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JPRS-LAM-86-032

1 APRIL 1986

Latin America Report

19980810 112

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1 April 1986

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INTER-AMERICAN AFFAIRS

HONDURAN AIR FORCE HEAD VIEWS NICARAGUAN THREAT

Tegucigalpa LA TRIBUNA in Spanish 7 Jan 86 p 3

Article by Adelmo Argueta

[Text] Speaking to reporters at a transfer of command ceremony at the Armando Escalon airforce base in San Pedro Sula yesterday, Col Francisco Zepeda Andino, general commandant of the Honduran Air Force, said that he had no concern regarding a Nicaraguan invasion of Honduras, since Nicaragua has neither the necessary military resources of its own, nor sufficient backing from abroad to undertake such an invasion.

At the ceremony, conducted by Zepeda, Lt Col Jose Israel Navarro Carrasco handed over the baton of command of the base to Lt Col Alberto Urbina Reyes, commandant of the Hector Caraccioli Moncada Airbase at La Ceiba, Atlantida.

Actually it was an exchange, since Navarro Carrasco was to become the new commandant of Caraccioli Moncada.

Col Zepeda paid tribute to the fine contribution made by Navarro Carrasco during his three years at Armando Escalon, and presented him with a replica of the baton of command to keep as a memento. He said that the incoming commandant, Colonel Ursina, "is not a stranger here as many of us are."

In his remarks to newsmen, mentioned above, Zepeda said he felt no concern about a Nicaraguan invasion of Honduras. "That country does not have the necessary strength, at the national or at the international level."

He also noted that the base at Palmerola, a few kilometers distant from Comayagua, "is a Honduran base, and not an American one. Furthermore, it was established in 1976, and not in 1979, as reported by one Honduran newspaper." He added that only yesterday Lt Col Marco Tulio Rivera was named to take command of that base, "which proves that Hondurans are in charge."

Lt Col Jose Israel Navarro yesterday assumed command of the La Ceiba airbase in a ceremony similar to the one at San Pedro Sula.

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CSO: 3248/0229

INTER-AMERICAN AFFAIRS

JAMAICAN OFFICIAL CALLS FOR REGIONAL WAR ON DRUGS

Kingston THE DAILY GLEANER in English 20 Feb 86 p 3

[Text]

BRIDGETOWN, Feb. 19, (CANA)
Jamaica's Minister of Public Utilities and Transport, Pearnel Charles, issued an impassioned plea today for Caribbean co-operation in fighting drug trafficking.

"I want to say to you that before we have to seek outside assistance let us join forces in the Caribbean to prevent the monster from destroying law and order in our countries, from destroying the future of our children and from destroying our countries as a whole," Charles told Caricom transport ministers.

The ministers are discussing air and sea links within the region but Charles said they also have been concerned with drug trade since it was using established means of communication.

"There is a new form of terrorism mobilised by outside forces using our ministries of transportation and communication as they enter into our region and I ask you to take a very strong look at what is happening around us," the Minister said.

Jamaica's national airline has been heavily fined in recent months by American customs officials because of drug finds on its aircraft.

Charles said Jamaica was under attack from drug traffickers.

"The amount of cocaine landing in Jamaica these days is enough to turn all our children into zombies," he told the ministers.

Two weeks ago more than 1,200 pounds of cocaine with a street value in excess of US40 million dollars was seized in the island.

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CSO: 3298/361

INTER-AMERICAN AFFAIRS

VENEZUELAN FISHERMEN SEIZED, FINED BY GRENADA

Port-of-Spain TRINIDAD GUARDIAN in English 3 Mar 86 p 5

[Text]

ST. GEORGE'S, Mar. 2, AP — THIRTEEN Venezuelan fishermen from the island of Margarita are in custody in Grenada after having been found guilty of fishing in Grenada's territorial waters, authorities here have confirmed.

The Grenada Coast Guard said that on February 21 it seized two boats from which the men were fishing some 8.5 miles off Grenada's coast. The boats were brought into St. George's harbour and the men were taken before Chief Magistrate Lyle St. Paul on February 25.

Represented by Grenadian barrister Anslern Clouden they pleaded guilty and were each fined \$3,000. In addition, their boats, each about 30 feet long, were confiscated together with more than four tons of fish found aboard.

Mr. Clouden said in an interview that Jorge Gonzales, Venezuelan Consul, was in Court and expressed to Magistrate St. Paul that, in his opinion, the sentence was harsh. Mr. Gonzales said Venezuela had been very cooperative with the Grenada Government, giving considerable assistance in the island's fisheries project.

According to Mr. Clouden, Mr. Gonzales told Mr. St. Paul that Venezuela has tried to foster close ties with Grenada and he did not feel that the treatment meted out to the fishermen was in accordance with the relationship which existed between the two countries.

A spokesman for the Venezuelan Embassy said that in spite of personal calls at the Ministry of Foreign Affairs, and a letter written to that Ministry, it has not been possible to make contact with Ben Jones, Minister for Foreign Affairs.

"We have had no communication from the Ministry on this matter, the spokesman said, "and the only knowledge we had of what was happening is what we picked up on the streets."

Within A Few Days

Mr. Clouden said yesterday he had a brief discussion with Mr. Jones on Friday and had been told the matter is "under active consideration."

"It is too early to expect any action yet," Mr. Clouden said, "but I expect to hear something by Monday."

Mr. Jones was not available for comment but a spokesman for the Ministry for Foreign Affairs called the incident "unfortunate" and said it is getting the attention of the Ministry.

"We hope to bring this matter to a satisfactory conclusion within a few days," he said.

Mr. Clouden said his instructions were to have the men plead guilty, adding that he understood this course was taken in order that the Venezuelan Embassy could have the matter finalised as soon as possible.

He said he had explained to his principals the extent to which the law could penalise his clients, but it was not expected that the sentence would be so severe.

The 13 fishermen have been granted bail, Mr. Clouden said, but they are still being kept by the Police because they have no place to stay.

The fine has not yet been paid.

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CSO: 3298/361

INTER-AMERICAN AFFAIRS

CHILEAN OPPOSITION ADDRESSES ARGENTINE GOVERNMENT

PY101537 Buenos Aires TELAM in Spanish 1705 GMT 9 Mar 86

[Text] Bahia Blanca, 9 Mar (TELAM)--The Chilean consul to this city has denied the existence of a suspected Chilean spying network operating in Argentina. He said that there are sectors interested in promoting the appearance of abnormality within Chilean-Argentine relations. These sectors, however, are in the minority because we have many examples of organizations seeking integration.

Marcelo Munoz Tolhuysen added that the situation, which was the result of mere journalistic speculation, has been overcome.

The rumored existence of a Chilean spy network was based on some details given by Rogelio Garcia Lupo, a correspondent of the Caracas newspaper EL NACIONAL, in a note published in that newspaper regarding an accident which took place near Comodoro Rivadavia, on 10 February 1986, when two second lieutenants of the Chilean military garrison at Punta Arenas, together with a Chilean student from Los Seminarios, died when their car crashed into a truck.

In remarks to LA NUEVA REPUBLICA, the Chilean consul stated that the three people traveling in the car were traveling from Punta Arenas to Santiago on route 3. He said that the two second lieutenants and the student from Los Seminarios were on vacation, and they were traveling on that road because it is the only direct link from Punta Arenas to the Chilean central-southern zone. Visits of Argentine officers to Chile, and vice-versa, are very frequent.

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CSO: 3348/455

INTER-AMERICAN AFFAIRS

CHILEAN CONSUL IN ARGENTINA DENIES ESPIONAGE REPORTS

PY111412 Buenos Aires DYN in Spanish 1801 GMT 10 Mar 86

[Text] Buenos Aires, 10 Mar (DYN)--The Chilean Manuel Rodriguez Patriotic Front (FPMR), made up of various political parties, has sent a note to the Argentine ministers and congressmen commenting on reports of an "alleged concern" of the Argentine Government for the struggle of the Chilean people to restore the democratic system and the state of law.

"We are certain that democracy in Argentina will be fully stable and consolidated once there is a democratic regime in Chile also," states the 2-page letter to Interior Minister Antonio Troccoli, Foreign Minister Dante Caputo, and bloc leaders of the Radical, Justicialist, Intransigent, and Christian Democratic deputies.

The note stresses that the Chilean and Argentine media have detected "an alleged concern in the Argentine Government about the social and political turn of events in Chile," and that "no democrat can sincerely doubt the just and timely struggle for freedom being waged by most Chileans" against the military regime.

"Under these circumstances, this patriotic national battle cannot be irresponsible regarded as part of the East-West dispute, and the struggle of the Chilean people to recover democracy and dignity is the same one you have fought and are still fighting today," stressed the FPMR, which is a coalition of Christian democrats, socialists, communists, and radicals.

After a number of considerations about the role of the opposition toward Pinochet's military regime, and the common struggle for independence waged by the Argentine and Chilean peoples at the beginning of last century, the note states that "it would be profoundly negative for the Argentine Government, which we respect, to lend itself to the imperialist interventionist game, which seeks to prolong tenure in office of the fascist tyranny which plagues our fatherland."

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CSO: 3348/455

INTER-AMERICAN AFFAIRS

BRIEFS

HONDURAN FIRES LAID TO NICARAGUAN REFUGEES--Nicaraguan Miskito refugees bid farewell to 1985 by setting fire to a forest in the department of Gracias a Dios, causing losses amounting to more than 100,000 lempiras, according to authorities of the Honduran Corporation for Forest Development [COHDEFOR]. They said that 75 hectares of pine and timber forests were destroyed in the Sisirtara zone near Puerto Lempira, just at the crique of Quanihatigni. Investigations carried out by Gracias a Dios Forestry District employees have established that members of a band of Nicaraguan Miskito refugees living in that area were responsible for the fire, which razed a recently established plantation of pine and hardwood which was under COHDEFOR guardianship. Although these forests are patrolled during the summer season, which is the period of major fire risk, it was never anticipated that criminal bands would set fire to them. Forest Development authorities noted that since the arrival of the Nicaraguan Miskito refugees in Gracias a Dios department, thousands of hectares of pine and broadleaved trees have been destroyed by fires and felling activity, representing a loss of millions of lempiras. [Text] [Tegucugalpa LA TRIBUNA in Spanish 6 Jan 86 p 3] 12383

CSO: 3248/229

ARGENTINA

IGLESIAS ROUCO ON RELATIONS WITH U.S.

PY050229 Buenos Aires LA PRENSA in Spanish 25 Feb 86 pp 1, 4

[By J. Iglesias Rouco]

[Excerpts] The summer political "truce", which this year did not produce much of a truce, is about to become a stage of hectic activity both on the domestic and international fronts with unpredictable effects on the immediate future.

If we go by the open "optimism" shown by Argentine and U.S. diplomats, especially the optimism shown before and after Shaludeman's visit that Buenos Aires and Washington have reached a "common position", or an almost common position regarding Nicaragua and the Central American conflict, we can also expect many "jolts" on the foreign front. In fact, that kind of "optimism" and especially the U.S. "optimism" tends to foreshadow problems.

Alfonsin has reportedly reiterated to Shaudeman and on many occasions to U.S. Ambassador Ortiz that the Alfonsin government rejects the idea of more communist or fascist governments in Latin America. Alfonsin's reply to a recent letter from Reagan reportedly sums up that principle which, clearly stated in relation to the Managua regime, shows perhaps an apparent progress regarding the Buenos Aires position of 1984. However, this is only in appearance because the differences between Buenos Aires and Washington regarding some "points," which is the jargon used by officials, continue to be considerable. These are the main differences:

1. Bearing in mind the electoral interests of the Democrats (at a time when Bush, a "hardliner," appears as the only candidate to succeed Reagan), and taking into account Bush's "Latin Americanist" maneuvers, Government House has categorically opposed the military and economic aid that the Republican administration has offered to the Nicaraguan contras.
2. In disagreement with Reagan, Alfonsin also wants the removal of U.S. troops from Honduras and the suspension, or at least the "softening" of the White House's political and diplomatic campaign against Managua.
3. Buenos Aires will reportedly agree to the operation of an international supervisory scheme in Nicaragua. This scheme will prevent the sending of

guerrillas and weapons from Nicaragua to El Salvador and other countries in the region, and provide for on site verification of the Cuban troop withdrawal, in keeping with a statement that the Contadora Group will issue on this subject. For its part, the United States has advocated effective verification. However, Buenos Aires has at the same time hinted that: a) Argentina will probably be unable to join in such a joint scheme, because of the domestic opposition to the plan among other reasons. This opposition comes not only from the left but also from the Armed Forces, which the government has just consulted or, to tell the truth, which the government has just induced to say no. Although on the other hand, Brazil has also refused to join any international "peace-keeping force" in Nicaragua or its neighbors; b) If Managua rejects the supervisory scheme--and it is believed there is a good chance it will--Buenos Aires will "regrettably" have to withdraw from the project, concentrating its support on the nonintervention principle. For practical purposes, this will work against any U.S. initiative within the OAS (and for that matter, against any U.S. unilateral action) aimed at performing the verification, which Washington regards as a "sine qua non" for peace in the region.

