"In other words, in my opinion, the Commission recommended that George Smith should be prosecuted and Nottage has the gall to say there was no evidence of any wrong doing by George Smith!"

Mr Isaacs said the Prime Minister will be hard-pressed to prove that the hard working people of his Kemps Bay constituency in South Andros had contributed \$16,000 to him.

Supposing they had done so, does one think that a man in the process of building a mansion worth several millions of dollars would take \$16,000 from his poor, hard working constituents, Mr Isaacs asked.

He said that another thing that the people cannot forgive

the Prime Minister for is how he handled the \$300,000 given him by the Port Authority for a housing project in South Andros.

He said the Prime Minister had the brass to take \$100,000 of that money, which was placed in a Family Island Development Fund, and spend it on his Lake View mansion.

Mr Isaacs also said that the people of the Bahamas can never forgive the Prime Minister for how he dealt with the sale of the bridge.

First of all said Mr Isaacs, PLP businessman Everette Bannister, a close friend of the Prime Minister, was supposed to have received a "finder's fee" and passed \$334,000 of that to the Prime Minister.

Mr Isaacs said that in his evidence Bannister had told the Commission that he (Bannister) had told the Prime Minister where the money had come from. However, the Prime Minister, in his evidence, had said that he thought it had come from some land transaction.

"Then we have Mr Julian Maynard saying he is the one who had made that finder's fee and he wrote Mr James Crosby a letter saying that no politicians or no office holder in a political party would receive any bit of that finder's fee," he said.

Mr Isaacs said that although Mr Maynard had said he had earned the "finder's fee," for some reason he gave most of it to Bannister, who then passed on over \$300,000 of it to the Prime Minister.

Recently, Mr Isaacs said, evidence coming out of New Jersey said that Mr Maynard had received one million in connection with the transfer of the Paradise Island Bridge.

"Now something must be wrong with that transaction, something has to be wrong. Julian got a million, Bannister got over \$200,000, Pindling got \$334,000," he said.

Mr Isaacs said that the Prime Minister had to make the decision as to whether the bridge could be sold.

He then pointed out that \$181,000 was found in the Prime Minister's account and neither he nor anybody else could say where that money had come from.

Mr Isaacs said that Bishop Drexel Gomez, one of the Commissioners, said in his minority report that he could not say that drug money went into the Prime Minister's account, but from the evidence he could not say that drug money didn't go into the Prime Minister's account.

"And if a man of Pindling's standing is going to accept \$181,000 and not be able to say where it came from that could give rise to all sorts of suspicions," Mr Isaacs said.

"And you, as I said earlier, the people of the Bahamas, are the judges and the jury and you are invited to arrive at a verdict as to where that \$181,000 might have come from."

'Snap'-Elections Warning

Nassau THE TRIBUNE in English 11 Feb 85 p 1

[Article by Anthony Forbes]

[Excerpt]

FREE National Movement Chairman Cecil Wallace-Whitfield told supporters Friday night that he has information that the reason the PLP Government suspended debate on the Commission of Inquiry Report for two weeks is to prevent the House of Assembly from meeting again.

Mr Whitfield appealed to FNM supporters throughout the country to register to vote because Prime Minister Sir Lynden Pindling might dissolve the House of Assembly and call general elections. Mr Whitfield said he would not be shocked or surprised at such a move.

The MP for Pine Ridge, Grand Bahama, also charged that the Prime Minister fears that information will surface during the debate - the first two days of which were totally dominated by Government MP Kendal Nottage - about his personal finances, which Mr Nottage claimed would put his guilt "beyond doubt."

Mr Whitfield's warning of parliament's dissolution and new elections followed a similar statement by Official Opposition Leader Kendal Isaacs in his address to the party's "Rescue The Nation" rally at the

Southern Recreation Grounds that the House might not meet on February 20 as scheduled.

It also came a day after Mr Whitfield had refused in the House to withdraw a statement that money paid to Everette Bannister by Sorkis Webbe - who Mr Whitfield told House members was a higher-placed Mafia figure than Salvatore Caruana - was funnelled into the accounts of the Prime Minister.

"I made a statement on the floor of parliament last evening (February 7) and I was challenged by Mr (Clement) Maynard (House Leader) because I was surprised to hear they were taking a two week adjournment," he said. "I said: 'Good Lord, how could they be doing this to the Bahamian people.'"

FNM Unity Assurances

Nassau THE TRIBUNE in English 13 Feb 85 p 1

[Text]

OFFICIAL Opposition Leader Kendal Isaacs said today that the leadership of the FNM is totally united on the question of demonstrations and regard it as a binding responsibility on the opposition to protest as long as the Prime Minister and the PLP continue to subvert the nation's parliamentary democracy.

Mr Isaacs, MP for Delaporte, also warned the public not to be misled by ZNS Radio and TV-13, which have been converted into propaganda tools of the governing PLP.

The Opposition Leader said he was pleased with the restraint and good judgment of most senior police officers but is dismayed at the behaviour of some policemen who have unnecessarily pounced upon and manhandled some FNMs, but did nothing to restrain and deal with PLP supporters who brutally attacked FNMs.

Mr Isaacs was responding to radio and press reports and statements by PLP propagandists that have promoted a false impression that the party's leadership is divided over the campaign of demonstrations by the FNM against the PLP Government.

Following is the full text of Mr Isaacs' statement:

"Some radio and press reports and statements by PLP propagandists have promoted the false impression that the leadership of the Free National Movement is divided over the campaign of demonstrations now being conducted by our party against the PLP Government.

"The Nassau Guardian on Monday interpreted remarks made by me at a rally at Southern Recreation Grounds last week Friday as my having 'scolded' FNM supporters. ZNS Radio and TV reported that I had 'condemned' our supporters.

"It was never my intention to scold anybody in connection with the demonstrations. As for

the ZNS report, no one in his right mind and no one who is honest could possibly have interpreted my remarks as a condemnation.

"ZNS does not surprise us, of course, because they have consistently maintained a totally biased and antagonist attitude towards the official Opposition. Once again we warn the public not to be misled by the Radio and TV which have been converted into propaganda tools of the governing party.

"The leadership of the FNM is totally united on the question of demonstrations. We regard it as a binding responsibility on the Opposition to continue to demonstrate as long as Prime Minister Sir Lynden Pindling and the PLP continue to subvert our parliamentary democracy.

"It is a time honoured and entrenched convention of parliamentary democracy that any Prime Minister and any government in the circumstances of the PLP Government at this time would step down and give the people the earliest opportunity to issue a new mandate in general elections.

"We feel strongly that the whole history and tradition of our system demands of us that we continue to use every legitimate means of protest as long as Sir Lynden and his Government insist in remaining in power. To do less would be to abandon our duty as the official Opposition and leave the growing anger and discontent in the nation to find expression in more dangerous activity.

"On every occasion I have advised our supporters to be peaceful and disciplined in our demonstrations. In this I have been supported by the Chairman of the party, Mr Cecil V Wallace Whitfield, and all my other parliamentary and executive colleagues. We do this

because we are fully aware that public resentment and anger at the PLP Government's outrages is growing daily.

"For the benefit of those who might be taken in by PLP propaganda, I recall that before they came to power in 1967 they demonstrated vigorously whenever they thought that the Government of that day were being unjust, undemocratic or dishonest. Sir Lynden himself threw the Speaker's mace out of the window and the late Sir Milo Butler followed him with the hour glasses from the Speaker's desk.

"There is always a risk of something going wrong whenever large crowds are assembled but so far we have been pleased with the restraint and good judgment of most senior police officers. We are somewhat dismayed however at the behaviour of some policemen who have unnecessarily pounded upon and manhandled some of our people. We are also disturbed that while they did this they apparently did nothing to restrain and deal with PLP supporters who brutally attacked our people.

"My colleagues and I are grateful to and proud of those of our supporters who have taken the front line in these demonstrations risking abuse and arrest. We stand behind those who have been arrested, unfairly - we believe, and we will give them every support and assistance. In the meantime our struggle to be rid of the PLP Government which has corrupted our institutions and betrayed the Bahamian people will continue."

Vanguard Leader's Statement

Nassau THE TRIBUNE in English 13 Feb 85 pp 1, 16

[Article by Anthony Forbes]

[Text]

VANGUARD Chairman Dr John McCartney said today that the "almost riotous events" outside the House of Assembly last week should signal to the PLP and Prime Minister Sir Lynden Pindling that if he does not resign, trouble is brewing in the country.

Dr McCartney said he personally endorses the politics of confrontation, which the official opposition Free National Movement is practising, but only in the more extreme cases of social and political abuse, a point which he is not sure the Bahamas is at yet.

According to Dr McCartney, Bahamians should freely exercise their constitutional rights to demonstrate, to criticise the Prime Minister and demand that he resign, but must be careful not to let the issue permanently divide the nation into political tribes.

In a statement today, the Vanguard leader commented on the post Commission of Inquiry debate and the politics of confrontation.

He said that the Prime Minister claimed that he could legitimately continue as leader because the PLP's 1984 convention had ratified him as such despite the controversies surrounding him, and it was with this mandate that he prepared for the recent debate on the Commission of Inquiry Report.

"The almost riotous events outside the House of Assembly that accompanied the debate should signal to the PLP and Sir Lynden that if he does not resign trouble is brewing in this country," Dr McCartney said.

Giving the reasons why he felt this way, Dr McCartney said that the Bahamas in the past year has become bitterly divided between the Bahamian majority of all parties that feels that the Prime Minister is too

compromised to be a moral guide and ambassador of decency for the Bahamas, and the majority of PLP party officers who want him to remain Prime Minister regardless of his actions.

"This societal split divides our people in the churches, in the schools, in the workplaces, in the business centres, etc., and is souring relations among our citizens," he said. "For the good of our country this acrimony must be ended, and only Sir Lynden's resignation can erase it."

He noted that a close foreign parallel to the present predicament was the situation in the US from 1973 to August, 1974, when President Richard Nixon was forced to resign for covering up the Watergate break-in.

Dr McCartney, who taught at Purdue University, said that Mr Nixon was removed from office by Congress under pressure from the American people not only because he broke the law, but because the debate about whether he should resign or not was paralysing and bitterly dividing US society.

"Nixon still has supporters and Pindling will always have supporters too, but when a leader's continuation in office threatens to permanently divide and violently split his country, that is a signal of his time to leave. In short, as Nixon went, so should Pindling," Dr McCartney said.

Secondly, the Vanguard leader said, there is the matter of the FNM and the politics of confrontation which it has endorsed.

He said that the Vanguard has always insisted that there are genuine patriots in the opposition party who want to see a better Bahamas within the FNM and that the Vanguard disagrees with them only in

political philosophy "for it is our opinion that despite their genuine motives, their pro-rich economic positions would probably leave the majority of our people even more depressed economically and socially than they are today."

"Personally, I endorse the politics of confrontation which they are now practising, only in the more extreme cases of social and political abuse, and I am not sure that the Bahamas is at that point yet," he said.

He said that the opposition to the Prime Minister, including the FNM, has the moral case for it is hypocritical to expect a citizen to follow the law when he sees such blatant manipulation of it by the rulers.

"The politics of confrontation will intensify in this society as long as Pindling stays, and although we were lucky recently in that no one was seriously hurt in the demonstrations, this luck will not hold forever," he said.

Dr McCartney said that the picture is even more "bleak" when we realise that there are a lot of unemployed and spiritually sick people in our society who are attracted to "action" like a duck is to water and as the confrontation escalates this element will dominate them.

"Hopefully, Sir Lynden and the pro-Pindling segment of party officials will see that the handwriting is on the wall - save our country this nightmare," Dr McCartney said.

Thirdly, he said, the Prime Minister and his supporters should realise the dangers to the Bahamian economy that will result from the political turmoil which his continuation in office will bring.

"For example, the constant acrimony between the various factions, and of the factions with the police, will at one point be communicated to prospective visitors abroad at the time and the visitors will avoid the Bahamas rather than view it as a haven to be embraced which they now do," the Vanguard leader said.

He said that such a development would not only hurt workers in general, but it would especially hurt the straw vendors and hotel workers who are presently the Prime Minister's biggest boosters.

"It goes without saying that business people now in the Bahamas and potential investors are also watching the situation closely, for who will sink money into a country where there is growing social turmoil and where a Prime Minister has lost the respect of the majority of his people?" he asked.

He said that there are always the shady investors who would sink money into a "Nazi concentration camp" if they could rip off the people and pull deals with a country's leaders, but for genuine business people and investors, political stability is a must.

"I feel that in this time of crisis, Bahamians should freely

exercise their constitutional rights to demonstrate, to criticise Sir Lynden, to demand that he resign, but we must also be very careful in our actions," he said.

"We should never lose sight of the fact that we cannot allow the issue of Pindling's resignation to permanently divide us into political tribes, and cause us to wound, victimize and kill each other in the name of that tribe, as is the unfortunate case in our sister country of Jamaica," Dr McCartney warned.

"It is obviously to all but the blind that the Prime Minister is incapable of ever regaining the respect of our people, but the well being of our country really depends on how we the people love and respect, and not on what Pindling (as an individual) does," he said.

"Whatever our feelings about the misconduct of Sir Lynden, we know that we can remove him in 1987 which is only two years away," Dr McCartney said. "Two years is a short time to wait, not only to remove a compromised leader, but to remove him without loss of life, with honour and with the integrity of our people still intact. Let us rise to this challenge."

8 April 1985

PLP Youth Actions

Nassau THE TRIBUNE in English 14 Feb 85 p 1

[Text]

THE YOUNG Liberals, the youth arm of the PLP, said today it totally despises "the despicable attitude" which, it claimed, the FNM demonstrated on Bay Street last Wednesday and Thursday.

"We feel that the resort to violence is not called for in our political system and that the continuation of such actions would lead to the demise of the democratic process which has developed in the Bahamas over the years," a statement issued to the Press today said.

The Liberals made no reference to the Prime Minister's statement this week that the Opposition must decide whether it wants to pull back or "draw blood" (see story this page).

The Liberals felt that "such violence as demonstrated by the FNM will only serve in destruction of the Bahamian society by putting Bahamians against one another." There were no reports of "violence" by the FNM last week although Opposition and PLP demonstrators became involved in confrontations.

The Liberals called upon "all sober minded Bahamians to support us in our call for ceasing of such action" by the FNM.

It urged FNM politicians "who seem to have lost their sense of direction to come forth and desist from their confrontation policy which they have adopted since the last election."

In a statement yesterday FNM Leader Kendal Isaacs said that on every occasion he has advised his supporters to be "peaceful and disciplined" in their demonstrations. In this, he said, he has been supported by party chairman Cecil Wallace-Whitfield.

"There is always a risk of something going wrong whenever large crowds have assembled but so far we have been pleased with the restraint and good judgment of most senior police officers. We are somewhat dismayed, however, at the behaviour of some policemen who have unnecessarily pounded upon and manhandled some of our people. We are also disturbed that while they did this they apparently did nothing to restrain and deal with the PLP supporters who brutally attacked our people."

Mr Isaacs said that the FNM "feel strongly that the whole history and tradition of our system demands of us that we continue to use every legitimate means of protest as long as Sir Lynden and his government insist in remaining in power. To do less would be to abandon our duty as the official Opposition and leave the growing anger and discontent in the nation to find expression in more dangerous activity."

8 April 1985

Pindling 'Blood' Warning

Nassau THE TRIBUNE in English 14 Feb 85 p 1

[Article by Athena Damianos]

[Text]

PRIME Minister Lynden Pindling on Tuesday said that the Opposition must decide whether it is going to pull back or "draw blood."

Sir Lynden, who was addressing a PLP rally at the Poinciana Sporting Arena, repeated his statement before a crowd estimated at between 1,500 and 2,000.

"Now they (FNM) are going to have to decide whether they are going to pull back or whether they are going to draw blood. That is the decision the FNM must now make...whether they are going to pull back, or whether they are going to draw blood. And, that is a fateful position," he said.

Sir Lynden said that the FNM is now "absolutely out of control, lock, stock and barrel." He was referring to demonstrations outside Parliament last week by the FNM's "Action Group."

"The tail is wagging the dog and that is the greatest danger that faces our country today. The tail is wagging the dog."

Sir Lynden said it is true that Opposition leader Kendal Isaacs never lost control of the FNM "because he never had control of his followers last week. And you can't lose what you never

"All they have been doing over the last several months has been inciting people. Inciting people. Putting thoughts in their heads," he said.

"Any man who puts a barrel on the top of a hill and lets that barrel rolls down can't say he didn't know it was going to roll down when he let it go. And if the barrel swerves over to the right or swerves over to the left and runs into somebody, or damages some property, he cannot say he didn't intend it. Because if he didn't intend it, he wouldn't have let the barrel go in the first place. Now he is caught between a rock and a

hard place."

Sir Lynden said that Mr Isaacs was "talking out between both sides of his mouth" when, on the one hand he congratulated the FNM demonstrators and on the other hand said "don't do that again."

He claimed that Mr Isaacs was "scared" of his supporters and "ashamed" of himself.

Sir Lynden then made his remarks that the FNM must decide whether it will pull back or "draw blood."

"Whether Kendal Isaacs realizes it or not, that is the moment of truth for him. It has arrived. And he has allowed it to happen. He has abrogated

his responsibilities as a leader and has allowed the tail to wag the dog," he said.

During the rally, a gospel group from Sir Lynden's Kemp's Bay constituency, the Golden Echoes, sang a song they composed, "On Christ the Solid Rock I stand." The theme of the recent PLP rallies is "Solid as a Rock."

Sir Lynden and Lady Pindling were among several people who locked arms on the stage and swayed to the music.

Sir Lynden said that he heard a thousand PLP voices on Bay Street last week singing "On Christ the Solid Rock I Stand," while the FNM demonstrators jeered.

He said that in any other country in the world, the police would have come out with dogs, guns, water hoses and billies. He said the police stood their ground and did their duty.

Sir Lynden said now that everybody had their warning "everybody now understands exactly what we were talking about."

He made fun of the FNM's predictions of an early election, noting that the FNM has predicted early elections on a number of occasions.

He said that no matter what they do, the FNM cannot match the PLP. He said they tried to "move it, boo it, shove it."

"Tough luck. We got a new phrase for it now. Tough titty. It just couldn't work," the leader of the Bahamas said.

Hanna on PLP Errors

Nassau THE TRIBUNE in English 15 Feb 85 pp 1, 13

[Article by Anthony Forbes]

[Excerpts] DEPUTY Leader and former Deputy Prime Minister Arthur Hanna told a Progressive Liberal Party in-door mass rally at the Poinciana Sporting Arena Tuesday night that when the leaders make mistakes, the organization must correct them so it can become greater and stronger.

Noting that former youth Minister Kendal Nottage had stated earlier that an organization can only have one leader at any one time, Mr Hanna, who resigned on October 8, 1984, because he felt the Government had compromised the party's principles, said it would be foolish for each man to do his own thing.

"We would be foolish because somebody has got to call the shots," Mr Hanna declared to thousands of cheering PLPs. "And I am sure we accept that. We all accept that."

"And if those who call the shots make a mistake, then we as an organization have to correct it. It is easy. We are human beings and as human beings, we correct our mistakes and it makes us greater and stronger," the Deputy Leader said.

"But we in this organization have got an awful responsibility and a great responsibility because the nation looks to us for leadership, it looks to us for guidance," he said.

He said that the PLP has got the political power which the nation has given to it to make sure that the majority of Bahamians get into the mainstream of economic life in the nation.

"The PLP needs to ensure that whatever happens, that the organization itself is totally united," Mr Hanna said. "Now we don't want a small united party, we want a big united party. You see a small united party cannot win, only a big united party can win."

He said that the party "must always ensure" that it is united "and I say that sincerely."

He said that it was not very long ago that the official opposition Free National Movement thought they were on to a good thing.

"But I think one thing they didn't realize was this and that is that the PLP has grown out of the people all these years and if the FNM believes that an organization that grows out of the people does not know how to act in the best interest of a people, then they are indeed wrong," Mr Hanna said.

He said that there is always the danger from outside of dividing the organization and he seeks wherever he goes to impress upon his colleagues not to fall prey to the dangers without and to remember always that they have an awful responsibility to do what is right for the organization.

Isaacs Response to Pindling

Nassau THE TRIBUNE in English 19 Feb 85 pp 1, 12

[Article by Anthony Forbes]

[Excerpts] Official Opposition Leader Kendal Isaacs warned Monday night that the Free National Movement will demonstrate tomorrow outside parliament without drawing "anybody's blood," but will "defend ourselves" if anyone attempts to draw FNM blood.

