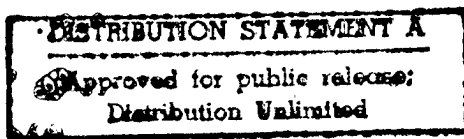


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# Latin America Report

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This serial, with the trigraph ELS, will contain all material currently published in the EUROPE REPORT: SCIENCE AND TECHNOLOGY, as well as material currently published in the LATIN AMERICA REPORT under ARGENTINA and BRAZIL SCIENCE AND TECHNOLOGY.

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17 NOVEMBER 1986

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INTER-AMERICAN AFFAIRS

CARIBBEAN YOUTH, OTHER GROUPS HIT FOR APPEASING U.S.

Bridgetown WEEKEND NATION in English 26-27 Sep 86 p 8

[Rickey Singh column "Our Caribbean": "CYC on Nicaragua--Mimicking Bankrupt Parent Parties"]

[Text]

SIX YEARS AGO, a group of top Caribbean experts, in an examination of the development challenges facing the region's national economies in the 1980s, observed:

"The gravity of the unemployment situation, especially as it affects young people, is the most explosive problem facing the region today

Since then, the unemployment situation has worsened, right across the Caribbean Community (CARICOM), as has the problem of teenage pregnancy. At its lowest in the region, unemployment would be a very worrying 15 percent in Trinidad and Tobago.

Worse, the damages to Caribbean lives, resulting from the drug culture, have reached frightening proportions. The youth, comprising an estimated 55-60 percent of the population of the Caribbean Community, and the most affected among the alarming numbers of the jobless, are also the biggest victims of the sin of drug abuse.

In the circumstances, one would expect youth groups of the region, irrespective of political or religious affiliations, to creatively utilise as much of their time and resources as possible in addressing the problems of unemployment and drug abuse in the Caribbean.

How very disappointing it was, therefore, to find that when the four-year-old Caribbean Youth Conference (CYC) met recently in Dominica for its annual meeting, it chose to go public with paid advertisements about its deep concern over a lack of "democracy" in Nicaragua — and not a word, in those advertisements about either unemployment or drug abuse in our region.

The St. Lucia-headquartered CYC groups some 27 youth wings of Caribbean political parties that are either right or centre right and all very much influenced by United States politics in this region.

Some of these youth groups, in countries like Barbados, Dominica and St. Lucia, were exposed to an American view of Caribbean-United States relations in 1982, when a representative from the Freedom House organisation in the United States travelled through the region mobilising Caribbean youth support.

Freedom House is a beneficiary of financial assistance from the National Endowment for Democracy (NED), hailed by President Reagan in December 1983 as representing the realisation of his hope that "America could make clear to those who cherish democracy throughout the world that we mean what we say."

NED also funds youth groups and right-wing, pro-United States parties in the Eastern Caribbean. Motivated, no doubt, out of "deep concern" for the flowering of "democracy" in this region.

With the United States-led invasion of Grenada in 1983, we have been hearing a lot more about "youth for democracy" and "women for democracy" activities involving parties that now comprise the pro-United States Caribbean Democratic Union (CDU), currently headed by Prime Minister Edward Seaga of Jamaica.

I do not know how the CYC's annual meeting last August in Dominica was funded, or how the advertisements in regional newspapers were paid for so that this organisation could observe on September 15 its "day of solidarity with the democratic forces in Nicaragua."

### Endowment for democracy

I know that the National Endowment for Democracy itself, openly boasts of the financial assistance it has provided over the past two years to political groups in CARICOM that are known for their uncritical adulation of the Reagan presidency.

For example, what has been listed as "Caribbean Political Education Committees" were allocated US\$105 000 for 1985. Where are these "committees", and how legitimate are their activities?

In addition to the money that NED and other neo-conservative groups in the United States spent in Grenada to back Prime Minister Herbert Blaize's New National Party (NNP) at the 1984 elections, the NED alone has provided some US\$29 000 in direct financial support to the NNP in 1985 for "construction of a party infrastructure".

It may be coincidental that NED has also been generously funding Nicaraguans and

groups involved in President Reagan's campaign to topple the elected government in Managua — including US\$200 000 to the anti-Sandinista "Friends of the Democratic Centre in Central America".

I guess if NED can make available US\$100 000 to support La Prensa in its campaign against the Sandinista Government, it should not be difficult to provide a little assistance to get some Caribbean youth groups to become involved in the Washington-orchestrated moves to topple the Sandinista Government. Never mind that it is a legally and popularly elected government!

The youth of the CYC are free to mimic their parents in faithfully responding to a Reaganite view of politics in Nicaragua.

However, if they really have the financial resources to afford purchasing advertisements to show their "solidarity with the democratic (sic) forces in Nicaragua", could they not have also shared, through such advertisements, their concern — I assume they have — about the major problems that so seriously affect the youth of this region . . . unemployment and drug abuse?

How free are these youth groups to do their own thinking, to plan their own agendas and to direct their skills and resources to the issues that directly impact on the well-being of the peoples of the Caribbean?

If they are really concerned about "democracy" and human rights violations in Nicaragua, how is it that they are so silent on the historic June 1986 verdict of the International Court of Justice that so clearly and forcefully condemned United States aggression against Nicaragua, including the CIA mining of Nicaraguan ports? The silence of their parent parties on the World Court's decision has also been noted.

Are they aware of Nicaragua's firm proposals for a peaceful resolution to the armed conflicts in Nicaragua?

What are the sources of their information about Nicaragua?

In the anxiety to apparently appease their United States allies, the CYC have not even bothered to repeat the position of their parent parties in supporting the Contadora group's initiatives on Central America.

It is quite normal for political parties in our region to establish youth and women arms, the better to mobilise popular support in our multi-party parliamentary system of government.

But, if all we can expect from the youth groups of these political parties is a faithful mirror image of their parents, 25 years after political independence came to this region, then the future of the Caribbean is in serious trouble as we approach the 21st Century.

It is frustrating to be surrounded — with few exceptions — by political parties that are simply running, or attempting to run governments, and others seeking to replace them, but not seriously concerned with nation-building, or in encouraging hopes for the emergence of a Caribbean nation.

It is despairing when the youth groups of these parties reveal, by their own philosophical concepts, strategies and programmes, the measure of their own political bankruptcy. What is there to look forward to in terms of new leadership?

Whether of a leftwing or rightwing persuasion, Caribbean youth organisations have to break the dependence syndrome on either the "socialist East" or the "free West", for inspiration and to think and act seriously, as they really belong to the Caribbean — a Caribbean whose sovereignty is not for sale.

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CSO: 3298/019

INTER-AMERICAN AFFAIRS

LOANS, OTHER FINANCIAL AID APPROVED FOR CARIBBEAN

Development Bank Actions

FL141515 Bridgetown CANA in English 1854 GMT 13 Sep 86

[Text] Bridgetown, Barbados, Sep 13, CANA--The Caribbean Development Bank (CDB) today announced approval of loans totalling nearly U.S.19 million dollars to finance projects in Jamaica, Trinidad and Tobago, and St Vincent and the Grenadines.

A statement from the Barbados-headquartered regional lending agency also said a meeting of its board of directors Thursday had agreed to a 1/2 per cent reduction in interest rates on some loans approved after April 1, 1984. The drop--from 10.25 to 9.75 per cent--takes effect on October 1, 1986 and will remain in force until March 31, 1987.

The biggest loan--10 million dollars--will go to the state-run Agricultural Development Bank of Trinidad and Tobago to finance an agro-industry-oriented agricultural development project aimed at reducing food imports and enhancing job creation in the sector.

A loan of 4.3 million dollars was approved to enable private investors in Jamaica to build a 200-room all-inclusive hotel at Rutland Point, Negril.

A 4.3 million dollar loan to St Vincent and the Grenadines will help finance a quarry development programme for the government.

The latest loans brought the total approved by CDB to U.S.587 million dollars, net of cancellations, the statement said.

The directors' meeting approved a grant for the Caribbean Tourism Development and Research Centre (CTRC) to carry out a study and formulate an outline development plan for the fledgling tourism sector in Guyana. The sum of money involved was not disclosed.

Grants totalling 295,500 dollars were approved for government-owned development banks in St Lucia, Grenada, Dominica, Antigua and Barbuda, and St Kitts and Nevis to assist with the introduction of computerised accounting systems aimed at improving overall operating efficiency.

World Bank Funding

FL271608 Bridgetown CANA in English 1549 GMT 27 Sep 86

[Text] Port of Spain, Trinidad, Sep 27, CANA--The World Bank and its concessionary loan affiliate, the International Development Association (IDA), have approved a 7.5 million U.S. dollar loan to Belize and a seven million dollar credit to Guyana, the Port of Spain-based United Nations Information Centre for the Caribbean said today.

Belize's loan is to help carry out a 14.21 million dollar project to improve its electric power distribution.

Belize has obtained other financing from the Caribbean Development Bank (CDB), the Commonwealth Development Corporation and the Belize Electricity Board.

Guyana will receive its credit from the IDA. The money will be used for a technical assistance project looking into the viability and possible rehabilitation of that country's bauxite industry.

The project will contribute significantly towards strengthening the management and marketing capabilities of the bauxite industry, Guyana's largest export industry, said the UN statement.

The Guyanese Government is to provide the remainder of the money for the eight million dollar project.

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ARGENTINA

POSSIBILITY OF SPLIT WITHIN PERONIST PARTY EXAMINED

Buenos Aires ARGENTINE NEWS in English 10 Oct 86 pp 42-44

[Article by Carlos Fernandez]

[Text]

Vicente Leonides Saadi, the elderly senator from Catamarca who now guides the destiny of the number one minority party, acknowledged to his most intimate collaborators that his last political mission consisted in "leading peronism to victory once again".

This affirmation of Saadi's, who recently met with President Alfonsín, requires a double reading. On one hand it expresses explicitly the desire of the orthodox sectors of justicialism to win an electoral victory in 1987, something —nonetheless— that according to the results of recently conducted independent surveys appears a shot in the dark.

But, moreover, it presupposes Saadi's decision to remain at the front of the Justicialist Party until after the next national elections —rumors have it until April, 1988— even if the renewal wing triumphs in the next in-party elections scheduled for November 9 of this year.

These elections will be held to normalize four districts, two of which, the provinces of Buenos Aires and Córdoba, play very important roles in the internal power structure of the peronist party.

Will Saadi, head of those groups that subscribe to the orthodox line, be able to fulfill his most intimate dreams?

To do so, he will try to convene, with the support of Lorenzo Miguel, leader of the traditional 62 Organizations a party congress before the November 9 elections that,

among other things, will appoint a provisional party leadership to guide them until 1988.

The plans that are growing out of the course taken by the Catamarcan senator and the pro-Miguel sectors make concrete a step that has been latent in justicialism for a long time, but that, nonetheless, hasn't been taken until now.

The congress must take the decision to accept the resignation of Isabel Perón as president of the Justicialist Party (PJ), something until now totally unheard of in the party's history: the name "Perón" would be disassociated from the Justicialist Party for the first time since its founding.

Paradoxically, the willingness to accept the ex-president's resignation is already shared equally by both the "orthodox" and the "renewal" wings—the two major camps within justicialism that have been in growing confrontation lately over the leadership of the number one minority party.

Just one year ago, no justicialist would have dared to carry out something like this.

In one way, and it is recognized as such by party front-liners, this act could be the most significant sign "that things have changed in the peronist party".

Isabel Perón hasn't made any sign over the last several months, privately or publicly—indicating that she has any desire to return to Argentina and take charge of the party.

To the contrary, all of her appearances in the press have pointed to her desire to fully enjoy her private life, including hinting about possible marriage.

The separation of the ex-president from peronism's number one position will signify, for that political force, the leaving behind of a large part of its past.

Isabel Perón's role in government and at the head of the peronists is something that its leaders want to forget. They consider it a dead weight. But will that mean that all the necessary conditions for revamping the party are already on hand?

A good part of the answer to this question corresponds to the renewal wing of the party, the internal movement that has Antonio Cafiero, Carlos Grosso and Carlos Menem as its leading figures.

They aspire to present a new image of peronism to society and principally to the independent sectors that have backed them, electorally-speaking, since 1983.

But the new-line, especially Cafiero, who heads the Buenos Aires district of this movement and has his eye fixed on the BA province gubernatorial mansion — Radical Party ex-congressman and ex-minister Juan Manuel Casella has the same idea— feels pressured by Saadi's orthodox group and the differences that have come from within the sector itself.

Cafiero and his political team think that by abandoning ranks of Justicialism and giving electoral elbow-room to the Renewalist Front, which whom they triumphed over Herminio Iglesias in 1985, they will generate an election climate much more favorable than the one they'd have to weather if they remain clinging to the party's traditional structure.

Nonetheless, and Cafiero realizes it, "it's not an easy step." The question that Cafiero says he asks himself is: "Should I be the leader that goes down in history as the one who split the Justicialist Party? The answer, according to his close aides, gives him chills.

At the same time, the staunchest pro-Cafiero people say it should be made clear that if the Renewal people of Buenos Aires abandon Justicialism "it will be because of Saadi and his people who have tried to make life impossible for us within the party."

To this, Saadi responds: "The moment is approaching when it will be clear who are Peronists and who are not," in reference to the attitude of those Renewal leaders that want to abandon the guidelines of the party over which he presides.

This clash between the old-line, who set the party rules and regulate its tempo — to the point that the elections to reorganize the party structure were postponed several times for different reasons — and the new-line, who feel they're on the edge of victory and have the public's acceptance but lack manifest power within the party, places Justicialism on a shaky footing.

The possibility of a split within the leading minority lies just below the surface. One thing is certain: No one will dare take the first step to bring it about. But it is also certain that no leader or influential group has made any effort to shoo-away the phantom of a possible rupture once and for all.

What is Justicialism's public image? Or Saadi's? Or the Peronist National Council's? What is Herminio Iglesias silently up to since the court ruling that put him back at the helm of the party's general secretariat?

And what about Cafiero, Grosso, Menem, Manzano or so many other Renewal Peronists who want to insert the party within a modern political framework?

The questions are difficult to answer even for the protagonists of this moment in the life of the Justicialist Party who, on more than one occasion, have created situations that go against their own interests.

The complexity of the situation — the phantom of a rupture, the possible decline of voter support, the excess of in-house fighting and a fractured party power structure — has led some to attempt an agreement by leapfrogging the breach separating the orthodox and renewal camps in order to put a limit on what they consider a "tendency toward disaster."

That was how Miguel and Menem, two men who sit on different sides of the Justicialist fence, arrived at an agreement after hard-nosed negotiations that permitted Italo Luder to be a candidate for senator and allowed a slate to be drawn up with both old — and new — line candidates capable of winning in the party primary in Santa Fe.

That was how the Carigano-Esnik Santa Fe gubernatorial ticket was born. And that

also was how the question was raised of Luder's possible Senate seat.

It could signify the return to front-running political activity of the 1983 presidential candidate who aspires to become the leader of the opposition, in his judgment, a role that is still unfilled in Argentina.

On this, Luder and the Casa Rosada agree. For the Radical Party in general, and Alfonsín in particular, it's difficult to find a spokesperson within Peronism who can make decisions.

In the Interior Ministry it's felt that the government has taken actions of far-reaching consequences without having the "corresponding give—and—take with the opposition, but that it's the Justicialist's responsibility."

Within the last few days, Alfonsín received, in the intimacy of the presidential residence in Olivos, Saadi and Miguel in a new attempt to search for a minimum of accord between the administration and the leading minority.

These conversations inevitably led some of the President's closest aides to the conclusion that Renewal leaders should also be invited to Olivos. And the call for a "pact of democratic guarantees" could be a good excuse to make contact.

The winds of agreement that Menem and Miguel stirred up seem now to have died down.

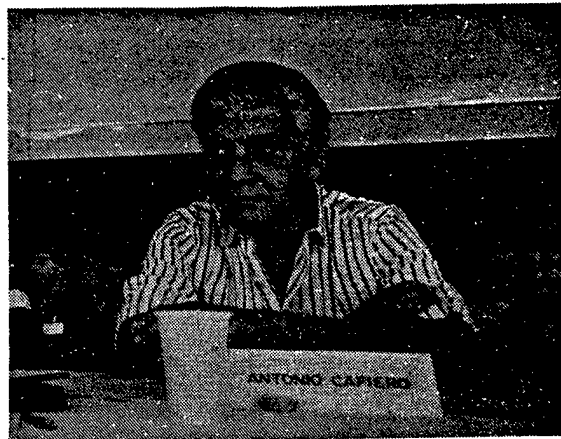
Cafiero admitted to himself, and to Luder and Grosso, that he couldn't win the 1987 elections with Saadi at the front of the party. That was when the alternative was suggested of Luder taking charge of the transition, seconded by a blue-ribbon council.

Saadi's refusal to be displaced by an accord of this nature, which appeared to have Miguel's okay, and several difficulties during the last stage of negotiations paralyzed everything. That attempt at party level-headedness, as defined by one Renewal leader, ended at a standstill.

So, will the Peronist Party split? No one says yes. But neither is anyone willing to swear it won't.



*Carlos Menem*

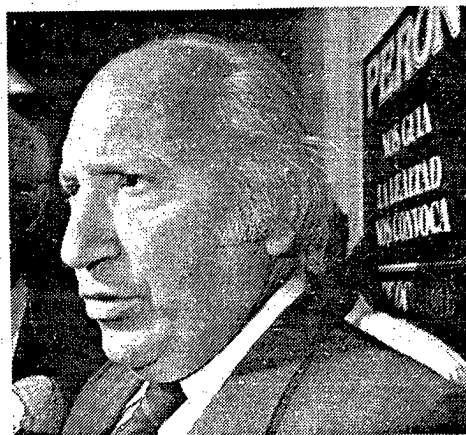


*Antonio Cafiero*

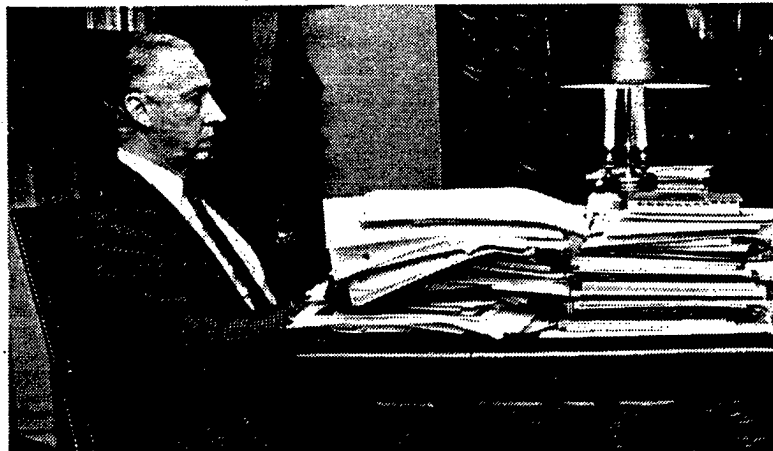




*Vicente Saadi*



*Lorenzo Miguel*



*Italo Luder*

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**CSO: 3300/3**

ARGENTINA

COORDINADORA'S GROWING ROLE IN COUNTRY'S DEMOCRATIC SYSTEM

Buenos Aires ARGENTINE NEWS in English 5 Jul 86 pp 43-46

[Article by Kelly A. McBride]

[Text]

*"I began working in politics when I was 14-15 years old. I was in my last year of high school when the democratic Illia government was overthrown. The Radical Party at this time was worn out, with some 20-25 percent of the vote, and with very little support in the universities. So we began with some other friends from the party to create mechanisms of participation and representation in the universities. In 1968, we held the first meeting of the Junta Coordinadora of the Juventud Radical."*

Deputy Marcelo Stubrin, now 35, and his friends in the Junta Coordinadora Nacional are no longer the idealistic students of the Radical Party, but today's, and tomorrow's, pragmatic government leaders and dynamic party operators.

The rise of the Junta Coordinadora, or the the National Coordinating Board (JCN), within the party has been steady and methodical; its rise in the Alfonsín administration foreseeable, if quick, given the group's intellectual capabilities and the generation gap

inside the Radical Party. There are few lights between the 30 to 40-year-old Coordinadora generation and that of 54-year-old Alfonsín.

Now, the Junta Coordinadora is not just the group which mobilized the party and youth for presidential candidate Raúl Alfonsín, but the advisors to the President, who are assuming top government positions as they are vacated by the so-called "old guard" of Alfonsín's generation.

In the process of accumulating power and position, the Junta Coordinadora has become one of the more controversial political animals stalking the Argentine landscape.

Opinions voiced about the JCN run the gamut from mild references to "a perfectly logical generational renewal" and "just politicians doing what politicians do best — acquiring power" to the extreme "leftist totalitarians who want control of the party and state."

It is criticized for vague, mercurial ideology, for being too establishment, corrupt, for taking in the President, for being taken in by the President, for selling one type of participation and implementing another.

JCN members are praised for lifting the Radical Party out of the humdrums, for giving youth an effective means of political participation, of initiating important community-service projects, of carrying the human rights banner, and of putting aside ideology to consolidate the system.

## National Board of the Junta Coordinadora

**Luis Alberto Cáceres:** Secretary General of the JCN. Executive Secretary of the National Party Executive Board. As deputy from Santa Fé, serves as Chairman of the Public Health and Social Action Committee.

**Enrique Nosiglia:** Chief political operator in the Federal Capital and Secretary of the Federal Capital party organization. Former Undersecretary of Social Action and the National Food Plan (PAN). Party Representative to the Council for the Consolidation of Democracy.

**Marcelo Stubrin:** As deputy from the Federal Capital, serves as Vice-President of Radical Party bloc in the Lower House. Secretary of the party's National Executive Board.

**Ricardo Lafferriere:** As senator from Entre Ríos, serves as President of Radical Party bloc in the Upper House.

**Federico Storani:** As deputy from Buenos Aires province, serves as Chairman of the Foreign Relations Committee. Secretary of the National Party Executive Board.

### Traditional beginnings

No doubt the 150 young Radical Party activists who gathered in Setúbal, Santa Fé province, in early November 1968, weren't looking for controversy, but for some understanding of the party's weak support of the democratic, progressive Radical Arturo Illía presidency 1963-64, and of how to attract students and young people to participate effectively in the Radical Party.

Throughout the sixties and seventies, in stark contrast to the party's current image, the Radicals were seen as a slow-moving, traditional party with little to offer in terms of debate and solutions to society's erupting frustrations.