4. According to the White House, the "elections" held in Nicaragua in 1985 have not paved the way for democracy or for the "pluralism" that "both" Washington and Buenos Aires want for Latin America. However, government house, or at least some majors sectors within the government and the ruling party, maintain that such "elections" and the presence of Daniel Ortega in the presidency represent a democratic beginning and that anyway, the results of the elections are irreversible.

5. Buenos Aires continues to link its policy in Central America with its foreign debt problem and with the pressure that the U.S. Treasury and the Federal Reserve may exert on the IMF in favor of the Argentine position. As a matter of principle, Washington rejects this stand, on the grounds that it has been fostered by the USSR and Cuba.

6. The United States has reportedly hinted at the possibility of using its good offices to mediate with the IMF, as it did in 1985, in search for "emergency" solutions that should more closely match Argentina's financial position. However, the United States has fully supported the stand that the IMF and the EEC have taken with regard to Argentina. They maintain that it is necessary to introduce major structural reforms to the Argentine economy, in order to halt its growing statism. They also oppose the debtors "club" that our Foreign Ministry is sponsoring, with methods that are not as radical as those used in 1984.

7. Even though the United States appreciates the progress achieved toward a peaceful solution to the Malvinas issue, Washington does not yet know what plans and objectives Buenos Aires has for the South Atlantic. The only reason for Washington's "appreciation" of the progress achieved is the smaller number of problems that Caputo's "pacifying" efforts within the OAS have caused to the United States.

8. The Argentine diplomatic action within the Group of Six, in support of disarmament in outer space, is totally opposed to the current U.S. strategical scheme. Washington has regarded this attitude as an unfriendly action which has been inspired by the Soviets and which has driven the two countries farther apart. A few days ago, some State Department officials who strongly support the Alfonsin administration within the "North" were clearly annoyed by an advertising program that state-run television channel 7 broadcast on the Challenger tragedy, which the station linked to U.S. "galactic" or space "imperialism."

It is not necessary to mention the concern with which some U.S. Government sectors and the European Social Democratic Parties regard the "indefinite" revision of the "dirty war." They fear that this "trial of the century" might generate tension between the Armed Forces and the democratic process that the military have supported. But this is only a minor problem, at least in the eyes of those U.S. sectors and European parties. It is the differences on the above items which are the focal point of the U.S. concern about Argentina. Therefore, if despite such differences both sides still talk about a "common position" or an almost common position--except for some "details," as they put it--it is because their positions have actually very little in common. Or, in other words, because the essential part of the "agreement" between Government house and the White House consists of their mutual acceptance that they have big disagreements and that they have decided to discuss such differences very cautiously.

Why so cautiously? First, because both the United States and Argentina want to gain time (or let time pass without excessive turmoil). Second, the United States and almost all Argentines believe that chaos is the only "alternative" to the Alfonsin government. These two reasons do not allow for any expectation of improvement in Argentine-U.S. "dialogue." Such expectations will be even weaker if they are to be based on the consolation that the dialogue was even worse in 1983 or early in 1984.

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CSO: 3348/452

ARGENTINA

PERONIST FLANKS REACH BROAD AGREEMENT ON DIRECT VOTING

PY060215 Buenos Aires BUENOS AIRES HERALD in English 4 Mar 86 p 9

[Text] (NA-DYN)--The Justicialist National Council and the Peronist reform wing reached overall agreement on direct voting by the party membership in primaries after a summit meeting between the main leaders of the two flanks of the Peronist movement, National Council first vice-president Vicente Saadi announced last night.

The primaries will also permit the representation of both the majority and the first minority, Saadi said. The Catamarca senator also announced that broad agreement had been reached on the reorganization of the intervened provinces of Buenos Aires, Cordoba, Jujuy and Rio Negro.

Reform wing sources afterwards estimated "80 percent agreement" was reached while La Rioja governor Carlos Menem considered that a national renewal congress was now unnecessary.

The orthodox branch of the party was represented by the three vice-presidents of the National Council--Saadi, deputy Jorge Triaca and San Luis Senator Alberto Rodriguez Saa--together with Council press secretary Lisandro Zapata while the reform wing was represented by their triumvirate--Menem and deputies Antonio Cafiero and Carlos Grosso--and Committee of 25 labor leader Roberto Garcia, who is also a deputy.

The meeting, which began at 6:40 pm, lasted less than an hour. The summit had previously been called for last Thursday but the pilots' strike prevented Menem's presence although party sources said there was also disagreement among the reformers as to what proposals to present at the meeting.

According to a post-meeting reform wing statement given to the HERALD in Congress yesterday evening, the intervention boards in the four intervened provinces will all be suspended and replaced by boards representing all the main factions proportionately although Saadi repeated his preference for a single trustee after the meeting. Party membership rolls are to be re-opened and primaries are to be held by June 30, 1986, in which minority representation will be guaranteed. The proceedings are to be monitored by the national electoral courts.

The National Council will make a formal answer to these proposals next week.

At the same time 22 of the 29 Buenos Aires Peronist mayors held a unity meeting in San Fernando which also endorsed direct membership voting but the Independent Peronists of Buenos Aires postponed a meeting scheduled for today until March 15.

Before the meeting the reform triumvirate met with other renewal leaders such as Lower House minority leader Jose Luis Manzano (Mendoza) and Senator Oraldo Britos (San Luis). Britos yesterday admitted that Saadi could end up serving out his four-year term since court action could easily take that long. He also expressed doubts that Saul Ubaldini would prove as effective a governor of Buenos Aires province as CGT secretary-general although some independents, 62 Organizations members and youth elements suggested this last week.

Last week Buenos Aires reform Peronist deputies launched Cafiero's candidacy for the 1987 Justicialist gubernatorial nomination in the province when their caucus chairman Oscar Blanco announced that there was "no discussion" on Cafiero's candidacy. Blanco also supported BA governor Alejandro Armendariz' stance on revenue-sharing. Cafiero met independent leaders last Tuesday, following which he denied renewal Peronists were considering an alliance with the Intransigents "at the moment."

Meanwhile the Revolutionary Peronist line of the movement yesterday declared their "total support for and solidarity with" the stance adopted against the International Monetary Fund (IMF) by the Peruvian government.

Last week the Revolutionary Peronists raised eyebrows in several quarters when they formally set themselves up as an internal line with a leadership including Montoneros Maria Firmenich, Fernando Vaca Narvaja and Roberto Perdia, together with former Buenos Aires governor Oscar Bidegain as well as Peronist Youth leader Pablo Unamundo and former Santa Cruz governor Jorge Cepernic.

The line will be holding a rally on March 14 at which it will blast the austral plan and denationalization. The Revolutionary Peronists, who declared their support for the CGT's 26-point programme, also called for the resignations of "technocrats" Economy Minister Juan Sourrouille, Foreign Minister Dante Caputo and Interior Minister Antonio Troccoli.

In other recent Peronist developments, San Luis Peronists called a local party congress for April 5 in which Britos' successor could be chosen, the October 17 bloc of Justicialist deputies supporting Buenos Aires party boss Herminio Iglesias shrank from 15 to seven as a result of last November's elections and Peronist deputy Alberto Melon called on the government to end the "Chilean habit" of supplying British warships.

/7358

CSO: 3300/72

ARGENTINA

UCR NATIONAL COMMITTEE ENDORSES PRIVATIZATION PLAN

PY081722 Buenos Aires BUENOS AIRES HERALD in English 6 Mar 86 p 7

[Text] (NA-DYN)--The Radical Party National Committee yesterday disclosed its general support for the government's privatization policy, claiming it stems from the need to "develop a system of coexistence based on modernization, participatory democracy, and solidarity" and responds to a widely accepted view of the role of the state as well as to economic trends throughout the world.

In an eight-page report which revealed the party's decision to end internal disputes on privatization, the UCR [Radical Civil Union] National Committee called upon other political parties to "set aside sterile fighting stances and think rationally" about denationalization. "Argentines cannot stay in the past while the country and the world change," the UCR report contended.

The role of state intervention in production "must adjust to the rhythm of technological advances which modify the strategic character of productive activities," the report stated, arguing that "the future of Argentine economy and the possibility of breaching the technological gap (with developed nations) depends on the transformation and modernization of industry."

Furthermore, privatization will free resources which may be channelled towards top priorities for national development, and in turn the private sector will be responsible for kindling competition and efficiency by supplying technology and subsidies, the UCR authorities added.

In separate party developments, the Historic Radicals from the Renewal and Change party faction on Monday withheld their decision on who will run alongside provincial party committee chairman Juan Manuel Casella on the gubernatorial ticket in next year's provincial elections. Casella, however, gave fellow Historics a detailed explanation of negotiations concerning vice-gubernatorial candidacies and pressed for a final decision by May.

In a separate issue, Casella on Monday said "in no way do we intend to establish a sort of 62 Radical Organizations" as he inaugurated the provincial UCR labour committee. Casella said a significant number of workers support the Radicals and they will now be represented by leaders from the UCR.

Meanwhile, the UCR National Integration Movement (MIN) and the National Line sector headed by Senator Fernando de la Rúa merged on Monday, after 75 days of talks, into a single provincial line aimed at "strengthening and modernizing the UCR, in order to consolidate the work of the party and the government."

/7358

CSO: 3300/72

ARGENTINA

GOVERNMENT DENIES ASKING CGT FOR TRUCE

PY080022 Buenos Aires TELAM in Spanish 1120 GMT 7 Mar 86

[Text] Buenos Aires, 7 Mar (TELAM)--A high-ranking Government House source last night said that the government has never asked the General Confederation of Labor (CGT) for a truce.

The source added that, during a meeting with the CGT executive board, Labor Minister Hugo Barrioneuvo announced that the government is studying a complete salary policy which will be released in detail, within 10 or 15 days.

Nevertheless, at the end of the same meeting, CGT leader Saul Ubaldini said that Barrioneuvo had asked for the truce.

The spokesman explained that Barrioneuvo had mentioned the possibility of the government proposing a salary policy which would be ready in 10 or 15 days.

The source added that the government did not call the CGT to ask for a truce, but to make known this socioeconomic proposal, and explained that it was the CGT that had asked that the request be made public.

The spokesman said that the government has not acknowledged and will not acknowledge any deadline set by the CGT or any other sector, because deadlines can only be set by the courts which have the power to do so.

He added that Barrioneuvo explained to the unionists that the future governmental proposal will include the reorganization of the CGT and guidelines for the participation of the labor sector in leadership roles.

He recalled that the government announced at the economic and social meeting that it would be in a position to study a salary policy during the second quarter of 1986, and added that this is what we have been doing.

He stated that an annual salary policy is under study, because monthly wage adjustments stimulate inflation.

He admitted that the current wage level is too low and that the social situation is tense, because the country is in crisis and there are legitimate complaints.

The spokesman said that the government is trying to create a framework which, taking the crisis into consideration, makes it possible to maintain the levels of real salaries and employment, warning that no agreement can be reached while there is an attitude of confrontation.

The spokesman stated that if the meeting of CGT secretaries general decides to stage a stoppage today, the government will remain calm and will not act hysterically or set deadlines.

He sustained that the statistics show that employment, income, and consumption levels went up during the last few months, and that the Argentine currency has recovered its value, which is a prerequisite for achieving reactivation.

As to social projects, the source said that this is not a topic to be discussed with the CGT because the official initiative has been sent to Congress to be debated.

He disqualified the CGT project because it puts the health policy in the hands of the unions and because, from the National Institutes of Social Projects (INOS) downward, all institutions would be in the hands of the labor unions.