Addressing a "Rescue The Nation" rally at the Yellow Elder Park, Mr Isaacs told hundreds of supporters that Prime Minister Sir Lynden Pindling "has the gall" to threaten the FNM by warning that the opposition must "draw back or draw blood."

"Well, I don't know whether he means that we should be drawing the blood of the PLPs or whether he and his PLPs are going to attempt to draw our blood," the Delaporte MP and former Attorney General said.

"But be that as it may, we are going to be out there demonstrating and we are going to stand our ground," Mr Isaacs said. "We will not be drawing anybody's blood and we will certainly defend ourselves if anyone attempts to draw our blood."

Reminding the crowd that the Prime Minister stated that in any other country, the dogs and the water hoses would be turned on the FNM, he said the truth of the matter is in any other democratic country that follows the system the Bahamas follows the Prime Minister himself would have been gone a long time ago.

"It is really a shame that this man, having corrupted the country, he is now with his colleagues corrupting the very system of government under which the Bahamas comes," he said.

He said that if someone gave him \$100,000, he would repay that person \$100,000 in kind.

"But in the case of the Prime Minister, if someone gives him as time passes over a million dollars, over \$700,000 from the Port Authority in Grand Bahama, and he does not have to repay that money, then he owes, then if he is not to repay it in kind, then he is going to have to do them some favour because he is in their debt," Mr Isaacs said.

"Now that, ladies and gentlemen, is one of the biggest sins a head of government can commit because as an individual, if I were to accept money from somebody I owe them something, but it will be only I, Kendal Isaacs, who owes them something," he said.

"But when Pindling accepts money all over the place with no intention, either on his side or on the side of the lender, of repaying that debt, it is not only Pindling who owes that lender something. He as head of government representing the nation, he has put the country into that person's debt," he said.

He said that the Prime Minister and the country must not be allowed to forget that out of the \$300,000 out of the Out Island Development Fund given to him by the Port Authority to spend on a housing project in his Kemps Bay constituency, was spent \$100,000 on the Prime Minister's mansion.

He said that if he were Prime Minister and did that, not only would PLPs come after him but everyone would demand that he resign forthwith.

"And I call upon the good people of Kemps Bay and I call upon the good people of all the Bahamas to join with us in demanding that he resign forthwith because he has sullied the good name of the Bahamas, not only as Minister of Finance did he increase the public debt of the country, but he has put us in the debt of private individuals for monies that were not paid into the Treasury but monies that were paid into his pockets in order to build a mansion for himself and for his family," Mr Isaacs said.

Pindling Banking Speculation

Nassau THE TRIBUNE in English 19 Feb 85 p 1

[Article by Anthony Forbes]

[Excerpt]

FREE National Movement Chairman Cecil Wallace-Whitfield charged at a "Rescue The Nation" rally Monday night that Prime Minister Sir Lynden Pindling might be "pretending to be poor," but in fact, might have his bank accounts "secreted away" in European and Central American countries.

The MP for Pine Ridge,

Grand Bahama, told hundreds of supporters at the Yellow Elder Park that it is a plausible inference to draw that the Prime Minister has not produced before the Commission of Inquiry for scrutiny and investigation those bank accounts that may be in Switzerland or Panama.

PLP Decision on Demonstrations

Nassau THE TRIBUNE in English 19 Feb 85 p 1

[Excerpts]

THE PROGRESSIVE Liberal Party has urged its supporters not to demonstrate on Bay Street when Parliament meets tomorrow.

The decision, communicated by party chairman Sean McWeeney late yesterday, is an about face from the party's recent stand when it encouraged supporters to stage a counter-demonstration on Bay Street. The FNM had already announced that their supporters would show up on Bay Street in full force.

One week ago - in a statement that created some concern -

Prime Minister Lynden Pindling said that the FNM has to decide whether it would pull back or "draw blood."

However, Mr McWeeney said that having announced the initiative not to demonstrate, the FNM must be aware that the spotlight will be exclusively upon them.

"There will be no counter demonstrators this time to blame anything on. They (FNM) will be on their own and there can be no excuses this time," he said.

He felt that all right-thinking Bahamians are "quite properly" revolted over this type of "aberrant political conduct."

"Surely, it is a matter of universal acceptance that the throwing of missiles, the arbitrary and wholesale

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jumping of police barricades, the wanton closure of vehicular traffic, the 'rushing after' of Parliamentarians as they make their entrances to and exits from the House of Assembly, the making of inflammatory speeches calculated to ignite passions beyond acceptable limits, and the deliberate provocation of counter-demonstrations into physical confrontation are all alien to the contemporary political experience and at the same time in defiance of the requirements of law, order and public safety which must obtain if the democratic process is to operate effectively for the furtherance of the public good," Mr McWeeney said.

He said that Bahamians have fought too long and too hard for the freedoms and rights which we enjoy today to have them "abused and debased" by "political terrorism."

"It is, therefore, with great interest that we have learned that leaders of the Christian churches in the Bahamas and the Bahamas Christian Council in particular have expressed concern over the escalation in political tensions as exemplified by the events outside the House of Assembly a fortnight ago. Their concern is the concern of Bahamians everywhere and whilst we have had no direct discussion with the Bahamas Christian Council on the matter, we applaud and encourage their interest," Mr McWeeney said.

Whitfield Statement

Nassau THE TRIBUNE in English 19 Feb 85 p 1

[Text]

THE Free National Movement, joined by other citizens 'who wish to see progress without plunder, corruption expelled and jobs restored,' will continue to demonstrate and call for Prime Minister Pindling's resignation.

Making this statement today Cecil Wallace-Whitfield, chairman of the FNM, said that this is the only way that 'we can convince the world that we're not a nation for sale and that Bahamians can and will without corruption move onward, upward and together.'

Mr Whitfield's statement, supported by that of party leader Kendal Isaacs at last night's FNM rally, was in answer to PLP chairman Sean McWeeney's announcement that the PLP had asked their supporters not to demonstrate on Bay Street when the House of Assembly opens tomorrow (see story this page). The FNM leaders declared that their supporters will be on Bay Street.

Said Mr Whitfield:

"Public demonstrations have been a universally accepted tool used in any democratic country

to show its disapproval of a government or its policies. Lynden Pindling and the PLP used this form of protest in the 1960s to stifle the then UBP government and secure the seat of power for the Bahamian majority.

"Sitting down in the middle of Bay Street is not an uncommon occurrence. We make no apologies for demonstrating against Lynden Oscar Pindling and his corrupt government and stress that the only way the FNM will cease demonstrating would be for Pindling to follow commonly accepted conventions which govern our system and resign and call general elections.

"There is a plausible inference from the findings of the Commission of Inquiry that there is corruption generally in the Pindling government. Bishop Drexel Gomez, in his report, has said that he is not satisfied that monies received by Lynden Pindling were not drug related.

"George Smith has been

recommended to the Attorney General for action which we interpret as prosecution. Everette Bannister, a close confidant of Pindling, has also been recommended to the Attorney General because of his association with drug smugglers.

"Kendal Nottage, another one of Pindling's closest friends and a former Cabinet Minister, has been found - 'whether he knew it or not' - to be fronting for Michael Carauna of the Mafia.

"Because of this evidence, Kendal Nottage, George Smith, Andrew 'Dud' Maynard and even Bannister resigned their respective positions in the Government and PLP. The only one who blindly refused to follow accepted convention was Lynden Pindling himself, the very man who chose and appointed every member of the Commission of Inquiry and its chief counsel and hailed it at that time as his 'blue ribbon' Commission of Inquiry.

"It is unconscionable that any man, especially the Prime

Minister of the Bahamas would take \$100,000 from an account intended to benefit underprivileged people in South Andros for use in building a personal mansion for himself.

"Further it is unconscionable for Lynden Pindling to accept \$16,000 from the neglected people of his district and again use this money for the construction of his house.

"On the otherhand, we find it rather curious, that he got Eric Sawyer (former Nassau manager of a Bank of Nova Scotia branch) all the way from Chicago and Rudy Key along with Lester Brown to try and refute Timothy Minnig's evidence, but did not produce one constituent from Kemp's Bay to corroborate his claim of the \$16,000 gift.

"It would be unethical and demeaning for a Prime Minister to go around with hat in hand collecting money from others to feed his egotistical lust for the grandiose which, according to his public declarations, he could not afford.

"A Prime Minister would put himself in a position of compromising his office by borrowing money from a bank, the interest on which is more per month than his salary and other legitimate income.

"If the information gleaned from his financial statements is to be believed, Lynden Pindling is bankrupt. And a bankrupt Prime Minister can be open to bribery and corruption.

"We note that a \$750,000 loan-gift from E P St George and a \$250,000 loan from George Barbar have not been repaid. Surely Mr Pindling would find himself in a difficult position to refuse favours to such generous friends.

"The office of Prime Minister belongs to the people and in our opinion Lynden Oscar Pindling has compromised and tarnished the office.

"If he does not resign forthwith, we must continue demonstrating against him until he does resign. We are convinced that honest, decent citizens do not want Pindling to continue in office and find it utterly amazing that any decent, self respecting PLP would demonstrate in favour of bribery and corruption.

"This is why the PLP has not been able to bring together any large number of dedicated PLPs to demonstrate.

"Gandhi, and more recently Martin Luther King, Jr, saw the wisdom of marching and peacefully demonstrating as a tool people in opposition use to expose oppression and corruption before the court of public opinion and the world.

"The Free National Movement, joined by other citizens who wish to see progress without plunder, corruption expelled and jobs restored, will continue to demonstrate and call for Pindling's resignation and general elections at every opportunity.

"Only then can we convince the world that we're not a nation for sale and that Bahamians can and will without corruption move onward, upward and together."

Nassau THE TRIBUNE in English 21 Feb 85 p 1

[Article by Anthony Forbes]

[Excerpts]

NATIONAL Security Minister Loftus Roker said today that he has heard members of both sides of the House of Assembly justifying one aspect or the other of drug trafficking by saying that the Treasury benefits from the forfeiture of bonds for alleged drug traffickers.

He said that when he put to lawyers on both sides that bail must be such that it ensures that those charged in drug cases return for trial, he was told by the lawyers that the Treasury benefits from the forfeiture of bail bonds of drug traffickers.

"That is how they justify drug trafficking," the Minister of National Security told the House. "It is a sad state of affairs we have come to."

He also said that he heard members say that they have advised their constituents that it is all right to sell drugs to foreigners, but not to Bahamians.

He asked whether it was something leaders should say when the effect of drug usage is the destruction of young people wherever they are.

"Are we saying that we should destroy a whole generation of Americans, who will be the leaders in 10 to 15 years time, but we should not destroy young Bahamians?" the Minister asked.

He said that the Commission Report highlights a problem which will not go away and that the political, civic, church and business leaders have brought the country to this stage.

He said that this was done by their acting as if money were the only thing that is important and as if they did not care where it came from.

He said that he is 100 per cent against the use, sale, trafficking or assisting traffickers in drugs and that most of the drug characters involved in the Commission of Inquiry Report had a base in Andros or the Berry Island.

He named drug traffickers such as Luis "Kojak" Garcia, Harry "The Rock" Hoffman, Griffin and Sonny Wilson who "all had their bases in North Andros or the Berry Islands."

"Not one was able to call my name in connection with any drug matter," Mr Roker told the House. "I tried to get them out of the country and the record will show that."

"As soon as I became aware of what they were doing, I tried to get them out of the Bahamas," he said.

He said that Garcia also offered money to his opponent in North Andros in the last election.

He said that it is significant and reminded the House that evidence to that effect was heard before the Commission and asked why Garcia would want to give money to his opponent.

He said that he would like all leaders to get up and condemn the sale of drugs and the trafficking in drugs through the Bahamas.

He noted that at the FNM "Rescue The Nation" rallies, there is never talk of rescuing the Bahamian people from drugs. He said that leaders are afraid that they will lose support from their followers.

Roker Remarks on Pindling

Nassau THE TRIBUNE in English 22 Feb 85 p 1

[Article by Athena Damianos]

[Excerpts] If Prime Minister Lynden Pindling allows himself to be used again, it will be to his peril, National Security Minister Loftus Roker told Parliament last evening.

Without naming Sir Lynden's good friend Everette Bannister, Mr Roker referred to people who use somebody's name to do business.

He also warned that this generation of politicians will be condemned "forever and ever" if the political system in the Bahamas fails.

"We brought the country to this point. We are the ones who went independent... and we have an obligation to make this thing work. If it fails, there will be no way for us to survive in 100 years," Mr Roker said.

He said that the two major parties, the PLP and the FNM, both must have the will to make the system work.

Mr Roker pointed out that the Bahamas is trying to model its system of government after the Westminster system.

"We'll never get there because some things are never equal. It may be difficult for us to follow exactly, but that is the kind of principles that I set for myself," he said.

Mr Roker went on to refer to a case in Britain where a Home Secretary resigned as a result of a scandal although he had been exonerated of any wrongdoing. He said that some people were prepared to resign although they had been exonerated in order to preserve the system.

Pineridge MP Cecil Wallace-Whitfield pointed out that Prime Minister Lynden Pindling, who was exonerated by two of the three Commission of Inquiry members, was still in office.

"I am not prepared to go that far. I have gone as far as I am prepared to go," Mr Roker said.

He said that "a lot of people" on both sides of the House "would like to get something out of me." He turned around and looked pointedly at the backbench where former Deputy Prime Minister Arthur Hanna was sitting.

Mr Roker said that when people tried to use the Prime Minister's name to their benefit, Sir Lynden should have "stood his ground."

He didn't believe that the Prime Minister was "successful in dealing properly with this" ... "and this is what I blame him for."

Mr Roker felt that there are certain cases when Sir Lynden allowed his friends, "or not friends but associates at the time" to unduly influence him. He said this started in 1967 and some people, including himself, have been fighting it since then.

He said if he was used by someone, he would change his telephone number so they could not call him and he would instruct his secretary to say he was busy whenever the person called.

"That's how we should have dealt with those fellows. Because we didn't do that, we have allowed ourselves to be used and the Prime Minister got caught up in this type of thing." Mr Roker was satisfied that, in a number of cases, Sir Lynden did not know he was being used.

"That is a sad thing and a matter the Prime Minister will have to ensure will never happen again. If he does, then he does it at his peril. We must have learned enough by now to know that the people of this country deserve more..." he said.

He said that the Government has a working majority in the House "and there is absolutely no reason whatsoever to go back to the country at this time."

Mr Roker said that short of the Prime Minister calling a general election, the only other way to achieve this would be through a vote of no confidence.

He pointed out again that general elections would have to be held if the majority of members supported a vote of no confidence.

As a black man, Mr Roker said he is doing his best to see "that whey history records (the performance of) black people," it will be shown that blacks are as capable of dealing with problems as well as or better than any other race.

Mr Roker said that the PLP does not belong to the Prime Minister, or to anyone for that matter. He did not believe a demonstration by him or anybody should cause the Prime Minister to resign. He said there is a "proper way."

Hanna on Commission Report

Nassau THE TRIBUNE in English 22 Feb 85 p 1

[Article by Anthony Forbes]

[Excerpt]

FORMER Deputy Prime Minister Arthur Hanna warned House of Assembly members last night that they should be "careful" not to criticize the Report of the Commission of Inquiry because the country might not get "good men" to serve on a commission in the future.

Mr Hanna said he was "saddened" at the "severe criticism" of senior members of the Police Force and the PLP in

the Report of the Commission of Inquiry which gave the impression that the use of drugs was more widespread than anticipated.

Hanna on 'Lawlessness'

Nassau THE TRIBUNE in English 27 Feb 85 p 1

[Article by Athena Damianos]

[Text] Unless it takes action against those who have brought the Public Disclosure Commission into contempt, the Commission should be abolished, former Deputy Prime Minister Arthur Hanna strongly recommended today.

Mr Hanna, who was addressing Parliament on the debate of the Commission of Inquiry report, said that for more than a year now, almost all activity in the country has creased and the inflow of foreign currency has come to a standstill.

"The facts speak for themselves. I think we all wish it were otherwise. I will say no more on it in the public interest," Mr Hanna said. He said that the situation has occurred because both the Government and Opposition are devoting their full attention to what has transpired from the Commission.

He said the situation could adversely affect the standard of living if it allowed to continue unabated.

He said he was not talking about demonstrations by the Opposition, which has a right to express an opinion.

"But, what's happened to the law? Something seems to have gone wrong with the law."

Mr Hanna said that the two major newspapers in the Bahamas, *The Tribune* and *The Nassau Guardian*, have been openly admonishing that "the chief is a thief." He said that this is not only libel, but in some ways it is criminal libel, "but nothing is happening."

Mr Hanna said there has been no evidence to support that "the chief is a thief," "but they're saying it." He said that FNM supporters are carrying placards proclaiming "the chief is a thief," although they probably couldn't say why he is a thief.

"I hate to say this, but it appears that the Government is powerless to do something about it," he said.

Mr Hanna said that the two daily newspapers publish "the chief is a thief" "every day"... "they know what they're doing."

He said there may be reason why the Attorney General has not acted. He added that there is no evidence suggesting that "the chief is a thief."

He felt that the publishing of such words "is criminal libel for which some action ought to be taken" so that the highest office of the land is not brought into disrepute.

"You see, when the present holder goes, the office will still be there," Mr Hanna said.

"If we can't carry out our responsibilities as parliamentarians, then we really ought to step aside and let those who are

more worthy carry out the noble task of nation representation.

Mr Hanna said that the institution of the Public Disclosure Commission has been brought into disrepute.

He noted that Opposition leader Kendal Isaacs and union leader Leonard Archer had complained to the Commission that Sir Lynden had not fully declared his income and assets in accordance with the Public Disclosure Act. The Commission informed the Attorney General that the complaints were "groundless" on December 31, 1984.

"It is also a fact that the Commission had no members and did not exist at the time the Attorney General replied to the Commission (on January 8, 1985)" asking the Commission to furnish proof that the complaints were groundless, Mr Hanna said. The Commission responded on January 10 that they made a mistake and had meant to say that the complaints were "unsubstantiated."

Under the Act, the matter is only referred to the Attorney General if the complaints are groundless. The inference is that the Attorney General would then review the case for possible prosecution.

"The appointments expired on December 31 and no (new) appointments were made at that time." The 1985 appointments were not made public until January 22.

Mr Hanna said that once the public has lost confidence in the Commission, then the whole purpose of the Commission - to inspire confidence in Members of Parliament - has been lost.

He said that the Commission's findings must therefore be respected no matter how wrong they are seen to be, even by reasonable people. He proposed to respect the Commission's findings because "if we cannot respect them, let us get rid of them because they are no good."

He said if the Commission cleared Sir Lynden of the complaints, "we are duty bound and ought to accept the findings." He said that Members of the Commission are of a high calibre and if they cleared Sir Lynden, they may have had their reasons for doing so.

Mr Hanna said that the Commission's findings have been challenged by political opportunists, the Press and journalists. He claimed that *The Tribune* and *The Guardian* have flouted the law in this regard.

Mr Hanna said that an attempt should be made "to stop this lawlessness" and if nothing is done about it, "the course is clear."

"I recommend strongly right now that unless Government takes some strong steps to (stop this) lawlessness, I recommend the Government considers abolishing the Commission," Mr Hanna said.

He pointed out that when an unsubstantiated complaint is made against a Parliamentarian under the Public Disclosure Act, certain steps may be taken.

"The law is clear...But, certainly I think if we as Parliamentarians challenge that law with impunity and no one seems to have the guts to say it, then I think we ought to abolish it," Mr Hanna said.

"Here! Here!" cried Opposition Members.

"I don't want you to agree with me for that!" a perturbed sounding Mr Hanna replied.

He hastily added that some Members of the Opposition might have different reasons for agreeing with him.

Isaacs Attack on PLP

Nassau THE TRIBUNE in English 27 Feb 85 p 1

[Article by Colon Higgins]

[Excerpt] Opposition Free National Movement (FNM) leader Kendal Isaacs, QC, told supporters last night there has been a rise in crime over the last week or so.

"If we are not careful," he said, "the criminals are going to win the battle and we will not only be at the mercy of a corrupt Government--an incompetent government that doesn't really care about the citizens--but we will be at the mercy of the criminal who will rob and rape and murder at will."

Addressing an enthusiastic crowd of several hundred at the R M Bailey playing field, Mr Isaacs charged that nothing of any consequences is happening in the country "as far as the government and ministries of the government are concerned.

"They are merely spinning their wheels while the country is going slowly but surely straight to hell."