Radical Party leader Ricardo Balbín's discourse was remarkably devoid of substance and divorced from the calls for social change. It was almost a contradiction in terms to be young and active in the party of Yrigoyen and Alem, as most of the youth were moving to the left and to Peronism.

Yet the Radical youth were products of the political incubators in which they were hatched. In general, the top leaders came from families active in the Radical Party, and they began at a young age to pay their dues in the local party chapter.

They were, like a generation of Argentine youth, imprinted with the violence and discord growing throughout society and with the demands for turning the political, social and economic structures upside down.

Their discourse was generally anti-oligarchy, anti-imperialist, anti-foreign capital, anti-military, and pro-social justice and economic redistribution. Although the young politicians rejected the violence of some Peronist sectors, they respected the social bases of the Peronist Party and urged the Radical Party to expand its own constituency and activity into the popular sectors.

According to Deputy Jesús Rodríguez, an early though not founding member of the JCN, the young politicians came away from the fall of Illía's government and violence of the left convinced of the "need for a very strong party — both in terms of structure and ideology."

The JCN found a political father under the leadership of Raúl Alfonsín, who with the support of the party's youth, almost won internal elections against Balbín for the 1973 presidential candidacy.

In that same year, the Movement for Renewal and Change was formally established, with the JCN as a dominant

pillar. Renewal and Change criticized Balbín's leadership for failing to transmit the party's principals to the voters and for being out of touch with the youth, workers, and issues of the day.

The coup d'état of 1976 overthrowing Isabel Perón cut off the fortunes and activities of all political actors. Politics was confined to the safety of seminars and research centers.

With the Malvinas War (1982), political groups gained some breathing space. The JCN mobilized in support of Argentina's sovereignty claims, but against the irresponsible manner in which the attempted recuperation was handled.

With the loss of the Malvinas War, a return to civilian government became inevitable. Early 1983 saw intense activity by the political parties in preparation for internal elections. In June 1983, with the organizational push of the Junta Coordinadora, the Alfonsín-Martínez ticket won party primaries, and in October of that year, the national elections.

While candidate Alfonsín was discussing the great national issues, the JCN was mobilizing the party — and above all, the young people — behind him. They were out in streets and neighborhoods, recruiting and convincing, manning tables on corners and at community events, and mobilizing crowds for human rights

marches, political acts, and wherever party candidates spoke.

For much of the youth of the Radical Party, the JCN provided a long-awaited channel for participation.

When the election dust had settled, members of the Junta Coordinadora could be found in the congress, ministries, city councils, provincial legislatures, and party leadership. Initially, the highest posts were doled out to more senior party members, but as they leave office, key posts go to the Junta Coordinadora, or at least, friends of the Junta Coordinadora.

And increasingly, the JCN has been expanding its wings throughout the country, causing rifts with other currents in the party, and prompting President Alfonsín to appeal to all currents to iron out their differences and present united tickets and a united image for next year's gubernatorial and congressional races.

This is not to imply that the Junta Coordinadora is all-powerful within the government and party, nor united in its ideology and methodology. Indeed, since entering the government, splits have developed with regard to specific policies and practices.

#### **A breakdown**

According to Coordinadora-watchers, there are two broad lines

#### **Influential Coordinadora Members**

*Facundo Suárez Lastra:* Former President of the Federal Capital's City Council. In early 1986 moved to Undersecretary of the Interior.

*Jesús Rodríguez:* Former President of Radical Youth. As deputy from the Federal Capital, serves as Chairman of the Budget and Finance Committee.

*Marcelo Kiguel:* Former Director of the General Tax Board, now directs the watchdog Secretary over state enterprises.

*Marcelo Dacorte:* Formerly at the Central Bank, he replaced Kiguel at the General Tax Board.

*Ricardo Mazzorin:* Secretary of Domestic Trade.

*Juan Carlos Farizano:* President of the Federal Capital City Council.

inside the Coordinadora, commonly referred to as "the pragmatists" and "the principalists," which break down between the JCN's contending leaders: Enrique Nosiglia and Luis Alberto Cáceres.

The pragmatists are from the Federal Capital: Nosiglia, Jesús Rodríguez, Marcelo Stubrin, Facundo Suárez Lastra, and their adherents. The principalists are from the provinces: Cáceres (Santa Fé), Federico Storani (Buenos Aires), Ricardo Laferriere (Ente Ríos), and Carlos Becerra (Córdoba), all of whom generally try not to get caught in between Cáceres and Nosiglia.

Political observers characterize the principalists as remaining truer to the JCN's original progressive ideology and visions of a dynamic party of all socio-economic levels. While members of both "tendencies" compose Alfonsín's inner circle and follow the President's lead, the principalists are more likely to publicly question government policies and to challenge other members for predominance in the party.

Cáceres, above all others, is the most rebellious, independent member of the National Coordinating Board. He openly covets the chairmanship of the party. Six months after the 1983 elections, Cáceres came out against Alfonsín being president of the party and the nation of the same time. He accused the party of being too closely identified with individuals, and lacking in initiative and participation.

On the issues of human rights, military relations, foreign debt, the Austral Plan and international relations, the principalists are generally more critical of government policies than are the pragmatists.

In human rights and military relations, the principalists want the government to stand strong, against pressure from the military, and for a more rigorous prosecution of human rights violators, regardless of the instructions accepting due obedience as a defense.

The Austral Plan is criticized for falling too heavily on the popular sectors and for not moving ahead to reactivate the economy. Regarding the debt and foreign relations, the principalists want the government to make a more determined effort at a

regional political response to the debt and to cool relations with the United States.

The pragmatists are characterized generally as walking the line with President Alfonsín, and therefore postponing their progressive politics. When queried about the commonly-held currency of their move to the right, the standard response is negation, or a comment, such as Jesús Rodríguez's, that "the most revolutionary change we can bring about is a democratic Argentina."

Speculation aside, whatever one's opinions about the Coordinadora, its methods and its aims, it is clear that they are doing something right in attracting and channelling people — especially young people — to the party.

While some young Radicals in the Capital say they have to join the JCN if they want any type of future in the party, many others comment that the JCN is the most vital, active branch of the party and that it has given them a satisfactory way to participate through its seminars, community-service projects, and social and educational projects.

Deputy Marcelo Stubrin says the JCN attracts young people because it offers what other Radicals do not. "To be active in the JCN is to work for a political project of a democratic, modern country that exceeds the individual aspirations of any one leader. Other Radicals (the historicists) fight among themselves and lack a political project."

The Junta Coordinadora does envision a new type of Argentine political party, with a new type of activist and activism, as the essential glue in the construction and maintenance of a democratic system.

It understands the party to be much more than an electoral apparatus or place to discuss politics in smoke-filled rooms. The JCN wants to build a mass party, with effective representation among and for all socioeconomic sectors.

Co-founder Ricardo Laferriere envisions a party incorporating the best of Argentine political traditions, "the democratic model of Yrigoyen and the social model of Peron."

This means in practice that the party — the JCN — has to develop a presence

and activity among student and neighborhood groups, labor unions, professional associations, etc.

The party, as the transmission belt between society and the nation, will listen to and respond to the frustrations of these groups. In turn, these groups must participate in the party and make a commitment to the democratic system and the party.

At the same time, the JCN is forming cadres of party activists from these societal groups who are well-grounded in their respective fields, in party doctrine and experience and can be counted on to assume leadership positions inside the party and government.

The JCN also sees the need to breathe life into the Argentine Constitution by amending it to allow for direct elections, referendums, plebiscites, recalls and a second presidential term.

For all its grand designs for a more democratic party and country, the Junta Coordinadora is also a political machine par excellence.

Inside the national party the JCN can count six members of the 25-member Executive Board; 38 Coordinadoras and 12 allies to the 95-member National

Plenary Board, and some 80 Coordinadoras and allies to the 300-member National Convention.

And the Coordinadora has undisputed control of the party in the Federal Capital and Santa Fé, a very strong presence in the provinces of Buenos Aires and Cordoba, and good relations with governors of Rio Negro, Chubut, Misiones, San Luis and Tucumán.

In order to get its message across, the Coordinadora has myriad economic and logistical resources — a newspaper (*Tiempo Argentino*), magazines (*Repuesta*, and Storani's *Generación '83*), a foundation (FUCADE — Foundation for Change in Democracy) and excellent international business, academic and political contacts.

Exactly what the amorphous Junta Coordinadora wants, besides more power and a democratic, prosperous Argentina, is not clear. What is crystal-clear, however, is its growing personal stake in and responsibility for the country's future democratic and economic system.

From their ranks will come decades of political and government leaders, and, very likely, a future president or two.

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CSO: 3300/2

BARBADOS

NEW CUBAN AMBASSADOR SEEKS CLIMATE OF PEACE

Bridgetown BARBADOS ADVOCATE in English 26 Sep 86 p 2

[Text]

Both Barbados and Cuba want to dwell in an atmosphere of peace, mutual respect and understanding.

These sentiments were stated yesterday when Governor General Sir Hugh Springer received the credentials of the new Cuban Ambassador to Barbados, Mr. Severino Mansur Jorge, who is resident in Havana.

Sir Hugh in his welcoming remarks noted that such a wish from Barbados came with "the recognition that the integrity of nations is a sacred principle."

Ambassador Mansur Jorge said that he has committed himself to working towards strengthening the ties which link Barbados and Cuba and to "the achievement of a climate of peace, mutual respect and understanding in the Caribbean region."

Barbados and Cuba have enjoyed diplomatic relations since 1972. Earlier this century, a large number of Barbadians went to Cuba to work in the sugar industry there.

Sir Hugh said that "the pioneering spirit of those Barbadians who chose to live and work in Cuba has assisted in no small measure in strengthening the bond between our people.

The new Cuban diplomat noted that the two countries, in addition to their geographical nearness, share other affinities. These he noted have contributed towards the historical identification of the two countries' peoples and have also encouraged them to work towards the development of mutual diplomatic, trade and cultural relations.

Sir Hugh requested Ambassador Mansur Jorge to convey best wishes to President Castro.

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CSO: 3298/022

BARBADOS

REMARKS EXCHANGED AS NEW PRC AMBASSADOR ARRIVES

Bridgetown BARBADOS ADVOCATE in English 13 Sep 86 p 1

[Text]

Barbados and China have been able to forge a relationship based on mutual respect, on the concept of the sovereign equality of states and on a willingness to know more about each other.

This has been stated by Governor General Sir Hugh Springer as he received the credentials of China's new Ambassador here Mr. Gu Zhifang on Thursday.

Sir Hugh noted that the two countries experienced a warm relationship despite size and geographical location, cultural and historical experiences of the two countries.

Barbados and the People's Republic of China established diplomatic relations in 1977. Over the years, Barbados has been the recipient of technical assistance in the fields of agriculture and sport from the Chinese. They are also helping

Barbados in the fields of embroidery, straw weaving and physical education.

An agreement has also been signed between the two governments for the construction of a gymnasium here which is yet to get under way.

Ambassador Zhifang, who succeeds Mr. Li Jie, has served in the Ministry of Foreign Affairs in his country and has held diplomatic posts in Egypt, Yemen, Uganda, Guyana and Fiji.

The Ambassador, who spoke of Barbados' pursuit of an independent and non-aligned foreign policy also referred to its opposition to racial discrimination and its friendly relations with many countries.

He pointed out that both Barbados and China were faced with the common task of developing their economies and building up their respective countries.

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CSO: 3298/022

BARBADOS

HAYNES IN JAPAN, SECURES LOAN, DISCUSSES TRADE DEFICIT

Bridgetown WEEKEND NATION in English 26-27 Sep 86 p 32

[Text]

BARBADOS has acquired a US\$28 million Japanese loan.

Minister of Finance, Dr. Richie Haynes, on Wednesday signed for the second issue of Barbados five-year bonds offered on the Japanese market at the Imperial Hotel in Tokyo.

Nikko Securities Limited and the Industrial Bank of Japan, lead arranger and agent bank, respectively, for this issue, as well as Nippon Life Insurance Company, a co-arranger, the Hong Kong and Shanghai Banking Corporation and the Algemene Bank Nederland, signed on behalf of the purchasers.

Dr. Courtney Blackman, Governor of the Central Bank; Steve Emtage, Director of Economic Affairs; and Winston Cox, adviser to the Central Bank governor, attended the ceremony.

Speaking at the signing ceremony, the Minister of Finance noted that the completion of this private placement of yen bonds was clear evidence of his Government's commitment to the continuity in its market operations. (The arrangements for the issue of this current series of bonds was completed before the change of Government on May 28.)

He said the proceeds of the issue would be used to help support Government's development efforts which would lead to an expansion of the island's productive capacity.

He thanked Nikko Securities and the other bond purchasers for their confidence in Barbados and assured them that it would not be misplaced. He added that Barbados was proud of its record for meeting its obligation, both domestic and international; and he said his Government's policies were geared towards maintaining that record.

Haynes drew attention to Barbados' trade deficit with Japan and noted that access to the Japanese capital market would help Government in its efforts to expand production in areas such as cotton that lead to increased exports to Japan. He invited the Japanese private sector to join the Government and the Barbadian private sector in these efforts.

The minister pointed out the opportunities available to Japanese firms to produce in Barbados and take advantage of opportunities under Lome, the Caribbean Basin Initiative and CARIBCAN for the European, United States and Canadian markets, respectively. He also invited Japanese financial institutions and trading companies to consider the tax advantages of doing their off-shore business from Barbados.

Speaking on behalf of the purchasers and arrangers, Mr. Kobayashi, executive vice-president of Nikko Securities Limited, thanked the Barbados Government for giving his company and other participants an opportunity to share in the country's development effort.

He noted Barbados' commitment to democracy and to sound economic policies; adding that the success of this issue of bonds was evident of the confidence which Japanese investors had in the country.

BARBADOS

TEXT OF BARROW ADDRESS TO ST VINCENT NDP MEETING

Bridgetown SUNDAY ADVOCATE in English 21 Sep 86 p 4

[For a briefer report by Bridgetown CANA in English at 2148 GMT 9 September 1986 on the following Barrow speech, see the Latin America DAILY REPORT FBIS-LAM-86-175 of 10 September 1986, pages S 2-S 3]

[Text]

This week we are very happy to reproduce the Address delivered by Prime Minister Errol Barrow, Political Leader of the Democratic Labour Party on the occasion of the Annual General Meeting of the New Democratic Party of St. Vincent, on September 6, 1986:

"Somewhere in the letters written by Saint Paul to the Corinthians he said, 'Though I speak with the tongues of men and of angels and have not charity .. I am nothing.' I should like to entitle my remarks 'with malice towards some' but that would be uncharitable. So on second thoughts, I have decided upon a less provocative title in, 'The Dangers to Development and Some Obstacles to Sovereignty and Self-Realisation'.

"Our people are they who have come out of great tribulation expecting to hunger no more nor to thirst anymore. Their expectations of freedom from want and hunger have not been fulfilled by the attainment of constitutional Independence; but instead the region is besieged with high levels of unemployment and declining standards of living due mainly to adverse terms of trade and heavy debt burdens incurred by potential administrations.

### *Public service*

"The main beneficiaries of our independence have been our public service employees and the

multinational corporations whose revenues frequently exceed the revenues raised by the Governments of the countries in which they operate and carry on business.

"Our inability to satisfy the needs and aspirations of all our people since the decolonisation of the Caribbean has been seized upon by some who have never wished us well and even by some of our own people who by the very token do not even wish themselves well as conclusive evidence of our inability to govern ourselves or to solve the most simple problems of survival which have confronted mankind from the beginning of time.

"If we are to go forward with confidence as a people we must not allow ourselves to be imbued or overwhelmed with a sense of inadequacy either by those practitioners of racial, geographical superiority or become paralysed and incapable of pursuing affirmative action by the prophets of doom within our very gates.

"Basically, our problems stem not so much from lack of resources (be they material or human) but more from a lack of perception of what we need to have and where we want to go.

"The prevailing myth created in the 17th Century as a justification for mercantilism and imperial expansion was that a society could

not become rich or prosperous unless there was available an exclusive market to absorb the products of the industrialised societies. This philosophy led to wars of expansion and the subjugation of nations of peoples in India, Africa and the Far East by the major European powers over the span of two hundred years which followed Adam Smith.

No examination of the economic and social organisations of the societies which one after the other fell under the 'civilising' or Christianising influence of the imperial powers were ever undertaken. Language and culture, customs and religious practices were brutally suppressed in the all-pervading mission to homogenize and detribalise the subject people. All that is a matter of history. If we do not understand our history or where we have come from we will be incapable of having a sense of direction or of deciding where we are going or where we want to go.

"Since the winds of change have swept over the world of imperialism those societies which have re-emerged with the greatest sense of identity and natural purpose are precisely those societies who have had the shortest colonial history such as the Pacific countries and parts of the great continent of Africa. Some have emerged with their culture unimpaired and their language and customs intact.

"Not so the Caribbean. In the first place we were uprooted. In the second, we were deliberately detribalised and in the third, we were the victims of institutionalised "apartheid" which has only comparatively recently found favour with the government of the Union of South Africa in their dealings with the peoples whose lands and country they have illegally expropriated.

### **Role model**

"The Caribbean has been the role model for the interpersonal relationships upon which the Afrikaners have established their hateful policies.

"And it is precisely because we have endured and survived these role-destroying experiences and genocidal attempts that we have another role to play in these last years of the twentieth Century to act as pathfinders and to chart the way ahead for other small societies to demonstrate that success is not the prerogative of large countries or peace and prosperity the heritage of the rich and powerful nations. The King of France at the time when Pope Alexander divided the world between Spain and Portugal demanded to see the clause in Adam's will which denied him his share of this world.

"The two richest and most powerful nations in the world today, The Union of Soviet Socialist Republics and the United States of America have not waited for a Papal Donation from Pope John Paul or any other Pope but have decided to divide the sphere of the earth into areas of influence and control. The battle of the last half of the 20th century has been the battle of those countries, small and not so small, who are not already

sucked into the orbit of the two superpowers to retain their sovereignty and natural integrity, thereby forswearing the grand designs of these two nations whose main preoccupation would appear to be mutual annihilation and destruction.

"In the Wall Street Journal of Monday, March 3, 1986, Professor Irving Kristol of the N.Y.U. Graduate School of Business wrote these words:

"The kind of design that Washington has for us is that we should become client states. The kind of design that Moscow has for us is that we should be Afghanistanised and at the highest used as missile bases in the confrontational politics of the two superpowers."

"Down which road do we want to go? The answer has to be 'a plague on both your houses!' The Caribbean like the Pacific and the Indian Oceans must establish its right to be a zone of peace and this implies a rejection of any idea of nuclear weapons being installed in any country or in any place anywhere in the Caribbean Sea.

### **Doubtful benefits**

"Those leaders who are willing to auction the security of our islands for the doubtful benefits of protection are precisely those who have never been to war college nor seen nor heard a shot fired in anger.

"And so your Prime Minister, the Rt. Hon. James Mitchell and your humble servant, as Prime Minister of Barbados, had no difficulty in reaching a common position on the question of regional security.

"Basically, we were prepared to go along the broad principle

contained in the Memorandum of Understanding entered into by the OECS countries and Barbados in 1982.

"We are not, however, prepared to elevate that now into a formal treaty since we both reserve for our Governments the right to contract out of any arrangements which we might consider derogations of the terms of the understanding or subversive of our national sovereignty. Particularly, we consider it desirable to collaborate in the war against drugs and smuggling and train our personnel together in the areas of search and rescue, fishing and marine operation.

"My main contention is that we can survive and even prosper if we exercise discipline and self control. If all sectors of our economies realise that we need to be modest in our demands avoiding the dangers of excessive consumerism, relying on our own creativity and inspiring in our people that with readjustment of our sights and redefinition of our targets, our small societies should be able to march boldly into the twenty-first century in the vanguard of those small nations who redefined their pathways to progress.

"But before we set out on the march into the future we need to turn to those who wish to join us in this march and in the words of Alfred Cruikshank, an early 20th Century Trinidad Poet, say:

"Stop kneeling. Stand!"

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CSO: 3298/022

BARBADOS

## ECONOMIC, JOBS QUESTIONS DIVIDE POLITICAL FORCES

### BLP Criticism of Government

Bridgetown BARBADOS ADVOCATE in English 12 Sep 86 p 1

[Text]

Government has been accused of creating a climate of insecurity and instability while contributing directly to the country's growing unemployment problem.

This charge has been levelled by the opposition Barbados Labour Party (BLP) which pointed to layoffs in both the public and private sectors as well as the outright abolition of certain permanent posts in the Public Service.

"Many of those dismissed are supporters of, or believed to be supporters of, the Barbados Labour Party and view their dismissals as being inspired by partisan political considerations," a BLP statement said yesterday.

It was noted that the reasons being given for the dismissals were that the posts were being reorganised or that there was a lack of money or that "anomalies are being corrected."

#### Referred to sacked workers

The party referred to dismissed workers at Ministry of Transport and Works (200); National Conservation Commission (350); the National Assistance Board, the Transport Board and the Barbados National Oil Company.

The Opposition party said that the DLP was swept to power in the May 28 general election on a pledge of creating new jobs and called on the Government's Ministry of the Public Service to defend workers' rights.

"The Barbados Labour Party calls on the Government to desist from its present course of conduct which is destroying the livelihood and happiness of workers and creating a climate of insecurity and social instability.

#### Publish strategy

"The Barbados Labour Party also calls on the Minister of Employment, Labour and Sport, urgently to publish his Ministry's strategy for the creation of job opportunities and to show that his Government is serious about job dismissals by bringing to Parliament Unfair Dismissals legislation without delay.

"A Draft Bill was left in the Ministry by the former BLP Government," the statement said.

The BLP which was voted out of office in May after 10 years said it expresses sympathy and solidarity with all displaced workers.

It added that it hoped these workers will take some small comfort from the knowledge that the BLP created the Unemployment Benefit Scheme through which they can get some six months' benefits.

"It is with dismay that the BLP records its disappointment in the various workers' unions which have been so patently silent in the face of the persistent abrogation of the rights of public workers," the statement added.

Union Comments

Bridgetown BARBADOS ADVOCATE in English 12 Sep 86 p 1

[Text]

The National Union of Public Workers (NUPW) said yesterday voluntary pay cuts may be one way of stemming a rash of public and private sector lay-offs.

The NUPW, which represents the largest number of unionised civil servants, expressed concern at the redundancies in a statement.