He added that the government proposal will include legislative reforms so that the collective bargaining can be held in a constructive atmosphere and be resumed in a reasonable period of time, but not now.

/7358

CSO: 3348/452

ARGENTINA

SUPREME COURT TO CONSIDER APPEALS MADE BY GENERALS

PY102118 Buenos Aires BUENOS AIRES HERALD in English 8 Mar 86 p 9

[Text] (NA-DYN)--Retired General Ramon Camps claimed yesterday that the members of the federal court and prosecutor Julio Cesar Strassera "lack the moral authority to judge me", and added that if his case is removed from the Supreme Council of the Armed Forces and taken to the civil courts, "I will not testify, I will not name an Attorney and I will not offer any evidence."

Camps' refusal to recognize the judicial competence of the federal courts is reminiscent of former military president Jorge Videla when he was condemned for human rights violations but the former chief of the Federal Police went even further when he called Strassera a turncoat for having started his career during the previous military regime.

The former Buenos Aires police chief is one of the military members accused of the most human rights violations to date, and the federal court must decide in the next few days whether to accept a new request by the Supreme Council of the Armed Forces to postpone the deadline to reach a decision on Camps.

In the past the federal court has approved extensions to the Council with the approval of the prosecution, but judicial sources disclosed that this time around Strassera would ask the court to place the Camps case under civil jurisdiction, allowing for an oral and public trial, similar in format to the one in which five former commanders-in-chief were condemned for human rights violations.

In relation to this trial the federal court accepted partially the appeals by the prosecution and the attorneys of the defendants for a judicial review by the Supreme Court. The Supreme Court can only change the sentence if it considers it unconstitutional, so the defence has argued for the validity of the "self-amnesty" law dictated by the past military government and the principle of "due obedience."

Prosecutor Strassera's appeal was also accepted partially and it could lead to the extension of the sentences to some of the former junta members that were acquitted or more severe penalties for those condemned. The prosecution argues that the juntas should be tried collectively not individually.

The Supreme Court of the Armed Forces postponed once again its decision on the Malvinas case until "the last days of March of the first days of April." The Council's decision on the responsibility of the third military junta for the Malvinas war was originally scheduled for mid-January.

It was also disclosed that the Council will not decide on any other trial until after the Malvinas decision. This means that the Council will delay its decision in the trial of Navy lieutenant Alfredo Astiz, accused of kidnapping, torturing and murdering Swedish citizen Dagmar Hagelin.

/7358

CSO: 3300/72

ARGENTINA

ADMIRAL CRITICIZES TRIAL OF MILITARY COMMANDERS

PY111508 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1605 GMT 10 Mar 86

[Text] Bahia Blanca, 10 Mar (NA)--Vice Admiral Horacio Mayorga, former Naval Air Force commander, has reported here that "subversion is preparing highly trained armed groups to carry out destabilization tasks, such as murdering President Raul Alfonsin," and added that "although there is Marxist infiltration in the government, no one expects a coup d'etat because we military men have learned our lesson."

Vice Admiral Mayorga made these statements to the local morning newspaper LA NEUVA PROVINCIA, and sustained that "subversion will come back, and this time, it will be by infiltrating various governmental areas, "among which he mentioned the areas of education, communications, and justice."

Referring to methods to be employed in combating terrorism, the Navy commander admitted that the military "might deserve moral reproach for not dealing properly with the events of that time but the lawmakers of that time, all clean and spotless citizens who clamored for measures to fight subversion, should not be excluded from that reproach."

The Vice Admiral then asked: "If that is the case with the military, what punishment should be applied to the civilians who asked us to destroy the terrorists wherever we found them?"

Regarding the trial of the former commanders, Vice Admiral Mayorga pointed out that the president of the nation "is harassed" because he "has started a game which he can no longer control, and knows that it is not true that people and not institutions are sentenced."

"Here, neither military nor civilians will be spared. The ruling party, which plotted coups against Peron and Frondizi, now has the opportunity to star many years of the hoped-for democracy, which is not being fully experienced yet," he concluded.

/7358

CSO: 3348/452

ARGENTINA

BRIEFS

ATHOS FAVA DECORATED IN MOSCOW--Argentine Communist Party Secretary General Athos Fava has warned that the economic concessions that the Argentine Government has been making, especially as far as the foreign debt is concerned, "are undermining the social situation and will prompt upheavals." Upon receiving the Order of Lenin (the most important Soviet decoration) in Moscow from the hands of Andrey Gromyko, chairman of the Presidium of the Supreme Soviet, Fava stated that the Argentine communists "attach great importance to the reinstatement of democracy and to the defense of the constitutional system and greatly value Argentine-Soviet relations." He added: "We recognize the government despite the differences we may have with it and we shall do everything we can to defend democracy, but there must be social justice..." [Text] [Buenos Aires CLARIN in Spanish 3 Mar 86 p 9 PY] /7358

INTERNATIONAL LIBERAL LEADERS' VISIT--Buenos Aires, 7 Mar (TELAM)--This morning at the Olivos Residence, President Raul Alfonsin received Urs Schottli, vice-chairman of the Liberal International, who spoke about the necessity of achieving the stabilization of Latin American democracies. Schottli voiced his concern about statements by certain people who, through extremist acts jeopardize the consolidation of democracy. The foreign politician arrived in Argentina yesterday after a visit to Uruguay. Tomorrow he will leave for Brazil. Oec Loew, Liberal International representative for Argentina, accompanied him during his visit to the Olivos Residence. During the meeting which started at 1050, the visitor told President Alfonsin that a meeting of chairmen will take place during the next few months. Willy Brandt will participate as chairman of the Socialist International, Giovanni Malgordi as chairman of the Liberal International, and Andres Zaldivar as chairman of the Christian Democratic International. At the meeting, Schottli will speak about the position of the Argentine Government, which he deems moderate and sensitive, in order to promote the launching of a declaration supporting President Alfonsin. The visitor said that the agenda for that meeting will include three central topics: the Nicaraguan situation, the developing countries' foreign debt, and the struggle for democracy in Chile. [Text] [Buenos Aires TELAM in Spanish 1523 GMT 7 Mar 86 PY] /7358

SOVIET AMBASSADOR ON NUCLEAR WAR--Buenos Aires, 7 Mar (TELAM)--The Soviet ambassador to Argentina, Oleg K. Kvasov, yesterday referred to the dangers of a nuclear war during a press conference held at noon on the culmination of the 27th Congress of the USSR Communist Party. It dealt mainly with ways to stop material preparations for a nuclear war, he said. Kvasov also said that under current conditions, no country can win either the arms race or a nuclear war. Therefore, neither politically benefit anyone. The diplomat pointed out the special attention paid by this congress to Soviet relations with developing countries, as part of a coexistence program free of ideological discrimination. [Text] [Buenos Aires TELAM in Spanish 1730 GMT 7 Mar 86 PY] /7358

CSO: 3348/452

BAHAMAS

ACTION GROUP RESISTS LEADER'S DECISION TO RESIGN

Nassau THE TRIBUNE in English 27 Feb 86 p 1

[Article by Colin Higgins]

[Text]

ACTION Group members at a "standing room only" meeting Tuesday night expressed "overwhelming support" for former Chairman George Wilson and unanimously passed a resolution rejecting his recent resignation and asking him to continue to serve.

Opposition Free National Movement National Chairman Senator Charles "Chuck" Virgill yesterday afternoon said that George Wilson is "too dynamic and versatile a person" not to be in active politics.

"We can't have him inactive and I am very glad that the Action Group passed this resolution," he said yesterday.

He also revealed that Mr Wilson has applied to be a candidate in the next general election and if his application is approved he would automatically become a member of council.

Friday afternoon, following a reportedly stormy FNM constituency meeting the night before, then-Action Group Chairman George Wilson issued a seven line statement to the press announcing his immediate resignation as chairman and his "retirement from active politics for the foreseeable future."

Concluded the statement: "This announcement comes with the greatest regret as I have done all that I possibly could to help my party along the road to victory."

It was reported that Mr Wilson - who lost a bid for the chairmanship of the FNM to his brother-in-law Charles Virgill at the party's recent convention - had again been beaten in the race for the chairmanship of the FNM's St Michael's Constituency Association by Rodney Moncur.

Mr Moncur was also chosen as council representative.

Yesterday afternoon Senator Virgill, accompanied by five other party members, told The Tribune, "Mr Wilson did not run for any position in the St Michael's annual general elections. He did not run.

Accompanying Senator Virgill were Ed Brown, 1st Vice Chairman and National Coordinator of the FNM; Jim Wood, Vice Chairman of the Action Group and nominated FNM parliamentary candidate for Grant's Town; Rodney Brennen, council representative for the Yellow Elder Constituency Association of the FNM; Kenneth Wood, Chairman and council representative of the FNM's St Agnes Constituency Association and Fred Ramsey, Action Group member and "FNM freedom fighter."

"The Action Group had a meeting last night (Tuesday night) on the resignation of George Wilson as chairman of the Action Group," the group's Vice Chairman Jim Wood said this afternoon.

"It has been decided that we will not accept his resignation and (will) ask him to continue to serve."

The unanimous decision was taken at the group's headquarters on Market and Taylor Streets. There was "standing room only" and people were "overflowing" into the streets.

"From my personal point of view," said Senator Virgill, "we are happy with this thing done by the Action Group because Mr Wilson is too dynamic and versatile a person not to be in active politics."

An Action Group member called Mr Wilson a "hard worker."

The Action Group was formed over a year ago under Mr Wilson's leadership and has staged a number of "successful demonstrations, rallies and events that have captured the imagination of the Bahamian people."

Mr Wilson played "a leading role" in the 1985 night time bridge demonstrations which peacefully protested the receipt by Prime Minister Sir Lynden Pindling of \$334,000 of Everette Bannister's finder's fee in the sale of the Paradise Island Bridge.

Among other matters, the Action Group protested large increases in fees at the Princess Margaret Hospital; the participation of Kendal Nottage in an anti-drug abuse march

and a Chamber of Commerce address by Prime Minister Pindling.

The Action Group sold copies of "Paradise Lost" - a Sunday Times look at drug trafficking and corruption in the Bahamas - on Bay Street and demanded to know Attorney-General Paul Adderley's timetable for implementing recommendations of the Commission of Inquiry into drug trafficking and corruption.

/6091

CSO: 3298/362

JPRS-LAM-86-032
1 April 1986

BAHAMAS

BRIEFS

NEW AMBASSADORS--Presenting their credentials to His Excellency the Governor General Sir Gerald Cash were His Excellency Mr (Yung Wong Kim) of the Republic of Korea and His Excellency Mr Gustavo (Hiruega Cederisto), ambassador of the United States of Mexico. [Excerpt] [Nassau Domestic Service in English 1300 GMT 26 Feb 86 FL] /6091

CSO: 3298/362

BARBADOS

MP THREATENED AFTER COMMENTS ON DRUG TRADE

Bridgetown DAILY NATION in English 12 Feb 86 p 13

[Text]

OPPOSITION PARLIAMENTARIAN, Branford Taitt, says he has been threatened, because he had the temerity to raise the question of influential persons peddling illegal drugs in Barbados.

Mr. Taitt was speaking in the House of Assembly yesterday during debate on a resolution for \$110 000 to make provision for a fifth High Court room and ancillary facilities.

His comments came in response to remarks by Attorney General David Simmons, who spoke of the efforts by Government and the police to stamp out drug trafficking.

Mr. Taitt said the Attorney General could be forgiven for the innocence shown with regard to the attitude of the ruling Barbados Labour Party (BLP), on the issue. He said that for a considerable time the BLP has said whenever the Opposition raised the issue, that the Democratic Labour Party (DLP), was making it much larger than it was.

He recalled that when the Commissioner of Police had made a statement about his inability to prosecute people at a certain level in the society, the DLP raised questions in the House and were ridiculed from the Government benches.

Mr. Taitt said he looked forward to the Attorney General one day saying that all of those to whom the Commissioner of Police had referred — the so-called businessmen and big-shots — would be prosecuted and brought to book.

The drug problem, he said, was not a question of a few young people with a few joints of marijuana; the major issue was those persons of influence who are involved in trafficking drugs and making the west coast a place of terror for the Barbados

Defence Force and the Coast Guard and finding new ingenious methods of bringing drugs into the country.