To applause, the party leader continued: "They are concerned with trying to keep Lynden Pindling in office, they are trying to keep themselves in office and while the country burns they are fiddling, doing absolutely nothing for the people of the Bahamas."

Whitfield on Pindling's Status

Nassau THE TRIBUNE in English 28 Feb 85 p 4

[Article by Colin Higgins]

[Excerpt]

PRIME Minister Sir Lynden Pindling has run the ship of state up against a solid rock, National Chairman of the Opposition Free National Movement Cecil Wallace-Whitfield told supporters Tuesday.

"Some of the PLP talk about the convention of the constitution where a prime minister's government is found in a state of corruption, that that does not affect anybody except PLPs," Mr Whitfield - MP for Pine Ridge - told several hundred enthusiastic supporters at the R M Bailey playing field last night.

"Nothing could be further from the truth," he said.

"Lynden Pindling is leader of the PLP and if they want him for their leader that's their business.

"But what concerns us is that he occupies a position that does not belong to the PLP but which belongs to the Bahamian people. And that is the office of Prime Minister.

"And we Bahamians," Mr Whitfield continued, "want our office of Prime Minister untainted. We do not want it in a position where there is this element of corruption and suspicion that is surrounding the office.

"And what we are saying is 'Pindling, for God's sake, for the sake of decency, remove yourself from our office of Prime Minister.

"Stay leader of the PLP if you want to, that's your business, but get out of the office of

Prime Minister in order that our Bahamian people can have a Prime Minister who does not mess up the office so that decent investment can begin to flow in our country again."

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Defense Force Resignation

Nassau THE TRIBUNE in English 26 Feb 85 p 1

[Article by Athena Damianos]

[Excerpt] BAHAMAS Defence Force officers are reportedly up in arms over Friday's "resignation" of Amos Rolle, Senior Commander at the Coral Harbour Base.

Mr Rolle was reportedly pressured into resigning from the Force by the Ministry of National Security. It has been suggested that he "resigned" as a result of evidence surfacing before the Commission of Inquiry. However, no official statement has been made over the matter.

Bahamas Information Services manager Cyril Stevenson said he has been informed that a Press statement will be issued as soon as the matter has been dealt with.

Mr Rolle, who was honoured by the Queen for bravery, has declined to comment on the matter. Commodore Leon Smith, head of the Defence Force, was unavailable for comment today.

An informed source said that Mr Rolle was pressured into "resigning" or "retiring" at the instructions of National Security Minister Loftus Roker, but that the matter is still under investigation. It is understood that Mr Rolle has appealed the matter to the National Security Council, which is headed by Prime Minister Lynden Pindling.

Several Defence Force officers told The Tribune that the majority of officers are

unhappy and angry over Mr Rolle's "resignation." The officers said they heard that Mr Rolle was forced to resign as a result of evidence which arose before the Commission of Inquiry.

"The English are in charge of Coral Harbour (base) again. The top three men are now Englishmen," one of the officers said.

Mr Rolle was deputy commander of the 1979 "Operation Racoon" raid on Norman's Cay. The raid was led by former assistant commissioner of Police Howard Smith.

During the raid, a suitcase containing \$40,000 was removed from a house believed to be occupied by Colombian drug smuggler Carlos "Joe" Lehder.

Lehder opened the suitcase at the airport and counted the money, according to evidence. The suitcase was returned to Lehder on Mr Smith's instructions. The Commission was also told that Lehder was permitted to move about freely during the raid and that he was seen in the presence of Messrs Rolle and Smith on several occasions.

On the other hand, the Commission pointed out, a contractor who was doing legitimate work at the cay, Bruce Francis, was confined to his house for most of the day.

While the Commission found that Mr Rolle at times exhibited "arrogance, hostility and some of his answers appeared to be facetious," it did not recommend that the Attorney General review the evidence of possible prosecution. The Attorney General was recommended to review the evidence relating to Mr Smith's case.

CSO: 3298/438

BAHAMAS

DRUGS TASK FORCE CHIEF SAYS 'NO' TO TRYING POLITICS

Nassau THE TRIBUNE in English 6 Feb 85 pp 1, 7

[Text] DR DAVID Allen, chairman of the national Drug Task Force, announced today that although he had been approached to enter politics, he has declined because he has a commitment to continue in the "fight against drugs."

"I feel personally that my qualifications and energies at this time would be best spent in that direction," Dr Allen said today. "In my role as chairman of the National Drug Task Force and my organization of a number of community outreach projects to confront drug abuse, my analysis is that unless this 'evil' of drug abuse is banished from our midst, we as a people and country would be destroyed. Therefore at this time I am more than fully occupied in fighting on this front."

Dr Allen said that in the past few months "a number of persons from both major parties as well as independent groups have asked" him to consider "declaring as a candidate for a particular constituency."

Because he recognized the "serious crisis" facing the Bahamas, he said, he gave these "discussions agonizing thought and consideration."

"I appreciate," he said, "the confidence expressed in me as a possible candidate. However, at this particular time, I have decided not to enter politics because I feel I have a commitment to continue the work I have started in the fight against drugs. I feel personally that my qualifications and energies at this time would be best spent in that direction."

In last night's Tribune PLP

Chairman Sean McWeene, said that Dr Allen had discussed a possible nomination with the PLP.

As a result of that statement, Dr Allen said that many persons had called him asking for clarification.

Dr Allen challenged each "Tellow Bahamian" to "get out of the sidelines and do something for your country, whether it be overt politics or community service."

Said the psychiatrist: "We must not sleep during this period. Again I say that all one has to do for the country to go to hell...is to do nothing. But it will be our children and the nightmares of history which will finally judge us."

BAHAMAS

DOMINICAN REPUBLIC VESSEL FINED FOR ILLEGAL FISHING

Nassau THE TRIBUNE in English 7 Feb 85 p 7

[Text] THE Captain of a Dominican Republican registered fishing vessel was fined \$700 Monday for fishing in the Bahamas' exclusive fishing zone while his 15-member crew walked out free men after they were cautioned for the offence by acting magistrate Sharon Wilson.

The 16 Dominican Republican fishermen, who were arraigned Thursday, were granted bail to return for trial February 22. But they returned to court Monday to change their plea to guilty.

Charged were Captain El Bertode Leon, 28 and his crew - Luis Anibal de la Cruz, 24; Antonio Concepcion, 24; Napciso Julian Dupan, 19; Benita Figaro Hijo, 49; Demon Antonio de Jesus, 24; Domingo Balbuena, 27; Luis Rodriquez, 58; Domingo Sonche, 34; Peirmundo Perez, 28; Crucido Tejado Samos, 26; Milton de la Cruz, 28; Luis Fermin Sosa, 30; Bernado Alcala, 26; Leocadio Sandoval, 34 and Jose de Castro, 29.

Outlining the facts of the case, prosecutor Insp Richard Gardiner told the court that members of the Bahamas Defence office under the command of Lt Commander B. Lafleur on HMBS Marlin were on routine patrol in the area of Castle Island about 5.45 pm

January 21, when they intercepted the foreign fishing vessel "El Puramia I."

The ship registered in the Dominican Republic was latitude 22 degrees 7' 25 north and longitude 74 degrees 20' 50 west.

Boarding and searching the vessel, the officers found the 16 accused, a large quantity of scale fish, four diving compressors and diving and fishing gear.

Questioned by the officers, the men said that they had just arrived there that morning and had started fishing. They were arrested and brought to Nassau where they were charged with engaging in fishing in the Bahamas' exclusive fishing zone.

Acting magistrate Wilson gave the captain the option of paying a \$700 fine or serving one year in prison and cautioned the crew.

CSO: 3298/442

BAHAMAS

CENTRAL BANK REPORTS ON QUARTERLY ECONOMIC ACTIVITY

FL071402 Bridgetown CANA in English 2140 GMT 6 Mar 85

[Text] Nassau, 6 Mar--The Bahamas experienced a growth in its export and tourist receipts in the third quarter of 1984, according [passage indistinct]. The Central Bank estimated travel expenditure by Bahamians at \$37.6, a rise of \$3.1 million.

Tourist arrivals for the period rose by 3.9 percent to 577,430, significantly lower than the 13.9 percent registered for the same period a year ago. Air arrivals totalled 320,870, an increase of 10.8 percent, with sea arrivals down by 3.7 percent to 256,500.

The bank said that domestic credit fell by 6.2 million dollars or 0.9 percent for the period. This it said is contrasted with an expansion of 17.2 million dollars or 2.6 percent for the same months last year.

Interest rate movements were mixed during the quarter, with the average saving deposit rate unchanged from the previous quarter at 6.71 percent. Interest rates on fixed deposits of three months maturity edged up by four basis points to an average of 7.95 percent.

Foreign reserves fell by 15.2 million dollars or eight percent during the period under review. This compared with a year earlier drop of 15.4 million dollars.

The retail price index for the third quarter rose by 1.4 percent, following a 0.7 percent decline in the second quarter. For the 12 month period ending September, consumer prices increased by 3.7 percent, up slightly from 3.2 percent a year earlier.

Food prices moved up by 2.8 percent, a turnaround from the 4.0 percent decrease posted in the previous quarter. For the year ending September, food prices advanced by 1.6 percent compared with 0.2 percent a year earlier.

The rate of increase in housing costs slowed to 0.5 percent, down from 2.0 percent in the preceding quarter. For the year-on-year period, the rise in housing costs moderated to 4.7 percent from 6.8 percent for the corresponding period in 1983.

Clothing and footwear prices accelerated by 1.1 percent following a decrease of 0.4 percent in the second quarter. On an annual basis, the rise in the index was higher at 6.4 percent, up from 2.3 percent a year ago.

The rate of increase in transport costs declined to 0.4 percent as against a rise of 1.4 percent in the previous quarter. For 12 months ending September, the index increased by 4.6 percent, marginally higher than the 4.4 percent registered a year earlier.

The increase in health and personal care costs for the period under review slowed to 0.3 percent following an increase of 0.7 percent in the second quarter. On a year-on-year basis, the index advanced by 7.6 percent, up from 5.7 percent a year earlier.

Prices for other goods and services moved slightly higher by 3.0 percent, as against 2.7 percent in the second quarter. For the year ending September, this index showed an increase of 6.6 percent, up from 4.6 percent a year ago.

CSO: 3298/442

BAHAMAS

BRIEFS

IADB CREDIT--Washington, Thursday, (CANAL)--The Inter-American Development Bank (IDB) has announced the approval of a US\$200,000 credit to small-scale entrepreneurs, cooperatives and other groups in Cat and Long Islands in the Bahamas. The bank said the finance will be used by the Development Foundation of the Bahamas, a non-profit organisation founded by Bahamian businessmen and civil leaders to make available credits, as well as management and technical assistance, to small producers who lack access to conventional sources of credit. The credits of the foundation will be used to assist the beneficiaries, all of them with income ranging from only US\$107 to US\$200 per year, to expand current operations or start new activities, the IDB said. Credits will be directed towards craft and processing industries related to fishing and agriculture, the two main activities in the islands, as well as services. According to the bank the programme will help increase job opportunities, improve managerial and business efficiency of the small businesses and encourage the formation and development of cooperative groups and associations. The bank said it will also provide a US\$65,000 technical cooperation grant to promote credit use, train loan officers, and assist beneficiaries to plan and manage the resources made available to them. [Text] [Bridgetown BARBADOS ADVOCATE in English 8 Feb 85 p 3]

CSO: 3298/442

BOLIVIA

PCB FIRST SECRETARY SIMON REYES ON POLITICAL CRISIS

Crisis Marked by Tension

Buenos Aires QUE PASA in Spanish 13 Feb 85 p 12

[Telephone interview with Simon Reyes, newly-elected first secretary of the Bolivian Communist Party, leader of the Miners Federation and member of the PCB political committee; date not given]

[Text] Bolivia returned to democracy at the end of 1982 with the Popular Democratic Union (UDP), a center-left coalition made up of the party of President Hernan Siles Suazo, the Nationalist Revolutionary Movement of the Left (MNRI), the Communist Party, Christian Democrats and the Movement of the Revolutionary Left (MIR).

The Andean country, with a population of 6.7 million, is suffering the worst economic crisis in its history, with a rate of inflation that last year climbed as high as 3,550 percent. During the 2 years of democratic government, this resulted in 35 general strikes, with massive participation of the workers.

The political crisis is equally grave. The UDP government coalition has fallen apart and the Cabinet has gradually been abandoned by ministers from the Christian Democratic Party, the MIR and the Communist Party. The PCB concluded that it could not continue in a government that had moved away from the anti-imperialist program and stated that it was doing so in order to strengthen the original political purpose, backing the regrouping of people's forces in order to defend the democracy from repeated threats of a coup. Likewise, President Siles Suazo moved up the general elections to 16 July, yielding to pressures from the right and with the support of the Catholic Church, businessmen and the American Embassy.

QUE PASA talked by phone with Simon Reyes, leader of the Miners Federation and a member of the PCB political committee. The PCB is the main force in the country from the standpoint of labor.

[Question] Could you explain the political and economic crisis your country is going through?

[Answer] The situation is very tense because, as you know, the government has moved up the elections. Actually, this has been the result of pressure from the right. In our opinion, the right is not only playing with the election process, but also a coup. Last week, for example, General Arias, former commanding officer of the army, issued a totally subversive proclamation calling on his comrades in arms to rise up. This is a situation that has us very worried.

[Question] What has the PCB's position been on this problem?

[Answer] At the last plenary meeting held 10 days ago, an urgent appeal was made to confront those pushing a coup, rallying all democratic forces in order to fight them, either in the elections or in the event of a coup. The discussion is underway, but unity has still not come about.

[Question] The tremendous economic crisis helps the work of the right.

[Answer] The right is undeniably putting pressure by means of the acute economic crisis suffered by our country and that cannot be checked by the UDP government. It is a crisis made worse by a series of factors and in which private banks and speculation on the black market for the dollar play an important role. For example, the American dollar is worth over 100,000 Bolivian pesos and this causes the cost of living to rise constantly. This is leading the workers to despair.

[Question] How much is the minimum wage?

[Answer] About 930,000 pesos, but nearly everyone earns over 1 million pesos. If you compare it with the black market dollar, the wage is around \$10, \$12 or \$13 a month. Naturally, this is not the only problem. Mining production, which is the main export sector, dropped in 1984 and this is due to the fact that during the dictatorships, spare parts were not bought for the machinery. Oil production has also dropped and there are also natural factors, such as the drought and the floods, which caused a 25-percent drop in farm production. As you can see, all this combines to produce a truly grave picture.

[Question] What effect does the foreign debt have on this picture?

[Answer] The foreign debt has a tremendous effect. We owe over \$4 billion and we communists have proposed suspending payment of the debt temporarily. We are in fact not paying because the country cannot.

[Question] With this situation, would a coup be inevitable?

[Answer] The political environment is very tense. The economic crisis creates confusion among the people. These would be the objective factors, but at the same time, there is no consensus among the armed forces. The commander in chief, Gen Simon Cejas, the commanding officer of the army and the air force and navy are military men who today identify with an attitude of respect for

the constitutional government and the democratic process. This is an important factor in favor of democracy. Whatever the case, we cannot say that the possibility of a coup has been ruled out.

[Question] If there is a coup, how would the Bolivian Labor Federation (COB) react?

[Answer] We prefer to deter those behind a coup by demonstrating a strong political and social force, rather than seek confrontation. We are convinced that the leftist and democratic forces, united in a coalition, can impede the return of the right to power. That is the central task today in Bolivia for communists and the entire people's movement.

Class Alliance

La Paz HOY in Spanish 16 Feb 85 p 4

[Text] In the face of the power-seeking motives of the pro-imperialist oligarchy and the marginal venturesome left, democratic and revolutionary forces are called upon to form a class alliance such as that expressed in the Democratic and Popular Unity, in order to defeat them in the struggle, claims the first secretary of the Communist Party of Bolivia, Simon Reyes Rivera.

At the close of the Fifth Congress of the PCB, which "arrived at united, homogeneous results," Reyes said that one of the fundamental tasks is the restoration of a class alliance with its political expressions, in order to guarantee the existence of an instrument that will stand up to the right in any sphere.

Communists are seeking a driving force, based on the working class, the peasants, the middle class, small merchants and even members of the bourgeoisie, along with patriotic sectors of the armed forces and the Catholic Church in order to make up a front such as the UDP that will defeat the power-seeking aims of the fascist right.

He said that the Nationalist Democratic Action (ADN), headed by the country's former dictator, Hugo Banzer Suarez, and the MNRH [Historic Nationalist Revolutionary Movement] of Paz Estenssoro, are playing with two aces: the democratic process and a coup.

In order to face up to this alternative, the PCB has begun talks with leftist forces in order to shape a political instrument constituting the vanguard of the Bolivian people and preventing the country from falling into the hands of fascism once again.

Reyes Rivera summarized the Fifth Congress of his party, held in La Paz between 9 and 13 of this month, with the attendance of 577 delegates from all sectors of the country and many preeminent labor leaders.

He said that the meeting was a victory for communists because they concluded their congress united behind a political line and their principles.

"Our party is more united, stronger, more ready to fight. But this is not by accident. Rather, it is the result of something natural that we communists have: We are united by a single objective, the invariable definitive interest of the working class in our nation," he said.

Although there are sectors that doubt the patriotism of communists, "we say that without ceasing to talk about the fight of peoples on the continent, of the international working class, we are patriots because we have fought for 35 years to free our country from the oppressive yoke of the monopolies of American imperialism."

He added that at the congress, there were differences regarding how best to achieve the strategic objectives set forth in the party's programmatic line.

He also said that no one can deny the contribution of communists in the resistance to dictatorships. "Hundreds of comrades have been tortured, jailed and exiled. That is the path of communists."

The reality we see every day in the factories, the mines and the fields, "that reality is one of oppression, exploitation in a dependent, backward country for which the oligarchic groups that took power beginning in 1971 are responsible."

The banks, business and medium-size mines have their political expressions, the servants of imperialism and the transnationals, instruments that make foreign or imperialist oppression possible, he said.

These guidelines are those that led to the formation of a driving force in order to defeat the economic and political entities of 10 October 1982.

The will of the people caused us to form a government, whence the beginning of a new and important phase for the PCB, which faces great difficulties and problems, he said.

Consequently, a critical and self-critical analysis was made at the congress, reaching the conclusion that the application of the line was inscribed in the programmatic bases of the UDP. That line was not followed. "Our party, our leaders, did not apply the UDP program with the necessary firmness in the government."

Consequently, conventional economic measures were applied that did not solve the crisis, although we did propose to halt the crisis. "Everyone knows that we did not succeed," he said.

"The participation of the PCB in the government was discussed with the greatest responsibility and we can say here that we communists were also mistaken in many of our actions in the government."

"We can say that the path we adopted was correct: the class alliance expressed in the UDP, because it culminated in the government and that instrument is valid -- that is, the class front and the class alliance.

"It is now fitting to restore the alliance with all the sectors involved in the fight for liberation of the country.

"The armed forces, in their democratic and patriotic expressions that confront the reactionary fascist sectors, must be protagonists in the struggle.

"A large part of the Catholic Church that came alongside the people and took up their common cause must also form the alliance. With them, we believe because of our common interests that we can make progress on the problems afflicting us on earth."

He added that the base of the PCB in the workers movement signifies that no sector or political force can do without the opinion of communists.

In the immediate past, we have fought in the trade union movement to fuse the interests of the working class and our people with the democratic government. We now seek to avoid the breakdown that would facilitate the return of the dictatorship, he said.

We are outside the government for publicly stated reasons, but we continue in the same line of defense of the economic and social interests of the workers, their political interests and the objectives of the working class and the trade union movement.

"That is why we oppose the adventures of the extreme left and all those movements or factions that might deviate from the trade union leadership and help or serve as a cover for the subversive action of the right," he said.

11,464

CSO: 3348/433

BRAZIL

POSSIBILITY OF SARNEY AS PRESIDENT VIEWED

PY210408 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 85 p 6

[By GF, special correspondent to Brasilia]

[Text] The leaders of the principal political forces in Congress -- the Brazilian Democratic Mobilization Party [PMDB], the Social Democratic Party [PDS], and the Liberal Front Party [PFL] -- although they have declined to comment directly on the possibility that President-elect Tancredo Neves may not be able to assume the presidency, they are already thinking of this possibility and agree on one point: Jose Sarney must definitely assume the presidency of the Republic, and future disagreements will begin from that point.

PDS Senate leader Murilo Badaro has stated that he is not even thinking of the possibility of Tancredo Neves not assuming power. But should it happen, he said that "the little book (the Constitution) must be our basic reference," trying to express in this way his party's support of the confirmation of Jose Sarney, the vice president, as president of the Republic for a full term.