The union said all employers had an obligation to consult with the trade union before workers were severed.

It added: "Employers in Barbados, very often led by the Government in its capacity as the single largest employer continue to fail to explore alternative ways of avoiding redundancies. These ways would include voluntary redundancies, attrition, short time working, abolition of overtime, streamlining operations, granting extended leave, reducing concessions and even voluntary reduction in pay."

**Union not satisfied**

"The NUPW is not satisfied with the lay-offs of workers at the National Assistance Board and other Government agencies without prior notification and discussion with it," the union said.

The Board announced that 25 workers will be sent home today because the budget for house repairs had been exhausted by heavy pre-election spending by the defeated administration.

According to a statement from the NUPW "lay-offs are not necessarily the solution to problems a department may be experiencing, and it is believed by the Union that the recent lay-offs and demotions at Aero Services (1982) Ltd. will prove to be a classic example of this."

Barrow Remarks

FL040235 Bridgetown BARBADOS ADVOCATE in English 29 Sep 86 p 1

[Text] In order to address some of this country's problems there will be need for restructuring of the economy. This is the view of Prime Minister Mr Errol Barrow, who also spoke about the country's housing and jobless situation.

His comments came at a meeting of the St Michael South East constituency branch of the ruling Democratic Labour Party held yesterday at the Parkinson School. Parliamentary representative Dr Erskine Simmons also attended the meeting.

Mr Barrow told his audience "...it will take a complete restructuring of the economy of Barbados, a complete change in outlook of the total society," and a radical change in attitude from the public service in dealing with the problems facing the country.

Day and Night

The prime minister noted that government ministers for their part will have to work day and night addressing themselves to the problems confronting the society. He added that while it was necessary for them to go overseas at times, he felt it was equally important that when they attended conferences and the like that there be a job-creation factor for the people here from such trips.

Earlier in his speech he referred to the big demand for housing and jobs. Mr Barrow said that approximately 11,000 people were awaiting houses from the National Housing Corporation adding that the number might have been even higher if people did not become frustrated putting their names on a list.

He told those present that during the past 16 weeks since his party's return to office, his ministry (Ministry of Economic Affairs) had dealt with over 600 people looking for jobs and he believed the same figure was true for the other government ministries.

Noting that it was important for us to get our priorities straight, he was critical of the new Central Bank building, stating he had been invited to open it five days before the official function, but turned it down.

#### The Jobless

Prime Minister Barrow, who pointed out that as many as 25,000 people might be jobless, said that in his constituency there were people living in the branch headquarters since they had nowhere to go since being left homeless by a fire earlier this year. He referred to the Central Bank buying a piano for 28,000 pounds sterling (BDS\$80,000 approximately).

Mr Barrow said that before the new Central Bank building had been started a private firm had written the then government offering it Trident House and a building back of it used for parking at \$3.8 million. The government refused, he added, and the firm later offered not only Trident House and the building behind it but the property which was known as Holiday Inn for \$8 million and that offer was also rejected.

The prime minister, who noted that the Central Bank's staff could be lost away in Trident House, said that a local insurance firm had bought the building and had a number of tenants renting from it, including the Barbados National Bank and the American Embassy. Trinidadians, he said, had bought the Holiday Inn.

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BARBADOS

CENTRAL BANK CITES RISING TOTALS FOR DEFENSE SPENDING

Kingston THE DAILY GLEANER in English 29 Sep 86 p 14

[Text] Bridgetown, Sept 26, CANA--Defence spending in Barbados has amounted to close to Bds142 million dollars since 1979 when the island established its Defence Force, according to figures published by the Central Bank.

The figures, contained in the Bank's monthly publication of Economic and Financial Statistics, put spending on the Defence Force at 141.9 million dollars, between the 1979-80 financial year, and June of the current financial year.

Current expenditure in the period--covering salaries and other day-to-day expenses of the Defence Force--reached 96.8 million dollars while capital expenditure--spending on capital projects such as acquisition of equipment and construction, reached 45.1 million dollars in the period to June of the present financial year.

Government allocated a record 26.1 million dollars to defence in the 1985-86 financial year, which ended at March 31, 1986.

This represented a two million dollar increase over defence spending for the 1984-85 financial year, according to the Central Bank figures.

The Central Bank figures show consistently rising expenditure on defence on the island, since the military began to receive serious attention following the 1979 leftwing coup d'etat in Grenada, and alleged threats to Barbados by mercenaries.

Defence spending in the 1979-1980 financial year barely exceeded five million dollars, but by the following financial year 20.4 million dollars and in the 1982-83 financial year, spending on the military in Barbados was above 23 million dollars.

The 1980-82 period saw Government spending close to 25 million dollars on capital works for the Defence Force, covering construction, new equipment and other development areas.

It was the only period since 1979 that capital works in defence outstripped current spending which in the two-year period between 1980 and 1982 reached 18.9 million dollars.

The Bank does not give details of the nature of the spending, but the period would cover construction of modern bases for the Defence Force at the Carenage in Bridgetown, where the Coast Guard is based, renovations to the force's headquarters to the south of this capital, and construction of a new base for the Army just off the western edge of the airport.

The Barbados Defence Force is the strongest military force in the Eastern Caribbean, with a reported strength of 1,800, and with land, sea and air units.

The Force is headquartered at the Garrison, St Michael, across the street from the island's only horse racing track.

There are also Defence Force bases in the north of the island--a former U.S. naval base--and in the south near the international airport, on facilities once used by the controversial Space Research Corporation which was expelled from the island following charges that it was breaching the United Nations arms embargo against South Africa.

The BDF is commanded by a career Barbadian soldier, Brigadier Rudyard Lewis, who was trained at the famed Sandhurst Military College in Britain.

Lewis served for a time in the Jamaica Defence Force, before being invited home to Barbados to head the local Force.

He also serves as Commander of the Regional Security System (RSS), the quasi-military alliance between Barbados and six nations of the Organisation of East Caribbean States (OECS).

Barbados' Prime Minister Errol W. Barrow, who is also Defence Minister, has already declared his lack of enthusiasm for a military role for the RSS, but has stressed his commitment to improving regional cooperation in Coast Guard matters such as fisheries protection, search and rescue, and narcotics and contraband interdiction.

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CSO: 3298/022

BARBADOS

BRIEFS

UNION WAGE ACTION--Both the National Union of Public Workers (NUPW) and the Barbados Union of Teachers (BUT) have rejected Government's latest wages offer. The two unions which have been negotiating as a joint bargaining unit met with Government's Establishments Division yesterday, but after less than one hour of talks they rejected Government's offer. According to the unions, Government's offer was increased from eight to nine per cent at the bottom; 3.8 to 4.3 per cent in the middle and 1.2 to 1.4 per cent at the top of the pay scale. In their statement, the two unions said they will be devising ways of expressing "their displeasure at both the latest objectionable offer of Government and the slow pace of the negotiations which commenced in March." The BUT will meet its membership on Saturday, October 4 at 10 a.m. at its Merryhill headquarters, while the NUPW will be embarking on a series of spot meetings at various government departments to sensitise its membership. [Text] [Bridgetown BARBADOS ADVOCATE in English 26 Sep 86 p 1] /6091

NEW ENVOY TO CARIBBEAN--Bridgetown, Barbados, Oct 4, CANA--New Barbados High Commissioner to Trinidad and Tobago Frank DaSilva leaves here today for Port of Spain, the Ministry of Foreign Affairs said. Guyana-born DaSilva, an industrialist, will also serve as envoy to Grenada and Dominica. He is a former president of the Barbados Manufacturers Association and has lived here for over 20 years. Manufacturers this week praised the appointment of DaSilva, who takes up his posting at a time when Barbados and Trinidad and Tobago are improving their trade relations. [Text] [Bridgetown CANA in English 1634 GMT 4 Oct 86 FL] /6091

CSO: 3298/022

BELIZE

GOVERNMENT READY TO NEGOTIATE DISPUTE WITH GUATEMALA

Barrow Remarks at UNGA

FL020107 Havana Television Service in Spanish 0000 GMT 2 Oct 86

[Text] Belize is willing to resume talks with Guatemala aimed at solving current territorial differences between the two countries. This was said by Belizean Foreign Minister Dean Barrow.

A note released by the government's information service in Belmopan, the Belizean capital, quotes portions of the speech delivered by Barrow at the UN General Assembly, where he referred to Guatemalan relations. The Caribbean diplomat specifically addressed the UN Latin American group suggesting a meeting with Guatemala to solve the border conflict.

Report of Border Skirmish

Belize City AMANDALA in English 19 Sep 86 p 1

[Text] Belize City, Fri. Sept. 19--Our Western correspondent reports that sometime on the night of September 15, Guatemalan (and Central American) Independence Day, there was a small skirmish between Guat soldiers and British/BDF troops at Arenal on the Belize side of the border.

He speculates the Guats may have been drunk because of the celebrations.

Ed. Note: Our intention is certainly not to alarm anybody with such reports, but merely to inform of what the people in the West see as news.

/6091

CSO: 3298/023

BELIZE

POPULAR PARTY LEADER POLLARD GETS DEATH THREAT

Belize City THE REPORTER in English 7 Sep 86 p 7

[Text]

Mr. Nicholas Pollard, Secretary General of the Belize Popular Party, disclosed this week that he has received a death threat.

The threat, made on the telephone by an abusive Creole voice, said Pollard would be punished because of a disclosure he had made concerning drug trafficking. The call was made to Pollard's adopted daughter, Mrs. Julie Mahler, who relayed the message to him.

It was the second warning for Pollard in less than a week. Last Wednesday Pollard received a warning from the Director of Public Prosecution, advising him that his statements at a public meeting were having a disparaging effect on members of the UDP administration and that such statements were capable of sustaining legal action.

In a written statement this week Pollard denied making

any accusations linking any member of the government with the drug trade. He admitted that he had accused Home Affairs Minister Curl Thompson of doing nothing about "an alleged conspiracy in cocaine trafficking between an unnamed police officer and an unnamed alleged trafficker in drugs."

Pollard said he wished to make it perfectly clear that he did not implicate any member of the present UDP government.

"I have no reason to do so," he said, "In fact, I congratulate Minister Thompson for his belated actions."

Pollard's speculation that the threat may have come from a drug baron, or from someone associated with drugs indicate that he is taking the threat against his life seriously.

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CSO: 3298/023

BELIZE

UDP BELIZE CITY COUNCIL NOMINATIONS REVEAL FACTIONALISM

Belize City AMANDALA in English 12 Sep 86 p 1

[Text]

BELIZE CITY, Fri. Sept. 12

At least 4, and possibly 5, places will be open when the ruling United Democratic Party chooses its nine candidates on Sunday, September 28, for the Belize City Council election due in December of this year.

There are only 8 active Councillors to begin with, the November, 1985 death of Councillor Allan Pitts having left a seat vacant which has never been filled.

Of these 8, Deputy Foreign Affairs Minister Sam Rhaburn, House Speaker Carlos Castillo, and Gustavo Bautista will not be offering themselves for re-election.

And Mayor Frank Lizama has been coy about whether he will run again or not. It may be that he is looking for feedback from the party before he makes up his mind.

Those Councillors who will be seeking to be nominated by the party are Deputy Mayor Ramon Vasquez, and Councillors Rodwell Pinks, Michael Young, and Cleophus Lord.

Candidates for the open spots on the Citco ticket, from what we have been hearing, include Senator Cyril Davis and former public officer and ex-serviceman K.B. Smith.

Our sources feel that the Bird's Isle convention may feature some factional struggles, but it is difficult to predict how much. Our sources feel there is an Esquivel/Vasquez faction, a Lindo faction, and an increasingly powerful, so-called Latin faction.

A suspected Elrington faction is not a storm, but a tropical wave at best, which is to say, loosely organized.

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CSO: 3298/023

BOLIVIA

IDB ISSUES ANNUAL REPORT ON NATION'S ECONOMIC SITUATION

Santa Cruz EL MUNDO in Spanish 14 Sep 86 p 7

[Text] Declining production, hyperinflation, the enormous fiscal deficit and weakening of the productive apparatus were features of the previous government's economic policy.

The economic crisis affected the main state enterprises, COMIBOL and Yacimientos, whose operating surpluses disappeared.

The present government's policy should improve the balance of payments position with a significant increase in net capital inflows by means of agreements with the international financial community.

LA PAZ (EL MUNDO) The Inter-American Development Bank (IDB) has published its annual report on the economies of the region, paying special attention to agricultural development.

The profound analysis that IDB makes of the Bolivian economic situation differentiates clearly between the state of the economy up to 1985, that is to say under the Democratic and Popular Unity administration, and the new economic policy adopted by the constitutional government.

The report stresses bringing inflation under control and draws attention to the balance of payments situation which must be addressed by net capital inflows provided essentially by international cooperation.

It stresses the serious situation of some state enterprises, the problems that would be brought about by the policy of restricting expenditures, the crushing unemployment situation, and the unrest in the various social sectors.

In view of the enormous importance of this economic study, EL MUNDO quotes from it at length:

"The persistent decline in production was caused by the decline in prices on international markets of some of the country's most important export products and the weakening of the productive and administrative structure of the public sector, which has a preponderant role in the generation of goods and services in the country. Thus by the end of 1984 overall consumption had come down

to a level comparable with that of 1978, while the creation of fixed capital assets, imports and exports were similar to those restricted towards the end of the 1960's, the deficit of the non-financial public sector amounted to 29 percent of gross domestic product, and inflation, as measured by the consumer price index, showed an average annual increase of 1,281 percent.

Surveys by the Bolivian Central Bank show that during the first three quarters of 1985 the economy's increases accelerated. In fact the weakening of the domestic market, labor conflicts, reduced supply of raw materials, competition from smuggling, and financial problems arising from the foreign exchange system affected manufacturing industry. The average capacity utilization of business was barely 39 percent. Also, constant work stoppages and the problems arising from limited availability of foreign exchange caused an abrupt fall in mining production. Moreover, financing difficulties, lack of building projects in progress had an impact on the slow rate of growth in the building sector. The agricultural sector continued its recovery from the disasters caused by climatic factors in 1983.

The worsening of the public deficit, financed almost entirely by Central Bank credit, became one of the main factors in hyperinflation in the first three quarters of 1985. The sparse data available indicate that revenue (in constant pesos) from personal income taxes diminished by 61 percent while customs revenues declined by somewhat more than 85 percent between January and September. On the other hand, current expenditures maintained the growth trend of previous years, spurred on mainly by the application of a sliding wage scale that as from May 1 was adjusted monthly.

Meanwhile, operating surpluses of the two most important sources of foreign exchange, Yacimientos Petroliferos Fiscales Bolivianos (YPFB) and the Bolivian Mining Corporation (COMIBOL) practically disappeared. Both entities were formerly obligated to hand over all their foreign exchange earnings to the Central Bank at a chronically overvalued rate of exchange.

The foreign exchange effect of rapid price increases in 1985 (69 percent in January, 183 percent in February), and the interest rate ceilings on bank deposits not only reduced their real value but also stimulated their conversion into cash. These resources were then used to acquire non-financial assets and dollars. Despite the increases in interest rates set in force in March and June, cash was still 73 percent of money and quasi-money in September. The average monthly increase of 48 percent in the means of payment continued to be a result mainly of the financing needs of the public sector.

Maintenance of the overvalued exchange rate during a large part of 1985 not only intensified inflationary pressures but also contributed to strengthening the development of the country's underground economy and to a resurgence of smuggling. Devaluations in February and May did not compensate for uncontrolled inflation, as a result of which the real effective exchange rate appreciated significantly up to August 1985. Previous to the massive (93 percent) peso devaluation carried out in September the free market exchange rate was 14.6 times the official rate. The subsequent application of a flexible exchange rate system reduced the gap between both rates and thus brought about a virtual unification of exchange rates.

Furthermore, the favorable impact of the economic measures put into effect in September with regard to the financial position of YPF and COMIBOL allowed the immediate transfer to the National Treasury of the financial surpluses generated by these enterprises as from October. This contributed to a drastic reduction in money creation and to containing inflation. The consumer price index, after increasing at an average rate of 60 percent between January and August, showed a 50 percent increase in September and two percent in October. The collapse of the tin price in October and the uncertainty about a possible reduction in the price and/or volume of natural gas exported to Argentina, caused a temporary flareup of inflationary pressures in December, when consumer prices rose 17 percent.

In the last quarter of 1985 the economy's recessive tendencies were still being maintained. However in some mining and industrial groups there were hints of an improvement in production. At the end of the year the gross domestic product showed its fifth consecutive decline. The agricultural and building sectors showed minor improvement while mining and industrial production were still declining.

#### Economic Policies

The government that took over August 6, 1985 issued decrees that differed radically from the position maintained over more than three decades by the national authorities which gave the state a growing part in economic affairs. Now on the contrary it was decided to set up a system in which market forces would determine prices and provide incentives for the private sector's participation in the economy.

In order to reduce the fiscal deficit in the immediate future public expenditures were frozen, including salaries and investments, and the prices of petroleum products were raised to international levels. Later the deposits of the Treasury and the public enterprises in the Central bank were frozen, temporarily postponing government payments. Furthermore, public and private sector enterprises were authorized to enter into and rescind labor contracts, whereby the process of rationalizing public employment was begun. Also the hiring or contracting of new employees was forbidden as from 1 Dec 1985; a minimum monthly wage was established and almost all other additional compensation was banned; the decentralization of YPF and COMIBOL and the dissolution of several state enterprises were approved.

A system of free exports and imports of goods and services was set up and customs tariffs were reduced so as to achieve a more uniform tariff system which will contribute to increasing the competitiveness of national production. A flexible exchange rate system was also set up, in which the rate is determined by means of daily foreign exchange auctions by the Central Bank.

All the banks in the financial system can operate with national currency resources at freely determined annual interest rates. They are also authorized to receive fixed time deposits in foreign currencies and in the national currency with maintained value, and to give credits in the national currency with maintained value at annual interest rates agreed to by the parties.

## Outlook

The chances of an immediate recovery in productive activity are dependent on a final solution to financial imbalances and the problems of inflation. Cutting down public expenditures implies carrying out measures such as wage controls, staff reductions and the elimination of inefficient enterprises, all having a great social impact. It should be noted that in recent years workers' incomes suffered a significant decline in real terms. Furthermore the probable increase in unemployment as a result of reducing public employment may result in a resurgence of the labor unrest of previous years and endanger the chances of success of the government's austerity program.

The improvement of the balance of payments position will depend basically on an increase in net capital inflow since an increase in export income seems improbable considering prevailing conditions in the markets for minerals and gas. An increase in transfers from other countries is anticipated to which would be added resources from the International Monetary Fund (contingency and compensatory credits, special repayment accounts) and from other multinational agencies. Refinancing agreements with regard to the private and public external debt would allow restructuring the servicing of these. A moderate growth of imports is planned to activate the mining and industrial sectors.

If the new economic policy manages to control inflation and alter expectations of future inflation it is very possible that this fact alone may bring about a large increase in the productivity in most economic sectors, and this could result in a significant increase in the gross domestic product. Once inflation is under control and resource allotment is rationalized by means of a more rational price system, the authorities will have to channel all their efforts, according to the international financial community, to solving the country's balance of payments problems.

12856/9869

CSO: 3348/36

BOLIVIA

REPORT REVEALS 64 PERCENT LACK ADEQUATE HOUSING

La Paz PRESENCIA in Spanish 28 Sep 86 p 11

The shortage of acceptable quality housing in Bolivia amounts to 700,000 homes, the executive director of the National Housing Council (CONAVI), Roger Longaric, reported. He announced that the government intends to carry out an emergency plan to build housing units at reduced costs.

Longaric's statements are based on an official report by the Ministry of Urban Affairs and Housing published in the first issue of its magazine "Urbanism and Development" in which it is revealed that the shortage of acceptable quality housing comes to 700,000 units while the overall shortage amounts to 300,000.

According to the report, those figures mean that 64 percent of the population of Bolivia lack habitable housing because present housing standards are extremely low, and the promiscuous housing conditions may be gauged from the observation that 40 percent of all Bolivians do not have a room used exclusively as a bedroom.

Obvious Overcrowding

The official report says that 82 percent of all homes have only one or no bedroom, and it should be kept in mind that family size in 43 percent of homes is five members.

This situation creates problems of overcrowding and promiscuous living conditions according to the document, which describes the housing problem as "alarming."

The research showed that 78 percent of all homes lack toilet facilities, and of those that have such facilities 40 percent have to share them with other families.

Fifty-nine percent of all homes have no kitchen. The bedroom or other rooms are used for preparing meals.

Ninety-two percent of the population has no shower or room with a bathtub.

## Growth and Demand

Due to the natural increase of the population there is an unsatisfied annual demand for 30,000 homes, due to the weakness of the institutional entities created to solve the housing problem, the report notes.

"Both the growth of the population and the maintenance of infrastructure have generated an incipient industrial development, a framework on which has developed the process of urbanization without industrialization, mainly in the three cities on the country's main highway: La Paz, Cochabamba and Santa Cruz."

In these three cities the rate of population growth is above the Latin American average and it creates an "inordinate" demand for urban services and an overall shortage of 300,000 homes as well as a shortage of 700,000 units of acceptable quality, according to the report.

The Ministry says it is an urgent matter to formulate a national housing policy in order to coordinate all "the technical, social, economic, financial and institutional potential, both government and private, into a national plan."

But, in the view of the authorities in this area, this policy will be formulated after a profound study of the problem and a diagnosis on the national level.

12856/9869  
CSO: 3348/36

BOLIVIA

NEW PROJECTS AWAITING IMPLEMENTATION OF INVESTMENT LAW

Santa Cruz EL MUNDO in Spanish 14 Sep 86 p 9

[Text] The industry director of the Chamber of Industry and Commerce, Jose Luis Velez Ocampo, and two businessmen met in the government offices with the head of the Ministry of Industry and Commerce, Roberto Gisbert. Velez Ocampo asked him to promulgate a government resolution regulating, until the new investment law is passed, a measure allowing regional productive activity to get going through the projects in the following situations:

1. Businesses that have presented their projects to the National Investment Institute before the promulgation of said law, should be exempted from tariffs on imported machinery, equipment and raw materials, in accordance with the provisions of Decree Law 18751 of 14 Dec 1981.
2. Businesses that present their projects to the Institute after Law No 843 and Decree 21367 come into force, should be granted provisional customs clearance on imports of machinery, equipment and raw materials until the new investment law is promulgated.