Mr. Taitt said Barbados could not afford to have barrels of cocaine lurking in the Deep Water Harbour.

Mr. Taitt said he did not want to get into the business of calling names, but he held certain beliefs about certain people based on empirical evidence.

He said he wished the Government-appointed Task Force all the best, but felt it had to be made clear that every effort would be made to root out drugs so that if the Task Force found anyone, including Members of Parliament involved, they should be treated like anyone else.

It was obvious, he said, that there were people of influence who were able to push cocaine

But his comments were immediately denounced by former Attorney General, Louis Tull as "alarmist, lurid and emotive".

Mr. Tull submitted that such matters required a balanced approach because they were sensitive, serious and insidious. He said the BLP had taken a responsible approach to the proliferation of drugs and had set up an inter-departmental advisory committee which met on a regular basis to work out a programme to prevent and detect drug smuggling as well as to prosecute those involved and also to offer assistance to rehabilitate victims.

But Mr. Tull said the question had to be asked: "Who will guard the guards? He said there was a feeling in some sections of the society that those charged with investigating and detecting such matters were themselves "a little dirty in the hands".

He stressed that he could not authenticate that view, but since it had so much currency, it needed to be faced squarely.

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CSO: 3298/349

EL SALVADOR

FLEDGLING SOCIAL DEMOCRATIC PARTY VIEWS CRISIS

PA040001 [Editorial Report] San Salvador LA PRENSA GRAFICA in Spanish in its 26 February issue publishes on pages 34 and 39 a 5,000-word communique by the Social Democratic Party [Partido Social Democrata] entitled "Position of the Social Democratic Party in Light of the Worsening Crises." It is dated San Salvador, February 1986, and is published as a paid advertisement.

Delving into the current crisis' historical background, the Social Democratic Party, which is still in the organizational stage, blames it on "the longstanding and complex historical and social process characterized by an accumulation of conflicts that result from our insertion into the world capitalist market" and "the ruling classes' lack of interest in solving these problems." It notes that "the state has been at the service of the economically powerful classes" and the army "has played a key role in the repression against the disgruntled majorities."

Turning to the nature of the crisis, the communique adds that it is basically political in nature. The economic growth of the 1970's only brought more social differences and the plight of the urban and rural workers became more glaring.

The communique adds that the coup staged by young military officers in 1979 gave hopes to the people. "It established a pluralistic government, but the model was not liked by the U.S. administration and the ultra right. In the end, "the alliance between the Christian Democratic Party [PDC] and the armed forces scuttled this attempt and worsened the civil war." Actually, the communique says, "there was never so much violence and violations of human rights as during the era of the juntas, which were unable to curb terror created by those who lost political power." "The main victim of the change influenced by the U.S. foreign policy on the region continued to be the working people." "U.S. interests in the region have determined that the army must turn against the people, of whom it forms part," it says.

Another factor, which is alien to El Salvador, has compounded the crisis: "The U.S. meddling and more specifically that of the Reagan administration."

The communique adds: "The capacity of the rebel organizations can be gauged through the sabotaging of industry, transportation, and electricity, although the government and the armed forces continue denying it." Rather than decreasing, the war's disastrous results have increased, it says.

Viewing the results of the crisis, the communique states that unemployment, the foreign debt, malnutrition, child mortality, and disease have increased. Military power has been built up and "a permanent violation of the legal system allows the government to engage in wrongdoing and family as well as party nepotism." "The Salvadoran Government is absolutely subservient to the United States' geopolitical interests, which undermines our national economy." There has been no progress toward peace and the government has substituted economic measures for dialogue. Human rights continue to be violated. Duarte announced in 1985 that the burden of the foreign debt would fall on the people.

The communique stresses that the time has come for Salvadorans to reflect deeply and notes that Social Democrats are ready to orient them "as a power of reason on which the people can lean to extricate the country from the collapse into which it is being led."

Concluding the analysis, the communique lists the party's suggestions to end the crisis. They suggest steps to end the war as a priority, as peace will provide the necessary framework to enjoy real democracy and to solve the economic and social problems. A second suggestion calls for steps to end the causes of social injustice and the advocacy of a new international economic order as this would help El Salvador to develop. "We do not want to continue to be the backyard of any big power or a further powder key in the East-West confrontation," it adds. National salvation will depend on steps by the government to correct its legislative, judicial and military policies and to salvage the nation's sovereignty. "The government must respect human rights and life decrees restricting them," it notes.

Finally, the communique states that real democracy is based on free participation by all political forces that seek to end the current situation and to build a new society that will give dignity to all Salvadorans.

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CSO: 3248/286

GUATEMALA

ARDE ANNOUNCES SUPPORT FOR CEREZO'S POLICIES

Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 6

[Text] Jose Davila, political coordinator of ARDE [Democratic Revolutionary Alliance], which fights against the Sandinist regime in Nicaragua, said that they are pleased by the position taken by the new Guatemalan Government to find a political solution to the problems in the region.

During a visit to our office, Davila said that he met yesterday with the president of the republic, Vinicio Cerezo Arevalo. Cerezo told him that he is convinced of the need for true democracy in the Central American countries.

Davila added: "I had met earlier with the president of Congress, Alfonso Cabrera Hidalgo. I was pleased that he wants to help in the political effort to save the region from a spreading war.

"The main objective of my visit to Guatemala is to ask the government for moral and political support and to promote a political solution to the Nicaraguan conflict. ARDE and the Opposition Bloc of the South are fighting a difficult battle due to shortages. The United States only helps the Nicaraguan Democratic Force."

Our visitor stated: "Nevertheless, the morale of the members of ARDE is high. Our goal is to rescue the original principles of the Nicaraguan Revolution. Therefore, we do not like being called counterrevolutionaries. We do not want to destroy the revolution but save it from those who betrayed it and handed it over to Cuban-Soviet imperialism."

Davila said: "President Vinicio assured me that he will support the democratic proposals of the groups that want to end the conflict and begin a process of democratization. He also indicated that he will insist on peaceful solutions at the next meeting of presidents."

The ARDE coordinator ended: "I think Cerezo Arevalo's position is sincere and he has good intentions. We feel he is aware of the type of problems that must be faced and the need to promote political solutions."

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CSO: 3248/255

GUATEMALA

LAWYERS FEAR COURT SUBORDINATION TO EXECUTIVE BRANCH

Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 7

[Text] Some lawyers and notaries told the newspaper that it is already obvious that there is a government candidate for president of the Judicial Branch and the Supreme Court of Justice. They added that they can already see that "certain sectors of Guatemalan society will be defenseless."

They stated: "For many years, there has been a struggle to achieve effective independence of the Judicial Branch from the Executive Branch. That is the reason a procedure was established in the new Constitution to elect a president of the Judicial Branch and the Supreme Court of Justice. Unfortunately, there is already concern within the bar association and other sectors that the constitutional principle (Article 215) will be violated by having a government candidate.

"A group of lawyers has nominated a well-known lawyer, Edmundo Vasquez Martinez, for president of the Judicial Branch and the Supreme Court of Justice. However, the procedure does not permit this because there is no direct election for that position."

They continued: "This idea of nominating a candidate for president of the Supreme Court assumes a tacit agreement with the Congress of the Republic that this lawyer will be appointed instead of the other eight judges named. It also assumes that the other eight judges already agree to appointing that candidate, attorney Vasquez Martinez, as their president."

According to the information the newspaper received, old practices have already returned to the courts. Lists of support for the government candidate have already been drawn up with offers of employment. Dismissal is assumed for those who do not support him. The propaganda is that this candidate is sponsored by the DC [Christian Democracy] and that he is the one President Cerezo wants to be president of the Supreme Court of Justice.

They added: "These circumstances augur a return to the past practice of subordination of the Supreme Court of Justice and, therefore, the Judicial Branch to the will of the politicians in office.

"The bar association, a serious organization, cannot and should not be manipulated by this attempt at a public election. According to its executive board, the bar association feels that the election must be held by secret vote. This is a basic principle of democracy. Also Article 46 of the Constitution of the Republic gives preeminence to human rights treaties, complete observance of human rights, and the American Convention on Human Rights, a law in effect in Guatemala through Congressional Decree No. 6-78. Article 23 of that law establishes that it is a political right to elect and be elected through universal suffrage and secret vote."

They ended: "This is a good time to recall the problems that exist when all power is concentrated in one single person or party. President Cerezo has control of Congress (because the majority of the deputies are from the DC). If the Judicial Branch also comes under his control, if there is an election as rumored, certain sectors could be completely defenseless. Therefore, we are compelled to appeal to the common sense of the Guatemalan Congress and its reflection on what happened under other administrations."

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CSO: 3248/255

GUATEMALA

CONGRESS ESTABLISHES HUMAN RIGHTS COMMISSION

UCN States Proposals

Guatemala City PRENSA LIBRE in Spanish 29 Jan 86 p 2

[Excerpt] A motion presented by deputy Oliverio Garcia Rodas, UCN [National Center Union], passed after its first reading in yesterday's session of the Congress of the Republic. It establishes a human rights commission and a human rights prosecutor.

Deputies from almost all the parties congratulated Garcia for his good idea. This bill reaffirms respect for human rights in Guatemala as provided by the Constitution of the Republic.

The speakers emphasized and agreed "that it involved making respect for human rights a reality in Guatemala. This has not been true in the past. They have been violated in the country. Human life is depreciated because there are people who are killed merely for dissenting, even for 5 quetzales."

They all repeated that they agreed with the bill; they assumed no one was opposed. However, they will expand the bill. Some speakers related personal experiences and those of friends and relatives whose human rights have been violated. They also stressed that there are 100,000 children orphaned by violence in the country and 10,000 women widowed.

To Commission

A motion to end intervention in INACOP was sent to the economic commission of Congress.

Police Record

A motion by deputy Luis Eduardo Cancinos, DC [Christian Democracy], to add a paragraph to Article 114 of the Criminal Procedure Code passed after its first reading. It adds: "Police admission and statistics do not go into a police record, just an internal administrative record of the authorities in charge of arrests."

Also "written police records will only be opened on special forms submitted to the National Police by judges or justices of the peace based on prior criminal procedures or proceedings."

The DC deputy stated that when someone is arrested by chance, like for a minor traffic accident, he is taken to the police station and booked.

"When he has to get a police certificate, it shows that he has a record. This is unfair and a violation of his human rights."

First Complaint Received

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 12

[Text] The Human Rights Commission of the Congress of the Republic received its first report of an alleged violation of human rights in the country. It immediately investigated and discovered that it was not a valid complaint.

The chairman of the commission, deputy J. Luis Archila, said that Eligio de Jesus Gonzalez Albizures reported that his entire family disappeared and that the request for personal summons that he presented had not been acted on.

Deputy Archila said: "I went to the Supreme Court of Justice. They reported, and I verified, that the request was acted on. It was not successful because the people were not found in any of the detention centers.

"This matter will be sent to the human rights prosecutor who will be named soon."

Archila added: "The commission which includes deputies from all political parties will hold its first session next Wednesday morning.

"We have already received the bill on the duties of the Human Rights Commission and the human rights prosecutor in order to study it and issue an opinion to Congress as a whole.

"When we met with Viscount Colville de Culross, he asked us to inform him when we had legal action which we will do.

"I told him that the Human Rights Commission and prosecutor have been established based on Article 273 and Article 274 of the Constitution. They will function on a permanent basis. We also have to nominate three people to the Congress of the Republic for human rights prosecutor."

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CSO: 3248/263

GUATEMALA

UNIONS DEMAND JOB SECURITY, SALARY INCREASES FROM CEREZO

Government Announces Increases

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 4

[Text] Yesterday in a press conference at the presidential house, President Cerezo said: "The 50-quetzal increase will not be just for teachers, but for all public servants." The press conference was held at the end of the new government's second cabinet meeting.

The president revealed: We met with the teachers the day before yesterday to talk about the wage increase they had requested.

They were told what this measure would do to the national budget and the need to ask all Guatemalans for austerity. I also expressed the concern that wages could not be increased just for teachers. This measure would have to be based on the entire national economic revitalization plan.

"Therefore, I told them it was necessary to cut their request in half (the teachers asked for 100 quetzales over the base wage) so that the increase could be given to all public employees. By offering that increase to the bureaucracy, we would ask for agreement that no one would request a wage increase the rest of the year. In this way, the government could increase its work to benefit the people.