The PDS position is that Sarney must remain in the presidency and the rest should be discussed after that. The PDS leader in the Chamber of Deputies, Prisco Viana, yesterday held a meeting with all deputy leaders to prepare a uniform guideline: to respect the Constitution and "avoid participating in speculation and not give room for rumors on illegal solutions that are in no one's interest."

The scope of the military's involvement in politics in acting, within the PMDB, as a dissuasive force against possible temptations to step over President Sarney. Some congressmen deny that the party has held meetings to consider what to do in case Neves becomes incapable of assuming power, but many admit that they have talked informally with their colleagues. Flavio Bierrembach, for instance, who for a long time had led the group for direct elections and only after a tremendous effort was persuaded to accept Sarney as Neves' vice president, is now showing signs of accepting the real political situation. He has said: "We are going to stay with Jose Sarney. Any solution outside this is a coup, and on the other side there are those who know how to make coups better than us."

Bierrembach stated that this is the prevailing position within the PMDB bloc, and he made a revealing remark: "Respect the Constitution and negotiate an institutional solution." That is: The PMDB respects Sarney for his discreet position under the circumstances in which he assumed the presidency but is refusing to give him carte blanche. "To negotiate an institutional solution" means, in practice, leaving up for discussion the term of the current president. The PMDB leaders feel that the future of the Democratic Alliance, that is, of Sarney's political base, depends on how this point is decided.

In addition, all agree on another point: the legal issue has been solved (Sarney remains, in accordance with the Constitution), but the political issue remains open, namely because Sarney's capacity to create a popular base is questionable. Some congressmen have recalled that Sarney's name was booed by the people outside the congressional palace when the loudspeakers announced that he was taking the oath.

All party leaders also agree that the transitory situation created by Neves' illness cannot be turned into a "permanent transitory situation," because it would be politically unbearable.

2859

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CHILE

LABOR MINISTER AFFIRMS RIGHT TO UNIONIZE

Santiago EL MERCURIO in Spanish 21 Feb 85 p C-1

[Text] Yesterday, the minister of labor, Alfonso Marquez de la Plata, declared the workers' complete entitlement to organize into unions, noting that the latest amendment of Decree Law No 2,200 very clearly stipulates that there may be no discrimination against unionized individuals.

He made this statement after a meeting with the interior minister, Ricardo García Rodríguez, an occasion on which he expressed the government's desire to listen to all the workers' representatives, in order to provide a solution to their concerns.

Marquez de la Plata commented, remarking that the interior minister is greatly interested in the cabinet's coordination in all matters relating to the different ministries. He said that they had discussed the activity of the labor ministry, the contacts with the workers and also labor and social security matters which are being studied and which will be the object of a bill.

Regarding the recent meeting held by Minister Garcia with 60 union leaders, Marquez de la Plata said that they had analyzed the problems brought up by the latter.

As for the claim that the mining companies are giving work to private contractors, the minister said that the leaders have been asked to cite specific instances so that they might be sent to the respective business firms.

Marquez de la Plata observed: "We are listening to all the workers' representatives and we have sought solutions to specific issues that they have posed to us."

In response to a question about concerns raised by the maritime sector, Marquez de la Plata said: "With respect to the port issue, we have received instructions from the president of the republic to study certain changes in the pertinent law; and we have also held negotiations and conversed with the business owners. One positive thing is the hiring by one company of 280 workers on a permanent basis."

Finally, when asked whether the changes proposed by the leaders would be included in any laws, he remarked: "The other day Federico Mujica came to see me, in order to bring up a problem that was immediately turned over to the Superintendency of Social Security."

He noted: "It involves individuals who have reached the age of retirement and who, since they are unemployed, cannot retire; something which is a critical situation that must be resolved."

2909

CSO: 3348/430

CHILE

GOVERNMENT TO FIGHT UNEMPLOYMENT ON TWO FRONTS

Santiago EL MERCURIO in Spanish 21 Feb 85 pp C-1, C-4

[Text] The state will appropriate 30 billion pesos to implement the special employment programs this year, which will make it possible to provide a source of work to nearly 400,000 people.

This was announced to EL MERCURIO by Col Atiliano Jara, who chairs the National Executive Secretariat of Employment, which was recently transferred to the Undersecretariat of Regional and Administrative Development that comes under the Ministry of Interior.

He explained that those programs would continue, because the conditions in the country so warrant, commenting: "They must go on to ease the social effects of unemployment, albeit partially."

He added that there would thereby be an attempt to resolve the social repercussions of unemployment, and that this criterion is closely linked to the 3-year program.

He described the importance of maintaining and increasing the special programs, giving a reminder that the creation of 35,000 jobs in the country represents one point less in the national unemployment rate.

The official noted that, in 1985, unemployment would be combated basically through two mechanisms: autonomous employment, consisting of those jobs generated by public and private sectors; and the special plans to absorb unemployment, included among which are the PEM [Minimum Employment Plan] and the POJH [Employment for Heads of Household Program].

With regard to the special programs, Colonel Jara said that, this year, a total of 11 would be put into effect, including the PEM and POJH; and that a plan on the national level for professionals would be called for, as well as one in the sectors of health, education, forestry, irrigation, gold mining, intensive labor projects and others.

He also remarked that an analysis is being made of the feasibility of hiring those affiliated with the PEM and POJH who, nevertheless, perform essential functions in municipalities, intendancies and public services, and back up the volunteer work.

As he explained, it is planned to give greater stability to those individuals who number approximately 50,000, by hiring them for half a day or for a number of hours. He also announced that, this year, it will be possible to hire about 50 percent of the total, and hence the measure will benefit approximately 25,000 persons.

Productive Initiatives

When asked about the general guidelines that will define the employment policy to be applied this year, the official said that all the activities called for have been included in a 1985 plan of action, which copes with the unemployment on the regional level and which is the guide for the work that will be carried out.

As he commented, these goals which must be fulfilled by the various sectors are consistent and, at the present time, they are being submitted for President Pinochet's approval.

As for the specific principles that will guide the plans to be implemented, he said: "In the first place, the projects and programs will be geared toward productive initiatives that will generate autonomous employment within the shortest period of time."

He also underscored the role played in the battle against unemployment by the private sector, indicating that there will be a heightening of that sector's relations with the public sector.

He also cited the need for changing the capital-labor relationship insofar as possible. In this connection, he emphasized that there is a need, insofar as it is logical, to use all machinery to a minimal degree, in order to provide more opportunities for the human resources.

Mini-Businesses

Among the major projects to be carried out in conjunction with the private sector, the national executive secretary of employment stressed the creation of mini-businesses, in which the municipalities will also have active participation.

He said that the idea consists of changing the POJH plans into autonomous jobs, by means of mini-businesses in such areas as the manufacture of furniture, footwear, plastics, containers, arts and crafts and textiles; and that they might also be the starting point for the generation of new productive entities.

The official observed that the program calls for a pilot plan in the communities of Renca, Conchalí and San Miguel, which will train 600 persons, with the cooperation of the Production Development Corporation (CORFO), the Technical Cooperation Service and the National Training Service (SENCE).

He stressed that a preliminary portion is already in effect, while the complete initiative will be starting in March.

He emphasized that, in 1985, it would be possible to repeat the experiment in other Santiago communities, which have not yet been decided upon; and that, in 1986, the coverage of the idea will be on the national level, including the capitals of regions and provinces.

He commented: "During 1986, we shall have about 20,000 individuals engaged in mini-businesses, throughout the entire country."

40 Projects

The projects planned for this year by the National Executive Secretariat of Employment, in conjunction with the private sector, number over 40 different initiatives.

One of the most important is the plan to be implemented with the Lumber Corporation (CORMA), consisting of the pruning and thinning of insigne pine, between the Fifth and Tenth Regions, covering over 100,000 hectares. This will mean employment for about 8,000 persons, on a permanent basis. The project will go into effect on 1 April of this year.

The official also mentioned the need for the Law on Promotion of Irrigation, which will make it possible to carry out small irrigation projects handled by private entities, by means of a 75 percent work bonus, based on a project that is in the legislative branch for analysis.

With this body of laws, he stressed, it will be possible to generate nearly 100,000 jobs.

2909

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8 April 1985

CHILE

ANTARCTIC ISLAND MULTINATIONAL OCCUPATION SEEN AS TROUBLESOME

Santiago LA TERCERA DE LA HORA in Spanish 25 Feb 85 p 2

[Article by Oscar Pinochet de la Barra: "King George Island: Antarctic Capital of Chile?"]

[Text] Despite its size, Chile is an Antarctic power. Geography and history have so willed it. One's imagination goes wild in Antarctica. The first bank branch on the icy continent -- 14 million square kilometers! -- confirms this. Good for the Credit and Investment Bank!

As a result, King George Island, of the South Shetland Islands 500 miles beyond Cape Horn and the now "exclusive economic zone" of Argentina, is establishing its status as the Antarctic capital of Chile.

I would go even further. It is becoming the capital of half of the continent, of the so-called Western Antarctic. Since 7 March 1969, the date on which President Eduardo Frei officially opened the meteorological center bearing his name, and until today, five other members of the Antarctic Treaty have built on the island, to wit: the Soviet Union, Poland, Argentina, Brazil and now the People's Republic of China. For later on, Uruguay and possibly Peru and Spain are announcing their bases.

It will be the most representative point of occupation of the entire Antarctic Continent, under the reign of the 1959 Treaty and all the provisions emerging over two and a half decades, now known as the Antarctic system.

It is a good thing that the countries interested in the continent and its scientific, economic and political future go in through the front door, meaning as members of the treaty and later, as stated in Article 9, earning the right to be active or consulting members through an expedition or the establishment of a scientific station. Theoretically speaking, the polar continent could in the future host bases hoisting all national flags.

The treaty encourages occupation, but I see no special advantage for Chile to encourage occupation of King George Island. Totalling 70 kilometers long and from 15 to 20 wide, it has few suitable sites for permanent human residence. Chile clearly chose the best, on the Strait of Fildes, at the very door to Drake's Sea, in the only place fitting for a landing strip.

The presence of Brazil and Argentina is fine. After all, the island is in the "American security zone" and has been since the 1947 Rio de Janeiro Conference. But what about the other countries? Above all, why should the People's Republic of China now be on that island? Would it not have been more logical for Beijing to install its \$38-million base -- more than Chile's Antarctic budget for several years -- with the help of its 500 men, on the longitude leading to the South Pacific, on Tierra Marie Byrd, for example?

It may be that the Chinese like us. Whatever the case, I remember that Chile was the first country to give them technical aid to come to Antarctica a few years ago. Now, when they visited Santiago, they were received by high officials and they, in a mannerly gesture, expressed special thanks for "Chile's support" in setting up a base on the Chilean island which, as they said in Beijing, "is south of the Argentine Republic." One can see that they are already familiar with the Chilean-Argentine Treaty of Peace and Friendship.

Naturally, the Antarctic Treaty preserves the sovereignty of Chile and will do so as long as it exists. That is why we do not want the treaty to be revised or "renovated," to quote the phrase used at the reception for the Chinese delegation. On that occasion, reference was also made to a future "decision on the boundaries of each country." I do not understand exactly what they meant, but I think that if it was impossible before to set limits on the superposed sectors of Chile, Argentina and Great Britain, then in the future it would be an impossible problem to divide King George Island among the six current occupiers: Chile, Argentina, the Soviet Union, Poland, Brazil and China, all of which now apply their own laws on their bases for all their occupants. Let us hope that the multinational saturation of the island does not in the future cause difficulties for the resident Chilean authorities.

11,464

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8 April 1985

CHILE

PUNTA ARENAS PORT CONSTRUCTION REQUESTED

Santiago EL MERCURIO in Spanish 28 Feb 85 p A-3

[Text] Becoming a port will be one of the requests to be formulated by Punta Arenas citizens and submitted to the president of the republic when he temporarily establishes his seat of government in the 12th region. The port problem has been poorly appreciated on many occasions. Some have suggested that it is a small investment that could be borne by a group of merchants. Others have confused it with the customs free zone. Authorities of the 12th region have apparently now undertaken to present the problem in its real magnitude.

A port was once basically a pier at which the boats carrying passengers and goods from larger vessels, most of them sailboats anchoring in the bay, docked. With the coming of the steamship, making docking maneuvers feasible, some began to receive their freight directly from the merchant ship, but in general, they were too small and the era of artificial ports began. Valparaiso was the first in Chile. In addition, moving from north to south, one finds the commercial ports of Arica, Iquique, Antofagasta, Coquimbo, San Antonio, Talcahuano-San Vicente and Puerto Montt. In the meantime, Punta Arenas has continued with a pier with poor docking capacity and a shallow channel inadequate to receive containerized cargo.

Patagonia, south of parallel 42 south, is a region somewhat cut off from the economic centers of Buenos Aires and Santiago. On the Pacific, where the coastal range becomes the archipelago of islands making up western Patagonia, there are countless fine bays, unfortunately without any expeditious communication with Transandean Patagonia. On the Atlantic, the ports are very shallow, preventing access of even medium-size ships. Punta Arenas is the precise location for construction of a port serving all of Patagonia, both in Chile and Argentina. It is therefore necessary to solve the conflict in the south. Next, both sides must avoid any manifestation of improper nationalism, such as the ban on working Argentine cattle in Chilean territory, ordered under Peron and causing the closing of the Punta Arenas slaughterhouses. Nor must there be any conduct that might hinder the transport of Argentine goods from its continental territory to Tierra del Fuego, using ferries existing in the second narrows of the Strait of Magellan.

From the standpoint of common development, a modern port would naturally mean work for the maritime and port unions. Other sectors, such as overland transport, the banks, insurance companies, repair shops, tourism and telecommunications would also appreciate its benefits within a very short period of time.

Building a modern port at Punta Arenas and turning that city into a port of access to and evacuation from Patagonia, as well as the Antarctic territory, should be one of the legitimately ambitious goals of authorities of the 12th region.

11,464

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8 April 1985

CHILE

BRIEFS

1984 EXPORT TOTALS--Last year, the United States, the Federal Republic of Germany; Japan and Brazil were the main purchasers of Chilean products, judging by the figures compiled by the Central Bank. Last year, Chile sold products worth \$3,657,000,000. Some \$2.07 billion were for products other than copper. The total was nearly \$200 million lower than the 1983 figure, when products worth \$3,835,000,000 were exported. Sales of products other than copper totaled \$1,999,000,000. According to information from the Central Bank, some 53.3 percent of the exports went to the United States, Japan, the Federal Republic of Germany and Brazil. The first purchased products worth \$951 million; the second worth \$407 million; the third \$364 million; and the fourth \$227 million. The remaining nations with important totals in the sales of Chilean export products are the United Kingdom (\$196 million), France (\$163 million), Italy (\$160 million), the People's Republic of China (\$125 million) and Argentina (\$116 million). The rest of the purchaser nations had figures under \$100 million. With respect to the behavior of purchases of the ten main markets, the report indicates that in the case of the United States, there was a decrease of 12.2 percent and 24.8 percent in that of the FRG. Sales to Japan increased by 70.2 percent and those to the United Kingdom doubled. Other countries with reductions were France and Italy, with 7.4 and 5.4 percent respectively. Brazil had an increase of 38.4 percent and sales to China rose by 28.8 percent. [Text] [Santiago EL MERCURIO in Spanish 26 Feb 85 p B-2] 11,464

FIRST ANTARCTIC SCHOOL OPENS--On 25 March, the teachers to be in charge of the first school of "Villa Las Estrellas" at the Teniente Marsh Air Base will leave for the Antarctic. This was announced yesterday by the couple Miguel Fuentes Cortez and Aida Bravo Mora, who left with their three children, ages 13, 9 and 6, who will join the 13 families already living in that remote location. Both are elementary school teachers and will be in charge of the 11 school-age children residing on the icy continent. Two of the children should be in junior high but, as Fuentes said, "we have no official duties with them other than to prepare them to take the aptitude test later." Activities planned include a ham radio course aimed at preparing students to start a national network. "This will partly serve as entertainment and will also provide us with a means of communication with the continent and other spots in the world. It is one more prospect for us and the people living there. Above all, it will be a very interesting experience for children at the proper age to learn it." [Excerpts] [Santiago EL MERCURIO in Spanish 23 Feb 85 p C-7] 11,464

ARMAMENT DIRECTOR NAMED--Yesterday, the appointment of the Navy's director of armament, Rear Adm Humberto Llanos Morales, as the institution's representative to the Superior Council of Army Ordnance (FAMAE), was made official. Decree No 235, published in the Official Gazette, states that Rear Admiral Llanos replaced Rear Adm Guillermo Garcia Lemaitre in that office. The latter was appointed to this position through the issuance of Supreme Decree (G) No 52, of 28 March 1984. Rear Admiral Llanos' appointment becomes effective as of 2 January of this year, as stated in the legal document, which will also be published in the official bulletins of the Army, Navy and Air Force. Decree No 235 bears the signature of President Pinochet; the minister of defense, Vice Adm Patricio Carvajal; and the undersecretary of war, Brig Gen Renato Fuenzalida Maechel. [Text] [Santiago EL MERCURIO in Spanish 22 Feb 85 p C-4] 2909

IMPROVED EEC MARKET SEEN--According to background information provided by the Institute for Export Promotion, PROCHILE, there are excellent prospects for exporting apples to the European markets. According to this information, even though imports of this fruit by the European countries were relatively small during 1983, in 1984 there was a notable increase in the amounts coming from the southern hemisphere. Last year, the EEC countries imported 373,000 tons, while in 1983 the figure was only 238,000 tons. During that year, the other European countries imported 77,000 tons, and in 1983, 52,000 tons from the southern hemisphere. The reason for this is the decline that has occurred in the European production which, in 1982-83, totaled 8.6 million tons, and in 1983-84, only 6.2 million tons. South Africa had reduced its exports in 1983, and last year again attained the 1982 levels. [Text] [Santiago LA NACION in Spanish 20 Feb 85 p 7] 2909

CSO: 3348/430

COLOMBIA

POLITICAL GROUPS BEGIN 1986 ELECTION CAMPAIGN MOVES

Bogota EL ESPECTADOR in Spanish 24 Feb 85 pp 1-A, 9-A

[Article by Carlos Murcia]

[Text] Beginning next week, the election campaign, which up until now had seemed to be concentrating on the competency of the presidential aspirants, with Virgilio Barco representing the Liberals heading the file, will have a new protagonist: the virtual candidate of the Conservatives, Dr Alvaro Gomez Hurtado, and a new ingredient, represented by the emergence of the National Patriotic Union Movement, through which the members of the FARC [Revolutionary Armed Forces of Colombia] who signed the truce agreements have joined the political struggle within a democratic framework.

From the beaches of Miami, with all the columns lined up toward the Caribbean coast, the Alvaro offensive will be launched on Friday, 1 March. The preliminary maneuvers will take place this week in Florida, at a meeting of the Conservative precandidate and the directors of his campaign, Carlos Martinez Simahan and Carlos Holguin Sardi.

Alvaro Campaign

Dr Alvaro Gomez Hurtado is now readying his platform in order to travel to Barranquilla and in that city, known as the Golden Port, begin a long pilgrimage throughout the country, until the elections of 25 May 1986. From Barranquilla, where there will be a demonstration in the municipal stadium, he will move on to Guajira and Bogota on 4 March. Here is the capital, his sympathizers will give him an enthusiastic reception.

Although a number of Pastranista leaders, including one of the ministers whose resignation has just been accepted, maintain that a dark horse may still appear among the Conservatives, such possibilities appear to be very remote given the thrust of the pro-Gomez Hurtado movement.

Foreign Minister Augusto Ramirez Ocampo, in the process in the coming weeks of receiving two or three more "doves" as the minister-delegate to presidential functions, cherishes the hope of becoming the candidate of a National Movement and meditates on whether or not he should resign in May to jump into the fray.

However, he has encountered an obstacle: the coolness with which Conservatives received the test balloon he launched at the beginning of the month when he spoke for the first time of his presidential aspirations.

Former Minister J. Emilio Valderrama, for his part, has been prevented physically from continuing his campaign of the Progressive Conservative, also with the banner of a national candidacy. He first broke a foot, then suffered complications in the right leg and is recovering very slowly in Miami. This week, he met with Dr Gomez Hurtado, who visited him at the hospital where he was admitted ten days ago. J. Emilio's campaign limps along, according to veteran observers of Conservative politics.