These businesses should provide the necessary guarantees until the Institute rules on whether the project in question is covered by the benefits provided for in the above law.

Velez Ocampo said that the above considerations are based on the fact that Law No 843 of 20 May 1986 does not repeal Decree Law 18751 of 14 Dec 1981, it merely suspends it.

The promulgation of the said resolution becomes necessary due to the need for new investments and development of the country's productive activity, the investment law being in suspense, within the meaning of Law 843 and Decree 21367.

12856/9869  
CSO: 3348/36

BOLIVIA

BRIEFS

PEASANTS DEMAND ROAD PROJECTS--Workers of the Provincial Federation of Rural Workers asked the Highway Service authorities for proper planning of the program for building local roads. According to leaders of the group the farmers of Santa Cruz will request meetings with Highway Service authorities in order to make known the needs of each region, particularly those with rich farm and livestock production. While expressing their satisfaction with the work being done by the local road construction project under engineer Pedro Uslar, they said similar projects should be carried out in other regions. They maintained that the local roads basically should benefit the regions that are far from urban centers and which presently have no way of connecting up with the province's main highway network. They said many of these areas are highly productive and that the transport of their products would make it possible to guarantee a full supply of local markets, as well as lowering prices there. Precisely because of the lack of local roads in these areas it is impossible to transport farm products in those areas. Or if the farmer manages to get his crop out he does so at excessively high prices and with great difficulty, which ends up by inflating the final cost of production. The farm leaders said that at the meeting to be held with the officials of the Highway Service they will specify the regions that should be favored with the building of local roads. [Text] [Santa Cruz EL MUNDO in Spanish 15 Sep 86 p 9] 12856/9869

CSO: 3348/36

SCIENCE AND TECHNOLOGY

BRAZIL

NATION EXTENDS PROTECTIONIST MEASURES TO SOFTWARE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 86 p 40

[Text] As of yesterday, the reserved market throughout the country for informatics has also been extended to computer software programs. The DIARIO OFICIAL yesterday published Resolution 001/86 of the National Council on Informatics and Automation (CONIN) adopted last 26 August, which "governs the rules and standards pertaining to distribution contracts for computer programs" that is, the rules for the importation of software.

According to the informatics law, the production, marketing, and distribution of software in the country are reserved to national companies. In practice, however, it was never possible to comply with that reservation in this sector because of a lack of rules to stimulate the national production of the programs and to protect importation and marketing against "pirating."

Those rules were negotiated for 1 year between the Special Secretariat of Informatics (SEI) and the National patent Institute (INPI), the function of which will be limited to the registration of import contracts that involve the transfer of technology.

SEI official figures indicate a national software market of \$750 million this year but specialists estimate that, taking "pirating" into consideration, it should reach \$1.5 billion. Today there are 4,500 software programs registered with the SEI and only two with the INPI. Registration with the SEI is a prerequisite for the sale of the program to the government. Registration with the INPI is required for payment to the foreign supplier in the case of the purchase of technology. As of now, all software imported with transferred technology or completely developed in the country will have to be registered with the SEI in order to be able to be marketed in Brazil; unregistered software will be considered "pirated."

Under the law, the production and marketing of all computer programs fall within the reserved market. The stimulus for national production is the subject of another law, as is tax incentives for the sector. The main provisions of CONIN's resolution are as follows:

--A distribution contract between the national company and the foreign producer of the software is a prerequisite for its approval. When the two companies are national, a contract will not be required for registration;

--Foreign companies will only be able to import and market software for computers not manufactured and not designed in Brazil and, even so, only software from the company's headquarters. That is, only national companies may import or produce software for micro and supermicrocomputers. For minicomputers, superminicomputers, and large computers (the designs of which have not yet been developed in Brazil), the multinationals will be able to import only the software developed by their headquarters. Other software developed by companies that do not have affiliates in Brazil can only be imported by national companies;

--The foreign company cannot remunerate its headquarters for the importation of software. That is, in selling the equipment to Brazil, this country gains the program;

--Only software the price of which is in accord with average world prices will be approved;

--The imported software distribution companies must present biennial plans of investment in the production of national programs;

--In the case of software of important scientific interest or of interest to productive activities, CONIN may require a transfer of technology contract and not simply the importation of the program;

--In order to be distributed in the country, the software has to be in accord with sector policies. In certain sectors, CONIN may require that the programs have to be developed in the country;

--The users of software who fulfill all these requirements may include them in their expenses for the purpose of income tax calculation.

#### Incentives

The SEI approved the plans of all 19 national informatics companies that presented tax incentive requests to the government for the development of computer programs (software) and microelectronics (chips), or the training of human resources.

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CSO: 3699/16

SCIENCE AND TECHNOLOGY

BRAZIL

CONIN ADOPTS COPYRIGHT SOLUTION TO SOFTWARE INFRINGEMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Aug 86 p 23

[Text] The National Council on Informatics and Automation (CONIN) yesterday approved the recommendation that Brazil adopt the copyright system for computer programs (software); the 13 ministers voted unanimously in favor, while five of the eight sector associations were opposed. Next Tuesday, Minister of Science and Technology Renato Archer will forward suggestions to the general counsel of the republic, Saulo Ramos, so that he can prepare the bill to be submitted to the National Congress, which will have the final decision.

"All the countries in the world are adopting the copyright system. If we adopted another system, we might be the only right one, but we preferred to march in step with the whole battalion rather than be right and the whole world wrong," explained Minister Renato Archer at the end of the meeting. "The solutions we arrived at were the ones that were best for the country's interests. It was consensus that pleased everybody," explained Minister of Communications Antonio Carlos Magalhaes.

"Brazil acceded to the pressures of the United States; despite the fact that this is a more comfortable position for Brazil, the sector associations are quite concerned," said Marilia Rosa Milan, an aide of the Brazilian Association of Data-Processing Professionals (APPD). "This decision may facilitate negotiations with the United States if it is understanding," reasoned Foreign Minister Abreu Sodre.

"We were convoked only to be informed. When the time came for the members of the sector associations, the government's consensus to adopt a pure copyright was already a foregone conclusion. Then we proposed to submit contributions so that it might be adopted," related Afonso Camargo, president of the Society of Users of Computers and Peripheral Equipment (SUCESU).

CONIN also adopted eight other decisions, all by unanimity: it approved the SEI plan for the regulation of the marketing and importation of software; approved technical standards so that the keyboards of national computers be adapted to the Portuguese language; approved 6 of the 19 plans for granting tax incentives to informatics, with the requirement that the companies so benefited invest 10 percent of their revenue in research; approved the report of CONIN's three internal committees; delegated to Minister Archer the authority automatically to grant the incentives after consulting Federal Revenue.

A committee was established to define the criteria for granting tax incentives, which will be limited to 30 percent. Finally, a relator was named to examine the appeal of the Sao Paulo Filizola Company against the SEI, which refused to consider the company's scales as informatics equipment. There are two scale multinationals coming into Manaus with tax incentives and Filizola is asking for application of the reserved market law against them.

#### Software

The only controversial issue was the legal system governing software. Minister Archer opened the meeting presenting the advantages and disadvantages of the three possible options: copyright, patent, and special system (an extension of the two). Following that, after asking that the matter be voted on with the greatest urgency, Minister Antonio Carlos Magalhaes suggested the adoption of the copyright system.

The president of the Brazilian Association of Informatics Services Companies (ASSESPRO), Nilton Trama, argued that it would be better to form a committee to draft a bill. Various council members were heard. EMFA Minister Jose Maria do Amaral suggested the inclusion of changes in the current copyright law. On the vote on Trama's proposal for the formation of a committee, all of the ministers as well as three of the representatives of the eight sector organizations--Antonio Mesquita of Informatics Industries (ABICOMP), Eugenio Staub of the National Confederation of Industries, and Sergio Ferraz of the Brazilian Bar Association--were opposed.

#### Compulsory Reinvestment

In the course of the CONIN meeting, Finance Minister Dilson Funaro suggested that as soon as the sector companies benefited by the tax incentives begin to generate a profit, they should earmark part of those profits for reinvestment. According to SUCESU president Afonso Camargo, that is a matter that will be resolved by the committee charged with defining the criteria for granting the incentives.

That committee will be comprised of the Ministry of Finance, Ministry of Science and Technology, and the representatives of the Brazilian Computation Association, the Brazilian Association of Computer Industries, and ASSESPRO. Afonso Camargo revealed that that committee will also be responsible for defining criteria for the approval of new projects.

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CSO: 3699/16

SCIENCE AND TECHNOLOGY

BRAZIL

MINICOM OPPOSES SEI'S PROTECTIONISM

Sao Paulo EXAME INFORMATICA in Portuguese 6 Aug 86 p 32

[Interview with secretary general of Ministry of Communications Romulo Villar Furtado; date and place not given]

[Text] A severe critic of informatics policy, Romulo Villar Furtado, the secretary general of the Ministry of Communications since 1974, closely follows the development of the telecommunications sector. In this interview with EXAME, he draws a parallel between the policy of his area and that adopted for the informatics sector, establishing a difference between the two: "Our policy was not based on restrictions but on incentives," Furtado also deplores the reserved market because it has transformed the Special Secretariat of Informatics into a "bureaucratic obstacle" to the country's development. Following are the main excerpts of the interview.

[Question] How does the Ministry of Communications conduct that sector's development policy?

[Answer] The telecommunications sector has been characterized by the pursuit of an industrial and technological policy that has admittedly produced concrete results. At the present time, 95 percent of all the products necessary for the telecommunications system are nationally produced.

[Question] How was it possible to achieve those objectives?

[Answer] We have always pursued three basic objectives: to take care of the needs of society; to utilize goods manufactured domestically by companies with 100 percent national capital or associated with foreign capital; and finally, to develop national technology. That tripod is the basis of the development policy of the sector, always seeking a balance among those objectives.

[Question] Did the joint-venture format guarantee the development of the sector?

[Answer] About 10 years ago there were four large multinationals producing equipment and supplying the market: ITT, NEC of Brazil, Ericsson, and Siemens. Genuinely Brazilian industry practically did not exist. With the formation of joint-ventures, we consolidated an industry and transferred technology.

[Question] What is the share of the genuinely national companies?

[Answer] We supported and stimulated national enterprise. So much so that they practically did not exist 10 years ago and today they account for 33 percent of the sector.

[Question] How does your ministry today view the policy of a reserved market for informatics?

[Answer] I say only that informatics policy is not completely defined, which is going to occur only when the informatics law is regulated,, putting an end to the lack of definition. We believe that the reserved market is correct and coincides with what we did in the telecommunications area.

[Question] The Ministry of Communications is in favor of the reserved market?

[Answer] We are against the reserved market applied indiscriminately, as dogma. I believe the reserved market for the manufacture of minicomputers, superminicomputers, and microcomputers is correct. But what cannot be done is to characterize that reserved market as a legacy, that does not require of the beneficiary technological updating and a compatible price, for example. The reserved market cannot be unconditional, as it is being practiced, because that is a mistake.

[Question] What problems exist in the application of the law?

[Answer] The law defines informatics as covering the whole field of electronics. Everything, absolutely everything. That being so, it becomes obvious that there cannot be so omniscient an agency as to be able to decide on industrial policy in the toy segment or in the auto industry. For that reason, we believe that the executive powers of the different electronic segments should be divided among the competent ministries.

[Question] Is the SEI an obstacle?

[Answer] The SEI, basing itself on procedures of the past, is becoming a bureaucratic obstacle to the normal development of productive activities. An industry waits a long time to see an import license released. The way the SEI operates in all segments ends up having negative repercussions on the country's development.

[Question] In addition to the internal problems, how does the Ministry of Communications analyze the pressures from the United States?

[Answer] The United States is not and has never been against the informatics law. It only wants to know the rules of the game. What prevails, the law [lei] or the SEI? But any position on the part of the ministry should not be confused as coinciding with the thinking of the Americans because if the United States should talk about an indiscriminate opening for its products, we will obviously be against it.

SCIENCE AND TECHNOLOGY

BRAZIL

S&T MINISTER SUPPORTS SEI'S PROTECTIONISM

Sao Paulo EXAME INFORMATICA in Portuguese 6 Aug 86 p 33

[Interview with secretary general of Ministry of Science and Technology Luciano Coutinho; date and place not given]

[Text] Convinced of the existence of a movement against the Special Secretariat of Informatics (SEI), the secretary general of the Ministry of Science and Technology, Luciano Coutinho, does not spare words in defending the agency responsible for establishing the reserved market policy. In this interview with EXAME, Coutinho strikes out against those who criticize the changes in the internal system of the National Council of Informatics and Automation (CONIN), revealing that sectors "within and outside the government" have hampered the operation of that council. He also discounts the possibility that Brazil will fall behind technologically in the area of informatics and explains that the choice of a policy of restricting the foreign companies results from the "relative failure" of partnership arrangements adopted in other sectors, such as the petrochemical sector and the telecommunications area. Following are the main excerpts of Coutinho's interview:

[Question] What are the main objectives of the informatics policy?

[Answer] The national informatics policy is defined in Planin [informatics plan], which was approved by congress. It is aimed at increasing our technological capability in two critical areas, microelectronics and software, the development of which are relatively out of step. It also seeks to generalize the use of informatics. It is obvious that this policy is being carried out in accord with the spirit of the informatics law, which is to enable the national companies to occupy the domestic market. The law limits the participation of foreign capital to 30 percent and assures the national company of the decision of technological autonomy.

[Question] Why was a policy chosen different from that practiced in the telecommunications sector?

[Answer] In the telecommunications industry, the national partners have not mastered the technological know-how, far from it, and they continue to depend completely on the headquarters of the foreign partners. There is no national

control of technology, nor has there been a transfer of technology. In the informatics area, we sought to facilitate a genuine incorporation of technological know-how by the national companies because it is a strategic sector for the country.

[Question] But was there no progress in the assimilation of technology in the telecommunications sector?

[Answer] The effort made by the Telebras Research and Development Center (CPqD) in Campinas is praiseworthy but our difference pertains to the fact that that technological effort could be absorbed more rapidly, consistently, by the national companies or national partners.

[Question] Is the informatics policy going to guarantee that technological development?

[Answer] It has favored that development. Today we have more than 30,000 people working in the sector, 10,000 of whom are graduate engineers. The national companies have invested more than 10 percent of their revenue in research and development.

[Question] Is there a risk of falling behind technologically, as they say?

[Answer] Not at all. There is no risk of falling behind technologically. All the products that the national companies are not in a position to produce will be imported or manufactured domestically another way by foreign or associated companies. But we have the obligation to push the national company to achieve technological know-how. And we intend to punish pirating severely, especially in the area of software, the legal regulatory system of which should be defined by CONIN by August. There will be no change in policy as regards the treatment of partnership with foreign capital in the software or hardware areas.

[Question] How do you react to the criticism of the Ministry of Communications regarding the application of the informatics law and the "superpowers" of the SEI?

[Answer] The law is very clear about the SEI's authority. The allegations that it is exceeding its powers are groundless. It has been absolutely competent, impartial, and professional in the fulfillment of its duties within the authority granted it by the law. There is an organized movement against the SEI, seeking to fragment control over imports.

[Question] What is the expectation with regard to President Sarney's trip to the United States?

[Answer] The expectation is positive. To the extent that the Americans recognize that the law is an immutable reality at this time and that, therefore, it is the point of departure for understandings, the negotiations will become easier.

SCIENCE AND TECHNOLOGY

BRAZIL

FIRMS, STATE COOPERATE TO REGAIN S&T LEADERSHIP FOR RIO

Sao Paulo EXAME INFORMATICA in Portuguese 6 Aug 86 pp 35-36

[Text] Rio de Janeiro wants to regain the technological leadership that it held for a long time on the national scene. The principal instrument to try to promote that turnaround will be the high-tech pole to be created in Jacarepagua. Despite the fact that it is the home of the largest and oldest informatics companies in the country, such as Cobra, and advanced research centers and universities, Rio gradually lost its high-tech position to Sao Paulo. To reverse that picture, a group of Rio companies, with the support of the research sector, has joined the state and city governments to lend complete support to the informatics pole.

After three years on paper, the project for establishment of the pole is beginning to become a reality. The Riotec Corporation, a private company with 40 partners, including informatics, telecommunications, electronics, instrumentation and precision mechanics, that is the operational base of the undertaking, was created in May. It has an initial capital of 100 million cruzados which, added to another 200 million to be financed, will be used to purchase a 360,000-square meter plot from the city government in Jacarepagua. Those funds are also going to finance infrastructure projects, the installation of high-tech laboratories and training centers, and the construction of Riotec's building.

The president of Riotec Corporation, Flavio Grynzpan, a graduate of the Technological Innovation Group of the Federal University of Rio de Janeiro (UFRJ), expects the tract layout work to be completed by the end of this year. Thus, the 25 industries and research centers, with lots already reserved, can be installed beginning in 1987. According to Grynzpan, Riotec's first objective is to provide the associated companies with qualified personnel. "The informatics industry is growing between 25 and 30 percent a year and needs more and more specialized personnel," he observed. For that reason, the company has established a training program that provides for 50 courses per year in addition to seminars. According to Grynzpan, starting next year about 50,000 students will be trained in middle and university-level courses. Another of the company's objectives is to make expensive equipment such as CAD/CAM tools available through leasing. "This would help the companies being formed as well as those associated with Riotec, since they would not be burdened with the purchase of expensive equipment; this would help increase their profitability," emphasized Grynzpan.

Riotec also plans to promote real integration between the industries and the various research centers and universities established in the state, encouraging the emergence of new companies based on the development of innovative technologies. For that purpose, the installation of an "incubator," a space intended to house new companies, is planned. All together, there are 40 companies participating, among them, Cobra, Moddata, Racimec, Compart, Microlab, Digiiponto, Medidata, ABC Teleinformatics, ABC Systems, and ABC Xtal.

Rio, where informatics was born, has about 30 manufacturers today. One of the largest and oldest is the state enterprise, Cobra. Founded in 1974, it created a very diversified line with its own technology. According to Fernando Azevedo, chairman of the administrative board, Cobra should have a revenue of 1.2 billion cruzados this year, a 13 percent increase over 1985.

According to his evaluation, the company's good performance in 1986 is due to the consolidation of the 500 line (the Cobra 520, 530, and 540 minicomputers) and the excellent performance of the Cobra 480, the big micro. This multi-user microcomputer is the vanguard in the company's sales. From the time it was launched in November 1984 until last June, 876 units have been marketed. Azevedo stressed as a company priority project the X-line, a 32-bit family that will have an operational system compatible with the Unix. The hardware and software will be put on the market beginning in June 1987.

Cobra is investing about 900 million cruzados this year--triple the total invested last year--in the development of this line. At the Informatics Fair, Cobra is launching the third edition of its catalogue of programs and displaying the 210 line of 8-bit micros with a bundled system of administrative control for small and medium businesses. It is also showing the Cobra solution for commercial automation: the Cobra 480.

Another important Rio industry is Microlab, which manufactures disks, the equipment responsible for the memory that stores the data in the computer. In 1985, the company grew 84 percent in real terms compared to 1984, while net sales leaped from 33 million to 200 million cruzados during the same period. Microlab vice-president Roosevelt Duarte attributes that growth to the effort in mastering new technologies and the launching of new products. He predicts a real growth of 20 percent in sales this year. Among the products the company will launch this year is a line of large peripherals applicable to the IBM system, comprising fixed disk units. At the Informatics Fair, Microlab is showing the 85-megabyte disk in addition to the 190-megabyte streamer magnetic tape for superminicomputers. Microlab is going to invest 28 million cruzados this year, 50 percent of which in the area of peripherals.

Conpart Electronics Industry, the great force of the magnetic tape industry, has also been experiencing appreciable growth. In 1985, revenues grew 100 percent in real terms compared to 1984, while sales leaped from 9 to 54 million cruzados. Cesar Tavares, its administrative and financial director, predicts revenues of 160 million cruzados in 1986.

While maintaining its leadership in the field of auxiliary memory, Conpart now plans to gain a share of the office automation market with its text editor and data converter. According to Tavares, the company is going to invest 20 million cruzados this year in the development of new products and in nationalizing tape [production]. In 1987, it will launch the BKP 120, a cartridge tape unit completely designed at the company. At the Informatics Fair, it is showing the 40 series, a back-up streamer magnetic tape.

But in Rio the sector does not live by big companies alone. In the area of research activity, one of the most important efforts is that being carried out by the Electronic Computation Group (NCE) of the Federal University. In 1972, it undertook the first hardware project, the floating-point processor and in the area of software the researchers created the Fortran compiler, which was even exported. The Pegasus 32-bit supermicro and its Plurix operational system, compatible with the ATT's Unix from the United States, was also born in the NCE. The basic version of the Plurix system will be available in the market by the end of the year and the complete version at the end of 1987.

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SCIENCE AND TECHNOLOGY

BRAZIL

#### MINAS GERAIS RAPIDLY BECOMING S&T CENTER

Sao Paulo EXAME INFORMATICA in Portuguese 6 Aug 86 p 38

[Text] Like other Brazilian states, Minas Gerais wasted valuable time before discovering the advantages of modernization provided by informatics. However, during the past 2 years, through incisive action on the part of the state, coordinated with the mobilization of the Institute of Industrial Development (INDI) and Minas Gerais Development Bank funds, the Mineiros have undertaken a vigorous race to recover the lost time and occupy a prominent position in the informatics market. In fact, from 1984 to 1986, the number of companies grew, the products became more diversified and sophisticated, the specialized personnel improved their skills, and now Minas is pursuing an ambitious goal: to become the second largest informatics center in the country, immediately after Sao Paulo, within the next few years.

According to a study made by INDI in 1984, there were only 35 companies spread over various subsectors producing microcomputers, large systems, equipment for automatic banking, electronic keyboards, video terminals, and modems for teleprocessing. Among them were companies that manufactured electronic components and components for instrumentation and control. All together, they had revenues of about 197 billion cruzeiros and employed a little more than 4,000 persons.

Today the situation is quite different. The estimate of the overall revenues of the companies installed in Minas is around 1.8 billion cruzados and the number of persons employed is over 7,500, according to the calculations of Ayres Mascarenhas, INDI director for the electro-electronic area.

While some companies such as ABC Computers, the manufacturer of superminicomputers, are already going ahead with production, others are ready to enter the market. The prediction is that more than 40 companies will have been installed by the end of the year.