"Also, the 50-quetzal increase would be limited to public employees at a certain wage level and below, not officials and people who earn much higher wages."

He emphasized: "The teachers understood the argument. They realized we did not want to give 100 quetzales to just one sector but give an increase to all the public sectors.

"This government proposal was accepted by the teachers. Now we are going to talk with each one of the ministers to see when this increase would start."

Budget Will Go Up 100 Million Quetzales

President Cerezo indicated that although they are still analyzing the wage increases, the budget will probably increase from 70 million to 100 million quetzales.

"We think this will be possible because we are trying to reduce unnecessary government expenses, cutting the budget by about 10 percent. This would mean maintaining the budget deficit at the level it was when we came to power.

"Of course, if we improve tax collection, the deficit could be less than we are estimating at this time."

Comprehensive Economic Bill

President Cerezo revealed that no economic measure can be discarded because a comprehensive bill is being prepared. "I can guarantee that the basic concern of the government is to avoid any tax increase that would affect the income of the lower- or middle-income sectors.

"We are going to begin negotiations with the unions, private sectors, independent workers, and public employees, advocating a relatively small wage increase. We are asking for austerity from everyone without forgetting the high cost of living and the general austerity process, cutting unnecessary government expenses."

Increases in Private Sector

President Cerezo added: "We cannot just give an increase to the public sector. We have to consider the possibility of beginning an aggressive policy of salary negotiations with the other economic sectors.

"We want a small increase because the problem is not wage increases but price increases. A wage increase often provokes a price increase. The concern is to try to maintain or lower the cost of living.

"If we lower prices, wages will begin to regain their value. However, if we increase wages and prices increase, then the cost of living is going to go up more than wages.

"The problem is very complex. Of course, we could make easy decisions like devaluation, unification of the exchange rate, etc. However, that would automatically increase the high cost of living."

Teachers Accept Raise

Guatemala City PRENSA LIBRE in Spanish 1 Feb 86 p 2

[Text] The CNM [National Teachers Council] reported yesterday that it received many telegrams from teachers in the interior of the country accepting President Cerezo's offer of a 50-quetzal increase over the base wage.

1 April 1986

Prof Eliseo Cano Acosta, president of the CNM, explained that the CNM did not initially agree with the increase offered by President Cerezo. This increase would be gradual, 25 quetzales beginning in January and another 25 quetzales in the middle of the year.

He revealed: After the second meeting that was held Monday night, we agreed that, to support national development and tranquillity, it would be best to accept that 50-quetzal increase even though our proposal was 100 quetzales.

"Today (yesterday) we communicated that decision to all the departmental representatives and they agreed. The teachers are pleased with President Cerezo's interest in listening to their demands because they have always been neglected in the past."

Eduardo Meyer Pleased

The minister of education, Dr Eduardo Meyer Maldonado, was interviewed yesterday by reporters as he left the presidential house. He stated: "The attitude the teachers showed by accepting the agreement proposed by President Cerezo pleased me."

He emphasized: "They only asked to be listened to since they have been practically forgotten for a long time."

Now they have accepted the 50-quetzal increase. He told them that the other public servants would receive the same increase.

FENATRAM Rejects Dismissals

Guatemala City PRENSA LIBRE in Spanish 5 Feb 86 p 5

[Text] Yesterday FENATRAM [National Federation of Municipal Workers] asked President Cerezo to intervene to end dismissals of workers in different municipalities in the country. Unjust acts are being committed.

The secretary general of FENATRAM, Edgar Flores, and the secretary general of CUSG [Confederation of Trade Union Unity], Juan Francisco Alfaro Mijangos, met with President Cerezo yesterday in the National Palace. They told him about the problems in the municipalities which are mostly under DC [Christian Democrat] mayors. They are dismissing workers without cause.

Mr Flores told reporters that President Cerezo promised an atmosphere of true democratization but the concept of democracy does not seem to exist in the interior. Even the DC mayors are firing municipal workers who, "under the Constitution of the Republic, have job security as members of FENATRAM."

Workers have been dismissed in Puerto Barrios, Retalhuleu, Villa Nueva, and Jutiapa. Flores noted that more than 400 workers have already been dismissed in the capital. This must be studied because those fired include municipal workers with more than 20 consecutive years of service.

We want President Cerezo to mediate with mayor Arzu so that we can talk to him and reach an understanding. The mayor has refused to meet with us. We have also asked the president to suggest to the DC mayors that they end this injustice and respect the union laws.

Alfaro Speaks

Alfaro Mijangos explained to reporters that although the mayors head autonomous institutions, they must carry out the agreement process promulgated by President Cerezo to consolidate democratization.

"In other words, those unjust dismissals only cast doubt on what a true democracy is. The employees dismissed must be reinstated, especially in places with DC mayors."

He also stressed that, during the meeting, he gave Cerezo several petitions against indirect taxes because they would cause more problems for all Guatemalan sectors by considerably increasing the high cost of living.

"The CUSG favors direct taxes because these can be levied on wealth and property. In other words, the poor sectors of the country would not be affected."

Alfaro revealed that he expects a concrete response from President Cerezo by 11 February to the proposals made yesterday morning.

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CSO: 3248/261

GUATEMALA

CULTURE, EDUCATION MINISTERS DENY FRICTION

Guatemala City PRENSA LIBRE in Spanish 9 Feb 86 p 4

[Text] There are no disagreements between the Ministry of Education and the Ministry of Culture, according to architect Elmar Rene Rojas, head of the Ministry of Culture. It was created when the Christian Democrat Government came to power.

Some mass media reported that there was friction between the minister of education, Dr Eduardo Meyer, and the minister of culture, architect Rojas, because different offices will now become part of the new ministry under the former mayoral candidate.

For example, the National Theater, the National Library, the General Archives of Central America, the Institute of Anthropology and History, the Directorate of Fine Arts, the National Periodicals Library, and other organizations that were under the Ministry of Education will now be under the Ministry of Culture.

It was alleged that Dr Meyer did not want to lose the Fine Arts Theater located at Avenida Elena and Calle 15, Zone 1, because he wanted at least one place where educational meetings or seminars could be held.

When PRENSA LIBRE asked architect Rojas about this, he said that reports about the alleged friction "are creative but wrong.

"They are trying to start a fight. However, the truth is that Dr Meyer and I have talked about how to work together to carry out projects that solve the various problems the educational sector faces."

Rojas explained: "There is no friction. On the contrary, the Ministry of Culture works closely with the Ministry of Education to fulfill the objectives of the Christian Democrat Government."

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GUATEMALA

CABRERA SUPPORTS EFFORTS TO FIND MISSING PEOPLE

Guatemala City PRENSA LIBRE in Spanish 13 Feb 86 p 6

[Text] "We are willing to help the members of GAM [Mutual Support Group] find out where their missing relatives are," said the president of the Congress of the Republic, deputy Alfonso Cabrera Hidalgo.

"The members of GAM are concerned about the existence of secret jails. Therefore, when the judges go to jails to find the people for whom they have a summons, they are going to invite GAM to accompany them so that it can verify that there are no secret jails.

"Its slogan is: 'They took them alive and we want them back alive.' However, we--that is, the DC [Christian Democrat] Government--are only responsible for what happened after 15 January 1986.

"As to repeal of the decree law that grants amnesty to all those who might have been involved in crimes up until 14 January, it is still in Congress. The government committee has it and will issue an opinion. I do not want to give an opinion on this. I am the president of Congress and I should not give opinions. The committees should issue opinions with complete autonomy."

Committee Chairman

Deputy Jorge Luis Archila Amezquita, chairman of the human rights committee of the Congress of the Republic, said: "The doors of Congress are open to GAM.

"When the committee was formed, we issued a communique asking all the civic sectors to contact the committee when they have a problem.

"Although we do not have a specific meeting room, we can meet with a GAM committee so that they can explain their problems to us."

He indicated: "The committee has received about 20 reports of human rights violations. We feel it is good for the relatives of the missing to visit the jails in the country, as they have said, because that will reassure them about what action is taken when they make complaints."

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GUATEMALA

BRIEFS

ARMY SPOKESMAN ON RECRUITMENT--The "quota" (recruitment) is no longer a nightmare for the people in the rural area. It is a way to earn a living--not high wages, but just. It also means extra income for the family, according to an Army spokesman, Captain Juan Fernando Cifuentes, yesterday. "Past problems when, in isolated cases, some military commissioners 'recruited' youths by force have been corrected. Today we are living under a system of law. The Army can never break the law to take citizens by force for the 'military quota.' Although it may seem strange, there are more volunteers today because, as I said before, they receive a salary in the Army, they do not pay for food, clothing, medicine, etc., and their families receive a monthly payment. Pursuing young students, workers, and peasants, especially in the departments, has become history. Many of them understand that a labor skill, a specialization in other branches, can be acquired in the Army. They also know that they earn money while in the service, they are insured for any fatal mishap, and the family is not defenseless." The captain added: "This disproves the idea that the Army forcibly recruits eligible citizens for military service." [Text] [Guatemala City PRENSA LIBRE in Spanish 8 Feb 86 p 2] 7717

PRISONERS CALL FOR AMNESTY--Members of the board "to eliminate criminal liability" presented the president of the Congress of the Republic, deputy Alfonso Cabrera, a petition. They want Congress to pass bills that grant them amnesty, pardon, and a sentence reduction. They feel there are good reasons for a law that eliminates criminal liability in the detention centers because the prison system does not comply with Article 19 of the Constitution. Our criminal trial system does not comply with the Constitution either. They said: "The law is violated as to individual rights. After exhausting the normal courses, they resort to appeals." Therefore, they request general amnesty for the perpetrators of common crimes, accomplices, and accomplices after the fact, eliminating the sentence and all its effects for crimes committed by a date that will be set. In another petition, they request a general pardon for all the perpetrators of common crimes, accomplices, and accomplices after the fact, except for civil liability. The request for reduction of sentences of 5 years benefits the prisoners in the detention centers--perpetrators, accomplices, or accomplices after the fact--who are serving sentences for crimes committed before the congressional decree is issued. This sentence reduction decree would also apply to those who are being tried for common crimes committed before the decree goes into effect. The law only applies to criminal liability, with civil liability remaining subject to the law. [Text] [Guatemala City PRENSA LIBRE in Spanish 5 Feb 86 p 5] 7717

UNEMPLOYMENT REACHES 40 PERCENT--The unemployment rate in Guatemala is 40 percent, according to Catalina Soberanis, minister of labor. She was reporting on arrangements she will make for UN technicians to collaborate on a census through the ILO. She was interviewed as she left the first meeting between the cabinet and the president and vice president of the republic held at the presidential house. The minister said that there are no hard data right now about unemployment in our country. She estimated the figure at about 40 percent "based on preliminary reports obtained by some labor sectors." At the end of 1985, union organizations claimed that there were 1.5 million unemployed workers in Guatemala, not including the 1.2 million people who have physical handicaps but constitute a potential productive force. [Text] [Guatemala City PRENSA LIBRE in Spanish 22 Jan 86 p 6] 7717

UNSOLICITED U.S. AID--The minister of foreign relations, Mario Quinones Amezcua, said yesterday in a press conference: "Guatemala has not requested any U.S. economic aid." In the press conference, he commented that President Reagan himself asked the U.S. House and Senate to approve \$130 million in aid. The minister stated that the United States has already allocated \$10 million for Guatemala this year. This will be for military equipment--for example, jeeps, uniforms, and other vehicles--but not weapons. He revealed that President Cerezo is analyzing President Reagan's proposal to the U.S. Congress so that the formal request can be made at the right time. He added that the Guatemalan Government is grateful for President Reagan's interest in asking for \$130 million in aid for our country. However, that proposal must be discussed by the U.S. House and Senate. They will make the final decision about how much Guatemala will receive for the 1986-87 fiscal year. [Text] [Guatemala City PRENSA LIBRE in Spanish 7 Feb 86 p 2] 7717

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1 April 1986

JAMAICA

TEXT OF SEAGA BROADCAST ADDRESS TO NATION ON ECONOMY

Kingston THE DAILY GLEANER in English 18 Feb 86 pp 8, 15

[Text]

Following is the text of the broadcast to the nation last night by Prime Minister Edward Seaga:

IN THE early weeks of 1986 there have been many developments which have been the focus of public attention. Tonight in this address to the nation, I propose to speak to you on many of these areas of current interest and, in some cases, controversy. In so doing, I am taking the earliest opportunity which time and illness have allowed for me to make this national address as I was unfortunately indisposed at the time when I would usually have delivered the annual message from the Prime Minister from the beginning of the new year.