Liberals

On the Liberal side, what one notices first is the increasingly bitter fight between official leaders and the followers of Luis Carlos Galan, intensified by the incident that occurred Wednesday at the Liberal Presence Banquet, attended by former presidents Carlos Lleras Restrepo, Alfonso Lopez Michelsen and Julio Cesar Turbay, along with precandidates Virgilio Barco, Augusto Espinosa and Alvaro Uribe Rueda.

The tension in relations between Virgilio Barco, the candidate of the Officialist majorities, and Luis Carlos Galan, the candidate of New Liberalism.

Two symptoms are the words pronounced by Barco in La Dorada, referring to the young and inexperienced captains who cannot yet be entrusted with the helm, and the statements which Galan made to the press criticizing the "unfortunate reaction" of Virgilio Barco during the sabotage of the message which he sent to former president Lleras Restrepo at the Hilton banquet. Campaign nerves can be read on certain faces.

Galan's position on Officialism has become stronger and stronger, while the leader preaches the need to lead the party further to the left in order to capture the support of abstentionist and independent sectors through a "democratic coalition" whose scope is not yet well-defined.

Treasuries

Galan said in Tunja, at the enthusiastic regional assembly at which he announced his presidential candidacy, that any type of dialogue of Officialism with New Liberalism would necessarily have to occur on the basis of a guarantee of the transparency of campaign treasuries, "so that there may truly be an impartial competency on the people's will and not a farce based on monies whose origins are obscure." He argued for an honest electoral system, where "there would be no treasury millionaires financed with contributions from the most diverse sources in order to try to buy consciences and the collective will. Let these treasuries be open to the light of day," Galan said in Tunja. "Let us know whence they come and where they go, who gives them and how they are used. This is a sine qua non condition of any dialogue with other Liberal sectors."

Irreversible Campaign

For his part, Dr Virgilio Barco, on a successful tour of Magdalena Medio, said that no one would halt the advance of his movement because it has the broad Liberal majorities and an artificial derailment would be traumatic for the party. Barco already has the support of over 70 percent of the parliamentary forces and regional directorates, with which he could be at an early advantage vis-a-vis his immediate challenger, Augusto Espinosa, for the August convention.

Yesterday, former minister Hernando Duran Dussan joined his cause, accompanied by members of the District Liberal Directorate. The announcement was made in a three-page message.

But Espinosa Valderrama continues to work to try to gain ground, hoping to be able to provide a surprise at the convention scheduled for a day in five months, with the help of parliamentary and extraparliamentary forces.

The campaign of Alvaro Uribe Rueda shows less reason for optimism, inasmuch as the support the precandidate has is very scant in Congress and among other political leaders. However, supported by former president Alfonso Lopez Michelsen, while the other precandidates try to find a way of winning the convention, Uribe Rueda tries to win over public opinion.

In the final analysis, things in Liberalism tend to polarize rapidly.

Patriotic Union

Issue 90 of the journal RESISTENCIA, in an article reprinted by the communist periodical VOZ (PROLETARIA), announces that the FARC-EP [People's Army] have proposed to launch a new political movement called the Patriotic Union (UP).

There will be a national convention to choose leaders and propose the strategy of the political group.

The FARC-EP, signers of the truce, "call upon Liberals, Conservatives, communists, socialists to get the new option moving."

It is thought that the constitution of the Patriotic Union will be completed by 10 March and that on that date, the new platform of struggle will be revealed.

"The FARC have not given up the struggle. On the contrary, they have been converted into a political movement that goes to the masses with a national platform summarizing the concerns and aspirations of our people," says the bulletin signed by Manuel Marulanda Velez, Jacobo Arenas, Jaime Guaracas, Alfonso Cano and Raul Reyes.

They then ask, in the same communique: "Why do the FARC emerge as a broad movement and not with a new political party? Because in their ranks, the guerrilla soldiers are already members of existing parties. It is a question

of creating a broad common front, capable of bringing together all those who want a patriotic shift in Colombia. Into this new movement fit Liberals and Conservatives, communists, socialists and other factions, workers and people from the intermediate sectors of the population, farmers, intellectuals, writers, artists, students and professionals, all Colombian people who want to fight for fundamental change in the life of the nation, to make this country the worthy, noble and welcoming hearth of all those born here. May 1985 be the year of takeoff the Patriotic Union, the new political movement of the Colombian masses."

11,464

CSO: 3348/455

COLOMBIA

JUSTICE MINISTER SAYS FISCAL CRISIS PARALYZING OPERATIONS

Bogota EL TIEMPO in Spanish 27 Feb 85 p 8-A

[Excerpt] Minister of Justice Enrique Parejo Gonzalez yesterday announced an imminent paralysis of the Judicial Branch for lack of funds and maintained that with the sum approved, there would only be paper, cleaning products and office supplies until the beginning of March.

In a letter to President Belisario Betancur, Parejo Gonzalez notes that the deficit is so great that the cars of Supreme Court justices and of members of the Council of State cannot be used for lack of money to pay for gasoline.

Betancur answered the letter from Parejo Gonzalez, announcing an "economic injection" for the administration of his ministry and, at the same time, requested that he not withdraw from the Cabinet.

Betancur notes that proper instructions had been given to Minister of Finance Roberto Junguito to allocate the indispensable resources to support justice.

Parejo Gonzalez labeled the crisis as the most serious in judicial history and noted that the budget for 1985 requires 2,174,844,000 pesos, only 430 million of which had been approved. This leaves a deficit of 1,744,000,000 pesos, meaning an 80-percent cut.

Entities such as the Institute of Legal Medicine and the prison establishments are facing a truly dramatic situation, which the minister labels as an economic crisis.

Some judicial offices are an affront to the dignity of those whose constitutional mission it is to administer justice. Some prisons are in a state of collapse.

The letter from Parejo Gonzalez to the chief of state says textually:

"As you well know, Mr President, justice is an imponderable, abstract good which we only appreciate when it is missing. The lack of resources to meet its most urgent needs will make it impossible for us to guarantee its normal

administration for the country, for which reason I beg your kind intervention so that there may be a reallocation of public resources to the different sectors, upgrading those earmarked for the judicial branch in keeping with its urgent needs.

"I am aware of the fiscal crisis facing the country, but if one makes a comparative analysis of the allocation of resources, one sees that the justice sector is the one most gravely affected by the cuts that have had to be made in the most recent budget."

The head of the New Liberal Party, Luis Carlos Galan Sarmiento, recently said that Parejo Gonzalez' stay in office -- the two belong to the same group -- would depend on the support given to him by the government and political parties in continuing the fight against drug trafficking.

11,464

CSO: 3348/455

COLOMBIA

BRIEFS

COAL EXPORT INCENTIVE MODIFICATIONS--The government has eliminated the Tax Redemption Certificate (CERT) for exports of metallurgical coal or stone (bituminous coal) and set at 5 percent the level of the same incentive for coke, semi-coke and retort coal. Modifications of the CERT for these products were made through Order 479 of 18 February, announced yesterday. Coal industry sources said that the measure might affect El Cerrejon coal exports. The level eliminated was 5 percent. Retiring Minister of Mines and Energy Alvaro Leyva Duran asked the Foreign Trade Board to include coal on the list of products whose export would be subject to special conditions, in order to be registered on the Incomex, as established by Order 444 of 1967. [Excerpt] [Bogota EL TIEMPO in Spanish 23 Feb 85 p 4-C] 11,464

COAL DEPOSITS FOUND--Two new major coal deposits have been found in the Amazon zone near Leticia, according to retiring Minister of Mines and Energy Alvaro Leyva Duran. Initial technical data revealed that the two deposits are substantial ones that will considerably increase Colombia's coal reserves. INGEOMINAS [Geological-Mining Research Institute] and CARBOCOL [Colombian Coal, Inc.] are working on a likely mining plan. One of the coal deposits is located on the trail linking Leticia with Tarapaca and the second is between Puerto Narino and San Martin. [Excerpts] [Bogota EL TIEMPO in Spanish 23 Feb 85 p 3-A] 11,464

CSO: 3348/455

CUBA

2,000 NEW HOTEL ROOMS, BETTER SERVICE PLANNED FOR RESORT AREA

Havana GRANMA WEEKLY REVIEW in English 17 Feb 85 p 3

[Article by Obdulio Velazco]

[Text]

THE NATIONAL Institute of Tourism (INTUR) is now implementing a development program for Varadero Beach that calls for the construction of eight new hotels with 2000 rooms and the improvement of existing tourist facilities. Also contemplated is the construction of a conference center, a chain of restaurants and other general recreational and tourist facilities.

According to INTUR President José Luis Padrón, this program calls for the hiring of thousands of additional workers, mostly from the eastern provinces, who would be brought to Matanzas, 100 kilometers east of Havana, for training. At least 2000 new homes would have to be built to accommodate these workers.

But he added that, according to analyses made, if some new forms of organization are gradually introduced in the services, methods in keeping with international standards, almost all — or slightly more — the manpower now available in Varadero could virtually meet the demands posed by the additional 2000 hotel rooms. The new homes that would have to be built to accommodate the workers from the eastern provinces, he went on, could be assigned to workers who are currently employed in Varadero, but who have serious housing problems.

Padrón said that INTUR's development program has been approved in principle up to the year 1990. The country's economic leadership has ratified the increased capacity figures submitted by INTUR. This means building new first-class hotels in the country with roughly 4000 or 5000 rooms distributed thus: 2000 in Varadero Beach, 1500 or 2000 in Havana and from 500 to 1000 in the rest of the country.

"But also and even more important," Padrón went on, "is what we have to accomplish in the field of the services. Unless we substantially change the quality of the services currently available," he warned, "the above figures might not be reached, and when tourists are not satisfied with the services they get, they simply go elsewhere on their next vacation."

"What we hope to do in the future," he observed, "we must defend starting right now, assuming real responsibility and in all seriousness. This is why we urgently need to adopt all the measures I've outlined."

"Some of our administrative staff," he said, "lack the necessary qualifications to manage some of our facilities. They lack the skill currently demanded and, therefore, we must urgently set up training and improvement programs. Unfortunately, those comrades not willing or not able to enroll, whether by reason of age or otherwise, shall be switched to other jobs."

CSO: 3200/31

8 April 1985

CUBA

ARGENTINE HOTEL CONSTRUCTION PROJECT DESCRIBED

Havana GRANMA WEEKLY REVIEW in English 17 Feb 85 p 3

[Article by Daniel Raffo]

[Excerpts]

THE SALE to Cuba of eight fully-equipped hotels was one of the highlights of the last stages of the reactivation of Argentine-Cuban trade begun in March 1984 with the signing of an agreement on economic cooperation. The 120-million-dollar contract was signed by the *Compañía Argentina de Construcciones (COMARCO)*, headed by Norberto Feldman, and the Cuban state enterprise, *Inversiones Varadero S.A.*, the entity established to promote the development of Varadero Beach, 140 kilometers from Havana.

The deal was closed practically simultaneously with the holding of the Argentine industrial exhibit in Cuba during the first half of December. But the negotiations had begun several months before in early June, when Cuban representatives began to explore Argentina's market. The Cubans made a painstaking study of the products offered by Argentina and selected those which best suited their needs. Such a careful examination, which generally extends to plants built in the country's interior, enables them to appreciate quality and compare prices, although these are not the factors that finally determine the purchasing.

The head of one of the firms that participated in the negotiations said, "It can be said that the first thing the Cubans do is choose the enterprise and the discussion of prices comes later. They're interested in the firms' seriousness and solvency, its system of production and rating. Once this preliminary stage is over, they request that they be provided with sale proposals — in a kind of Cuban-style bid-

ding — based of the volume of required trade. If the proposals meet their requirements this leads to a second round that may well end with the closing of the deal.

The project is to be completed in five year's time. Ground breaking and laying of the foundations will be carried out by a Cuban enterprise. The Argentine firm will be in charge of construction, using Cuban workers, and all the equipment, ranging from furniture and silverware to lighting and communications systems.

Representatives of a dozen Cuban enterprises are now in Argentina selecting the products to be imported by their country. These enterprises include *Ferroimport*, which deals with the purchase of machinery and tools; *Cubatex*, specializing in textiles; and *Consumimport*, dedicated to consumer goods. Transactions are handled by *Everage*, with offices on the 14th floor of a building at 300 San Martín Street. These firms, which form part of Cuba's centralized economy, recently closed deals with several Argentine firms, among them *Alfombras Atlántida*, *Vilber*, *Pirelli*, *Carbometal*, *M. Diamint* and *Nicolás Merle*, all in Buenos Aires, and *Rucbef*, in Rosario.

According to the information given by the enterprises, the purchases run to some 300 million dollars, a figure close to that established in the economic cooperation agreement signed in Havana on March 16, 1984, and ratified in Buenos Aires in August of that year. The five-year agreement is subject to automatic two-year renewals.

Taken from the Argentine daily La Razón.

CSO: 3200/31

8 April 1985

CUBA

HYDROELECTRIC PROJECT BEING PLANNED IN ESCAMBRAY MOUNTAINS

Havana GRANMA WEEKLY REVIEW in English 17 Feb 85 p 5

[Article by Alberto Salazar Gutierrez]

[Excerpts]

THE AREA of Caracusey in the Escambray Mountains in central Cuba will undergo a complete change with the construction of a backup electric power plant. The system consists of two reservoirs built at different levels and connected by pipelines. The water in these pipelines operates the generators located in the power room built between the two reservoirs. The generators have a dual purpose: to create power for consumption and to pump the water from the lower to the upper reservoir. This hydroelectric complex is closely related to the nuclear-powered electric plant now under construction in Cienfuegos.

Given the rough terrain, the entire complex will call for a network of access roads, bridges and culverts.

The impounding capacity of the lower reservoir will be 9.3 million cubic meters, while the upper one — 316 meters higher — will hold 7.3 million. They are connected by two underground pipelines through which the water can pass in either direction, generating electricity when the water travels downward and utilizing electricity when it travels upward.

A power room of colossal dimensions — 25 meters wide, 83 meters long and 50 meters high — is being built underground. Its height will be equivalent to that of an 18-story building. The transformers' room will be 15 meters wide, 121 meters long and 21 meters high.

This will be one of the major civil construction projects to be tackled in Cuba in this century. The total cost of the project is estimated at 400 million pesos (250 million corresponding to civil construction).

During peak hours, all the plants in the island's power system — the least efficient as well as the efficient plants — go into operation, which raises the cost of producing power to as much as 7.5 cents per kilowatt-hour. During slack hours, only the plants with the greatest output are in operation and the power producing cost drops to about 1.1 cent per kilowatt hour.

The reserve power plant in Caracusey is now in its embryo stage; that is, planning, cost estimation, engineering and geological research that includes some 4000 linear meters of drilling designed to determine the characteristics of the rocky terrain before deciding on the locations of the various worksites.

Work of this type will continue through 1988, to be followed by the construction of the backup power plant, scheduled to be finished in 1993. Equipment will be installed in 1994. Tests runs and start-up operations will take place in 1995, around the time when the third reactor in the Cienfuegos nuclear power plant will go on line.

A team of seven highly trained Czechoslovak geologists spent five months making a study of four areas in central Cuba to determine which was the most appropriate for the construction of the plant. The verdict was Caracusey, given the area's geological and hydrological characteristics and the fact that it corresponded to a series of technological and economic factors desired in the construction.

The existence of the power plant will cause no harm to the area's flora or fauna. The environment will remain as beautiful as it is now. However, a traveler who visits the area now and returns in 1995 will marvel at how man was capable of building such a project without disturbing nature.

CSO: 3200/31

JPRS-LAM-85-030
8 April 1985

DOMINICAN REPUBLIC

BRIEFS

JAPAN TO SEND SPECIALISTS--Japan will send to Dominican Republic a group of young volunteers, who are specialists in several fields, to cooperate with the country's development programs. Japan will also provide the necessary equipment and materials for the technicians to perform their work. [Summary] [Santo Domingo LISTIN DIARIO in Spanish 13 Mar 85 p 3 FL] 0056

CSO: 3248/301

8 April 1985

ECUADOR

BRIEFS

BELGIAN OFFICIAL ARRIVES--Francois-Xavier de Donnea, Belgian minister of state for development cooperation, arrived in our country today for a visit that will conclude on Monday, 11 March. The main reason for the official's visit is the creation of a mixed Ecuadoran-Belgian commission for economic and technical cooperation. He will meet with national authorities at the Foreign Ministry. The topics to be discussed at the meeting include the national plan for energy distribution, the strengthening of district irrigation systems, forestry development, and others. Francois-Xavier de Donnea arrived in Quito at 1800 and will meet with Foreign Minister Edgar Teran at the Foreign Ministry. On 11 March he will continue his trip to Lima, Peru. [Text] [Quito Radio Quito in Spanish 2300 GMT 6 Mar 85]

PEACE LETTER--Prominent Ecuadoran personalities have expressed here their concern over the Central American situation and their total opposition to possible armed interventions by other countries in Nicaragua. A letter for peace signed by former presidents, former foreign ministers, and top leaders of the National Congress and the Supreme Court indicates that peace is being threatened in various areas of Latin America, especially in the Central American countries. The letter states that the real possibility that the conflict will expand with the participation of forces from outside the region would mean incalculable and tragic consequences for the lives and development of our peoples. The signatories of the letter include Galo Plaza, former OAS secretary general and former Ecuadoran president; Oswaldo Hurtado, former Ecuadoran president; Raul Baca, president of the congress; and Gonzalo Cordova, president of the Supreme Court. Regarding Nicaragua, the signatories said: We express our total disagreement with possible armed interventions by other countries and we express our firm opposition to the aggressions by some peoples against other peoples, regardless of the ideological orientation of their governments. The letter for peace was also signed by four former foreign ministers, two bishops, the directors of Quito's main newspapers, university rectors, labor leaders, and leaders of the Latin American Human Rights Association and the Ecumenical Human Rights Institute. The letter was released today, 48 hours after U.S. Secretary of State George Shultz met with President Leon Febres Cordero in Guayaquil. [Omar Sepulveda] [Text] [Havana International Service in Spanish 0000 GMT 5 Mar 85]

CSO: 3348/482

GUATEMALA

STATION EDITORIAL CRITICIZES BOOK CENSORSHIP

PA171923 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 16 Mar 85

[Editorial: "An Absurd and Anachronistic Censorship System"]

[Text] We must again refer to the censorship or inquisition system currently being implemented against the books imported into the country because it points to a stance among certain government circles that is absurd, anachronistic, and ridiculous.

The situation made the headlines when several immigration and customs employees at La Aurora Airport seized the books that five Catholic priests had brought back from Panama last week. There is no denying that there is inquisition-like censorship here since, according to the press, government officials have declared that the books seized contain Marxist literature, as was supposedly established by those who had a chance to check the books carefully. And who are these vigilant guardsmen charged with deciding what can and cannot be read here in Guatemala? Very probably, half-ignorant policemen capable of labeling Marxist even the story of Little Red Riding Hood or Stendhal's novel "Red and Black," because the color red is mentioned.

No, gentlemen of jury, as [newspaperman] Ramon Blanco would have said: This is ridiculous, simply ridiculous, and serves only to put us in a sorry predicament before international public opinion.

According to the Universal Declaration of Human Rights, every individual is free to read and own whatever books he pleases, which might satisfy his desire to gain knowledge--be it Marx's "Das Kapital," the Hindu "Kamasutra," or the stories of Callejas--without the intervention of any small-time Torquemada.

Absurd, anachronistic, and ridiculous, there are no two ways about this.

CSO: 3248/300

MEXICO

SECRET NORTHERN LANDING STRIP USED BY SMUGGLERS

Monterrey EL NORTE in Spanish 3 Feb 85 p 1-B

[Text] According to the account given by a peasant from the Maravillas de Anexas communal farm in the municipality of Villa de Garcia, the clandestine landing strip there which had been used to bring smuggled goods into the country was prepared 2 years ago.

Jose Flores Martinez, who has resided on the communal farm for over 5 years, claimed that the runway was used at least twice a week during the past 2 years.

Reports provided by authorities in the Federal District on Friday note that, on that landing strip a pilot and an airplane were seized during a joint operation by the Federal Judicial Police and the General Directorate of Customs.

Yesterday, it was reported in this city that, in the police and customs operation, a 1965 model Beachcraft A-65 make airplane, with registration N-9865, piloted by Warren Zimmermann, with a shipment of 3 million pesos worth of electronic equipment, was confiscated.

During the preliminary investigations conducted before the authorities, Zimmermann declared that the goods were from McAllen and that his boss and the owner of the plane was a merchant named Bill Richardson.

The individual under arrest was taken to the state prison, where he was formally incarcerated to be tried for various crimes.