To attract the companies, Minas is resorting to various recourses ranging from tax incentives to offering highly skilled manpower. "When we established the company in Minas," recalled Arthur Heitzmann Junior, industrial director of ABC-Telematic Corporation, "we were surprised at the high level of the personnel." INDI's Mascarenhas mentioned other reasons that lead companies to seek out that region. "One of them," he said, "is the concentration of electronic industries in the Santa Rita do Sapucaí region, the so-called Electronics Valley.

Among the companies that are already operating in the Minas market, the ABC-Bull Corporation--another company of the ABC Group associated with the Bull multinational--is one that is firmly counting on growth. "Our plan," revealed marketing director Sergio Gomes de Abreu optimistically, "is to grow annually at least 30 percent more than the market average." Planned to operate in the area of large and very large computers, the company has already invested \$11 million out of a total of \$15 million programmed. Coming off its assembly lines today are the DPS T-1 and the DPS T-2. The first can process 1.2 million instructions per second; the T-2, in its maximum configuration, is seven times more powerful than the T-1, thus approaching the frontier that separates the mainframes from the very large systems. However, the company expects to cross that frontier with the DPS T-3, a project still in the development phase.

To achieve its objectives, the company is moving very briskly, seeking to take advantage of all opportunities. At the Informatics Fair in Rio, for example, it is going to present the DPS T-2 in its maximum configuration, in addition to an extensive line of peripherals developed by other companies especially for its large computer.

The ABC Group also operates in the area of superminicomputers through ABC Computers--in this case, Bull does not participate with capital, only technology; but it does not intend to enter the area of microcomputers, at least for the moment. "Our 32-bit equipment, the supermicrocomputer, is being very well received in the market and we plan to market some 50 systems in 1987," explained Heitzmann Junior, who is also the industrial director of ABC-Bull.

Another consolidated company, moreover one of the oldest in Minas, is Digitus, established in 1980 by three young engineers. Up to 1984, Digitus was a single-product company, the DGT 1000 microcomputer, a more advanced version of the 8-bit DGT 100, which has already sold 2,000 units. Despite the success of the product, pressured by the market, the company immediately perceived that it would have to expand and diversify its line.

The first of the new products was the DGT AP, compatible with the Apple line; then came the DGT PR for professional use. "In 1985 alone, we invested more than 1 billion cruzeiros in the development of new products," recalled Digitus' commercial director Marcos Birchal de Moura. This year, the company is preparing new products and is introducing improvements in the existing equipment. One of the new products is the TVA, an asynchronous video terminal. "It was first developed for the DGT PR but Biodata of Rio became interested and certified the equipment for attachment to Sisco's computers. That changed our plans because we were thinking of producing 20 units per month and now we are going to build 200," said Moura.

The other product is the DGT PC-XT, a microcomputer compatible with the IBM-PC, which will be launched in September, completing the line. Last year, Digitus sold about 900 machines and had revenues of 7.5 billion cruzeiros. This year, the prediction is for revenues of 14 million cruzados, almost double the previous year's which does not appear to be difficult to achieve inasmuch as growth for the first half of the year was 49.2 percent in real terms.

## CETEC's Research

The research of materials for use in informatics is also making rapid strides in Minas. One project of the Minas Gerais Technological Center (CETEC) has already produced the technology for the production of electronic grade quartz and now, depending on a political decision by the government, can produce another bonus: the technology for polycrystalline silicon, the raw material of the wafers on which the chip industry mounts the printed circuits and semi-conductors.

According to Rubem Braga, CETEC's superintendent of technological development, quartz research has been completed and is now in the phase of being transferred to private industry. "A company interested in the technology has even been formed, namely Technoquartz Ltd, a partnership comprised of Biobras, Leme Engineering, and Bettencourt Brokerage," Braga declared.

According to Braga, the crystalline silicon has already aroused the interest of big companies and multinationals, which would not have any difficulty in financing the large investments for the installation of the factory. Until the crystalline silicon comes, CETEC is investing in other areas. With funds from Pirelli, it is currently manufacturing on a pilot scale (10 kilos per day) the silicon tetrachloride and basic materials for the CVD process of manufacturing the rods for drawing optic fibers. "Our objective is to develop all of the basic materials necessary for the microelectronics industry," concluded Braga.

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CHILE

#### MINISTER CONFIDENT WORLD BANK WILL GRANT LOANS

Santiago EL MERCURIO in Spanish 5 Oct 86 p A-1, C-7

[Text] Finance Minister Hernan Buchi yesterday reiterated his confidence that the World Bank will maintain its tradition as a technical organization and will not bow to political pressure in the decision on whether to grant Chile the second installment of the Structural Adjustment Loan (SAL). The final decision on the loan, which amounts to \$250 million, will be made next November.

The secretary of state returned to the country yesterday after attending the annual meetings of the International Monetary Fund (IMF) and the World Bank in Washington. He also took that opportunity to meet with the representatives of the commercial banks that are Chile's creditors, in New York City.

Upon arriving at the Arturo Merino Benitez Airport, Minister Buchi stated that the trip met his objectives, both in terms of Chile's participation in the aforementioned meetings, and in the talks he held with these bodies to fine-tune proposals for future relations. He also met with the Inter-American Development Bank and the World Bank to look into the technical aspects that remain to be resolved in the programs under study, and to find out when the executive boards of these institutions will begin considering these programs.

The finance minister also revealed that in the elections of IMF and World Bank directors, two Chileans were named: Alvaro Donoso as director of the group of Southern Cone countries in the IMF, and Claudio Pardo as alternate director of the World Bank.

#### Negotiations

He recalled that a program with the International Monetary Fund known as "extended facility," which began in mid-1985 and will last until mid-1988, sets quarterly targets which serve as a basis of support for requesting that commercial banks restructure loans or grant new credits needed for the country's development.

In this regard, he reported that an agreement was reached on the basic features of Chile's policy for next year, and that an IMF mission will come to Chile on 20 October.

The first meeting with the commercial banks that are Chile's creditors will take place in mid-November, and its purpose will be to begin the process of requesting new funding for 1987, rather than renegotiating, he stated.

According to the background information that has been provided in advance, the new money Chile will need for 1987 and 1988 is estimated at \$650 million.

On Friday in New York, Buchi held preliminary talks with the president of the Committee of 12 Banks, Donald McCouch, and Susan Segal, both from Manufacturers Hannover Trust.

## SAL II

The minister stated yesterday that in general, the international financial community is aware that the country "is following what is assumed to be the strategy for overcoming the problems of the countries with major foreign debts, like Chile, by means of growth. And this requires a joint effort by the country, multilateral organizations (such as the IMF and the World Bank), and the commercial banks."

"Considerable progress has been made on agreements with both the IMF and the World Bank, and the consideration of the Structural Adjustment Loan (which is under study at this time) would come after talks begin with the commercial banks, that is, towards the end of November," he indicated.

When asked about this credit, Buchi said that "the country has a solid international reserves position which provides assurance of a normal rate of economic growth in 1987," and claimed to be "optimistic" about the approval of this loan.

As for the attitude he observed with respect to this decision, which the World Bank must make amid political pressures to deny the loan, he insisted that this multilateral organization has clear objectives which are set forth in its charter.

"I would say that the general attitude of all the people who have worked with Chile and with its program is very good. They really understand the difficulties the country was facing, the measures it has adopted, the effort that is being made to overcome them, and the results that are beginning to show, in the sense that growth is taking place with an increase in employment."

"We hope that in this regard, these institutions maintain their tradition of effectively fulfilling their assigned role," he added.

## ECLA Report

In addition, the finance minister was asked about the report submitted on Friday by the Economic Commission for Latin America (ECLA), which pointed out that our country consolidated its economic recovery in the first quarter of

1986. It also stated that Chile, Colombia, and Uruguay were the countries most favored by external conditions.

Buchi explained that since 1973, when the oil crisis drove up the price of our principal import and the price of copper fell, Chile has been among the countries hardest hit by the decline in the terms of trade. He indicated that this trend was maintained until 1985, and that in 1986 an improvement has been seen. He called it only a relative improvement, though, because the price of the red ore is still well below the projections made 6 months ago.

He noted, in any case, that this year our country is undergoing a growth process under circumstances that were accurately predicted by government officials. He also pointed out that "the objective of this process is to bring about a period of steady growth which will gradually improve employment levels. This is already happening, although we still have a long way to go."

He repeated that the goals of this policy are first to achieve an increase in employment levels, then to boost the perception of the stability of these jobs as well as their type and quality, and finally to increase pay raises. "But that, as I have said on other occasions, is a gradual process, so that the first two results can be ensured."

#### Attitude in U.S.

With regard to the position taken by high-ranking U.S. officials, such as Paul Volker (of the Federal Reserve), Buchi said that this man is very familiar with the plight of the indebted countries, and has played a very important role along with officials of the IMF, the central banks of other countries, and the agencies equivalent to finance ministries in other countries.

"He has a very understanding attitude with respect to the problems of developing nations, and he recognizes that a joint effort must be made by the creditor banks, and that protectionism must be reduced by the developed countries. In this way, the problems of indebtedness can be resolved, which will in turn allow growth in the developing countries," he stated.

He explained that Volker has a very complete understanding of Chile's recent history, and a clear idea that our country's economy has been developing in accordance with what has been promised. "First one promises policies. Fortunately, today it can be proven that after these policies are implemented, they begin to yield results," he observed.

#### Renegotiation Case by Case

Buchi was also asked whether the "case-by-case" renegotiation arrangement, which has been extended for 6 months, will be the final obstacle to be hurdled this year before economic activity can be returned to normal. He responded that the government has taken a number of timely measures with regard to the debtors. These measures include general support for promoting renegotiation, as happened in 1983 and 1984, and later, exerting influence on the banks and trying to encourage them to regain solvency and begin to play their proper

role, which is to begin a permanent process of adjusting the situation of the debtors.

"The 'case-by-case' arrangement was described as that process in which the government has encouraged the banks to assume this role. I wish that were the last obstacle," he said.

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CSO: 3348/70

CHILE

NEW ZEALAND MINISTER ON TRADE, ELECTIONS

PY311240 Santiago Radio Chilena in Spanish 2200 GMT 30 Oct 86

[Text] New Zealand Minister of Overseas Trade and Marketing Mike Moore has stated: We would like to see elections in Chile. He made this statement after a meeting with Finance Minister Hernan Buchi.

During a brief conversation with the press, Moore said that his country would like to see an electoral process in the country in accordance with the 1980 Constitution. We would be very happy to see this, he said.

Asked whether private New Zealand investors consider Chile a country of high political risks, he said that companies do not see Chile in that way.

[Begin Moore recording in English]...as long as the Constitution is upheld, the elections are held--and I believe the Chilean people are wise, that they should be trusted--the elections will happen, and the great traditions of democracy in Chile will make sure that within the few years Chile will return to the world community. [end recording in English] [Begin interpreter's translation into Spanish] As long as elections are held, and the constitution is upheld, then according to the Constitution, we are sure that trade relations will resume on an even higher level. The New Zealand investors are sure of this. [end translation]

Later Moore met with Economy Minister Juan Carlos Delano and discussed some investment projects in several productive sectors which could later be firmed up.

Foreign Minister Jaime del Valle also met with the New Zealand minister. They talked about subjects of common interest, such as maritime rights, the Antarctic, and nuclear explosions in the Pacific.

Regarding political matters, Del Valle briefed the New Zealand minister on the Chilean internal situation and about the government's commitment to hold elections.

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CSO: 3348/85

CHILE

#### SOCIAL DEMOCRATS ECONOMIC PROPOSAL OUTLINED

Santiago EL MERCURIO in Spanish 3 Oct 86 p B-3

[Text] The Social Democrats have released a document in which they explain their economic philosophy. Here is a summary of their proposals:

1) The enterprise should be the basis of the social structure in which labor and management work together to achieve the objectives of creating wealth and employment.

2) The state should promote the country's self-sustained growth and the harmonious structural development of the various regions as well as sectors of production. We advocate competition wherever possible, and planning when necessary. Our economic model has room for both market mechanisms and democratically established, indicative planning. The market system is efficient when there is true competition, but it also has undeniable intrinsic deficiencies, such as its tendency toward concentration, the elimination of competition, the lack of concern about social costs and unemployment, etc. Thus, it is necessary for the state to intervene to restore economic equilibrium.

3) Social Democracy's objective is not to destroy capital, but to change capitalist forms of production inherited from the past, under which the worker is ignored and his self-realization impeded.

We believe that private capital and foreign investment will be the keys to the reconstruction of the country's economy.

4) In accordance with its principles, Social Democracy recognizes and guarantees the right of everyone to own property, including the means of production. The exercise of such rights is guaranteed within the framework of the social function.

No one can be deprived of his property except by means of democratically approved laws, and in such cases, adequate and fair economic compensation must be paid to the owner in question.

We believe that the problem today does not lie in controlling the ownership of the means of production, but rather in the efficient management of these

means, and in the distribution of income. It is through education, health, housing, labor, and social peace that we will achieve the social solidarity of our socialism.

The grave plight of the nation's economy makes it imperative that we review the experiences of the past and map out new paths for attaining the development and well-being that we all desire.

Our economic policy should consider the following ideas:

a) Our pluralist principles of social solidarity, respect for the self-determination of the individual, and democracy lead us to propose a coordinated, responsible and voluntarist economy that combines the advantages of decentralized initiative with planning and various forms of ownership of the means of production.

The military regime will leave the country with a severe crisis and a deteriorated economic structure after exercising autocratic power and applying an individualistic, unjust model. This is an indication that it is not enough to project theories; we must seek politically-oriented solutions with pragmatism, in keeping with operational goals that aim to bring progress and well-being to all through fair participation in the national economic product.

b) We aspire to democratize the economy so that all will have real self-determination and codetermination in an economic process that will guarantee sustained growth.

We advocate free choice in consumption and the free selection of employment, as well as free initiative by businessmen and competition on the market.

Our first concern in the economic sphere is to combat the unemployment that is so devastating to Chileans. Unemployment not only hinders the country's economic and social development, but also violates the most basic human rights, such as the right to earn a living and ensure the well-being of oneself and one's family.

We believe that the deindustrialization that has resulted from the government's mistaken policy of applying foreign theoretical models and ignoring the social cost is the most important factor in unemployment.

d) The widespread poverty that can be found throughout the country today makes it imperative that we formulate a policy of redistribution and direct transfers in order to improve the income of Chileans and then to correct the structures that have generated these unacceptable social inequalities.

e) To boost production, reduce unemployment, and improve the terms of trade with foreign countries, we must promote industrialization, making maximum use of our natural resources and giving priority to the development of small and medium businesses.

f) In our view, development is not only achieved through an economic process, but also entails actions in the economic, social, political, and cultural spheres that also interact in a given physical environment. For this reason, the development we seek cannot be attained by imitating other countries, but must take into account our own idiosyncracies and our own concept of the quality of life.

We believe that in view of our situation, there is an urgent need to facilitate what we will call "alternative development," which will mobilize resources for production using low technology but labor-intensive methods, thereby creating jobs.

g) The geoeconomic characteristics of Chile make it necessary to decentralize both decisionmaking and execution and control, following a hierarchical criterion that allows for the exercise of effective control, adequate feedback, and the harmonious development of the various geographical areas of the country.

i) No economic policy today can fail to include measures designed to improve the quality of life through the protection of the environment. For this reason, the Social Democrats are committed to incorporating ecological values in their political and cultural actions.

j) We believe in the economic, social, political, and cultural integration of Latin America.

Nothing justifies our voluntary separation from the common markets of our countries. We must revitalize binational and multinational treaties and compensable accounting methods, and promote multinational projects related to energy, industrial coordination, etc.

It is imperative that we form a coalition to deal with common problems such as the foreign debt and the prices of raw materials. We must try to coordinate common centers for research and the assimilation of applied science, and for the expansion of informatics.

Returning to the Andean Pact and promoting all integration formulas is another mechanism for development proposed by the Chilean Social Democrats.

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CSO: 3348/70

CHILE

PDC'S VALDES ON CHURCH CALL FOR DIALOGUE

PY250320 Santiago Radio Chilena in Spanish 1600 GMT 24 Oct 86

[Excerpt] Radio Chilena had a chance today to talk with Gabriel Valdes, president of the Chilean Christian Democratic Party [PDC].

[Reporter] Mr Valdes, what is your opinion of the current situation?

[Valdes] I believe that the Chilean people are divided and this is leading us to irreconcilable differences, to violence. We believe that the guidelines of the bishops' declaration should reach the hearts of all Chileans, especially those of the people who have the authority and power, because they are the ones who have the greatest responsibility. However, they have not shown one single concrete gesture in this regard. They have not lifted the state of siege, released the people being held without trial, or ended persecutions and threats.

[Reporter] The Permanent Committee of the Chilean Episcopal Conference says that the pope has asked for a concrete gesture such as a truce on Monday, 27 October. The committee adds: We also ask for gestures that reflect our own national situation. We call on the people involved in political activity to make a new effort to hold a dialogue, we call on the government and the opposition. Mr Valdes, what is the PDC doing about this?

[Valdes] We have said we are ready for dialogue. We have offered dialogue to resolve the basic problems of the Republic, a generous dialogue in which we are willing to take part without previous conditions in order to clear up this situation, so that we can also reach the public in a calm, and reasonable manner to explain our reasons and not continue to be punished and degraded. I believe that the church's call is very appropriate, because it is linked to the marvelous meeting scheduled for 27 October at the grave of St Frances, who was the great saint of love and understanding among men. I believe that that spirit should come to Chile and all Chileans should hear the call made by the pope. This call is a foreshadowing of the one he will make to all Chileans when he gets here.

[Reporter] The call made by the pope and the Episcopal Conference is for next Monday, 27 October, which is only 3 days away. Mr Valdes, let us address another issue. Political events continue to occur in our country. For

example the results of the elections at the University of Concepcion. As PDC president, how do you evaluate the election results at the university level in Concepcion?

[Valdes] I was very satisfied with the victory of the PDC. The election results show that the majority wants the return to an autonomous university through a peaceful process. Those who advocate violence have been defeated in Concepcion.

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CSO: 3348/75

SECRET

CHILE

COMMUNIST PARTY MEMBER ON DOMESTIC SITUATION

AU101213 East Berlin HORIZONT in German No. 10 Oct 86

[Interview given by Hugo Fazio, member of the Political Commission of the Central Committee of the Communist Party of Chile, to HORIZONT reporter Norbert Stein--place and date not given]

[Text] HORIZONT: At the beginning of the year the Communist Party of Chile [PCCH] published a document entitled "Let Us Make 1986 the Year of Victory!" From the strategic point of view, what has been since then in approaching this goal?

Hugo Fazio: The PCCH called on the people to make 1986 the year of the overthrow of the tyranny. This was planned as the express signal to get all forces in opposition to the dictatorship to take up a determined militant position. The slogan took into consideration the concrete level of development of the struggle against the dictatorship and the determination of the masses. It predicted the actions of millions of people and the understanding between and the moving together of a very wide range of political forces. The progress achieved to date proves that the intent of this call had a real basis.

The greatest actions against the dictatorship so far have taken place in 1986. At the beginning of July the country was largely paralyzed, with the majority of the population involved. On 2 and 3 July and at the beginning of September, there were actual riots in many workers districts, in particular in Santiago. The dictatorship responded, as could be predicted, with intensified repression. This is its only method of action; it can maintain its position only by means of terrorism. This climate of violence is unavoidable in Chilean society as long as the dictatorship exists. This justifies the decision to oppose its claim to power in every way and to use any form of fighting in this struggle.

This year has shown, as Luis Corvalan recently said, that it is possible to force tyranny to its knees.

HORIZONT: What progress has been made in the coming together of opposition movements? What is the importance of the citizens' assembly formed in the middle of the year?

Hugo Fazio: The people are experiencing a strong feeling of unity. At the base an entire network of democratic organizations has been established, which influences the course of current events and will gain even greater importance in the future. In this process the understanding between working people, settlers in the slums, and students--the three strongest groups in the struggle for democracy--is of utmost importance. Their concerted action makes it easier to achieve comprehensive understanding with the other anti-dictatorial groups. For instance, the "mesas de concertacion social" (groups of social concerted action), in which all mass organizations of an individual village are united, were established. In some provinces they have converted themselves by unanimous decision at a higher level into "mesas de concertacion social y politica" (groups of social and political concerted action).

To a very large degree the "Asamblea de Civilidad" (Citizens' Assembly) is the result of this demand for unity, which emanates from the base. It is the highest expression of unity which the people have created during the years of tyranny. The most important social forces of the country are represented in this assembly, although we still have to integrate those groups of entrepreneurs who are affected by the fascist policy and suffocated by the rule of imperialist capital and the domestic financial oligarchy. The scope of paralyzation at the beginning of July was even intensified by the establishment of the Citizens' Assembly. However, its role diminished during the first days of September (4 and 5 September) when it did not act with equal determination.

The country needs a far-reaching political understanding between all opposition forces. The bases for this exist. If to date the necessary unity has not been achieved in spite of the agreement on fundamental questions, which has been noticed, this is the result of increasing imperialist pressure and of the fact that among the democratic forces there are individual positions which do not put the central task of this hour--the abolition of the dictatorship--at the top of the agenda. This behavior makes it easier to maintain a regime which, as John Galvin, the chief of the Southern Command of the U.S. Armed Forces, said, "has already been doomed from the strategic point of view."

HORIZONT: Is the countrywide unlimited general strike still conceivable, even under the conditions of the state of emergency and siege?

Hugo Fazio: The strike at the beginning of July showed that it is possible to paralyze the country. A prolonged strike would inevitably cause the terrorist regime to intensify its efforts to prevent it. If the anti-dictatorship movement is not able to thwart the actions of the dictatorship, it will always be restricted. The masses must be enabled to tear down the

barriers erected by the state of siege. It would be possible to create much more favorable conditions for the mobilization of the people if the state of siege were lifted under national and international pressure.

HORIZONT: The PCCH has advocated a dialogue with the armed forces. How much support does this idea have in other groups? Is a provisional military government without Pinochet conceivable? What do the armed forces think of such an alternative?