To set the background, I ask you to recall the Budget presentation in June of last year. You will remember that I took the opportunity then to look not just at the current year 1985/86, but at the further three-year period to 1988/89. I said then that there were three major factors which would determine whether over the next three years we would be able to complete our mission, begun in 1981, to reverse the rapid down-hill slide of the 1970's and, further, restore sufficient strength to the economy to make it stable, productive and able to sustain meaningful growth once again. This, I know you will all agree, is the day we are all working, waiting and hoping for,

when our financial recovery will be set on such a sure path that we can face the future with maximum hope and confidence.

I stated that we could only reach that stage if we were able to:

(1) Cut Government expenditure by an amount equivalent to 2% of our Gross Domestic Product, that is, by \$258 million in 1986/87 which would carry-forward over the three years;

(2) Hold our rapidly declining bauxite and alumina export earnings at the levels targeted over the next three years without any further significant loss;

(3) Impose one more major tax package in 1986/87 which should last for the next three years.

Achieving targets

As the current financial year draws to a close in six weeks, I can report to you with some certainty how we have done in achieving these targets.

Let me begin with the toughest of the three first — to reduce Government expenditure very substantially in the financial year commencing April 1, 1986, by the amount of \$258 million, which is the equivalent of 2% of GDP.

As we all painfully remember, to achieve this we had to reduce the level of staffing in the Government service by several thousand employees who had to be made redundant. In addition, services which were not essential or which were duplicated, but to which we had become accustomed, especially in Local Govern-

ment, Education and Health when the country was more blessed financially, had to be redistributed to eliminate wasteful duplication or cut to levels which we can currently afford.

No Government wilfully reduces staff or cuts services, but this was the course we had to adopt to save large amounts of unessential or wasteful expenditure, failing which, we would not have been able to maintain the jobs and protect the welfare of much larger numbers of persons. In all such cases when governments must choose between the infliction of pain which affects some or many more, there can be no choice but to take action to understandably spare the many. We look back on these painful adjustments with sorrow, but equally we are inclined to overlook the far greater number whose livelihood and welfare and whose ability to support self and family would have been dealt severe blows if we had chosen any other course.

Almost behind us

With a considerable sense of relief, we can now say that this shattering episode in the programme of adjustment is almost entirely behind us. Few lay-offs remain to be effected. These are mostly in the Health and Local Government sectors where some hospital services, and market and street cleaning services which were inefficiently run for years are now being contracted out to private operators who have proven to be far better in delivering the services which the public is entitled to expect. For instance, we have seen the cleaner streets and better run markets in the city of Kingston. Now we want to see the same thing in the city of Montego Bay and in Spanish Town, Portmore and a host of other towns across the nation. The services for these areas are just being contracted out and undoubtedly the cleaner environment will soon be evident. The privatisation of the Health services, on the other hand, are still at the discussion stage.

Perhaps nowhere else in the Government service has the impact of the austerity programme to keep expenditure in line and to create savings, had more negative impact than among the teaching profession which has been pressing relentlessly for substantially increased pay. This issue

has unfortunately become very clouded with emotions as a result of a campaign in which teachers have focused only on a part of the negotiations, leading themselves, as well as many parents and students, to believe that the Government's offer is limited to increases of 12½% and 10% on present salary covering the two-year period of salary review. Since the negotiations ceased and the

Income Tax Reforms have been made public, the Government through the Minister of the Public Service has been able to make public the full benefits to teachers. As a result, everyone should now be aware that teachers would take home after April 1, 1986, increases ranging between 33%-78%, on the basis of improved salary, increased fringe benefits and reduced taxation.

By comparison, this is a very substantial offer, given the financial circumstances we all face. Increasingly teacher, parents and members of the public are now openly and publicly saying that the Government's offer is fair and acceptable. To continue agitation and demonstrations in the face of the facts and against the growing feeling that the Government has made an offer that is better on many points than what was bargained for by the Jamaica Teachers Association, after satisfying almost all of the claims, is to put the need for confrontation above the case for reason.

We must all now come to our senses on this matter. There is absolutely nothing significant to be added to the offer already made by Government, no matter how many demonstrations or sick-outs are held, and for how long and by whom. The Government has done its best and the best is as good as the best offer made to any sector in the Government service, if not better.

Except for any fine-tuning of the total package, to deal with, for instance, the case of the pretrained teachers, the only room that exists for significant change to shift some of what has been offered from those categories of teachers to whom it is said too much has been given, to those others whom it is proposed should have received more. But such a move, if desired, of course, must come from the JTA.

Not at this time

It is time for those teachers who recognise that the maximum offer possible has been made to speak out and do what is necessary to ensure an early settlement so that the benefits which will now be quite substantial, when back pay and Tax Reform savings are added, can be received by them. The time for settlement is now:

If there is any further room for improving teachers' salaries, it will not be at this time. The maximum has been done for the time being. But allow me to say that if the opportunity is to arise in the future, negotiations will never ever be successful with my Government if they are based on confrontation. This Government did not bow to pressure when efforts were made to close down the country last year. The strategy of confrontation failed then, and always will, with this Government.

Future approaches must be based on reasonable dialogue by reasonable men and women having regard to the times we live in. "Chucking badness" has never and won't ever gain any consideration from this Government, as the records prove to the dismay of all those who tried.

The right persons at the right time will have a much greater chance of success than those who think that this Government will yield when the case is weak, if the pressure is strong; that never has been and never will be the result.

Of course, there are many other complaints concerning the standard of education which were voiced during the course of the public debate on the issue of the teachers' pay. Mostly, these complaints overlook some very important accomplishments which are of substantial benefit to the educational system — the textbook scheme which has provided texts to primary school children for the first time. The school lunch programme now feeding almost the entire school population providing a vital nutritional daily meal; the repair and refurbishing of 150 primary schools and the building of 42 new ones — these are but some of the many positive developments in education which have been overshadowed by the issue of teachers' pay.

Interestingly enough, out of these complaints have come many sugges-

tions that increased fees for education should be charged to help reduce the cost to Government. This week the Minister of Education will announce the plans for meeting some of the cost of tertiary education.

Only three ways

With the overall cuts in expenditure nearing completion as targeted, I wish to turn to the second of the three assumptions on which the restoration of financial strength over the next three years will rest. You will recall that I earlier said that this meant that we should endeavour as far as possible to avoid any further losses in bauxite/alumina earnings over the period to March 1989. Unfortunately in the course of this year, because of the continuing slide in the international market, we lost a further US\$50 million in earnings from the Bauxite/Alumina sector as part of an overall fall of a little more than US\$100 million in targeted export earnings.

This US\$100 million loss in foreign exchange earnings has to be compensated for to enable us to reach our target of recovery.

There are only three ways to do this:

First — Increase exports, which is impossible in the short time remaining in this financial year since it is the reduction of exports targeted that caused the problem in the first place.

Second — Decrease imports. That too is impossible to any significant amount. Imports this year are already US\$100 million less than in 1980, five years ago.

Third — In the absence of the possibility of increasing exports or decreasing imports, then the only choice remaining is to remove enough money from the marketplace in order to reduce the demand for imports which in turn decreases the need for foreign exchange at the auction. The effect of this reduced expenditure in foreign exchange will set off the shortfall of earnings in foreign exchange for the year.

It was for this reason that a tax package of \$73.5 million was raised in January, not to provide revenue for extra expenditure, but to take \$73.5 million out of circulation to help protect the value of the Jamaican dollar at the \$5.50 rate of exchange. For the same reason the Bank of Jamaica has also been drying

up liquidity in the market to protect the exchange rate from the pressure of this excess availability of funds. This is being done by taking substantial deposits which are held by the Bank of Jamaica.

And so the tax package in January, contrary to popular belief, was not to bolster expenditure, but to dry up some of the cash in circulation which would put pressure on the Jamaican dollar causing it to move above the level of \$5.50.

Once we decided that the value of the Jamaican dollar had reached a competitive rate of exchange at \$5.50 we can only keep it at that value by meeting our targets, or, in the event of slippage, by taking steps to put the economy back on target. Previously, we would have let the exchange rate move if there was slippage, as it did to more than \$6.00 in October, instead of drying up the liquid cash by taxation and Bank of Jamaica deposits. Now that we are holding the rate at a \$5.50 level, we must defend it as the need arises by performance, or by corrective action, if performance falls short.

To this tax package of \$73.5 million, \$26.5 million of non-tax measures are being implemented in this quarter, which will total \$100 million in adjustment. The primary purpose is not to provide revenue for increased expenditure in this financial year, but to reduce demand for imports. At the same time, this \$100 million over the period of a full year will provide \$218 million in revenue to be spent in the new budget of the next financial year, beginning April 1.

Proposal

This brings us to the third task to be accomplished to enable the economy to be restored to sufficient strength within three years to enable it to sustain meaningful growth — the imposition of one more major tax package in 1986/87 sufficient for the next three-year period. The amount involved is \$495 million of which the January effort and other adjustments in non-tax revenue in this quarter will yield \$218 million towards that total. The balance remaining is \$277 million.

This balance will have to be found for the upcoming budget. In doing so, I propose to use a number of non-tax revenue measures which will be outlined in due course, such as distribution of dividends by some

of the public enterprises, etc. But there would still be a gap when all these other revenue measures are taken into consideration. It is proposed to close this gap by the savings to be generated from lower prices in the cost of oil which have suddenly materialised, and in so doing avoid the need for any further taxation in the next financial year. Any further savings in the cost of oil will be used to expand the capital budget to enable us to deal more effectively with the deterioration of the nation's roads, while withholding some of the windfall, in case there is a return to higher oil prices.

I am sure that you will understand when I say that the savings from reduced oil prices cannot be spent on salary increases, reduction in gasoline prices, or other permanent and recurrent expenditure which needs to be maintained every year, as no one knows how permanent the reduction in oil prices will be. Hence, it is wise and prudent to spend it only on capital developments, such as road improvements which are one-shot expenditures, with no on-going commitment over future years.

There has been some price reduction, however, arising from the fall in the price of oil. The Jamaica Public Service Company has already passed on 14.6% since December in reduced costs to consumers through the fuel clause in their bills, and will be passing on more. This should cause some easement of costs to consumers not only in electricity bills but through the reduction in prices that will eventually follow in commodities manufactured with the substantial use of electricity.

I have taken time in this broadcast to outline how the economy is performing in relation to meeting the three conditions which have been set to ensure that we fulfill the dream of economic recovery over the next three years, because I know to endure hardship we must always be able to hold before a vision of final success. In other words, we must be able to satisfy ourselves that we are working successfully towards an eventual goal. In this regard I can say to you that although we slipped somewhat off course in the first nine months of the present financial year in our drive to meeting the three conditions which are essential to recovery over the next three years, we have been able to repair the

damage so far successfully, and at this point the economy is back on track in meeting the conditions which will ensure eventual recovery.

There may be other occasions of slippage along the course over the next three years. We must do our best to avoid these, but if they occur, we must take action to put the economy back on course promptly.

What remains

Looking at the next three years, which I have just reviewed, is the perspective I had proposed to address in my New Year's Message, so as to clearly identify that the way forward is much easier than the course we have just travelled. The lay-offs and redundancy are almost entirely behind us, so too is the heaviest part of the programme of new taxation and the reduction of services. What now remains is to build growth on the firm lean structure from which the fat has been trimmed.

We begin that rebuilding with by far the largest single programme for personal tax reform in the nation's history, to provide some \$200 million of relief to the great majority of tax payers inclusive of 150,000 who will now pay no income tax at all. This programme, overnight has transformed the levels of personal taxation in Jamaica from the second highest and complex system in the world to one of the most moderate and simplest of any country.

The benefits should all be well known by now and if they are not they will begin to be evident from the increased level of take-home pay beginning the end of February for the great majority of employees, or by latest March, for others.

\$8,580 a year (or \$165 per week) will now be tax free for every employee. This figure replaces the \$5,080 a year (or \$97 per week) tax free level which I introduced two years ago.