The Strip

The clandestine airstrip, the final destination of the so-called "Garcia air bridge," is located 15 kilometers west of the municipal capital of Villa de Garcia.

It may be reached by passing through the municipal capital of Villa de Garcia, taking an earth fill road and proceeding westward as far as the Maravillas de Anexas communal farm.

The makeshift runway consists of a completely cleared flat terrain, approximately 600 meters wide and 1 kilometer in length.

Its valley shape and its distance from the settlements have earned it the name "Lonely Plains," although, according to the peasants, it belongs to the "Maravillas" communal farm.

Other stories note that the land belongs to a private individual, although the authorities could not confirm this report.

Upon reaching "Lonely Plains," one notes the tracks of cars and small trucks which were presumably left on the day that the pilot was captured.

Also, scattered through the brush one can see remains of packages, with lettering in English, which are presumed to have been used to carry the illegal merchandise.

There were also some cases of imported Dutch beer, of the kind sold in any store in the United States.

Surrounded by his children and neighbors who, despite the intense cold, were wearing light, worn sweaters and jackets, and seeking heat with a small bonfire, Jose Flores Martinez gave his account of what occurred on the clandestine airstrip.

The airplanes, a description of which he was unable to give, usually landed on the site on Tuesdays and Fridays.

He said: "After the landings, some Combi pickups arrived to pick up something that they took off the aircraft."

He said that he and his neighbors only observed the individuals driving by in their pickups to a place known as "Lonely Plains," which is the exact spot where the planes landed.

He claimed that they were never threatened or bothered despite the fact that the "visitors" realized that their actions were known to the peasants.

He noted that at least two persons always participated in the maneuvers that were carried out when the large or small planes arrived.

Flores Martinez remarked: "I only watched the furnishings going by near my house, and they never said anything to me."

He said that, on many occasions, the small planes did not land just twice a week, but that during certain months the landings increased to as many as three or four.

Jose Flores' residence is located about 200 meters from the earth fill road leading to the clandestine airstrip.

2909

CSO: 3248/255

MEXICO

BRIEFS

ARMS SMUGGLING IN NORTH--Three cases of smuggling firearms and cartridges, one in which a woman had them in her possession, were discovered by Judicial Police agents in Reynosa, Tamaulipas; Nogales, Sonora; and Nuevo Laredo, Tamaulipas. In the first instance, Socorro Tejeda Popoca was arrested on the highway between Reynosa and Monterrey, when in the hollows of the car door and those of the spare tire of a car that she was driving, the federal agents found 4,500 cartridges of various calibers and four tape recorders of Japanese make. In Nogales, Sonora, Manuel Sanchez Lopez was arrested when, in the vehicle that he was driving, he had five pistols and 185 44-caliber, 47 magnum and 38 special cartridges. This individual in custody claimed to be taking the weapons to Hermosillo, Sonora, to be used for hunting. Finally, Jose Tapia, a Mexican naturalized as an American, was arrested in the middle of the international bridge at Nuevo Laredo, Tamaulipas, with a shipment consisting of a 9 millimeter caliber semi-automatic machine gun, two 38 special caliber pistols, a 22 caliber pistol, a 38 caliber double-barreled pistol and a 410 caliber shotgun, and 1,000 cartridges of various calibers. The three arrested individuals were remanded for the crimes of contraband and violation of the federal law on firearms and explosives. [Text] [Mexico City EXCELSIOR in Spanish 8 Feb 85 p 1-C] 2909

CSO: 3248/255

NICARAGUA

BAYARDO ARCE SPEECH TO ANTI-IMPERIALIST CONGRESS

PA281349 Managua Sistema Sandinista Television Network in Spanish 0100 GMT 26 Feb 85

[Speech by Bayardo Arce Castano, commander of the revolution and FSLN National Directorate political coordinator, delivered "last week" to close the First Latin American Congress on Anti-Imperialist Thought in Managua--recorded]

[Text] The defense efforts, the production despite the war, and the political and electoral struggle to institutionalize the revolution within the 1984 Sandinist campaign "50 Years Later, Sandino Still Lives," are the best tribute our people could have rendered Sandino, the general of free men. This dynamic effort to consolidate the Sandinist project was why we had to delay until now this congress, which is one of the acts commemorating the 50th anniversary of Sandino's death.

This delayed meeting of foreign delegations represented by anti-imperialist personalities and intellectuals, who are honoring and encouraging us with their presence here, serves to confirm that so long as there is imperialism, the Sandinist ideal is more important than the celebration of a date.

In 1979 the Brandt Commission said that the next 2 decades would be decisive for mankind, and it had good reasons for saying this. From 1914 to 1945 there were two big world wars, the socialist revolution, and the depression of the 1930's, which caused bankruptcies, collapse of production, and massive unemployment of millions of persons. During these years fascism arose and later U.S. hegemony.

About 50 years before, sometime in 1883, there was another big crisis which opened the way for monopolistic capitalism and for the expansion of imperialism and neocolonialism in the Third World. Recent crises have brought about similar conditions, which have led to big changes. However, the crisis we are facing now is taking place in a nuclear era, when the atomic threat could make this crisis the last that mankind will live to see.

During world crises there are significant structural changes. The world wars have led to a new world order. Today's crisis is being handled through force, based on an arms race according to an imperial goal, which is to rebuild a country's hegemony by trying to impose structural changes on the rest of the world, a situation that could eventually end with a nuclear war.

Today's world is not the one it was at the dawn of the century. We are living in a world in which the correlation of forces is entirely different from those of the past. We are definitely convinced that the solution to the world's crisis cannot be imposed by force. We need to reason, which is fundamental for world peace, and to face in a responsible, practical, and flexible manner international crises and conflicts, in order to give them just and worthy solutions.

Unfortunately for us, Central America, and the world, the United States is run by an imperialist and neo-Monroeist government, which sees in Nicaragua and Central America the opportunity to solve the Vietnam syndrome and defeatist attitude fostered by past U.S. administrations, which the current administration calls weaklings.

Neo-Monroeism is not only a threat to Nicaragua, Central America, and Latin America, it is also a threat to the allies of the United States, because this hegemonistic, selfish, and vengeful attitude in today's world is a threat to all mankind in light of nuclear arms.

Peace is indivisible. We cannot have peace in the world if we are promoting wars and regional terrorism. Fortunately, there is another alternative based on the history and experience of the Third World, which coincides with mankind's strongest values, despite Reagan's neo-Monroeism. Allow me to take of this occasion to analyze in some detail why Nicaragua and Central America become a challenge for Latin America and Europe--a test for peace, international law, multilateral organizations, and the United Nations, and above all a challenge to future U.S. policy toward the world.

I would like to discuss the origin in the United States of this imperial Monroeist attitude being used to face the international crisis. I would also like to discuss the international crisis based on the experience of this small, poor, underdeveloped country which, through a dramatic campaign of suffering and struggle, sincerely and firmly believes it can contribute in some way as a member of the international community to finding a balanced, just solution to the current crisis. [applause]

We are coming to the end of another year of Sandinist struggle, which is also a Bolivarian struggle. The essence of our historical roots is profound Latin American solidarity. As of 19 July, we stopped being a banana republic, we are no longer anyone's backyard, we do not form part of any bloc, we are a party of mankind trying to solve a common problem in a world that is facing a serious crisis in a nuclear era.

We are a part of mankind struggling to change the relation of dependency and subjection into friendly and solid relations of mutual respect and improvement to overcome underdevelopment and preserve freedom.

We feel that in Nicaragua and Central America the future of Latin America is to a large extent at stake, and also the testing of the possibility of finding reasonable, durable solutions to the international crisis. That is why the

current Monroeist who realize that there is something new and hopeful here are trying to discredit and slander us by trying to undermine our unity in order to isolate and defeat us in a short time.

In the history of the United States, no other country as small and under-developed as ours has probably been given such importance and treated so aggressively. We are almost made to appear as a power based on the terms used when referring to us. We are only a power from a moral viewpoint.

On 27 April 1983 in a speech to the U.S. Congress, President Reagan said that the national security of the hemisphere is at stake in Central America and that if we cannot defend ourselves we cannot do it elsewhere because our credibility will suffer and our alliances will collapse. Powerful U.S. political and economic groups are behind the policy being implemented in Nicaragua and Central America.

The WALL STREET JOURNAL, in its 15 November 1984 editorial section, insists on the same policy and an even stronger one. This publication, spokesman for U.S. capitalist sectors, says that Central America is the number one priority on the U.S. foreign policy agenda. Neither arms control, the MX missile, nor the star wars and the defense strategies are as important as controlling the current totalitarian expansion in Nicaragua. There will be no peace in Central America until the Sandinists are eliminated, the publication says. Yet, Nicaragua has sustained more than 8,000 dead and property damages estimated at more than \$1 billion during the past 3 years as a result of such fascist plans.

In view of this, the interests and national security mentioned by the Reagan administration in this case do not involve material and economic resources in maritime areas, military bases, Soviet advisers or advisers from other socialist countries. Actually, the fact is that the liberty, autonomy, and self-determination of the Latin American peoples is incompatible with the U.S. role as a world power. Any change in Latin America that is not under U.S. control is automatically seen as a gain for the USSR and thus is must be destroyed. This policy is managed by an exclusive elite group that influences the U.S. public to achieve a national consensus to support a policy to recover that country's global hegemony. In this regard, a [word indistinct] game is carried out via the communications media. They are playing with the magic of a president who dominates these communications techniques combining ideology and fear, anticommunism, and the need to overcome the Vietnam syndrome and find a manifest destiny.

The Reagan administration advocates this ideology of the new right that has spent millions of dollars to support [words indistinct] of the Reagan revolution, the Heritage Foundation, the Hoover Institute, the National Strategic Information Center, the Georgetown Center for Strategic Studies, and the new institute for the study of [word indistinct]; namely the Institute of Religion and Democracy.

In addition, the CPD [not further identified] includes 46 members within Reagan's first cabinet--except for Interior Secretary Watt and Education Secretary T.H. Bell--were millionaires or in the process of becoming so due to their connections.

Shultz and Weinberger came from Bechtel Corporation; Haig was a former employee of Union Technologies; William French Smith was a director at the Crocker National Bank; [words indistinct] Pacific Telephone and Telegraph; Navy Secretary John Lehman worked for a consulting company whose clients included Northrop, Boeing, and TRW.

Among the financiers of the rightist group linked to the Reagan cabinet [word indistinct] and the strategists who paved Reagan's path to the presidency in 1985 are ultra-conservative millionaires [name indistinct], who is linked to Ford, Henry Salvatori, the founder of the Western Geophysical Company, and [name indistinct], the president of Union Oil.

After his election in 1980, Reagan established a committee of business advisers made up of executives from the following companies: Bendix, Sperry, Morgan, Stanley and Co., the New York Stock [word indistinct], Prudential, Metropolitan Life, Goodyear, [name indistinct], Merrill Lynch, [words indistinct], Monsanto, [name indistinct], Procter and Gamble, Continental Group, and Estee Lauder.

With this list we wish only to point out that there is significant evidence in history and the role of U.S. power groups to explain the current Reagan policy. Reagan definitely does not advocate a cowboy-style foreign policy, as has often been said. He actually represents very profound structural forces within the United States.

This is why we maintain that what is happening today is not only a test [preceding word in English] for Nicaragua and Central America; it is not only a test for new relations between the United States and Latin America; it is also a test for Europe and humanity. But above all, it is a test for the U.S. people themselves.

We believe that the regional crisis is not brought about by differences among the peoples of the United States, Nicaragua, Central America, and Latin America, but between elite U.S. groups that have monopolized their country's foreign policy; they have ideologized and polarized it; they have created an artificial conflict between East and West.

However, we cannot overlook the fact that U.S. Government intransigence could impose this conflict as a self-fulfilling prophecy. In view of this new worldwide Monroeism, Nicaragua and the Central American peoples want to present a different Latin American outlook that aspires to be a proposal to the world aimed at achieving a joint solution based on common interests to overcome the economic crisis and achieve stability and peace.

We maintain that the Central American crisis can be solved by Central Americans if extra-regional meddling is prevented. The problem is that negotiation efforts carried out by the Contadora Group, which expressed a Bolivarian spirit with its September 1984 document, are seen by that Monroeist group as an obstacle and a threat to U.S. hegemony in its backyard.

If Contadora should fail, the initiative of four countries would also fail; this would threaten the Bolivarian stand, and the issue would probably be aired at an OAS which, is condemned to its old decrepitude.

This is why the Sandinist revolution was the first to accept the Contadora document with no amendment whatsoever. Despite the difficulties and shortcoming the Contadora document and amid the aggressive situation we are experiencing, the document's Bolivarian spirit fits well into the objectives of the Sandinist revolution.

We stress our Bolivarian nature because the Sandinist revolution is celebrating its Golden Anniversary with more than 50 years experience, but it is also nearing its 6th year in power. In our opinion, this is more than enough time for those who believe that the Sandinist revolution is still undefined to stop thinking in this manner. There is enough historical evidence for the Sandinist revolution to be studied objectively by those who may wish to do so. As all processes, it has had its ups and downs, its doubts and dilemmas, however, there is no doubt that within the spiral process through which history passes there is a clear and defined trend within the Sandinist revolution that only those who do not wish to see cannot see. It would be impossible for the Sandinist revolution not to have defined itself after 5 years in power; after having defeated the Somozist dictatorship; after having been confronted militarily, economically, politically, and ideologically as few other processes throughout the world have been confronted, amid a regional and international crisis, and in face of a merciless aggression on the part of the greatest power in the world. If one has any difficulty trying to fit it [the Sandinist revolution] in within one of those historical frameworks in which they try to bury the salty and turbulent history of the peoples, it is because of the definition and uniqueness of a process that is a historical phenomenon; and an innovative expression of the need to make profound social changes in the Third World by means of a democratic process and with an economic model that responds to the characteristics of the small, the underdeveloped, and the [word indistinct] of Nicaragua and Central America.

It is true that the Sandinist revolution is not only a national revolution. The Sandinist revolution has had to experience the Central American crisis, the international crisis, at the same time it was attempting to build a nation. Perhaps, the fact that it is such an enormous task for such a small and young people may be the reason why this group learning process experienced by our people does not have an exact definition. Who can have exact definitions under these changing and dramatic circumstances? However, there is a plan with a clear outlook for the future. We would even like to challenge the international community not to let itself be distracted with a search for ideological accuracies in a process as complex as ours but rather evaluate and

analyze whether the practice of these almost 6 years and the values and principles that uphold it can be described as threatening communist terrorism. Should our process not be described as an effort to assimilate the historical experiences of mankind in an attempt to simultaneously achieve the social transformations and democracy while learning from the mistakes and the successes that the memoirs of the peoples have given us as their biggest inheritance?

We believe that the principles and values upheld by the Sandinist revolution coincide with the fundamental values defended by the peoples of Latin America and the Third World. At the same time we are sure that these values and principles coincide with the most deep rooted and humane values of Western democracy represented by the most progressive sectors of Europe and the United States.

We have no doubt that the experience of the peoples that chose Socialism with its many experiences of people's revolutions throughout the world, have also contributed in this long process that forms the characteristics of Sandino's people.

The Sandinist People's Revolution was the first of a group of social and political revolutions forged in the past century of the Central American history. We were the first just as we could have been the last. The Sandinist people's revolution probably knew how to use the contradictions and the favorable situations that were born combined with the long process of struggle for the sovereignty of the Nicaraguan people. However, our revolution, that does not believe in historical willfulness, does not try to export or can it be exported. In the end revolutions are not exported, they are waged by peoples. This idea is based on the fact that there has been no Central American country that has made as many and repeated peace proposals as Nicaragua has. Nicaragua was not the one that refused to sign a peace agreement. Honduras has been the country that has rejected our many proposals; the United States rejected, and even refused to discuss, the peace proposal presented in October 1983; the other Central American countries, pressured by the United States, were the ones that did not have the autonomy to accept the peace proposals presented by Contadora. It was the United States that unilaterally suspended the Manzanillo talks. Nicaragua has never turned its back at an international forum where the Central American bilateral and regional problems were being discussed--at the United Nations the Security Council, the International Court of Justice in The Hague, the GATT [General Agreement on Tariffs and Trade], the International Maritime Union, etc. Nicaragua will offer the olive branch of peace to the United States and to our neighboring Central American brothers at any time, even though it is forced to wage a war of the people against an aggression that has already lasted 4 years.

Nicaragua has repeatedly offered to guarantee that no foreign military bases will be built in the country. We have proclaimed that Nicaragua, our country, is not and will never be anyone's military base and that we are willing to withdraw all the foreign military advisers and that we are willing to initiate

a process of weapons control at regional level. All this must be done on an equal basis and with respect for the dignity and sovereignty of the Central American nations.

Also, amid the crisis and polarization experienced by Central America, the Sandinist revolution believes that it is possible to initiate a long term process of regional integration and collaboration. We are convinced that there is an economic and political alternative for Central America based on its common history, on a common structural and productive basis, based on traditional agricultural export products such as sugar, coffee, cotton, bananas, meat, and fish, which represent 70 percent of Central America's regional products. However, these products do not have a great future in the international economy and therefore require a regional complementary system. A surge in the economies and political coexistence is possible in Central America if Central Americans are allowed to resolve their problems without foreign interference. Unfortunately, for a century we have had a constant polarizing element which has interfered and agitated the tensions and conflicts among our peoples. The Sandinist revolution has never proclaimed to have a prescription for Central America; we defend a political pluralism that strictly respects the various political and economic forms and levels of self-determination of each of the states, that, amid diversities, will allow the establishment of a horizontal link that will cover all the region, in this manner overcoming the vertical plan of an economic and political umbilical cord that continues to tie us to the imperialist metropolis; an economic and political umbilical cord that was recently reinforced with the proposals of the Caribbean Basin Initiative and the Kissinger report. Sandinism proposes regional relations that are deeper and closer than the ones proposed by the old and obsolete CACM; however, it also proposed a diversification of our small countries' international relations. It is necessary to start planning new forms of cooperation and integration among the Caribbean Basin Initiative countries, with a Latin American-level integration project.

Nowadays, Latin America needs a new integration project and new development measures that overcome past mistakes and limitations. The new possibilities for democracy in Brazil, Argentina, Uruguay, and the Southern Cone make this dream of a new Latin American integration seem a possibility that governments and political forces should start discussing right now. This alternate, democratic, pluralist, and strongly popular project--based on the fulfillment of the basic needs of the large majorities in the region as the basis for a new accumulation model--offers an economic and political potential that would undoubtedly interest other economic and political sectors in the world. We are particularly thinking about Europe, the nonaligned countries, the socialist countries, and the Pacific Basin countries; however, it does not necessarily mean that the United States should be excluded.

The Caribbean Basin--with almost 30 countries; a political representation at the United Nations and the most important international forums; a population in excess of 60 million; and a regional gross product of \$75 billion--can become an important economic and political center at the international level. The democratic and peaceful solution to our regional crisis may help establish

new international relations that diversify the region's historical dependence and prevent a regional conflict that might have fatal implications for other countries in the world--through a cold war or nuclear threat. The Sandinist revolution is compelled to review and strengthen the principles and values that advocate a peaceful international coexistence and reject a nuclear holocaust, in order to counter the current international economic crisis, the lack of traditional values, and the danger of a new-style fascist nihilism which has also provoked the current capitalist crisis. In order to counter this deep prolonged international crisis in a world that is increasingly facing oppression and hunger; and in order to counter two dialogues--North-South and East-West--which have been undermined and boycotted by the new Monroeism, it is important to visualize the role of small countries that are in the system's periphery--the Third World countries and the nonaligned countries.

The nuclear disarmament initiative currently advocated by Mexico, Argentina, India, Sweden, Greece, and Tanzania corroborate this need. It is also important to recognize the appearance of additional historical initiatives to solve overall crisis. The peace movements, ecological movements, churches, labor movements, blacks' movement, minorities movement, women's movement, youths' movement, etc. It is important to give a new role to these historical initiatives--within an overall anti-imperialist project. We must overcome the old international solidarity so that it becomes a convergence of common interests.

In order to counter the new imperialist ideology, the new international McCarrthyism or Monroeism which is backed by the largest military budget in history and a star wars project that can only bring us death, it is important to present a counterproposal advocating a new international solidarity. It must be a project that advocates a struggle for our lives, with the capacity to create a strong worldwide consensus, a convergence and convocation of common interests shared by most of mankind. The era of the old Atlantic system has ended and this was reasserted by four Western foreign policy institutes in Brussels in 1981. From our viewpoint, the old Atlantic system--based on U.S. domination--does not have and should not have a present or future in our world at crisis. The incompetence that the U.S. supremacy and leadership has shown in the last years regarding the achievement of peace and development in the world is increasingly evident.