Hugo Fazio: Whatever is going to happen in the armed forces, it will very much influence the general course of events, including what the end of the tyranny will be like. Today, as John Galvin stated, there are discussions, a decrease of traditional discipline, and cases of corruption in the armed forces. There are also controversies between the various branches of service, which the dictator has already had to take into consideration in his speeches. Undoubtedly, it would be very important if a movement were to develop within the armed forces which is looking for a way out of the crisis. We Communists, like the other opposition political forces, are available for a dialogue and are willing to look for an agreement with those military institutions that free themselves from the tutelage of the dictator. The Democratic People's Movement (MDP) and the Democratic Alliance (AD) agree on fundamental issues for a political consensus: resignation of Pinochet, establishment of a provisional government through a consensus, setting of elections, and appointment of a constituent assembly. If a provisional military government were established through a consensus and these fundamental issues were implemented, we would support it.

We Communists are in favor of a profound solution to the crisis, dependent, of course, on the existing constellation of power. In fighting for this goal, we will never forget that the main problem which must be solved at present is the contradiction between democracy and dictatorship. We will support any step which is truly made in the direction of solving this contradiction.

/9738

CSO: 3620/41

CHILE

CNI ARRESTS REPORTEDLY CONTINUE

PY301549 Santiago Radio Chilena in Spanish 1600 GMT 29 Oct 86

[Excerpts] Five people were arrested early this morning by security personnel, according to reports by their relatives. Petitions for court protection have been filed for all of them, among whom is a 19-year-old high school student.

Luis Ernesto Ramirez (Azua) was the first arrested in his home at 1332 Chacabuco Street at about 0140 this morning. His mother and one of his sisters said that eight individuals, who identified themselves as National Intelligence Center [CNI] personnel, arrived at the house heavily armed.

Luis Ramirez (Azua's) mother said that the CNI personnel told her to ask for more information about her son at the CNI station on Santa Maria Street. The worried mother asked the authorities to release her son, adding that she is afraid that they may kill him.

The second arrest was made at 0700 this morning in the first sector of the Lo Hermida slum. Juan Carlo (Hurra) Silva, 22, unemployed, who makes a living by singing on public buses, was detained. His girl friend, Lucia del Carmen Rojas, said that the individuals who arrested him claimed they were policemen. They ordered him to dress and while they took him away from the house, other policemen searched the house and asked his girl friend questions.

The other people who were arrested are: Leila Marisol Pacheco (Labrin), a 19-year-old high school student; Mario Orlando Puga Puga, retired for being disabled; and (Ego) Efrain Contreras Lopez. All of them live in the La Faena slum of Panalolen district.

A petition for court protection filed by Leila Pacheco's mother states that she was previously arrested by armed individuals who raided her house and took her away for hours to question her about her whereabouts on 3 October. The petition says that on that occasion Leila Pacheco was tortured.

/6091

CSO: 3348/83

CHILE

## UNEMPLOYMENT REDUCTION EXCEEDS GOALS

160,000 New Jobs in 1986

Santiago EL MERCURIO in Spanish 6 Oct 86 p A-1, A-10

[Text] One hundred sixty thousand new jobs have been created in the last year as a result of the autonomous generation of employment. As a result, 100,000 names have been taken off the rolls of the special manpower absorption plans, according to a report released by the national secretary of employment, Col Atiliano Jara.

According to Jara, the jobless rate between June and August of this year, 10.6 percent, exceeded the goals outlined at the beginning of the year. Originally, unemployment was projected to drop to 11 percent by the end of 1986.

In this regard, Jara Salgado explained that in the same quarter of 1985 (June-August), unemployment was 13.4 percent.

The steady drop in the jobless percentages this year, in his opinion, can be attributed to the government's wise economic policy, efficient public investment, and promotion of private sector activities.

According to Jara, this major accomplishment is even more significant because the autonomous generation of employment has produced 160,000 new jobs this past year, which in turn led to the withdrawal of 100,000 participants from special employment programs.

He indicated that on this same date in 1985, 328,550 people were participating, while now only 236,000 are signed up for these programs, which include the Minimum Employment Plan (PEM) and the Heads of Household Employment Program (POJH).

The secretary of employment noted that traditionally at this time of the year, there is a tendency for unemployment to rise. On this occasion, however, a reactivation of production sectors has been observed, especially in agriculture, the manufacturing industry, and commerce.

During the June-August quarter, the regions with the largest increases in autonomous employment were in the north, especially Regions II, IV, and V. Until recently, these regions had been the most depressed.

In addition, in the southern regions historic employment levels have been restored.

According to Col Atiliano Jara, if the current trend continues, it will not be difficult to meet the target of 9.5 percent unemployment, the traditional rate, by mid-1988.

#### Metropolitan Region

The recovery of employment indices in the past year is also reflected in the Metropolitan Region, where the jobless rate fell from 18.1 percent in 1985 to 12.7 percent in the last quarter. In Region V, the rate was 14.4 percent last year, and has now fallen to 11.5 percent.

Col Jara warned that although unemployment is dropping, the rate of absorption of the unemployed could slow down, because it is also reasonable to expect a raise in workers' real wages, and because industries are utilizing all of their installed capacity.

#### Strategy

He reported, in this connection, that the National Employment Secretariat is devising a strategy to reach the historic rate by promoting irrigation and drainage projects, which are labor-intensive, and through the optimization of public investment, the expansion of the microenterprise project, and especially decentralized training programs at the regional level to help youths who are signed up for the mandatory programs to find jobs.

#### Regional Jobless Figures

Santiago EL MERCURIO in Spanish 4 Oct 86 p C-1

[Text] The unemployment rate fell in eight regions of the country during the June-August quarter, compared to the previous period, reported the National Institute of Statistics (INE) yesterday.

Meanwhile, the average rate at the national level was pegged at 10.6 percent. This figure corresponds to the June-August period of this year, and it reflects a decline of 0.2 points from the 10.8 percent figure recorded in the previous sliding quarter (last May-July).

The background information was provided by Eduardo Carrasco, chief of the INE's Division of Demographic and Social Statistics.

In the Metropolitan Region, the unemployment rate rose to 12.7 percent between June and August of this year, from the 12.4 percent recorded for the sliding quarter.

Between June and August 1985, the jobless rate for the Metropolitan Area was 18.1 percent; this rate cannot be compared to the present one, however, because in November of last year a new sample began to be used in the National Employment Survey.

The official admitted that unemployment in the Metropolitan Region is still higher than in the rest of the country, but he noted that there has been a decline in joblessness in the northern and southern regions. He cited the case of Region IV, where the Gold Plan has absorbed a significant portion of the labor force.

#### Workforce

The country's population is estimated at 12,099,300 for the June-August quarter of this year, and of that total, 4,204,900 constituted the workforce.

The employed labor force reached a total of 3,759,500 people during this quarter, with 445,400 people unemployed.

The 10.6-percent jobless rate includes people who have been laid off (8.6 percent) as well as those seeking work for the first time (2 percent).

During the quarter in question, the Minimum Employment Plan (PEM) and the Heads of Household Employment Program (POJH) covered 227,954 people, an increase of 388 individuals over the figure for the previous quarter, and a decline of 90,943 from the June-August quarter of 1985.

#### Unemployment by Regions

In addition, the INE official noted that in the June-August quarter of this year, eight regions of the country reported a decline in the unemployment rate from the previous quarter: Region II, from 11.7 to 10.3 percent; Region III, from 6.3 to 4.4 percent; Region IV, from 11.3 to 9.6 percent; Region V, from 12.7 to 11.5 percent; Region VIII, from 9.7 to 8.8 percent; Region IX, from 7.8 to 7.7 percent; Region X, from 5.9 to 5.8 percent; and Region XII, from 8 to 7 percent.

The three regions where the jobless rate has gone up are Region VI (from 7.8 to 8.7 percent), Region XI (from 4.8 to 5.4 percent), and the Metropolitan Region (from 12.4 to 12.7 percent). Unemployment remained at 11.3 percent in Regions I and VII.

At the national level, the unemployment rate by age groups in the June-August quarter of this year is as follows: 15 to 24 years old, 21.6 percent; 25 to 44 years, 8.3 percent; and 45 to 64 years, 6.2 percent.

#### Wage Index

Meanwhile, the wage index rose by a nominal 1.5 percent in July, with a real variation of 0.5 percent over the previous month's figure.

Between July 1985 and July 1986, the nominal rate of change in the wage index was 22.2 percent, and the real rate of change was 4.3 percent.

8926

CSO: 3348/70

CHILE

MINORS MAKE UP MOST OF EXILES ALLOWED TO RETURN

PY301631 Santiago Radio Chilena in Spanish 1600 GMT 29 Oct 86

[Excerpts] Chileans who were minors at the time they left the country and whose parents are still forbidden to enter Chile make up most of the names on the list of people allowed to return to Chile, released by the Interior Ministry yesterday. Solidarity Vicariate lawyer Humberto Lagos, who is in charge of the exiles' affairs, said that a first study of the list shows that the name of a cocaine trafficker and of a person who is presently serving a prison term in Rancagua are included in the list.

Lagos said that there are many names of minors on the list of people allowed to return to the country. He said that this authorization does not solve the problem of exiles at all, because the parents of the minors are still prohibited from returning.

[Begin Lagos recording] Well, this is very frequent. We have found many similar cases in all the lists of names released by the government. That is, one member of the family is allowed to return while the rest are not. Therefore, it is a fact that the prohibition to return to the country is still in force, through immoral and unethical means. They are just authorizing one member of a family, that is, a wife, or husband, or son, to return to the country while the rest remain without permission to return. [end recording]

Lagos also said that the 106th name on the list is that of well-known international cocaine trafficker, Nicodemus Olate Romero. He was expelled by the government by the end of 1973 together with nine other drug traffickers to be tried in the United States.

The Solidarity Vicariate lawyer said that it would be very meaningful if the list of names of exiled people allowed to return to Chile were drawn up again. He expressed his desire that the mistakes that were made be corrected, and that more Chileans be allowed to return before the pope's visit next April.

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CSO: 3348/83

CHILE

BRIEFS

**BANKS' FOREIGN DEBT REDUCED**--The debts owed by the banking system to foreign entities fell by about US \$250 million during the first 7 months of the year, compared to the levels observed at the end of 1985. A report by the Central Bank indicated that at the end of July, the system's total obligations averaged \$6,351,800,000, as opposed to \$6,596,000,000 in December 1985. The July figure is similar to that of December 1984, the month when the bank's foreign obligations began to grow steadily until they reached the December figure mentioned above. In early 1982, the banking system's total commitments amounted to \$7.3 billion, a figure which steadily declined until late 1984. The Central Bank indicated that the banks' foreign debt is divided between the obligations with terms of less than a year (\$578.4 million) and those with terms of more than a year (the remainder). In this regard, the official entity reports that a major portion of the banks' foreign debt is made up of loans which were obtained under Article 14, which account for \$3,674,300,000. The Bank of Chile has the largest foreign debt, with \$1,713,600,000; it is followed by the State Bank (\$1,315,600,000), the Bank of Santiago (\$861,900,000) and the South American Bank (\$374,200,000). Other banks owing significant amounts are the Credit Bank (\$281,400,000), Concepcion (\$272,800,000), O'Higgins (\$198,200,000), and Labor (\$180,100,000). [Text] [Santiago EL MERCURIO in Spanish 2 Oct 86 p B-12] 8926

**NEW RADIO STATIONS**--The 7th Region will have new radio stations. Radio Santa Maria in Talca and Radio Fantasia in Cauquenes have been officially authorized to operate. The request by another radio station called El Libertador in Talca is being studied at the present time. This information was released by the Transportation and Telecommunications Secretariat. [Summary] [Santiago EL MERCURIO in Spanish 17 Oct 86 p C8 PY] /9274

**NEW INTENDANT OF SANTIAGO**--Brigadier General Julio Jara Ducaud, retired, has been appointed by President Augusto Pinochet as the new intendant of the Metropolitan Region. He will be sworn in on 30 November. The information was released by the Government Social Communications Agency (DINACOS). General Julio Jara Ducaud will replace General Osvaldo Hernandez Pedreros in the post. [Summary] [Santiago EL MERCURIO in Spanish 15 Oct 86 p C1 PY] /9274

**COPPER PRODUCTION INCREASE**--Santiago, 24 Oct (EFE)--Official sources today reported that the Chilean copper production increased by 10 percent in the first half of 1986 as compared to the first half of 1985. According to the Chilean Copper Commission, 692,200 tons of fine copper was produced during the first half of 1986 compared with 628,500 tons from January to June 1985. [Excerpt] [Madrid EFE in Spanish 1118 GMT 24 Oct 86 PY] /6091

REFUGEES IN SWEDISH EMBASSY DEPART--The two refugees who have been in the Swedish Embassy for the past 22 months have left for Sweden as immigrants. Arturo Tapia Miranda and Ramon Echeverria Angulo were authorized by the government to leave the country for humane reasons. These two persons are being prosecuted by the first military court, accused of participating in the attack on the 10th Carabineros Station in La Sisterna District that took place in November 1984. Two policemen were killed in the attack. Patricia Perez Vera, the woman who entered the Swedish Embassy with the two men, was previously allowed by the government to leave the country because she was pregnant. She left for Mendoza in September 1985. [Text] [Santiago Domestic Service in Spanish 2200 GMT 29 Oct 86 PY] /6091

EXPERT SAYS ARGENTINE DUMP POSES NO THREAT--We are now in contact with reporter Jose Francisco Contreras from the Foreign Ministry. Good afternoon. General German Brady Roche, minister president of the Chilean Nuclear Energy Commission, has stated that the Argentine project to build a nuclear dump in the south near the Chilean border does not represent any danger and it should be no reason for concern. Gen Brady explained that Argentina has two nuclear reactors in operation and another under construction. These reactors produce nuclear residues that must be deposited in the so-called nuclear dumps. He said that these constructions are closely controlled by international organizations, and that they are approved only after being thoroughly checked. Brady added that in the Argentine case, the nuclear dump project is still at the feasibility study stage and it should be no reason for concern for Chile. He also talked with Foreign Minister Jaime del Valle about the forthcoming annual meeting of the Latin American Energy Commission that will be held in Buenos Aires next week. [Text] [Santiago Radio Chilena in Spanish 2200 GMT 30 Oct 86 PY] /9738

POLICE ARREST STUDENTS, STOP ELECTION--A total of 274 youths were arrested on Tuesday in Santiago, Chile when police prevented students from holding elections for the Board of Directors of the University of Chile Student's Federation. For the second consecutive day Carabineros raided the Metropolitan University of Education, preventing students from holding their elections. During this second operation, the police arrested 174 students. The other 100 students were arrested by Carabineros at the Santiago Professional Institute when students protested the raid at the Metropolitan University of Education. [Text] [Havana International Service in Spanish 1600 GMT 31 Oct 86 PA] /9738

CSO: 3348/85

COLOMBIA

FRENCH CP'S GREMETZ MEETS WITH PARTY LEADERS

PM271512 Paris L'HUMANITE in French 20 Oct 86 p 28

[Unattributed report: "Maxime Gremetz in Colombia"]

[Text] Following Brazil, Uruguay, Argentina, and Peru, Maxime Gremetz visited Colombia, before returning to Paris. He met with leaders of the Patriotic Union. This political coalition gained 5 percent of the votes in the latest elections and, by securing seats in parliament, broke the two-party domination of Colombian politics. The PCF Central Committee secretary had very fraternal conversations with the Colombian Communist Party leadership and with its secretary general, Gilberto Vieira.

Colombia is experiencing a period of great difficulty in maintaining civil peace and strengthening the democratic process. Several Communist Party members and Patriotic Union leaders have been assassinated in recent months. These crimes are part of a plan by the reactionary and militarist forces to reverse the course of peace and democratic evolution in the country. At his meeting with the Colombian Foreign Minister Maxime Gremetz conveyed a message from [PCF Secretary General] Georges Marchais to President Virgilio Barco,

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CSO: 3348/76

COLOMBIA

MINISTER VIEWS MEDIA TREATMENT OF VIOLENCE

PA261447 Bogota Cadena Radial Super in Spanish 1730 GMT 25 Oct 86

[Report by Fabio Callejas Ramirez]

[Excerpts] Colombian Communications Minister Edmundo Lopez Gomez said today that it is necessary to eradicate all signs of violence from advertisements.

Minister Lopez added; We must know how to begin the struggle, because particularly the government-opposition situation can eventually be used by those who have declared war on the government institutions, thus contributing to the disruption of public order.

Minister Lopez referred to the difference between opposition and subversion, thus reiterating that the local media should treat guerrilla movements and terrorism rationally so that television viewers, radio listeners, and readers clearly understand that violence does not exclusively target those who defend our institutions, our soldiers, but all Colombians, because we could all be potential victims of the announced catastrophe. [not further identified]

These are excerpts of a communique issued by the Communications Ministry, and signed by Minister Edmundo Lopez Gomez, referring to the media, advertisements, and nonviolence.

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CSO: 3348/76

COLOMBIA

AIR FORCE ARRESTS, RELEASES LEGISLATOR, TV CREW

PA251458 Madrid EFE in Spanish 0150 GMT 25 Oct 86

[Text] Bogota, 24 Oct (EFE)--A leftist parliamentarian and a Spanish television crew arrested today by the Colombian Air Force were released several hours after the helicopter in which they were traveling was forced to land at an Air Force base in southeast Colombia.

Lucy Nieto, a spokeswoman for the presidency of the republic, told EFE that the helicopter was intercepted because it changed its charted course; it was escorted to Apiai Air Force Base, 200 km southeast of Bogota.

Ivan Marquez, parliamentarian of the leftist "Patriotic Union," and four members of the television crew, headed by Carmen Sarmiento, were traveling in the helicopter.

The government spokeswoman said that after charting their new course, the helicopter and passengers departed from La Uribe, the rural town where FARC has its general headquarters,

The FARC-backed "Patriotic Union" has charged that the incident was "a violation of the parliamentary immunity" of its Chamber of Representatives representative and "a violation of freedom of the press."

Government sources said that the Spanish reporters had the government's permission to fly to La Uribe and interview FARC commanders. FARC has maintained an active truce with the government for the past 2 years.

The same source added that the soldiers confiscated a pistol the parliamentarian was carrying which he did not have a license for.

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CSO: 3348/76

COLOMBIA

BRIEFS

HOUSING PROGRAMS--Economic Development Minister Miguel Merino Gordillo has announced that the Barco administration will invest approximately 500 billion pesos in housing construction and improvement programs over the next 4 years. Merino said the housing policy will focus on the underprivileged sectors of the population in keeping with the goal of stamping out absolute poverty.  
[Summary] [Bogota Emisoras Caracol Network in Spanish 1215 GMT 23 Oct 86 PA] /9274

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CSO: 3348/76

ECUADOR

DEFENSE MINISTER DISCUSSES MILITARY'S APOLITICAL STANCE

PA120046 Quito Voz de los Andes in Spanish 1230 GMT 11 Oct 86

[Text] General Medardo Salazar Navas, Ecuadoran defense minister, has voiced his agreement with the stances of the president of the Military Court of Justice and the prosecutor regarding the amnesty granted to General Frank Vargas Pazzos. The defense minister (?reiterated) that the Armed Forces do not participate in any political situation. He added that the Armed Forces are alert to every statement against them.

Gen Salazar Navas disregarded the possibility of cracks in the Armed Forces organization and underlined that the institution is firmly joined together. Like every other institution, the Armed Forces closes ranks and becomes even more firmly bonded when under attack.

The defense minister said the Armed Forces' role is entirely professional. He said: We are outside all political activities. We have only existed through communiquees expressing respect for the institution. [as heard]

He added the Armed Forces fulfill their mission calmly but they are also alert to every statement and position taken against them and the country.

Finally, Salazar Navas said: We hope the October festivities serve to make the people ponder the great responsibility of Ecuadorans. He said it is necessary to feel this responsibility because otherwise all Ecuadorans would become accomplices in the situation. He feels the country should think over carefully what it has done, what should not be done, and what must be done. Gen Salazar Navas spoke in Guayaquil.

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CSO: 3348/81

GRENADA

BRIZAN COMMENTS ON EFFORTS TO CAUSE SPLIT WITH ALEXIS

St Georges THE GRENADIAN VOICE in English 13 Sep 86 p 1

[Text] Hon. George Brizan, Minister of Agriculture, Lands, Forestry, Fisheries and Tourism, is not concerned about positions. He is more concerned with honesty and people being prepared to do a job they have undertaken.

Asked by GRENADIAN VOICE whether there was a problem of leadership in the New National Party and whether he saw a conflict between the wish of the Party Convention, which elected Dr Francis Alexis Deputy Political Leader, and the action of the Prime Minister in persisting in appointing Hon. Ben Jones as virtual Deputy Prime Minister, Brizan admitted that some people have been expressing concern about that, but it did not bother him. What is important to him, he said, is that people could listen to and appreciate the views of others and, in putting them together find solutions to problems which may exist.

The minister once spoke to the VOICE about the efforts to divide himself and Alexis. He said it is true that this was being attempted. Sometimes it is so subtle that it could almost pass unnoticed if close attention is not paid. But he and Alexis had been observing closely and they had discussed the matter and had agreed that they will not allow the plan to succeed. Both Brizan and Alexis have spoken strongly on the matter on public platforms. Speaking at a public meeting in Morne Jaloux last week Thursday, Brizan told a crowd of NNP supporters, "we are committed to promoting and defending the interest of all Grenadians in this country. We are also committed to ensure that good government prevails and that at all times, democracy and the democratic process prevail whether it is inside or outside."

He sounded a warning to those who are trying this scheme, he said, "tell them that they will not succeed." He emphasised, "me and Alexis working hard to promote the interest of the country in no uncertain way." [as published]

Meanwhile, during the same meeting, when it was Dr Alexis' turn to speak, he again condemned that practice and in an act of solidarity, embraced Brizan publicly calling on the people to observe. He said, "this is a symbol to everybody that Alexis and Brizan will never again be separated."

/6091  
CSO: 3298/024

GRENADA

## TUC BACKS CIVIL SERVANTS IN WAGE DISPUTE WITH GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 4 Oct 86 p 5

[Text]

**ST GEORGE'S, Oct 3, Cane—THE UMBRELLA**  
Grenada Trade Union Council (TUC) is supporting civil servants now locked in a pay dispute with the Blaize administration.

The TUC, in a resolution passed during its annual convention, called on the Government to change its negotiating stance.

Grenada Union of Teachers (GUT), the Public Workers Union (PWU), and the Technical and Allied Workers Union (TAWU) are proposing a 30 per cent salary hike for this year, but this has been rejected.

Government has been refusing to meet the unions, on the grounds that negotiations should take place only after implementation of a report by a British team of consultants advocating a streamlining of the Public Service.