But, apart from the substantial increase, there is a big, big difference in the present system. Under the old system, workers earning up to \$97 per week enjoyed full relief from income tax. But if earnings exceed the \$97 limit, say \$150 per week, tax was levied not on the \$53 extra but the full \$150 per week. This was a serious disincentive to workers who naturally preferred not to work overtime or who preferred to cut back on

production to ensure that their weekly earnings did not exceed \$97 per week.

Under the present system, the new tax relief level is \$165 per week. The big difference is that workers exceeding \$165 per week, say \$170, will now be taxed only on the extra \$5 not on the full \$170.

This is the biggest single tax break ever given to employees in our history. The benefit is very substantial to each category in the various income streams. I quote a few examples of improved annual net take-home pay covering a range of categories of employment:

A worker earning \$10,000 P.A. increase \$1,522
A teacher earning \$15,000 P.A. increase \$1,951
A senior secretary earning \$20,000 P.A. increase \$3,173
A junior professional (e.g. doctor) earning \$30,000 P.A. increase \$5,544
A middle manager earning \$50,000 increase \$10,473
A senior executive earning \$75,000 P.A. increase \$16,575.

Some whose earnings are in the higher brackets and who were in a position to write their own tax packages in the private sector and took the advantage to give themselves a wide range of enormous tax deductible allowances, contrary to law, sometimes even exceeding the level of pay, are not going to enjoy those benefits. In such instances, they will find that the benefits have all been wiped out by the extent to which they abused the system in the past and, as a result, they will now have to pay more.

Take-home pay

Where such cases of additional payment occur in government agencies, the government will make good the difference to ensure that the net take-home pay of the employee is not affected. I implore the private sector to do likewise to ensure that no employee takes home less pay than before in those minority of instances where the system, in correcting the past abuse of the use of allowances results in reduced take-home pay.

Three other points concerning the tax reform measures should be stated briefly.

The first is the extraordinary simplicity of the new system. To calculate your tax package simply deduct from your annual pay the amount paid for pension contributions and N.I.S., then deduct the tax-free allowance of \$8,580 and divide the balance by three to calculate tax at the 33 1/3% rate applicable to all.

Hence from a salary of \$12,074 P.A., deduct N.I.S. and pension contribution of \$794, then deduct \$8,850, giving a taxable income of \$2,700. Tax payable is calculated by dividing this sum of \$2,700 by three, which equals \$900.

No more code numbers or complicated deductions! No more excuses on the part of anyone for not paying tax since it is within the competence of everyone to make the simple calculations of the new system.

The further incentive of lower tax rates is the second point to be made. It is wrongfully assumed that the tax rate is 33 1/3% for everyone, a point which has given rise to the argument that we are taxing the rich at the same level as the poor. Nothing could be further from the truth. The 33 1/3% rate is applicable only as a simple means of calculating the tax payable, or in other words, a method of calculation after deducting the tax-free amount of \$8,580, etc.

The rate of tax payable is always a percentage of gross income not income after deduction of pension, N.I.S. and \$8,580. On this basis the rate of taxation ranges from:

- The extremely low level of 4.73% at \$10,000 gross income — instead of 19.9% previously;
- To 19.0% at a mid range of \$20,000 gross income — instead of 34.9% previously;
- Up to a near maximum of 30.5% at \$100,000 gross income — instead of 53% previously.

At these new levels of low effective rates of taxation from 4.7% to approximately 30% instead of the 20% to 53% rates previously applicable, there should be no need to evade taxes, and I can only promise that with the restructuring and computerisation of the revenue departments recently completed to ensure detection of evaders, the revenue authorities are going to be exceedingly harsh on evaders. In all conscience, at a low of less than 5% and high of about 30% everyone should conclude that they have been given a fair break at last.

Pensioners and persons who are disabled or over 65 years, in fact, will have more than a fair break. And this is the third and last point I wish to make.

Pensioners or disabled persons can now earn pension income of up to some \$70,000 tax free. What is more, above this they would be taxed only on the excess. Those over 65 years can earn this total from pension and other sources of income.

Persons over 65 years who have no pension can now earn \$15,000 per annum tax free so long as their income does not exceed \$15,000 per annum. In this way we benefit only the needy.

Finally, a word about the means by which we will have to pay for all these benefits — tax on interest from savings deposits, and property tax.

Much hysteria has been created about the tax on savings deposit interest which reasonable thinking can dispel insofar as its impact on small to medium savers.

Tax on interest

In the first place, the tax is on the interest earned by savings not on the savings, as some have misunderstood. Hence if \$40,000 savings are earning 20% interest the amount earned would be \$8,000 for the year in question, which in fact, would be below the \$8,580 tax-free allowance, so no tax would be payable.

In truth, therefore, the level of savings in banks or other prescribed institutions, such as building societies, would have to be around \$45,000 before any tax would be payable. And if these savings were higher. Remember that the tax would only be on the excess. There is, therefore, no grounds whatsoever for the argument that we are taxing small savings as taxation would not commence until savings reached some \$45,000 and this could not be described as small savings by any stretch of the imagination.

Property Tax is a tax on wealth based on the concept that if the value of your property increases then it increases your wealth and a small portion, up to generally no more than 4% or 1/25th of the value, should be paid to the state. Property values since 1974 have increased some two to four times. Residential property worth \$19,000 in 1974 was in 1983 valued at \$75,000 (four times); agricultural property worth \$86,000 in 1974 was in 1983 valued at \$272,000 (three times); commercial property worth \$485,000 in 1974 was in 1983 valued at \$1,250,000 (three times). In the lower ranges residential property worth \$5,000 in 1974 was valued in 1983 at \$10,000 (two times). This band would also include a significant number of the small agricultural parcels.

Currently, Property Tax is levied on 1974 values. We are obliged to levy Property Tax now on the new valuations of 1983. But to use the present tax rates on the new property valuations of 1983 would result in very high increases in property taxes. Hence, to avoid this, the increases are to be spread over three years beginning April 1986.

There are many who, of course, will argue that the Government should provide \$200 million in personal income tax relief without finding ways to pay for it. This of course is not possible. It is a giant act of courage for the Government to have taken this action at this point at all, bearing in mind the onslaught which our bauxite industry had experienced and the resulting massive fall in revenues. Yet we have kept our timetable to do so notwithstanding the great difficulties. But this means that our timetable to pay out \$200 million in benefits must be matched by our timetable to recover an equal amount in costs.

The last area of interest to which I will turn this evening concerns recent improvements in the clean-up of the environment and the need to likewise improve certain essential rural infrastructure, such as roads, water and lighting.

Clean-up programme

The programme of clean-up is now proceeding to the next stage of beautification of roads and parks, painting of murals on walls and building of arcades for vendors stalls. This programme will involve Kingston and other major towns as well as the main highways to improve popular vending locations and points of beauty, such as Fern Gully on which work has already begun.

Last December I concluded an island-wide tour and held discussions with all parish councillors seeking their views on essential work to be done in restoring road surfaces to normal condition, replacing defective pumps in the water supply system, installing electric lights in villages through which power lines passed but no electricity is supplied to the village, repairing schools and playfields, etc.

Estimates for the majority of these have been completed and we are now about to commence expenditure to deal with the more urgent cases of road blockages, the need for improvement in road surfaces, potholes, replacement of spare parts and pumps and to restore water supplies to thousands of persons, and the installation of 1,000 electric lights in villages through which electricity pass but for which no provision has been made to provide lights to the villages.

In addition, some playfields will be repaired and a programme of school repairs under the Ministry of Education will commence next month with repairs to the first 45 schools.

These programmes will be elaborated and expanded in the forthcoming budget for the next financial year 1986/87, commencing April 1, beyond the urgent cases which are to be dealt with now.

The out-turn of the economy this financial year, with the exception of the slippage in the export sector, shows results as generally good or better than originally targeted.

The import sector is roughly on target in spite of the fact that without licences and quotas which we recently removed, there is much greater freedom to import. As I said earlier, imports this year, contrary to the propagandists, are not only largely on target, but are nearly \$100 million less than 1980. And yet there are few shortages, contrary to the crippling conditions of 1980.

Both revenues and expenditure are only slightly off target almost in equal amounts and, in fact, because of the tax package in January the fiscal deficit this year should be reduced below 6% as compared to the targeted 6.5% bringing us nearer yet to the 4% level which is one of the ultimate goals of the economic recovery programme.

We have completed our returns to the IMF, in respect of the September and January deadlines, to seek approval of a waiver for the breach occurring in September and in respect of the normal performance test for December, which was shifted by the IMF to January to meet their convenience. In doing so, we have complied with all requirements and expect a favourable review from the IMF on March 3, when our submissions are heard.

I wish to draw attention to one of the most significant events which passed almost un-noticed over the past few weeks, the visit of a joint team of World Bank/IMF and AID representatives requested by me. The team was called the "fresh look mission," because I specifically requested a fresh look by these institutions on the problems of Jamaica and the solutions we see and are employing, which sometimes are contrary to the views of these agencies.

This is the first such mission ever assembled, and from their review of the Jamaican case may come fresh insights which could change the course and attitudes of international lending agencies to developing countries, with resulting shifts in policy benefiting Jamaica and the wider developing world.

The mission, which spent two weeks in Jamaica, will report back to me in mid-March.

This initiative by Jamaica which may have far-reaching positive impact on a world basis is no different from the other occasions on which our country has taken the world stage to lead the way with positive ideas for the benefit of all. You need think only of the CBI, and the human resource facility recently adopted world-wide by the United Nations development programme at our initiative to strengthen the flow of human skills to countries, such as ours which are losing skills.

In this light, we have never failed to respond to regional calls to assist in missions designed to restore stability or to prevent instability, without which the region would perish as vital sectors dried up from lack of support.

We participated in the mission to rescue Grenada and to restore stability. Only a few misguided fanatics today would continue to say we were wrong in doing so.

Sole initiative

In the last two weeks, at our sole initiative, we convinced the former president of Haiti to give up his position and leave the country to spare bloodshed for his people and great instability for the region. That was purely a Jamaican initiative without prodding by anyone.

Jean-Claude Duvalier invited the Jamaica government to advise him; we advised him very frankly, he took our advice and left with the help of the United States government which provided a plane, and the government of France, which has provided temporary asylum. A vast number of lives were saved by the success of this combined effort. These are the facts in a nutshell.

Jamaica's regional role has never been stronger or more respected. I go to Grenada this week to meet with President Reagan and our Caribbean colleagues to talk about the region and to Trinidad and Tobago in early March to continue to strengthen the process of rebuilding a good relationship with our most important CARICOM trading partner. For one day, in late March, the

Governor of Puerto Rico has asked me to participate in a programme designed to help him retain important benefits now enjoyed by the Puerto Rican economy which are endangered by pending U.S. tax legislation.

The spin-off for Jamaica could be very substantial. These are all brief but critically important visits in our regional interests.

The people of Haiti respected the fact that it was a sister Caribbean country that helped them solve their problem peacefully. We must always be prepared to strengthen each other because it is the importance of the region, not Jamaica alone, which creates much of the importance attached to us. From this we draw our strength with bigger nations, and upon this depends the good relations which we have built over the past five years that have been so influential in assisting us to weather the storms through which we have passed.

Now that the storms have begun to subside we can begin to face the future with greater hope, not yet by any means free from anxiety, but with less apprehension about the direction which we are pursuing and the results which they will yield.

We have been through the worst together; if we can continue to hold hands through the next phase of our recovery, we will reach the goals for which we aim and one day look at this period as the greatest challenge we, as a people, ever faced, and greatest triumph we, as a nation, ever achieved, we will have raised ourselves from the floor of despondency through the most crippling period of international economic adversity in our history, which devastated our bauxite sector, inflicting on us pain-ridden years of austerity. But notwithstanding this, we will have raised ourselves again to our feet with strength and pride and dignity. When the final day of triumph comes, it will truly be a measure of the Jamaican people, in which none could find us wanting.

As I say goodnight to you, please remember that on the last Wednesday night of every month, I answer questions from the public for 2½ hours. If you wish me to expand on these matters on which I have spoken tonight or to comment on any other matter, please call. I can only say that I look forward to these interludes of personal dialogue and would be very pleased to hear from you.

May God bless you all."

/9317

CSO: 3298/363

1 April 1986

JAMAICA

GOVERNMENT OPENS CRACKDOWN ON PORT SMUGGLING OF DRUGS

FL260349 Kingston THE SUNDAY GLEANER in English 16 Feb 86 pp 1, 2

[Excerpt] A crackdown on ganja export from the wharves has been launched with a threat that all one hundred (100) port security members will be fired instantly if any more ganja is found on the island's ports; and export houses in whose containers ganja is found will be banned from exporting from Jamaica.