We also consider evident--and we think that responsible political leaders and figures in Europe share this viewpoint--that the solution of problems by force is impossible in a nuclear era. Peace, we have said, is indivisible; we cannot promote war to achieve peace in any part of the world. Times have changed for Europe too; its situation is no longer the same one which prevailed during the post-war destruction period. Europe has surpassed the United States in many ways, according to the main economic indicators. The competitive force of Europe and Japan is precisely part of the current economic crisis that scares the United States. The Third World's share of economic and political power--which the United States views as a danger--actually represents additional natural resources and markets for Europe.

It is not a coincidence that, while Europe has advocated the North-South dialogue--the United States has refused to discuss this fundamental cornerstone of the international crisis. We have closely followed the various alternatives that have recently been presented in Europe; 1983 and 1984 have marked an increasing flow of political and economic personalities, and the two Europes' increasing interest to find points of convergence and common interests. An East-West polarization is certainly an obstacle for the Third World countries, but we are satisfied to see that it is increasingly evident that this polarization is an obstacle for Europe, itself. Third World natural resources and markets offer to Europe--whose natural resources are extremely scarce--a convergence of interests that would favor the Third World's development and Europe's recomposition. This would also strengthen all the nonaligned movement and the possibility of creating a new international economic order that no longer has to permanently put up with the U.S. veto regarding the implementation of political and economic proposals.

That is why the Sandinist revolution promoted our region's relations with Europe very early and consciously. It is not an accident if our country receives important economic and political aid from that part of the world. It is not an accident if we have firm friends in Sweden and Spain and it certainly is not an accident if we are the Central American country with the greatest links to Europe. All in all, we are convinced that Europe will play a constructive role in the Central American crisis and its contribution will help to diversify our countries' relations, thus relaxing the United States monopolizing influence on the region.

The U.S. European allies have a challenge in Central America: contributing to peace and international detente. These ideas always raise questions regarding the nature and goals of our relations with socialist countries. We, the Sandinists, respond that genuine nonalignment can be implemented by maintaining close and friendly relations with the socialist countries, as well as by maintaining a close and friendly relationship with the people of the United States. To be able to count on the socialist countries' support and solidarity, especially for the smallest countries in the region, is fundamental in overcoming this difficult, complicated process of national independence through which our peoples must pass to achieve their sovereignty and the social and democratic transformations of their old, outdated structures.

The Sandinist revolution reaffirms its friendship with the socialist world countries as an expression of its total independence and nonalignment with any international bloc. The Sandinist revolution must undoubtedly recognize the socialist countries support and generosity at a time when Nicaragua continues to struggle for survival. These countries have offered economic and human support without asking for anything in return. It will be difficult for President Reagan to convince our people that the Cuban teachers who educated their children in some of the country's most inhospitable sectors are a terrorist threat. It will be difficult for President Reagan to convince our people that the doctors who have cut our infant mortality, helped to eradicate poliomyelitis through health campaigns, and cured those wounded and traumatized by imperial aggression are a communist threat. It will be very

difficult for the thousands of European, U.S., and Latin American internationalists who have worked shoulder to shoulder with Soviet, Bulgarian, or Vietnamese companeros on common projects that will benefit the Nicaraguan people to be looked upon as a communist threat. The same can be said for the European and U.S. citizens who have lived in our country.

We would like to illustrate this controversial aspect of our international relations with what we once said about our relations with Cuba. We stated that we Nicaraguans will sovereignly determine who our friends are and that Cuba occupies a special place among our friends. Our government could come to rely less on Cuba and its aid could be reduced or even eliminated. However, we could never break our friendship with the people of Cuba, their government, and their leading party. [applause].

All in all, we could even be offered all of the gold on Wall Street in exchange for breaking our friendship with Cuba or any other country, but we answer that our friendship has no price and is not negotiable. Nevertheless, the United States is demanding from Nicaragua and Central America nothing more and nothing less than a total alignment and absolute subordination to imperial policies. In other words, what is at stake here is Nicaragua's self-determination and that of the Central American peoples, and Latin American and Third World dignity.

We cannot have a national or at most a regional problem transformed to suit U.S. interests and transformed into a global problem. That is why the Reagan government intends to destroy us; his empire's credibility and its new dreams depend upon our destruction. By expanding the crisis to all of the countries in the region, such as Honduras, Costa Rica, and even Panama, the United States is creating real conditions in Central America so that the regional conflict will become a national security problem for the United States. This would be the fulfillment of Reagan's prophesy.

We want to conclude by pointing out that for us to maintain our position of self-determination and independence is extraordinarily costly. Even friendly countries are pressuring Nicaragua to be more accommodating in this regard. However, Nicaragua maintains that this is a problem of principles and that the future of all of the peoples are being toyed with beginning with the Sandinist revolution's identity. Then, it must be understood why our slogan is: Free Fatherland or death! [applause]

CSO: 3248/289

8 April 1985

NICARAGUA

ARCE ADDRESSES JOURNALISTS UNION CONGRESS

PA052312 Managua Radio Sandino Network in Spanish 1200 GMT 2 Mar 85

["Excerpts" of speech by Commander of the Revolution Bayardo Arce Castano, coordinator of the Political Commission of the FSLN Directorate, at the closing session of the sixth "Juan Matus Lopez" Congress of the Union of Nicaraguan Journalists, UPN, on 1 March; place not given--recorded; broadcast in progress]

[Text] ...like the call we made on those who left the productive sector. In journalism, the most productive work is found in mass media. I believe that we will be able to implement our plans in this field. We will have the opportunity to participate directly and to assimilate that experience. We will be able to implement all that has been mentioned here including: educating the people; developing critical thinking; deepening the process; etc. This will be so to the extent that we work directly with the media, to the extent that we train ourselves.

Of course, we will have to find the proper mechanisms for doing this. We in the FSLN have been discussing how to solve a number of problems. We have discussed how much uncalled for confusion has been created here due to problems in official reporting. Here I am not referring to the reporters themselves, but to erroneous policies often implemented in state media.

One of the most recent examples--which we have been trying to change--is the problem brought about by gas rationing. It was reported that sales were prohibited because there was an excess demand. However, everyone knows that this involves the use of coupons.

It is easier to be truthful with our people. It makes them more aware and makes them understand the reasons why measures are taken. They can understand temporary measures better. So, in the end they were told the truth: the oil has not arrived; it is being detained. They were told: Given that we have low supplies, we will have to ration gas here. Our people were asked to suspend trips to Pochomil to take it easy until the oil arrives. We are working on that. It is not that we will not have fuel; this is a temporary situation. These are the kind of situations that must be examined logically.

I believe that with this adjustment we will further and promote the value and social role of journalism even more. There is a proposal to create a national decoration or award for journalistic work. On behalf of the FSLN, I commit myself to totally supporting this initiative. [applause]

However, with this kind of progress, the promotion of other sectors becomes more important. In this way we establish more defined standards. When I prefer to research, education, and our people's understanding of the problems, I am stressing a very important fact: understanding is lacking here. I believe that one of the positive aspects of your decision to develop professional, social, and political exchanges with foreign newsmen and media will help improve the situation.

When we report or even when we try to explain some of our problems, we do so based on our own experience, which is limited. We lack a global, international viewpoint. This allows sectors [Arce changes thought] because there is logically a little of everything within the UPN. There are antirevolutionary newspapers here that try to alter, deceive, and confuse the people. When these things happen, it seems like prices are increasing only in Nicaragua. This happens because we fail to report that prices are also increasing in all other countries as a result of very specific economic conditions. Such reporting would shed light on the revolutionary measures of our government. The full effect of the economic crisis is being borne by the people and the working masses in other countries through the closure of schools, suspension of health programs and social work, freezes on salaries, and increases in prices on products. That affects the poor. That is not happening here. Salaries have not been frozen here.

We have pointed out and the president of the republic already said that wage adjustments will be made as prices change. Health and social programs have not been suspended here. We continue to build schools, health centers, and social structures to benefit the poor sectors.

When prices have gone up, we have sought mechanisms to ensure that the increase does not hit the working sector hard. We have organized the workers into commissaries to ensure that they will receive the necessities; this is not done in other countries. If we could explain this within the framework of other countries, the people would understand much better the measures that we have decreed.

It is like the war problem. We have to inform the people, and by the way, after this campaign began, I saw that a campaign to commemorate the 40th anniversary of the defeat of fascism was announced. Furthermore, UNESCO and the United Nations recommended that all the countries remember this defeat in order to ensure that fascism is buried once and for all. We have to inform our people of all the tribulations suffered by peoples who have been victims of wars of attrition. The peoples attacked by fascism 40 years ago suffered extreme poverty and had to rise up. They had to mobilize everyone--the elderly, the young, children--sometimes forcefully, other times because of conviction, and other times because of vital necessity. If that had not

happened, then at this very moment the world would be in the hands of fascism, Nazism. If all the peoples of Europe had not risen up, in both Western and Eastern Europe, if practically the entire world had not risen up against the Nazis, what would have happened?

We have to inform our people of this so that they can understand the war problem and why we have to fight. Who wants families to be broken up here? We certainly do not want this. Who wants their brother, or cousin, son, to return in a coffin? The problem is that if we do not do this, then all of us will end up in a great coffin, destroyed by imperialism. This is what happened as Hitler advanced. Now we have someone who is not very different from Hitler in his attack against us. However, we have to report the experience of other peoples. One time, the time when I met with the companeros, they told me that they sometimes have problems because the state does not provide military and economic information, and that censorship does not allow people to know their true situation, etc. They told me that they would discuss the media problem at this congress. Right now Lily [not further identified] has told me that you have agreed to hold a special plenum to discuss this subject.

I am not very convinced that censorship is all that limiting to professionals. Undoubtedly, I do not intend to ignore the fact that through media censorship journalists are made aware of what is right to do and what is wrong. This creates limitations, but it also sometimes serve as justification for not making an effort to develop high-quality journalism. I think that all of you are aware that censorship has had to be imposed because of a defense problem. Haven't we held meetings with media directors, particularly with the LA PRENSA people when none other than (Humberto Veliz) was at LA PRENSA, today through CIA orders he is with International Religion [word indistinct]; Adriana Guillen, today in charge of international relations for MISURASATA [Miskito, Sumu, and Rama Sandinist Unity] and also a CIP [International Press Club] official; (Oscar Montalvan), who is with Radio 15 September; Fabio Gadea, no, Fabio was not at LA PRENSA; and (Mario Alfaro) from Radio Impacto. We also have Xavier [Chamorro Cardena] who participated in LA PRENSA meetings when we met to discuss professional responsibility, which led most of these newsmen, the most qualified and important newsmen at LA PRENSA, to leave that institution because it became an instrument totally controlled by the CIA through its counterrevolutionary information policies.

This is where the sweating virgin, the Virgin of Coapa, the Virgin of (La Bujia), and all that confusion emerged [no background information given here], when I was with [words indistinct] Robelo. It was all an effort to confuse our people. Robelo had a plan to murder companeros from the Interior Ministry if they attempted to prevent the effort to equate Sandinist revolution with the Somozist regime. We later publicly presented the engineer who was in charge of the weapons. We pardoned him because he was an idiot who had gotten involved in that situation. This forced us into censorship. Now we have to discuss it. I think the government would be open to your presentation of a feasible alternative; it could consider a solution to the censorship problem.

As I am not the government--I only work in politics--I wanted a political meeting with two militants from the FSLN: one of them is the president and the other is the interior minister. [applause] We studied ways to prevent the restriction of quality and positive development of journalism, despite censorship for defense reasons. Then militant Tomas Borge thought of something that he could implement as interior minister. I want to tell you about this idea. From now on, the media directorate which does the ugly work of censorship is to meet weekly or periodically with the UPN directorate to evaluate the censored material and to adjust criteria to prevent abnormal censorship. [applause]

This will allow you--through good relations with the UPN directorate of course--to show them what has been censored, what you consider absurd to censor. This will enable the UPN talk with the media directorate periodically and make adjustments in censorship practices--at least in the interim, while you are looking for an alternative solution to present to the government.

With this new effort, as interior minister Companero Tomas will carry out the strengthening of the journalist union. Once redirected these actions, and especially the cooperation of responsible citizens, which we hope each of you will receive in response to these problems and also as citizens, we think this event and these resolutions--which as I said earlier are equal to the country's difficulties and circumstances--will be transformed in each editorial office into a practical and concrete contribution to the aggressor's defeat. For peace, all against the aggression! Free fatherland or death!

CSO: 3248/290

8 April 1985

NICARAGUA

'TEXT' OF INTERIOR MINISTRY COMMUNIQUE ON 6 MARCH FIRE

PA131855 Managua Radio Noticias in Spanish 1200 GMT 13 Mar 85

["Text" of communique issued by the Nicaraguan Interior Ministry on 6 March fire; date, place not given--read by announcer]

[Text] Regarding the explosion and fire that took place on 6 March at the Tiscapa Hill army installations the Interior Ministry informs the Nicaraguan people that an investigation commission, formed by specialists from the Interior and Defense Ministries, has been appointed to determine how the incident occurred. Brigade Commander Lenin Cerna Juarez, chief of the DGSE [General Directorate of State Security], was appointed to head the commission. The other members of the commission are Captain Oscar Loza Adarruz, chief of operations of the DGSE; Captain (Miguel Guzman), chief of the Weapons Directorate of the EPS [Sandinist People's Army]; and First Lieutenant (Hector Seria), chief of SINACOI [Fire Prevention System].

The Facts

On 6 March at approximately 2230, a fire erupted in an area located on DGSE property near the Military Hospital. Shortly after the fire erupted, a series of explosions were heard within the area and approximately 15 or 20 minutes later a strong explosion occurred which completely destroyed the area. Rocks, pieces of cement and other incandescent material were thrown in all directions. The incandescent material caused several secondary fires on the slopes of the Tiscapa Lagoon, in a Military Hospital medicine storeroom, and in an area used by patients' visitors.

The shock waves and the material thrown caused the destruction of some installations at the Military Hospital; other areas were also damaged. Doors, windows, and some roofs at the State Security office installations and nearby houses were also damaged. Three companeros were also slightly injured.

Actions of the Investigation Commission

Once the commission was appointed, the following investigations were carried out:

- a. Protection of the site of the fire.

- b. Examination of the site of the fire and surrounding areas.
- c. Interviews with eye witnesses and recording their statements.
- d. Reconstruction of the incident.
- e. Analysis of the chemical contents of the explosive substances found at the location.
- f. Expert analysis of material samples found in the area of the explosion in search of explosive substances other than those stored there.
- g. An expert report on the electrical installations in the area surrounding the fire site.
- h. Experiments to verify given reports.
- i. Photographing and filming of the area and of the materials found.
- j. Survey mapping of the area of the explosion and affected areas.

Once this work was completed the commission established the following:

Results of the Investigations

The fire erupted in a large fortified tower. In the tower there was access to a tunnel that led under the Military Hospital and ended in a 22 meter long concrete tube that served as an air vent. The tower was built many years ago as a depot for weapons and explosives. At the time of the fire, the tower held 350 kg of industrial gunpowder, several hundred mortar grenade pins, and 149 flares, composed basically of TNT and hexongen [hexogeno], material temporarily stored in the area by State Security.

At the base of the fortified tower were two Military Hospital workshops; one was used to repair electrical medical equipment and the other used as a carpentry shop. In order to provide the necessary power for the repair shop, the workers at the Military Hospital had thrown a 220-volt line. This line was also used to improvise a connection to supply power to the carpentry shop. A window of the fortified tower was used to hold the power line.

According to an expert report drafted by SINACOI, the badly improvised power connection and the strong winds that have been hitting the city in the past days caused a short circuit in the window of the fortified tower. The sparks caused by the short circuit fell inside the tower and lit the gunpowder stored on the first level. This combustion caused bright orange-colored flames. Because of its components the gunpowder burned releasing heat and gases which caused the minor explosion of the mortar grenade pins, some flares, and tightly sealed gunpowder kegs. These factors, the high temperature and the secondary explosions detonated the flares causing a violent reaction.

The shock wave, caused by the explosion of the flares, projected up and out of the fortified tower and the tunnel. The natural slope of the hill stopped the shock wave and caused it to be strongest in the southwestern area with smaller shocks in the northern and eastern sectors. The fortified tower's predominant position, in regard to the other buildings in the southwestern area, permitted much of the shock wave caused by the explosion to dissipate in space, passing above most of the Military Hospital installations. The buildings located on the same level at the tower and beside it were the only ones to receive the direct impact of the shock wave and the thrown material. These buildings were the electro-medical shop, the carpentry shop, the transportation building, the medicine storeroom, and the hospital wing closest to the fortified tower.

The shock wave caused secondary effects such as damages to doors, windows, and roofs of the buildings and homes near the Military Hospital.

The immediate reaction of the personnel at the Military Hospital was essential in preventing casualties. Minutes after the fire erupted, the hospital evacuation plan was implemented. The evacuation was carried out in 17 minutes. When the large explosion occurred, the majority of the patients and hospital personnel had been evacuated and were out of immediate danger.

Conclusions

1. It has been established that the fire was accidental.
2. It has been established that the technical rules for storage of explosive material were violated.
3. It has been established that the rules regarding electrical installations in Nicaragua were violated.

The Defense and Interior Ministries have taken immediate and urgent measures to prevent similar accidents and to punish those responsible for the aforementioned violations.

CSO: 3248/290

NICARAGUA

TEACHERS TO CUBA FOR 4-MONTH EDUCATION COURSE

PA150451 Managua LA PRENSA in Spanish 11 Mar 85 p 1

[Text] Official Nicaraguan Education Ministry (MED) sources have reported that 2,000 teachers, members of the Georgino Andrade Brigade, will travel to Cuba shortly, where they will receive an intensive 4-month course in education.

All the members of this contingent are assistant teachers [educadores populares], most of them youths who work in the rural areas. These assistant teachers will travel to Havana on special flights scheduled between 10 and 20 March 1985.

According to the sources, once these assistant teachers return to Nicaragua, they will work in their home towns in order to cover, in part, the lack of teachers. The assistant teachers' expenses while on the island will be covered by the Cuban Government as will be the airfare.

Last year a brigade formed by 1,500 Nicaraguan assistant teachers traveled to Havana for similar training. Upon their return to Nicaragua these assistant teachers replaced an equal number of Cuban teachers who, since the triumph of the revolution, had participated in literacy campaigns in the rural areas.

The exchange of Cuban teachers offered to Nicaragua by that country continued throughout the following years and it was only recently that local teachers were used to replace the islanders.

The work being done by the Cubans in the rural areas will be undertaken by Nicaraguan teachers. This work includes the continuation of the literacy campaign for the peasants, construction of schoolrooms, and the development of the social work among the communities.

The assistant teachers and the students are supplied with the necessary books, pencils, paper, and workbooks.

CSO: 3248/298

NICARAGUA

BRIEFS

LIBYAN DONATION FOR SCHOOL--The Nicaraguan Education Minister Father Fernando Cardenal yesterday received a donation of \$100,000 from Libyan Ambassador Ibrahim Farhat. The donation is to be used to build a school in the Nueva Libya neighborhood. The cornerstone for this school was laid during a ceremony held yesterday. Father Cardenal explained that this donation was requested by Commander of the Revolution Tomas Borge when he visited Libya last year. The education minister added that this will be the only school built this year because of the economic problems faced by the country due to the imperialist attacks. [Summary] [Managua EL NUEVO DIARIO in Spanish 5 Mar 85 p 14 PA]

NEW COLOMBIAN AMBASSADOR--New Colombian Ambassador Abelardo Duarte Sotelo yesterday presented his credentials to Nicaraguan President Daniel Ortega Saavedra. [Summary] [Managua Radio Sandino Network in Spanish 1200 GMT 6 Mar 85 PA]

USSR, GDR VEHICLES ARRIVE--Today, 300 vehicles arrived in the port of Corinto from the USSR and GDR. [Excerpt] [Managua Sistema Sandinista Television Network in Spanish 0200 GMT 7 Mar 85 PA]

COFFEE HARVEST FIGURES--More than 1.3 million quintals of coffee were harvested in Region 6, which includes Matagalpa and Jinotega. Sources of the Ministry of Agricultural Development and Agrarian Reform reported that the state sector harvested more than 432,665 quintals, and the private sector harvested 341,565 quintals. Coffee in Regions 3 and 4 has not been picked yet. [Summary] [Managua Radio Sandino Network in Spanish 0000 GMT 9 Mar 85 PA]

CSO: 3248/290

PARAGUAY

LIBERALS IN EXILE DEMAND RETURN TO DEMOCRACY

PY212209 Buenos Aires DYN in Spanish 1421 GMT 21 Feb 85

[Text] Posadas, 21 Feb (DYN)--The congress held here by leaders of the Paraguayan Authentic Radical Liberal Party [PRLA] has voiced its support for "a nonviolent, active struggle" in its fatherland and added that "democracy is the only feasible path."