### Given Mandate

The TUC resolution called on the Government to return immediately the one-day's pay taken from the workers after they staged a sick-out in April, to press their demands.

The resolution also mandated the TUC to seek the support of unions overseas for the "just and democratic struggles" of the three unions.

The TUC said the labour climate in Grenada was characterised by "sharpening differences between organised labour and the employer class, leading to a crisis in industrial relations."

"The roots of the crisis is to be found in the growing anti-worker/anti-union stance of the employers, particularly the Government, as it attempts to frustrate and undermine the process of free collective bargaining," it said.

The TUC called on the Government to take "concrete positive steps" to restore stability to the industrial climate in Grenada.

In another resolution, the Grenada trade union body issued a call for locals to be employed before non-nationals, in areas where Grenadians are competent to perform and are willing to work.

The Government was asked to revoke immediately the work permits of non-nationals engaged in jobs which unemployed Grenadians are qualified and willing to do, and for employers to discontinue what was described as the practice of discrimination in employment based upon political consideration.

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CSO: 3298/024

GRENADA

NEW POLITICAL PARTY MAKES PROPOSALS, OPPOSITION COMMENTS

Statement of Principles

FL051645 Bridgetown CANA in English 1635 GMT 5 Oct 86

[Text] St Georges, Grenada, Oct 5, CANA--Grenada's newest political party says it wants an overhaul of the taxation system and an office to investigate public complaints.

The month-old Democratic Labour Congress (DLC) said: Our system of taxation must be overhauled and adjusted to create fairness and equity in the system and ensure that the burden of taxation does not fall on our most economically deprived people. It also said there should be an office of ombudsman.

The opposition party, led by parliamentarian Kenny Lalsingh, declared its stand on the office and taxation in a just-released statement of principles.

It favors freedom of speech, religious worship, assembly and movement, and freedom of the press, as well as of other news and information media.

It proposed the establishment of an independent board to supervise the appointment and promotion of police officers and spoke in favor of an independent judiciary.

It recommended the restructuring of Grenada's educational system.

The DLC said it was committed to the free enterprise system but stressed it wanted to avoid the creation of monopolies, labour exploitation, and what it called the unwelcome exploitation of Grenadians.

We declare our respect for the right of ownership of private property subject only to the prior and superior right of the state to expropriate in connection with the national interest, it said.

We are committed to the idea that adequate and fair compensation must be paid for property expropriated by our government.

The party also underscored the need for the judicial system in Grenada to establish special tribunals to expedite the processing of claims relating to unlawful appropriation of property by the state.

Otway Clarification

St Georges THE GRENADIAN VOICE in English 13 Sep 86 p 3

[Text] Referring to the inclusion of his name in a press interview concerning the Democratic Labour Congress, as a member of the executive of the new party, Dr. Jensen Otway has requested the VOICE to quote him as saying: "I repudiate this licence they have taken to put my name there. The first interview, if it was the first, made on behalf of the party, demonstrated the art of bungling and imagine I having my name included in that."

Paper's Disillusionment

St Georges THE GRENADIAN VOICE in English 13 Sep 86 p 4

[Editorial: "Different Voices"]

[Text]

DOUBTFUL as we were about the fledgling Democratic Labour Congress as a group 'most likely to succeed' because of how it was coming into being and the people apparently and/or allegedly associated with it, we were quite prepared to give the organisation a chance to find its feet and to observe 'where it was coming from' - to borrow an expression from the youth.

We must, however, express alarm that this unorganised and incohesive body of men should attempt to foist themselves on the people brandishing as their 'sword' that poor, harried and abused word - DEMOCRACY, claiming to be its latest and truest champions.

In the first place the emissary (we nearly misused the word 'gentleman') who invited us to the launching press conference told us yes, Stanley Charles was a part of the group and will be returning to Grenada in September. Charles denies this in a transatlantic telephone conversation. Then 'the man really behind the party' confirms the denial during our interview.

Mr. Walker, in his interview, makes a clear statement (recorded on tape) about possible accommodation with Gairy and this is reproduced verbatim in our paper but we are subjected to abuse in a telephone call from one who was not present at the interview describing our front page story as a s..t! Then, on a regional radio station our veracity is virtually called to question and the revealing statement is made THE PARTY HAS NOT DISCUSSED IT!

Two important questions arise from this statement: Did the party discuss the statement then being made and was the maker authorised to make it? And the second question is even more important - WHAT PARTY? This loose gathering of men who are falling away like ninepins before the so-called party really gets off the ground?

In quick succession Mr. William Otway and Dr. Jensen Otway denied membership. William Otway said that he had expressed willingness in being involved in a democratic political force, but certain things began to disturb him and he backed away. The doctor admitted to having travelled, reluctantly, out of the city to attend one meeting which did not come off, declined future invitations and never agreed to join the group or the executive.

So what have we got left of this group which wants to lead the people and the country? The handful of doubtful starters who don't seem to be able to get their act together and speak in the same voice? We consider them to be such a joke now that we will defer the publication of the rest of the interview in favour of items such as examination results and the Million Minutes of Peace Appeal which we are pleased to recommend.

/6091

CSO: 3298/024

GUATEMALA

USSR JOURNAL INTERVIEWS GUATEMALAN LABOR PARTY MEMBER

Moscow LATINSKAYA AMERIKA in Russian No 8, Aug 86 pp 26-30

[Interview with Guatemalan Labor Party Central Committee Political Commission member Manuel Bonilla: "Isolate the Reaction"]

[Excerpt] [Question] Please describe the current situation in Guatemala.

[Answer] The main thing about today's political situation is the fact that after many long years it has become possible for a civilian government to come to power. In the last three decades, Guatemala has lived through changes in power of the military carried out either through an electoral farce or through a coup d'etat, pursuing extremely specific aims and, first and foremost, the preservation of a system of rule by the most reactionary groups. In order to achieve them they did not shy away from choosing any means that hindered, suppressed and smothered any appearance of democratic or revolutionary forces. Right up until the last moment, the policies of the Guatemalan governments can be described as repression and bloody persecution, especially beginning in 1963, when the military formed in practice a ruling bloc in the resultant power structure. Under these conditions, the people entered the path of armed struggle, which was a response to the official policy of violence.

Today we understand that this policy is the first phase in the implementation of the anti-insurgency policy developed in the United States. Earlier we saw only its repressive side, but later came to realize that this is a global concept directed against an effort at democratization and liberation, embodying military aspects (basically) as well as economic, political, social, ideological, diplomatic and even psychological ones.

During the rule of Rios Montt, and then Mejia Victores, emphasis was placed on the military aspects of the anti-insurgency policy. At first, in the 1970s, the military tried to suppress the popular movement in the cities, resorting to the murder and kidnapping of people who were never held in confinement, dealing with them at once--with leaders and worker activists, the democratic and revolutionary movement, with students and teachers, with peasants and trade-union leaders and the leaders of women's organizations. Then the victims became several of the leaders of Guatemalan social democracy.

Under Rios Montt and Mejia Victores, this policy took on features of paranoia. Rios Montt, obsessed by anticommunism, brought down repression on the peasants in the so-called "conflict zones" after attempts to suppress the popular movement in the cities. Hundreds of villages were practically wiped from the face of the earth, thousands of people perished, and many were forced to seek safety in neighboring regions and, chiefly, in Mexico.

But the people created and preserved their revolutionary organizations, developed them, accumulated experience in the struggle. Three fronts are active on Guatemalan territory, making up the National Revolutionary Unity of Guatemala (UNRG). The Supreme Leadership of the UNRG was recently formed.

Differences arose between the military dictatorship and the business circles, the agro-export oligarchy and the trade and industrial bourgeoisie. A powerful free-enterprise organization exists in Guatemala--the Chamber of Trade, Industry and Finance (KASIF). The dissatisfaction of the businessmen united in KASIF was caused by the fact that the ruling circles had brought the country into international isolation, and this to a significant extent hurt opportunities for development in the areas of both domestic and foreign trade.

[Question] What, in your opinion, are the factors that brought the indicated contradictions to life?

[Answer] First of all, the Guatemalan bourgeoisie needs political stability in the country, as well as an atmosphere of international trust. It needs an expansion of the domestic market, but this is impossible while the traditional oligarchy supports the existing agrarian structure without change. The situation is further aggravated with regard to the stagnation of the Central American Common Market (CACM). In the second place, most of the state funds are expended for purposes of suppression and repression, and not for the creation of the infrastructure in which the business circles have a vested interest. Also present is the expenditure of funds on non-productive expenses and their simple embezzlement. All of this facilitated the growing conception that the military was unable to propose a real way out of the crisis, not to mention to raise the prestige of Guatemala in the international arena.

And so the anti-insurgency maneuver acquires another look: as the only alternative, they resort to elections with the participation of the Christian Democrats. The latter proposed an economic plan, the implementation of which would at least make it possible to ease the crisis and improve the social situation, and in the more distant future to achieve more--to lessen the climate of confrontation in the country, the opposition of the forces of the people and the reactionary oligarchy.

Also envisaged is the conducting of negotiations on the payment of Guatemala's foreign debt...

[Question] Under what conditions?

[Answer] The government has still not solidified its approach. The new president, Vinicio Cerezo Arevalo, has acknowledged that he has received a country that is on the verge of total bankruptcy. Of course, he is resorting

to a certain extent to arguments that are natural in Latin America ("We cannot pay a debt at the cost of human lives"). It must be noted, however, that all of this still sounds quite vague.

An important thrust in the policies of the Christian Democrats is raising the role of the state in the economy for the purpose of raising it. Currently the government is coming out with modest de-Sarrolist plans, especially in those regions of the country where the situation has become the worst. A ministry of development has been created for their realization. At the same time, after a new round of negotiations on the problem of foreign debt, apparently, the doors are being opened wider for foreign capital. The Christian Democrats are trying to use the indicated program to oppose the most reactionary plan of the so-called "new right," which has a neoliberalist orientation, and a policy of the re-privatization of many state enterprises that now exist in Guatemala.

Also planned is tax reform as an attempt to make clear whether this will ease the quite serious budget deficit. On this issue, the government is in opposition to the KASIF and the most powerful bourgeois groups. After all, the Christian Democrats are talking about increasing the taxes on direct private capital investment. Discussions are also being conducted on changing policy in the sphere of wages: owners are called upon to pay hired help better for the purpose of raising the buying power of the population.

It is important to note that the representatives of the new administration have adopted a policy of "international relations without ideological prejudices." The Christian Democrats speak out for the rehabilitation of the CACM and feel that Guatemala should, with the appropriate opportunities, enter CARICOM. This is an interesting moment, as this position inevitably presupposes a flexible policy with regard to the Central American conflict. It is for namely for that reason that they speak of supporting the Contadora group, of resolving Central American problems through negotiations, of supporting the meeting in Caraballeda, and of the necessity of a struggle for peace and against the isolation of Nicaragua. All of this creates certain international prospects, including the matter of establishing trade contacts with the socialist countries.

[Question] What is the reaction of the Guatemalan military to these changes?

[Answer] Among them are groups that support these policies, but those officers who are most disposed toward being reactionary regard them with hostility, mainly due to Nicaragua.

What social forces does the Christian-Democratic government represent? Its political orientation is determined by the modern industrial and trade bourgeoisie of our country. It does not play a large role in the economy and, due to its weakness, must enter into a union with trans-national capital.

Before the current administration in Guatemala is the task of stabilizing the political situation in the country. For this it is necessary first and foremost to put an end to repressions. In the last general elections among the population that had the right to a vote (1 million people), a certain activeness was noted. Many wanted to demonstrate their will in this way,

their desire for changes, although perhaps not realizing clearly exactly what changes are needed. Political consciousness among the masses does not appear suddenly, it is developed in a prolonged and difficult struggle, complicated by the illegal conditions for the activity of revolutionary organizations and the strict pressure "from above" on any democratic manifestations. And by the way, what Guatemala needs is a halt to repression, murder, kidnapping and the mass exodus of the population. Guatemalans also need freedom of trade-union associations, respect for the rights of laborers and improvement in their social situation, health care and popular education. Hope is strengthening in the country for all of these changes, which incited many to head for the polls. The people are beginning to believe that in the future, a vote cast in the elections can facilitate somewhat of an improvement in the situation, and they go to the polls already so as at least to isolate the reactionaries and ensure the victory of the Christian Democrats.

We should have differing attitudes toward the pre-election promises, on the one hand, and the political practice of government incarnating these promises into life on the other. It is only possible to speak of expectations and hopes now. But mistakes should be avoided as well: the people should be oriented toward the fact that all of the promises are easy to incorporate into deeds and it only remains to wait for the new administration to implement its program or not to take into account the new political climate in which it is essential to display especial vigilance. After all, the discussion concerns a civilian government constitutionally elected. The more so as it is advancing initiatives in the economic, political and social spheres.

As early as 1982 we made the following determination: the main enemy of the revolutionary democratic forces and all of the people are the forces of anti-insurgency. The agricultural export sector, financial capital and the military higher-ups support them, enriching themselves during their time in power and linking their fate with this sector of the economy. Taking this into account, it is essential to analyze the possibilities for the Christian Democratic administration in today's situation.

Three directions of political development could arise in the future. The first is a deep transformation, which the country needs, a halt to repression and terror against the insurgent forces and the punishment of those guilty of genocide. This is required by the broad mass of people, this corresponds to revolutionary dictates. The second direction is proceeding with pre-election slogans proclaimed for the purpose of neutralizing the insurgency movement. In essence, this would be a continuation of the earlier criminal policies of the reactionary forces. The third direction is a continuation of the armed suppression of the insurgency movement.

President Vinicio Cerezo once noted: "In our hands is 30 percent of the power, the other 70 percent remains in the hands of the right." It is hardly possible to give such a precise quantitative determination of the correlation of power, but nonetheless his meaning is clear.

We think that the "maneuvering room" of the Christian Democrats is extremely limited, that the government, due to the weakness of its social and economic

base, will hardly be able to withstand an economic crisis with a viable alternative. Furthermore, the Christian Democrats are currently unable to dismantle the whole anti-insurgency apparatus that was created and activated by the military.

In particular, there is a structure of so-called "inter-institutional coordinating centers" in the country which regulate the activity of various departments for the purpose of developing agricultural areas, where "model villages" are spreading, something like local communes under military control. The Israeli settlements in the occupied Arab territories are used as models.

Still another mechanism supplementing this whole structure are the "civil self-defense patrols" that today, in accordance with the latest decree of Mejia Victores signed days before the transfer of power to President Vinicio Cerezo, now bear the name of "civil defense committees." There are some 900,000 people in them. How can this machine be destroyed? Vinicio Cerezo confirms that it will be given a civilian form, for which the governors of the departments--who are for the most part civilian--will be designated in place of the military leaders of the "inter-institutional coordinating centers." The matter is not, however, just one of a change of faces.

The Christian Democrats have a vested interest in proving the viability of their plan. The United States and some other powers also have a vested interest. They understand that in countries similar to Guatemala, it is impossible to implement their dominion based on the odious and discredited military dictatorships, stuck in the quagmire of deep crisis and unable to succeed in the confrontation with the people. They would like to implement the Christian Democratic plan within the framework of the concept of so-called "limited democracy," since an open confrontation as a result of exacerbating class struggle in our countries would lead imperialism to new defeats in Central America. It is also essential to take into account that a global policy of imperialism assumes a new "democratic encirclement" of Nicaragua.

In conclusion I would like to say that we, communists, know that only the popular masses of Guatemala in a difficult struggle will create a real alternative to power, and this will permit the establishment of a really democratic regime and open up the way to the full national and social liberation of our people.

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CSO: 1807/22

GUYANA

HOYTE, ALFONSIN HOLD TALKS AT NONALIGNED SUMMIT

Georgetown GUYANA CHRONICLE in English 4 Sep 86 p 1

[Text]

**HARARE, Zimbabwe:** President Desmond Hoyte and his Argentine counterpart, Raul Alfonsin, met for about 30 minutes Tuesday evening and discussed ways of intensifying economic co-operation between Guyana and Argentina.

The meeting, at the Melides Hotel in Harare, was the first of several bilaterals that the Guyanese Leader is scheduled to have with other Heads of State or Government attending the Eighth Summit Conference of the Non-Aligned Movement now under way in the Zimbabwean capital.

Guyana delegation sources said that Cde. Hoyte is also due to meet with Presidents Fidel Castro of Cuba, Alan Garcia of Peru and Ibrahim Babangida of Nigeria, as well as with Prime Minister Rajiv Gandhi of India.

As a result of the discussions between the two leaders Tuesday, Argentina's Vice-Minister of Foreign Affairs will visit Georgetown in October at the head of a delegation that will explore ways of intensifying economic co-operation between the two countries. The Argentine delegation will be in Guyana

for one week beginning October 20.

Guyana, it is understood, is interested in selling timber products and silicate sands to Argentina, and in purchasing capital equipment from that country.

The two leaders also discussed possibilities for joint ventures between entrepreneurs of their respective countries. One of the matters to be discussed when the Argentine team visits Georgetown is the development of export-oriented projects in Guyana, sources said.

During their meeting, the two Presidents brought each other up to date on economic developments in their countries, with both stressing the need to strengthen regional economic co-operation.

They also discussed a number of international political matters of mutual concern, including the question of the Malvinas (Falkland Islands).

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CSO: 3298/025

GUYANA

## GOVERNMENT MORE THAN DOUBLES PURCHASE PRICE FOR GOLD

Georgetown GUYANA CHRONICLE in English 4 Sep 86 pp 1, 3

[Text]

GOVERNMENT yesterday more than doubled the Guyana dollar purchase price for raw gold and at the same time, promised intensive monitoring of production in the industry.

Prime Minister Hamilton Green, addressing miners at the Guyana Film Centre Tuesday evening, announced the new price, equivalent to 14 times the second London daily fix for gold, or \$5 537 (G) per ounce at Tuesday's price.

The new rate replaces a previous rate of 6.03 times the London fix (equivalent to \$2 384 (G) at Tuesday's price). The new selling price with respect to jewellers is 15.21 times the London fix.

The rates apply for a two-month trial period, starting yesterday, after which, the Prime Minister cautioned, measures, if necessary, would be imposed to bring the desired returns from the industry.

"You too have your problems. You don't have a bed of roses", the Prime Minister told the miners, who are represented by the Guyana Gold and Diamond Miners' Association.

People, however, often adopt solutions which militate against long-term solutions to a problem, and this is apparently taking place with regard to some operators in the gold and diamond mining industry, he said.

Government must exploit all available resources to earn foreign exchange, Cde. Green stressed and described as "unsatisfactory" the situation in which gold mining, which should be a net earner of foreign exchange, did not achieve this position last year.

The miners and industry officials at Tuesday's meeting focused frankly on the state of the vital industry, with some miners criticising the recent closure by the Geology and Mines Commission of more than a dozen dredging operations for low production.

Geology and Mines Commissioner, Dr. Grantley Wairond, however, painted a bleak statistical picture, revealing a declared production level of 4 402 ounces of gold in the first half of the year, or an average of 27 ounces per dredge. Allocation of fuel alone averaged 34 drums per dredge.

Based on the average declared production, many dredges could not have been operating profitably. Dredges which consistently operate in this manner would, in the interest of the operator and the nation, be better closed, the Prime Minister pointed out.

Government, however, felt there was need to review the local price of raw gold and accepted a recommendation for the latest increase.

The new price roughly equals the \$8 000 (G) an ounce suggested in the report of an industry task force, comprising officials and miners' representatives, which was appointed last year on the initiative of then Prime Minister Desmond Hoyte to examine and make recommendations on operations in the industry.

Government has based some decisions on the report, submitted last October, while a fuller study is being completed.

Miners will continue to be eligible to have 20 per cent of the US dollar price of the gold they sell to the Gold Board credited to their foreign exchange accounts at commercial banks under the foreign exchange retention scheme introduced last year to aid the industry.

Prime Minister Green said that the increase now granted to miners places a greater responsibility on the producers to increase sales to the Guyana Gold Board.

The monitoring exercise will continue, covering the use of inputs and records of production, and paying attention to "each and every dredge and operator", the Prime Minister said. There is need for faith and understanding that "we are in this thing together", he said.

Stressing that firm measures will be taken, especially in the wake of the latest increase, Cde. Green advised miners that should any hindrance to production arise, they should speak promptly with Government, "so that we can know the problems on the ground as soon as possible."

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CSO: 3298/025

GUYANA

## IDB SEES DIM PROSPECTS FOR NATIONAL ECONOMY IN 1986

FL081335 Bridgetown CANA in English 1318 GMT 8 Sep 86

[Text] Bridgetown, Barbados, Sep 8, CANA--Guyana's immediate economic outlook remains uncertain, and improvement in the medium term depends on a series of economic and fiscal measures, including a restructuring of the country's foreign debt, the Inter-American Development Bank (IDB) said today.

The IDB's evaluation forms part of its 1986 report "Economic and Social Progress in Latin America."

The bank painted another dim picture of the Guyanese economy during 1985, despite comparatively strong performance by the bauxite industry.

But other important sectors of the economy either stagnated or deteriorated. Sugar production showed no growth. Rice production fell, with export earnings from that sector the lowest in five years.

With a near endemic shortage of foreign exchange, the country may not be able to buy necessary spares and inputs for important industries.

The economic outlook for 1986 is uncertain...in the medium term, economic prospects could improve if price distortions are reduced, the external debt is restructured, economic diversification into timber, petroleum, gold and diamond mining proves successful, and private sector confidence is restored, the IDB said.

About the only bright spot in the Guyanese economic landscape this past year has been the bauxite/alumina industry. This sector put in a credible performance even though, like others in the country, it was hit by shortages of imported inputs and spare parts. ...Real value added in bauxite alumina grew by 18 per cent in 1985, after a 22 per cent recovery in the previous year, said the IDB. Metal and abrasive grade bauxite production increased sharply, whereas calcined and chemical-grade production fell.

Consequently, bauxite export earnings increased on higher volumes, since international prices remained low, the IDB added.

Overall agricultural output levelled off in 1985, because of the stagnation in sugar and a sharp fall in rice production.

The poor performances of sugar and rice offset substantial gains in food crops, forestry and fisheries, the IDB said.

Guyana managed to increase sugar exports to Europe, making up for the reduction in the U.S. quota. But with prices for sugar still depressed, this made little overall difference and, in fact, the IDB reported export earnings actually fell during the year.

The IDB predictably, but briefly, alluded to the emergence of the black market in Guyana and suggested it has expanded because of internal pricing in the country.

In 1985, government continued to implement managerial and operational reform aimed at improving productivity, improving efficiency, and reducing operating deficits in main productive sectors.

But it said that a drop in foreign capital inflows hindered rehabilitation of existing plants and hence reduced production.

However, some improvements became apparent in 1985. To tackle an apparently long-lasting foreign exchange shortage, the government last year continued its foreign exchange retention scheme under which bauxite exporters were allowed to keep all their export earnings, and sugar and rice exporters were permitted to retain 15 per cent of their earnings, specifically for purchasing spare parts and other imports.

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CSO: 3298/025

GUYANA

#### PPP ORGAN ANALYZES COMING 'BATTLE' FOR LEADERSHIP OF TUC

Georgetown MIRROR in English 7 Sep '86 p 1

[Text] Sitting upon a powder-keg of a politically divided labour movement, the Guyana Trades Union Congress emerges this month from a long and deep slumber to face the exciting prospects of a fresh battle for the leadership of the 70,000 member federation.

In the past, the race for leadership has invariably created strong bitterness, with at least two recent conferences aborted, primarily due to the divisive designs of the governing PNC party.

When the TUC convenes this year's conference of delegates on September 23, with guest speaker Desmond Hoyte making his debut at this forum as President of the Republic, it is hoped that the jostle for labour power will not deepen the schism of the past.

MIRROR understands that behind-the-scene talks are taking place, under the chairmanship of veteran labour leader, Joseph Pollydore, to smooth out the differences that have ripped the movement apart. The contending forces are the PNC-controlled 17 mini-union bloc and the militant 6-union grouping, generally assumed to be anti-government.

The six-union represents a majority of the nation's organised workers in the strategic bauxite and sugar industries, the public service and commerce. But representations at conference level has been weighted in favour of the smaller unions which, up until 1984, voted in their people to the TUC top posts. In that year, the six-union grouping captured the leading posts in what was a crucial election that brought an end to some 30 years of domination of the labour movement by conservative and pro-PNC forces.

The six-union victory sent the PNC into a frenzy even though the PNC-controlled unions boasted a majority of delegates, and some mini-unions were allowed additional delegates through the device of bloated memberships. One PNC union, defunct since 1971, was allowed five delegates at the 1984 conference.

It is not clear as yet what the delegates' balance will be this year, but unconfirmed reports from the closed-door talks indicate a possible 50-50 power-sharing formula between the two sides for the TUC Executive.

For the upcoming elections, there are 8 candidates vying for the post of TUC President, principal being the incumbent George Daniels (Guyana Public Service Union), Gordon Todd (Clerical and Commercial Workers' Union), Albert Budhoo (Guyana Agricultural and General Workers' Union), Gene Persico (Guyana Teachers' Association), and Clive Thomas (University of Guyana Workers' Union). It is understood that ex-Labour Minister, Kenneth Denny, is also in the running for the Presidency.

There are 19 candidates for the posts of the three Vice-Presidents. A strong contender is Komal Chand, General Secretary of the powerful GAWU sugar union. Also running are leader of the bauxite union Stephen Lewis, ex-Minister Denny and Gordon Todd.

Eleven candidates are slated for the post of Principal Assistant Secretary-- Leslie Melville (PSU), and T. Anson Sancho being the main contenders. For the posts of 3 Assistant Secretaries 23 candidates have entered the race. A newcomer is the NAACIE's K. Tekchand.

A stiff competition is expected in the poll for Organising Secretary. Last year bauxite union militant, Lincoln Lewis, whipped Minister Denny in a straight race. They are both back on the card. Nine candidates are running for the post of Treasurer which is held presently by NAACIE's General Secretary, N.K. Gopaul. His running mates this time are Selwyn Felix (Postal Union) and Charles Daniels (PSU).

For the first time in the history of the movement a total of 87 trade unionists are vying for the 15-member Executive Committee.

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CSO: 3298/025

GUYANA

BRIEFS

ACCORD WITH USSR--Georgetown, Guyana, Oct 8, CANA--Guyana and the Soviet Union have signed an agreement on cultural and scientific exchanges. Officials said the agreement entails the exchange of personnel and information and training in the fields of science, education, health, culture, and art. Under the agreement signed here yesterday, Guyana would receive a number of scholarships in medicine, science, and other disciplines from Moscow. Guyana and the Soviet Union will also collaborate in a campaign aimed at the eradication of malaria here. The agreement was signed by the head of the Department of International Economic Cooperation, Dr Cecil Rajana, and Soviet Ambassador Anatoly Ulanov. [Text] [Bridgetown CANA in English 2043 GMT 8 Oct 86 FL] /6091

RELATIONS WITH VENEZUELA--Harare, Zimbabwe--The Non-Aligned Movement has welcomed the recent improvement in relations between Guyana and Venezuela, and has expressed the hope that this would lead to increased friendship and co-operation between the two countries. In their political declaration, one of the final documents of the Movement's Eighth Summit conference due to end here in Harare tonight, the Non-Aligned Leaders also noted efforts by Guyana to consolidate its independence and sovereignty, and to ensure a safe future for its people. On the territorial claim advanced by Venezuela, the Leaders noted that both countries had submitted the matter to the United Nations Secretary-General for consideration in accordance with the Geneva Agreement. In keeping with the 1966 Geneva Agreement the UN Secretary-General has been entrusted with the task of choosing a means of settlement to the controversy. The declaration meanwhile also calls for the peaceful and amicable settlement of all controversies between states. [By Kamini Persaud] [Text] [Georgetown SUNDAY CHRONICLE in English 7 Sep 86 p 1] /6091

CUSTOMS INTERNAL PROBE--"The Customs and Excise Department will root out all the bad eggs from its system" says Comptroller of Customs Paul Burnett. The Comptroller, in an interview with the CHRONICLE Tuesday, said that the Customs Department has a very important function to play, and that persons from within the system, or outside who try to hinder its functioning will not be tolerated. The administration is to clamp down seriously on these persons, and will not hesitate to prosecute any employees found committing wrong acts. Former Customs Officer Jadhvarine Meredhoo was yesterday convicted by Principal Magistrate Desmond Burch-Smith on a charge of being knowingly concerned in dealing with goods with intent to evade the

prohibition applicable to such goods. Meredhoo was sentenced to six months' imprisonment and fined \$80,694. Cde Burnett said that over the last five years, some 90 officers have had to leave Customs, due to illegal acts. "We intend to collect all taxes due and payable to Customs." [Text] [Georgetown GUYANA CHRONICLE in English 4 Sep 86 p 3] /6091

INTER-FAITH ASSEMBLY--The role of religion in education was yesterday highlighted by a number of presentations made at an Inter-Faith Assembly held at Bishops' High School, Carmichael Street, to mark the observance of Education Month. Presentations were made by Moulvi Hassan Alli, Pandit Bhojnarine Sharma and Robert Wallace, representing the Muslim, Hindu and Christian communities respectively. Chief Education Officer, Dr. Daphne Persico, welcomed the gathering which included Vice-President, Education and Social Development Cde Viola Burnham, Ministers of the Government, members of the Diplomatic Corps and of the Teaching Service Commission, senior education officials, officers of the Guyana Teachers Union, teachers, parents and well-wishers. During the service, patriotic songs were sung and renditions were offered by the Guyana Police Force Steel Band, the Seventh Day Adventist Quartet, Cde R. Bunbury and Cde Vanessa Thomas. BHS Sixth-form student Paul Austin, chaired the assembly, which was held under the theme "Education for the Twenty-first century." Participants at yesterday's Inter-Faith Assembly, at Bishops' High School, to mark the observance of Education Month included Vice-President Viola Burnham (fourth from right in front row) and Mayor of Georgetown, Cde Robroy Whyte (at right), in picture above. [not reproduced] [Text] [Georgetown GUYANA CHRONICLE in English 8 Sep 86 p 1] /6091

CATHOLIC STANDARD SUSPENSION--Georgetown, Sept 27, CANA--The week-end four-page CATHOLIC STANDARD newspaper here has been forced to suspend publication because the printing equipment has broken down, editor Andrew Morrison said. The paper, owned by the Catholic Church, was off the streets last week and again this week. Morrison, a Jesuit priest, said efforts to repair the "very old" press were being made but if these are unsuccessful, the paper will have to await the arrival and setting up of a new press from England, a gift from the Overseas Fund for Catholic Development. Morrison said in a bid to keep the paper on the road, he had tried other printeries, but without success. "Many of them have their own problems, lack of spare parts and printing materials," he said in a statement. The CATHOLIC STANDARD has been very critical of the government at times, and as a result suffered victimisation under the former Burnham government. Morrison said he was hoping to resume publishing in about six weeks. [Text] [Kingston THE SUNDAY GLEANER in English 28 Sep 86 p 3A] /6091

CSO: 3298/025

MEXICO

BRIEFS

PEMEX NORTHERN STATES PRICE CUTS--Saltillo, 27 Oct, (NOTIMEX)--Carlos Ayala Espinosa, Pemex foreign trade executive coordinator, has announced that beginning 1 November, Pemex will reduce by 30 percent the price of its light oil in the northern states of Chihuahua and Coahuila, as well as in the central state of Durango. He explained that this measure will be in effect until 21 March 1987. Its purpose is to benefit the economies of the people of those areas where fuel's consumption increases considerably during the winter. The current official price of light oil is 56.80 pesos a liter. Beginning Saturday [1 November] it will cost 39.76 pesos a liter in the three aforementioned states. On another matter, Ayala Espinosa assured that the recent oil well fires do not have a direct impact in the country's oil supplies inasmuch as one was in its exploration phase and only 1.2 million liters a day are lost in the other one. [Text] [Mexico City NOTIMEX in Spanish 0134 GMT 28 Oct 86 FL] /6662

CSO: 3248/40

PARAGUAY

JOURNALISTS UNION DENOUNCES ARREST OF MEMBERS

PY251236 Asuncion EL DIARIO in Spanish 25 Oct 86 p 8

[Text] The Journalists Union of Paraguay (SPP) has issued a communique denouncing the arrest yesterday by members of the police force of journalist Benjamin Livieres and his wife, Maria Herminia Feliciangeli.

The SPP communique starts by referring to the circumstances under which the arrest occurred, noting that at "approximately 1030 fellow journalist Benjamin Livieres, an active member and representative for the newspaper LA TARDE, and his wife Maria Herminia Feliciangeli, a member of the Union of Business Workers and Employees [Sindicato de Empleados y Obreros de Comercio] (SEOC) were arrested on the street some 50 meters from the HOY S.A. publishing house. Shortly before being arrested, Livieres had alleged where he works that he and his wife were being followed by five plainclothes policemen, who later arrested him and his wife. [quotation marks as received]

The second point of the communique states that Livieres and Feliciangeli are members of the Independent Union of Workers [Agrupacion Independiente de Trabajadores] (AIT) labor union.

The document goes on to say that the policemen did not produce an arrest order and that "in view of this, the SPP demands the immediate release of Livieres and Feliciangeli, who were practically kidnapped on the street, and demand respect for the right of all social sectors in the country to act and organize freely."

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CSO: 3348/60

PARAGUAY

POLICE VIOLENTLY DISPERSE CLINICAS HOSPITAL PERSONNEL

PY282114 Asuncion HOY in Spanish 28 Oct 86 p 12

[Text] The police yesterday violently dispersed doctors and nurses from the Hospital de Clinicas and students from the Medical School who were trying to take the blood pressure readings of people at two different points on Palma Street and to distribute leaflets explaining a call to the citizens to gather at the congressional building on Thursday to demand a salary readjustment higher than 35 percent for next year.

The Hospital de Clinicas personnel were followed by police vehicles as soon as they left the hospital. Shortly after forming two groups near the intersection of Palma and Yegros Streets and of Palma and Alberti Streets, they began to take the blood pressure readings of several people. But the police arrived almost immediately and rudely began to disperse all the people who tried to approach them. The police also demanded the identification cards of the Hospital de Clinicas personnel, who were violently removed from the scene. After struggling with the doctors, the police had also previously seized the leaflets calling on the citizens to gather at the congressional building on the morning of 30 October.

The doctors and nurses tried in vain to explain to the police the right to work and to take blood pressure readings, and that there is no law that forbids it, but the police were ready to beat the workers in response to that defense.

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PARAGUAY

BRIEFS

EXILED COMMUNIST WRITER RETURNS--Elvio Romero, a renowned writer and a communist militant, yesterday returned to the country after living in exile for 39 years. He came to participate in the launching of a book written by Alfredo Seiferheld. The book is called "Nazism and Fascism in Paraguay." Romero came taking advantage of guarantees given by the government. His reception at the "Presidente Stroessner" international airport had political overtones owing to the slogans chanted and the placards displayed by supporters and slanderers. The police did not obstruct the visitor's movements, however, Elvio Romero was hit in the head by an egg thrown by an excited demonstrator. Elvio Romero did not conceal his enormous satisfaction at setting foot in his homeland after almost four decades, and said that to be back was worth "an egg." He downplayed the importance of the hostile attitude demonstrated by members of a group opposing his presence. In brief statements to the press, Romero said that "he expected to spend a few happy days in the company of all the friends," and that "the reception was very beautiful." Romero's supporters chanted time and again the well-known slogan "the united people will never be defeated," while his critics displayed several placards, lashing out at the writer's presence. [Excerpt] [Asuncion HOY in Spanish 19 Oct 86 p 12 PY] /6091

CSO: 3348/60

SURINAME

DISPATCH OF SPANISH-SPEAKING MERCENARIES TO REBEL AREA CITED

PM241343 Rotterdam NRC HANDELSBLAD in Dutch 14 Oct 86 p 4

[Unnamed "own correspondent" report: "Spokesman: Fighting Between Bouterse and Brunswijk Escalating"]

[Text] Amsterdam, 14 Oct--The fighting in eastern Suriname is escalating. According to a spokesman in Paramaribo, Bouterse has brought 1,500 men, equipped with heavy materiel, from the National Army into the area. Among these troops, the spokesman said, are 25-30 Spanish-speaking mercenaries trained in jungle warfare who probably come from Honduras.

The military regime in Paramaribo has ordered all ex-soldiers to report to the military authorities so that they can be mobilized in the fighting against Ronnie Brunswijk's jungle Commando.

According to the spokesman in Paramaribo, there have been 15 deaths on Bouterse's side in the last few days' fighting. Some 23 soldiers have been wounded. An emergency hospital has been set up in the Memri Boekoe barracks in Paramaribo. The spokesman had no information about possible casualties among the civilian population, although, he said, it is true that large groups of refugees have come to Paramaribo from the war area. Some of the maroon [bosneger] and Indian population in the interior of the country has fled to French Guyana, across the Marowijne River. The population, the spokesman said, has been urged by Bouterse to flee because the region has been bombarded with grenades, vacuum bombs, and tear gas. Incendiary bombs have also been used, he said.

The spokesman also announced that soldiers of the National Army stationed at Zanderij Airbase had begun fighting amongst themselves and there had been shooting. He did not know whether there had been any casualties during this minutiny. As a result of this incident 28 soldiers were arrested, he said.

When interviewed by telephone, a close colleague of Brunswijk who has recently returned from the scene of the fighting said that he "fears a bloodbath." "We feel that we have been left in the lurch. By the Netherlands. By everyone. If we had had heavier weapons we would have been in Paramaribo long ago. Now

there will be a bloodbath because we must now capture these weapons from Bouterse. Now we will have to slaughter fellow countrymen, because circumstances force us to do so. We will never be able to forget this."

According to him, Chief Forster is still alive. The old (83-year-old) chief, the foremost leader of the Paramaccaners, a maroon tribe in the threatened area, suffered a stroke when one of Bouterse's aircraft dropped two grenades on his village, Langatabbetje. Forster, who recently directed an appeal for support for Brunswijk to the head of the Netherlands Government, is partially paralyzed.

The military government in Paramaribo has not confirmed the loss of a Defender aircraft. This aircraft, one of four that the air force has, was shot down near Moengo after dropping grenades on a number of maroon villages, according to the Jungle Commando.

The Suralco bauxite company, one of the pillars of the Surinamese economy, is said to have come almost to a standstill because maroons, who make up a large part of the labor force, have fled into the jungle.

In order to win the loyalty of the population of Paramaribo the military regime has distributed food such as potatoes, which are scarce. During distribution fights have broken out, the spokesman said, and these have led to the deaths of two citizens.

Former Prime Minister Henk Arron, removed from office by Bouterse in 1980 and currently working on a political settlement with him, has said that despite the difficult circumstances in the country the authorities must remain firm on 1 April, the date on which the people have been promised a new democratic model.

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CSO: 3214/3

TRINIDAD AND TOBAGO

TAPIA HOUSE EXPLAINS BEST LETTER ON DIRECTION OF NAR

Port-of-Spain DAILY EXPRESS in English 8 Oct 86 p 2

[Text]

**THE Tapia element in the National Alliance for Reconstruction (NAR) does not seek to be excused from responsibility for some of the current conditions in the NAR.**

But, according to a letter dated September 26 from former Tapia chairman Lloyd Best to NAR general-secretary Dr Beau Tewarie, subsequent to meetings last month of "former Tapia cadres," the main problem lies elsewhere.

"We are rubbing people the wrong way—even inside the NAR—" the letter states, "for the precise reason that we are trying to reform their imagination with different politics."

Best's letter was written as a summary discussions at the meeting of September 25, where a letter from Tewarie was read to and considered by former Tapia people.

Best's letter, it was hoped, "might provide a basis for a deepening of the integration of the unitary party even if some remained fearful of the risks involved in the whole operation in the face of the forthcoming general election."

Asked on Monday about the present state of discussions between himself and the NAR

executive, Best said that "the last story that appeared in the *Express* was correct; we have written to the general-secretary of the party and we are awaiting a response."

NAR officials have indicated there is likely to be a meeting of the party's national executive tomorrow when the issue could be raised.

Best's letter to general-secretary Tewarie went on to insist that the Tapia element had never tried to "mash up" the NAR, "though we have always seen the great value in the fact that people were certain to think so." It assured the general-secretary that Tapia's interventions had not been pursued in a "mindless fashion," though former Tapia adherents had reservations about the NAR's "way of proceeding."

The letter stated that

there had been much positive feedback to the recent interventions from "discerning individuals," including prominent people in the NAR, though "we know that the feedback has been mainly negative."

That mix is inherent in the learning process which is finding more fertile ground "now that our unitary party is a serious contender for government," it added. The "different politics" Tapia has been after, and is bringing to the NAR, is "the politics of evidence and reasoning and that is because Tapia was born out of the life of the University of the West Indies and must bring those values to bear on the wider politics."

Other elements in the NAR that have come from different backgrounds can make their own special contributions, it declared.

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CSO: 3298/027

TRINIDAD AND TOBAGO

BRIEFS

**REJECTION OF PNM CANDIDATE**--The Screening Committee of the ruling People's National Movement reportedly sent back the Couva South constituency executive to find an "acceptable candidate" to appear before the committee. The Couva South executive had recommended telephone operator Nola Pierre, who recently moved into the new Couva Housing Development. But the committee was not satisfied and asked the executive to make another try at finding a suitable candidate. Byron Swarathsingh and Tahir Ali were not screened. [Text] [Port-of-Spain DAILY EXPRESS in English 8 Oct 86 p 2] /9274

**TELCO SABOTAGE**--More than 4,900 telephone subscribers have been without service because lines were maliciously damaged over the weekend. Hard-hit areas were Arima, where 750 subscribers had no service; San Juan, where 550 subscribers suffered; Mausica (more than 200); and St Augustine, 1,900. The Trinidad and Tobago Telephone Company on Monday afternoon repaired a cable which restored service to some 1,500 residents in Mausica. The company has had a history of vandalism to public telephones, but this is the first report in recent times that cables have been maliciously cut. Telco said yesterday it was tightening vigilance at the plants and will take appropriate action against anyone caught damaging the company's property. No one has yet been held in connection with the incident. [Text] [Port-of-Spain DAILY EXPRESS in English 8 Oct 86 p 1] /9274

CSO: 3298/027

VENEZUELA

CABINET, PRIVATE SECTOR PLAN ECONOMIC RECOVERY

PA252020 Caracas Television Service in Spanish 0000 GMT 25 Oct 86

[Report by Martin Pacheco; passages within quotation marks recorded]

[Text] Agreement exists that the Venezuelan economy must be reactivated as soon as possible. The executive branch and private economic sectors have addressed the matter.

[Pacheco] This was the main topic discussed during the top level meeting called by Venezuelan President Jaime Lusinchi in Miraflores Palace, and held with representatives of FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry], the banking and agroindustrial sectors, and commerce in general.

During the meeting the country's economic situation and the initiatives the private sector should undertake to contribute to the resolution of the crisis were discussed.

The president of the republic presented a detailed report on his recent European tour and the real possibilities of increasing ties with Spain and Portugal.

Carmelo Lauria, minister of the general secretariat of the presidency, summarized the meeting for the press: "Once again it was stressed that the joint effort of the government and the country's various sectors will allow Venezuela to make the qualitative changes we have been awaiting for so long. Venezuela will be very realistic."

Meanwhile, [representatives of] the various sectors who attended the meeting described the talks as sincere, clear, and very constructive.

FEDECAMARAS President Rafael Marcial Garmendia said there are possibilities to exchange exports with the EEC countries because, as a result of the presidential visit, Spain and Portugal will be Venezuela's interlocutors in the old world. He said: "We hope that specific results for the future, which will help us resolve the current situation and develop Venezuela's enormous potential for development will crystallize."

Jose Alvarez Spelling, president of the Banking Association, said that the topics discussed deal with the country's most important problems: "Various topics dealing with financial problems were discussed, including the foreign debt, the banking law, the case of various bankers who are in difficult situations, and the manner in which these things can be discussed in a spirit of dialogue and openmindedness."

Eugenio Mendoza [not further identified] said that the meeting inspired confidence and opened very good prospects to the Venezuelan business sector: "We were able to set forth various concerns we have on national problems. The president and the ministers on the economic cabinet set forth ideas in various fields that I believe were positive."

Meanwhile, Julio Sosa Rodriguez, former Venezuelan ambassador to the United States, said that a joint effort is fundamental for attaining the goals the executive branch has set for itself to achieve development: "The president reported on various projects and problems that Venezuela has. Views were exchanged. It was very constructive."

Similar meetings will be held in the upcoming days between the government and local production sectors to unify a number of important strategies that will be implemented to reactivate the economy.

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