The PRLA stressed the need to "struggle for free and clean elections" and demanded guarantees for the return to his fatherland of Domingo Laino, vice president of the PRLA, who lives in exile in Argentina, in order to "intensify the struggle for freedom in Paraguay."

The congress also made a formal protest, in keeping with that of the Paraguayan Episcopal Conference, over the expulsion from the country of Father Juan Antonio Lucas, of the Sacred Heart Congregation, ordered by the Stroessner government.

In addition, it denounced "the death in prison, during a confusing episode, of PRLA member Pablo Martinez Diaz, as well as the arbitrary arrest of attorney Heriberto Algre."

The congress agreed to denounce "such abuses before the OAS Human Rights Commission" and also referred to the "Latin American debt," which it termed an irremediable endemic problem."

PLRA leaders living in exile in Argentina and Brazil as well as delegations from the Paraguayan interior attended the congress.

CSO: 3348/483

8 April 1985

PARAGUAY

MOPOCO LEADER SAYS COUNTRY READY FOR DEMOCRACY

PY072217 Madrid EFE in Spanish 1319 GMT 6 Mar 85

[Text] Geneva, 6 Mar (EFE)--Paraguay is prepared for a peaceful political transition that will change the current regime into a state of law without traumatic modifications, Waldino Lovera, Colorado Popular Movement (Mopoco) representative said today.

Speaking to a plenum held here by the UN Human Rights Commission, Lovera submitted his testimony "of the repression and of internal exile that we, who have returned from our external exile, have to suffer."

Lovera was received by Geneva Mayor Roger Daflon, who pledged the solidarity "of the Swiss democrats with the opposition to the Paraguayan dictatorship, because it has given an example to those who struggle for democracy and freedom throughout the world."

A former Mopoco president (1962 and 1972), Lovera traveled to Spain, France, and the Vatican, before returning to his country in December 1974, "believing in the opening announced by the General" [Alfredo Stroessner]. However, after commemorating "the day of human rights," he had to seek protection in the cathedral. He spent 5 days under the protection of Ismael Rolon, the archbishop of Asuncion and the president of the Paraguayan Episcopal Conference.

"Our neighbors Argentina, Bolivia, Brazil, and Uruguay have restored democracy. The National Accord, made up of our party, the Febrerista Revolutionary Party, the Authentic Radical Liberal Party, and the Christian Democratic Party, guarantees a peaceful transition after 30 years of scientifically planned repression," he said.

According to Lovera, the regime of General Stroessner is going through a socio-economic crisis to which businessmen, unions, and professionals have begun to react.

"The gap between the rich and the poor has widened. The dollars brought by the construction of the Itaipu Dam went to the rich. Our goal is not the death of the dictator, but the end of his regime," he concluded.

CSO: 3348/483

PARAGUAY

GOVERNMENT SPOKESMAN DECLARES MENGELE CASE CLOSED

PY282150 Madrid EFE in Spanish 0936 GMT 28 Feb 85

[Text] Asuncion, 28 Feb (EFE)--The Paraguayan Government, which has repeatedly denied the presence in Paraguay of the Nazi criminal Joseph Mengele, considers that the case involving the notorious angel of death is closed.

In exclusive statements to EFE Information Undersecretary of the Presidency of the Republic Anibal Fernandez has categorically and energetically stated that for Paraguay, a country that demands that its standing as a free and sovereign nation be respected, the Mengele case is closed for all intents and purposes.

The spokesman of the Paraguayan Government rejected the denunciations made by Nazi hunger Simon Wiesenthal, denunciations that state that Mengele is in Paraguay under the protection of the government, and called them groundless.

Fernandez stated that the criminal, who is charged with the killing of thousands of people in the Auschwitz extermination camp, does not reside in Paraguay, and challenged Wiesenthal, whom he called a fake, to produce some evidence, if he has any.

The high-ranking official made these statements in the wake of the denunciations made by Wiesenthal, who, before a commission of the European Parliament, has stated that four Paraguayan ministers, whom he failed to identify, have admitted the presence of Mengele in Paraguay.

No doubts may be case on the statement of the Paraguayan Government, the official spokesman stated. At the same time Fernandez voiced his hope that, once and for all, Paraguay will no longer be bothered by those who are engaged in this slanderous campaign.

Mengele arrived in Paraguay in the 1950's and obtained, using his own name, Paraguayan citizenship in 1959. His citizenship was cancelled a few years later after it was proven that he had left the country between 1964 and 1965, according to the Paraguayan authorities.

The spokesman of the Paraguayan Government told EFE that his country has never denied the fact that Mengele possessed Paraguayan papers, and that Mengele obtained these papers at a time when nobody said he was what the people now claim him to be.

Mengele, a physician and member of a multimillionaire family in Germany, has been wanted by the courts in his country since 1962, a warrant that was renewed in 1981.

In keeping with the warrant filed by the German courts, judges in Paraguay have, on several occasions, issued a warrant of arrest against Mengele, something which, so far, has not been served since his whereabouts are unknown, thus also making impossible his extradition.

The press secretary of the FRG Embassy in Asuncion has told EFE that at the legal level all the possible efforts have been made and it cannot be expected that any new developments will arise.

The same spokesman added that Mengele issue is always being mentioned to the Paraguayan Government, and stated that the unchanging response is that the much-wanted Nazi criminal is not in Paraguay.

Asked whether the Mengele issue will be included in the talks that President Alfredo Stroessner will hold during his visit to Bonn in July at the invitation of the FRG Government, the spokesman of the FRG Embassy stated that it is hard to say, at the time being, since we only now are making the preliminary preparations.

Reports datelined FRG have recently stated that the authorities in Bonn would discuss the Mengele case with Stroessner, but such reports were rejected by official sources in Asuncion.

For its part, the Israeli Embassy has declined to make any comments on Mengele's alleged residence in Paraguay. The secretary of the Israeli Embassy has stated that there are no comments to make in this regard.

The Israeli Embassy also made no comments on the reports made by Israeli citizens, reports that were made public in Jerusalem, mentioning that Mengele is Stroessner's private physician.

CSO: 3348/483

PERU

BRIEFS

TWO NEW DAILIES ANNOUNCED--(Jose Olaya) and Lorenzo Villanueva, who helped LA REPUBLICA in the past, have announced that they will direct the new daily EL NACIONAL, which will have the support of the American Revolutionary Popular Alliance. Mining businessmen from the Popular Christian Party also have announced the publication of a new daily named LA VOZ DEL PUEBLO. [Summary] [Lima Cadena Panamericana Television in Spanish 0000 GMT 11 Mar 85 PY]

TELEVISION STATION OPENS STUDIO--On 14 March, Panamericana Television opened its new studio, which is located at the intersection of Arequipa and Alejandro Tirado Avenues. [Excerpt] [Lima Cadena Panamericana Television in Spanish 0200 GMT 15 Mar 85 PY]

SHELL FINDS PETROLEUM, GAS--PETROPERU [State Petroleum Agency] President Fernando Zuniga y Rivero last night reported that in the zone explored by Shell in Madre de Dios, there is evidence of the existence of petroleum, especially in the zone of Pantiacolla. Zuniga y Rivero stated that Shell has drilled two wells and discovered large amounts of gas. [Excerpts] [Lima Radio El Pacifico in Spanish 1200 GMT 12 Mar 85 PY]

CSO: 3348/489

VENEZUELA

IMPACT OF OIL PRICE CUTS ON BALANCE OF PAYMENTS ANALYZED

Caracas EL UNIVERSAL in Spanish 20 Feb 85 p 2-2

[Article by C. R. Chavez]

[Text] The uncertain future of oil prices, which constitute the beacon light for our revenue and balance of payments, leads one to presume that the latter will have similar prospects in medium-range terms, according to technical analysts who have examined the issue.

One of the most characteristic features of the recent events that have affected the foreign sector of the Venezuelan economy, according to analysts, is the greater dependency on the oil sector as the steady provider of receipts. Actually, while in 1982 oil exports represented nearly 40 percent of the total foreign exchange income, including regular transactions and capital, that participation is some 71 percent for 1984, basically as the result of the major drop in capital revenue due to international credit restrictions that have affected us.

This situation may tend to remain the same in the years to come, despite the fact that the development of the oil market may not be favorable. As we know, that market is now going through a critical situation as a result of the uncertainty of prices and export volumes.

For the purposes of these projections, a variation of the average export price has been assumed ranging from \$25.07 a barrel -- \$2 below the price initially anticipated by official organs -- and a maximum limit of \$27.07 a barrel, a figure initially estimated by the government and which we deem to be optimistic. With respect to the volume exported, the estimated figures from the PDVSA [Venezuelan Petroleum, Inc.], used as a basis for construction of the central scenario presented by CORDIPLAN [Office of Coordination and Planning] as the quantitative framework for the nation's Seventh Plan, these volumes are justified based on continuation of the refining programs and plans for domestic substitution of derivatives advanced by the petroleum industry. However, one must note that these figures could be raised, depending on Venezuela's policy vis-a-vis OPEC.

Whatever the case, the country will reduce its national foreign exchange income from oil over the next 3 years compared with 1984 (see table). In real terms, there will be a deterioration despite the anticipated decrease in the international inflation rate, as shown in graph II-1 [not reproduced], according to which the purchasing power of every barrel of oil exported dropped 6.4 percent between 1981 and 1984. Given the expectations of international inflation, this drop in purchasing power will continue during the period under analysis, a drop that might amount to 17 percent in 1987 compared with 1981, in the most optimistic case.

The anticipated evolution in the oil industry will not be able to be made up for by increases that might optimistically be expected for non-oil exports whose interannual increase in nominal terms would be about 15 percent. Nevertheless, one must remember that domestic inflation and the exchange policy announced for 1986 and 1987 could have a negative effect on this rate of expansion, with a gradual drop in profitability of the sector in bolivars, unless equivalent compensatory mechanisms are defined by the government. For that reason, officials have estimated as likely a pessimistic situation in which the nominal level in dollars anticipated in 1985 for exports other than oil would be maintained -- that is, some \$1.5 billion -- in which case these exports could not help attenuate the effects of the drop in oil income by exports planned for 1985.

Variation in Foreign Exchange Revenue From Exports, 1985-1987 (in millions of \$)

	1984-1985		1985-1986		1986-1987	
	<u>HO</u>	<u>HP</u>	<u>HO</u>	<u>HP</u>	<u>HO</u>	<u>HP</u>
Variation in foreign exchange income from oil exports	-0.84	-1.87	+0.26	+0.24	+0.42	+0.40
Variation in foreign exchange income from non-oil exports	+0.23	0.23	+0.23	0.00	+0.25	0.00

Note: HO = Optimistic hypothesis; HP = Pessimistic hypothesis

Source: Our own calculations

Another relatively important category of foreign exchange income, approximately equivalent to non-petroleum exports, is constituted by revenue basically stemming from the yield of international assets, both public and private, in the hands of residents. Revenue from this category in 1982 amounted to \$2.56 billion, 76 percent of which was income received by the public sector. In 1983 and 1984, foreign exchange received in this way suffered a considerable reduction, mainly as a result of qualitative and quantitative changes in international assets.

In fact, for 1983 and 1984, factorial income dropped approximately 45 percent compared with 1982, despite high international interest rates. This is fundamentally due to the following factors: drop in the level of international assets and resistance to the repatriation of interests by the private sector.

It must be borne in mind that while the level of international reserves did not suffer a drop between 1982 and 1984, part of their current level is due to an upward movement in the value of gold worth some \$3 billion, an operation which in some way increases the yield of our foreign investments.

The operation of centralizing foreign exchange of the public sector in the hands of the BCV [Central Bank of Venezuela] makes the public's external factorial income depend almost exclusively on investments of international reserves in the international financial system. That is why this income depends on the evolution in this level of reserves and the interest rate on the international money market. If interest rates maintain their downward trend, this will logically have a negative effect on anticipated yield. In the worst of cases, it would seem reasonable to believe that in the coming years, the rate would not rise beyond 11 percent. In other words, it would not reach the high levels of 1982.

Based on these assumptions, it is possible that in the optimistic case: low interest rate and maintenance of the level of reserves, the level of factorial income of foreign origin will be found in the next 3 years at a figure similar to that of 1984. If interest rates are higher, despite greater deficits in the balance of payments, income from this item could in 1985 and 1986 total some \$200 million and \$100 million respectively, compared with 1984, later reaching a similar level in 1987, mainly the result of a drop in the level of reserves. Whatever the case, variations in this category do not seem significant with respect to the rest of the variables that must be considered.

With respect to nonfactorial services, no substantial changes are anticipated with respect to what has happened in the past 3 years, although it is possible that there will be a certain increase in tourist revenue, a sector that could achieve a figure close to \$390 million for 1986 and 1987, which would mean an increase of 25 percent over 1982. The evolution in this variable will basically depend on the domestic inflation rate and the exchange policy. Predictions stated here presume the maintenance of a relatively large drop in the value of the bolivar compared with the dollar on the free market and a suitable evolution in the internal supply of support services for tourist activity.

With respect to income in the capital account, as already mentioned, there has been a very large drop with respect to 1982, going from a sum of \$19.79 billion to only \$920 million in 1984. This great reduction is obviously related to the paralysis in the contraction of new debts, both public and private, as well as the decrease in the repatriation of capital.

At the same time, there has been a drop in income from foreign private investment, a sum down 54 percent comparing 1982 with 1984. However, it must be noted that this sum will continue not to be significant in the context of our balance of payments, for it is not thought that it will exceed \$200 million, even in the optimistic case, during the period analyzed.

If one maintains a policy of public indebtedness basically circumscribed to commercial indebtedness and if, in addition, grand projects are not initiated with high volumes of imported components and if, finally, the situation of low liquidity in international banking is maintained, the product not only of what happens in the oil sector, but also the greater demand for funds by the developed countries that have initiated a boom period, then it is foreseeable that capital receipts will under no circumstance reach \$2 billion.

Naturally, one variable that could alter these predictions is the repatriation of capital. The level of such income is practically undetermined, given the multitude of circumstances altering its behavior. However, it is obvious that the climate of confidence, as well as domestic needs for liquidity, are two elements that would seem to be decisive in the decision to repatriate. That is why the exchange policy, the oil scenario and the credibility inspired by government action are keys. Given our overall perspective and assuming the imponderable nature of this variable, we estimate as a possible figure one similar to that reached in 1983: some \$500 million.

11,464

CSO: 3348/453

8 April 1985

VENEZUELA

MORALES PAUL, ALVAREZ PAZ DISCUSS ESSEQUIBO CONFLICT

Caracas EL UNIVERSAL in Spanish 28 Feb 85 p 1-13

[Article by J. V.]

[Text] The situation of the hydrographic basins is one of the most important border problems that has to be solved immediately by the country, inasmuch as 70 percent of our waterways originate in neighboring countries.

This point was made by Foreign Minister Isidro Morales Paul upon his departure from the meeting he held yesterday with the Chamber of Deputies Foreign Policy Committee. At the meeting, the officials also analyzed progress on talks with Guyana regarding the solution to the controversy over the Essequibo territory, relations with Colombia and work of the Contadora Group aimed at a political solution to the Central American crisis.

Although the meeting took place behind closed doors, without the presence of the media, it was learned that Morales Paul had spoken about the trip of the commission of UN Secretary General Diego Cordovez, who will visit Caracas and Georgetown in March to talk with both governments about methods to be used in negotiations. Our Foreign Ministry is at work analyzing different ways of solving the territorial controversy, as well as the possible implications and consequences of each one of them.

It was also learned that Morales Paul reported on difficulties at the level of a number of Central American governments regarding the signing of the Contadora Treaty. On this point, certain deputies told of their concern over the latest statements of the head of the Foreign Ministry to the effect that the situation seemed to be slipping through the fingers of the Contadora group. According to these members of the Foreign Policy Committee, such statements seem to reflect resignation about a possible failure of the group's efforts to find a negotiated way out of the Central American crisis and might even affect the possibility of the Contadora group's initiating a new phase in steps taken to ensure peace in the region.

Upon leaving the meeting with the deputies, Morales Paul was approached by newsmen and basically asked about the Essequibo problem. The minister of foreign relations was very cautious, especially when asked whether the president has already chosen his strategy for the talks.

The minister noted that these are very complex questions on which Venezuela's position is aimed toward a whole series of legal and political matters about which he could not speak casually.

When asked about the possibility of an outlet to the Atlantic as part of a possible understanding with Guyana, the foreign minister replied:

"I am not ready to discuss complex territorial problems with the press.... Please do not take this as a refusal, because I am a friend of all of you, but my duty is to protect the country's vital interests. These are very delicate matters that can only be examined on the technical level."

"Are you confident that there will be a settlement?" he was asked.

"We are working toward a practical solution, which is the objective of the Geneva Accord."

"What is Guyana's attitude at this time?"

"There has been great receptiveness. Guyana is now very receptive, we are talking and there is an atmosphere of mutual respect, cordiality and peaceful coexistence."

When asked about the visit of the UN commission of Diego Cordovez, Morales Paul said that when it comes, our government will make specific proposals.

In answer to another question, he said he was aware only through information in the press of a report on the presence of some 1,000 undocumented Guyanese in the iron region, but he said that whatever the case, it is a matter more for Interior Relations and the DIEX [Division of Identification and Foreign Matters] than for the Foreign Ministry.

The chairman of the Foreign Policy Committee, Deputy Oswaldo Alvarez Paz, was also asked about the results of the meeting with the foreign minister.

On this matter, he noted that the committee received with great interest the information supplied by Morales Paul on the matters at hand, especially the conflict with Guyana and the steps taken in the search for an agreement between the two countries.

"Obviously, it is a very difficult and complex problem and it is not easy to reach a practical solution to that territorial claim. However, there is willingness on the part of all political forces represented in Congress and the Foreign Policy Committee to lend the greatest cooperation and understanding so that the National Government, while keeping us well-informed of all steps taken, may develop a strategy involving all responsible sectors of the country."

"Do you believe a favorable solution is possible?" he was asked.

"I believe that a favorable solution is possible, but not in the near future, not imminently, because I do not think it is so simple. The problem is in the hands of the secretary general of the United Nations and his special commission on the case, headed by Diego Cordovez, who will come to Venezuela in the third week of March.... That is when the country's responsible officials will be able to outline some position or attitude concerning proposals to be put to Cordovez or what he will propose to Venezuela and Guyana during his trip."

Alvarez Paz was asked about whether the foreign minister had informed Congress of the terms of the economic exchange that the country could initiate with Guyana, especially with respect to bauxite, but the head of the Foreign Policy Committee said that that specific point was not dealt with at the meeting.

11,464

CSO: 3348/453

8 April 1985

VENEZUELA

BRIEFS

CANDIDATES FOR FEDECAMARAS' PRESIDENCY--Based on his prestige in the province and the business world, Francisco Natera will launch his candidacy for the presidency of FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry]. He will also have the backing of the "Por la Mar 79" [For the Sea] movement, which carried Dr. Ciro Anzures Fonseca to the highest position in business. Last night, following the meeting of the Executive Board of FEDECAMARAS, to which the Guyanese businessman belongs, it was stated that his candidacy is "an incontrovertible fact" in order to oppose the candidacies of Angel Reinaldo Ortega and Rafael Marcial Garmendia. Natera's candidacy will fundamentally be based on his prestige in the province, plus the fact that he has experienced the different fields of production as a true businessman: banking, insurance, livestock breeding, commerce, industry and construction, which, according to his backers, opens up great opportunities for ascending to the FEDECAMARAS presidency. Despite the virtual launching of Natera, the supporters of the Bolivar official noted that this candidacy seeks the unity of all businessmen, emphasized as a need in the face of the country's economic crisis. According to Natera's spokesmen, the latter has unanimous backing in his native state (Bolivar) and great influence in all eastern regions of the country. His candidacy for the presidency of FEDECAMARAS may come in Caracas at the beginning of the coming month of March, on the occasion of the National Council of the ranking institution of the private sector. [Text] [Caracas EL NACIONAL in Spanish 12 Feb 85 p D-6] 11,464

END

CSO: 3348/453