Minister of Transport and Public Utilities, the Hon. Parnel Charles, who declared war on export of ganja through the wharves Thursday, told THE GLEANER yesterday that the illegal activity threatened agriculture, tourism and manufacturing and Jamaica risked losing its vessels on which ganja was shipped.

The minister disclosed these and other radical measures which have been taken, in order to avert what he saw as an imminent threat to the island's legitimate exports to the United States of America.

In other moves, he also placed the supervision of the port security under the Port Authority of Jamaica, and has given the port authority seven days in which to come up with a system to stem the shipment of ganja from Jamaica.

These new measures were communicated to representatives of the port authority, the Shipping Association of Jamaica, and the port security at an emergency meeting held at the minister's offices in New Kingston on Thursday.

Mr Charles told THE GLEANER yesterday that the major shippers had communicated to him their readiness to pull out of Jamaica if ganja continued to be placed in their ships. Furthermore, the United States Government has also told the minister that any ships from Jamaica found with ganja would be seized.

The emergency meeting, and strong warning from the minister came only a few days after the latest discovery of ganja at the port--on Thursday, February 6--when dogs sniffed out 60 parcels containing a total of 960 lb of ganja from Newport West, Kingston Harbour. Only a few days before that, on Monday, January 27, police narcotics dogs sniffed out 7,500 pounds of compressed ganja at berth 11, Port Bustamante.

/6091

CSO: 3298/352

JAMAICA

SHIPPERS DISPUTE MINISTER'S CHARGES CONCERNING PORT DRUGS

Shipping Association Statement

Kingston THE DAILY GLEANER in English 17 Feb 86 pp 1, 3

[Text]

THE SHIPPING ASSOCIATION OF JAMAICA (SAJ) has challenged Mr. Pearnel Charles' analysis of the state of security provided by the SAJ on the ports and said several of the Minister's statements were inaccurate.

Mr. Charles, in declaring war on ganja exports from Port Bustamante, had said responsibility for security, formerly under the SAJ, would be taken over by the Port Authority of Jamaica. Legitimate exports were threatened and Jamaican vessels could be seized if ganja continued to be shipped from the port, Mr. Charles said.

The SAJ in a statement yesterday, over the signature of Alvin Henry, general manager, said it had always been in charge of security operations at the port but if Mr. Charles wished to have the Port Authority take over the operations "then the Shipping Association of Jamaica, in the national interest, is only too willing to hand over, with immediate effect."

However, the SAJ said in the over 16 months from October 1984 to February 10, 1986 it had detected and reported 37 incidents involving a total of 61,276 lb. of ganja and had "taken steps to keep ahead of ganja exporters."

The statement by the SAJ said:

"The Shipping Association of Jamaica has taken note of the decision of the Minister of Public Utilities and Transport, Pearnel Charles, to put the Port Authority of Jamaica in charge of Kingston's port security, with immediate effect.

"In making this announcement, at a press conference on Thursday, February 13, the Minister made a

number of statements which we, the Shipping Association of Jamaica, consider inaccurate. The Association would therefore like to use this statement to clarify this issue.

"Contrary to what the Minister said, that the Port Authority of Jamaica will 'resume' supervision of port security, we must state, for the records, that the Shipping Association of Jamaica and its members have already had this responsibility.

"Further, we find it difficult to understand the Minister's declaration that he will dismiss port security supervisors if further shipments of ganja are discovered since it is the job of port security to 'discover' or detect possible shipments of ganja and because the responsibility to dismiss port security personnel rests with their employers.

"The Minister's statements suggested that it was not enough for illegal narcotics to be detected before shipment but that those in charge of port security should ensure that such narcotics are not put in containers at all. For containers stuffed on the port a system for preventing ganja getting in is

already in place. However containers stuffed outside the port area are in fact outside the jurisdiction of the SAJ's Port Security.

"The Minister gave no credit to the work and achievements of the Association in its anti-narcotic activities at Port Bustamante. The Shipping Association of Jamaica therefore wishes to place on record the following:

"In October 1984, five incidents involving the confiscation of 39,265 lbs. of ganja were detected by Shipping Association of Jamaica Security and the police were called in.

"In November 1984, one case was reported to the police resulting in the seizure of six lbs. of ganja.

"In December 1984, two cases were detected and reported to the police, resulting in the seizure of 146 lbs of ganja.

"For 1985 the figures are as follows:

January — one incident detected, reported to the police — 30 lb. of ganja seized.

February — two incidents detected, reported to the police — 2,720 lb. of ganja seized.

March — two incidents detected and reported to the police — 46 lb. of ganja seized.

April — no finds made.

May — three incidents detected, reported to the police — 576 lb. of ganja seized.

June — three incidents detected and reported to the police 76 lb. of ganja seized.

July — two incidents detected, reported to the police — 105 lb. of ganja seized.

August — four incidents detected and reported to the police — 743 lb of ganja seized.

September — no finds.

October — three incidents detected and reported to the police — 1,450 lbs. of ganja seized.

November — two incidents detected and reported to the police — 7,202 lbs. of ganja seized.

December — one incident reported to the police — six lb. of ganja seized.

"And in 1986:-

January - five incidents detected, reported to the police — 7,945 lb. of ganja seized.

February (to 10th) — one incident detected and reported to the police — 960 lbs. of ganja seized.

"During that period, as far as we are aware, only two shipments arrived in overseas ports, one of which was seized by US Customs after SAJ Security warned them that the container appeared to have been tampered with prior to shipment from Port Bustamante.

"In addition to reporting these 37 incidents involving a total of 61,276 lbs. of ganja, the Shipping Association of Jamaica has taken steps to keep ahead of ganja exporters.

"In 1984, the Association met the expenses of importing seven trained dogs and the travelling expenses of a senior police officer to the UK. These dogs are now in active anti-narcotics service in the country's port security.

"In 1983 the Association brought representatives of US Customs to Jamaica to train and advise on port security as regards narcotics detection. The Shipping Association Security has maintained an open line of communication with US Customs in support of our own efforts at Port Bustamante.

"The SAJ has also maintained a steady dialogue with the local police, at all levels, especially over the past six months. We have offered, among other things, to finance the acquisition of more dogs and additional equipment to help strengthen the fight against all illicit exports.

"We ascribe our overall success in detection, first of all, to our concern as an association about ganja exports (and the crippling effect this has on our efforts at national development) and to the measures we have instituted because of this concern and because it has been our responsibility. Also, the years of experience we have accumulated in investigating and detecting illegal exports have served us in good stead.

"However, if it is the wish of the Minister of Public Utilities that the Port Authority of Jamaica takes over and operate security at Port Bustamante then the Shipping Association of Jamaica, in the national interest, is only too willing to hand over, with immediate effect."

Ministry Clarification

Kingston THE DAILY GLEANER in English 18 Feb 86 p 1

[Text]

There is no intention to remove security on the waterfront from the Shipping Association of Jamaica; the Port Authority will only be monitoring and regulating security on the ports along with the Police Force and SAJ, Public Utilities Minister Pearnel Charles said yesterday.

Mr. Charles said last week that because ganja shipments through Port Bustamante were threatening legitimate exports, responsibility for security at the Port would be taken over by the Port Authority.

The SAJ in a statement Sunday detailed its efforts at combatting drug trafficking through the port but said it was willing to hand over responsibility for security "in the national interest."

Mr. Charles said yesterday:

"Referring to the report in the Daily Gleaner of Monday, 17 February 1986 on Security on the Port of Kingston with the statement of

the Shipping Association of Jamaica in respect of their responsibility for port security at Port Bustamante, the Secretary of the Port Authority has stated that the Port Authority as the Government regulatory body of all port facilities has a duty under the Port Authority Act to advise the Government on measures as the Authority considers necessary or desirable to maintain or improve the Port facilities.

"As such it is the Port Authority that advises the Government on the maintenance of Port Security. The responsibility for the day to day operations of port security rests with the Shipping Association of Jamaica and it is not intended that this responsibility be removed from the Association. The Port Authority will be monitoring and regulating security at Port Bustamante and will be working with the Shipping Association of Jamaica and the Jamaica Constabulary Force to institute measures to control the trafficking of drugs at Port Bustamante."

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CSO: 3298/363

JAMAICA

BRIEFS

PNP ON IMF DEAL--A call for the Government to give "truthful" information on its present talks with the International Monetary Fund (IMF) has been made by the Chairman of the People's National Party, Mr P.J. Patterson. Mr Patterson said the country has not been told the reasons for the failure of the IMF test September last year nor the consequences of this failure. The PNP Chairman was on Wednesday responding to the Prime Minister's broadcast to the nation on Monday night. Mr Patterson said that Mr Seaga had rehashed the now familiar claims which he had been making since 1980, namely that the economy was "back on track"; that "we have been through the worst" and that his economic programme needed "three more years." He said the PNP rejected these claims categorically. Mr Seaga's economic model was incorrect and inappropriate, he said. "The PNP is once again demanding that Mr Seaga level with the country and gives truthful information on the status of current negotiations with the IMF and reveals the terms of the agreement he is now negotiating," Mr Patterson said. He said also that the PNP rejected the Prime Minister's right to divert all the savings from falling oil prices for budgetary support. This lack of consideration confirmed to the pattern of "unmerciful punishment" of the consumer and the motoring public. [Text] [Kingston THE DAILY GLEANER in English 21 Feb 86 p 3] /9317

CSO: 3298/363

PARAGUAY

PEASANTS ACCUSE ARMED CIVILIANS OF MURDER

PY041951 Asuncion LA TARDE in Spanish 3 Mar 86 p 28

[Text] The Paraguayan Peasant Movement [Movimiento Campesino Paraguayo--MCP] has made serious accusations through its legal representative that a gang of armed civilians killed four peasants. The lawyer also reported the arrest of a peasant and the disappearance of another in Santa Rosa, Misiones.

The MCP reported the killing in San Pedro de Ycua-Mandiyu of four peasants who were shot by a gang of armed civilians who acted with complete impunity. The MCP added that local police officer can do nothing because of the political influence of the people allegedly responsible for the crimes.

The report indicates that the peasants had been organizing to legally obtain land from the IBR [Rural Welfare Institute], which is why they were killed. The MCP report, however, does not identify the peasants allegedly killed.

The MCP communique also reports the arrest of peasant Sindulfo Coronel and the disappearance of another peasant, Eugenio Gomez, in Santa Rosa, Misiones. The report states that police came to Gomez' house several times looking for him.

The MCP leaders believe that attacks against peasants are made because, according to accusations by police, the above mentioned peasants have been carrying out clandestine activities to join the MCP. But the MCP communique says that the police accusation is false because the peasants are meeting only to seek solutions to their agricultural problems.

The communique concludes that the MCP lawyers are carrying out intensive negotiations to get Coronel's release and to find Gomez' whereabouts, because these peasants are only conducting open and legal union activities to improve their agrarian condition.

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CSO: 3348/448

PARAGUAY

COLUMNIST ON POSSIBLE CAUSE FOR COMMAND CHANGE

PY192010 Asuncion EL PUEBLO in Spanish 19 Feb 86 p 8

[Article from the "Green Wasp" column]

[Text] Cavalryman unsaddled: To everyone's surprise, except for the Green Wasp, the commander of the 1st Cavalry Division [DC 1] was replaced last week. Thus, General Gregorio Lopez Prado left the post to Colonel Victor Aguilera, who until recently was the commander of the 3d "Colonel Mongelos" Cavalry Regiment. Those who have a good memory will recall that Gen Lopez Prado was the commander of the powerful DC 1 for less than 1 year, so it was not yet time for his reassignment. It seems that soon he will be appointed military attache to the Paraguayan Embassy in Washington, or delegate to the Inter-American Defense Board. For those who understand military affairs, the replacement of Gen Lopez Prado by Col Aguilera means that Gen Andres Rodriguez, commander of the I Army Corps, now again has a man of his total confidence as head of the strategically located DC 1. Apparently, Gen Lopez Prado recently became estranged from Gen Rodriguez. And the political gossip circles of Asuncion are wispering that Rodriguez is in frequent contact with the so-called traditionalist members of the ruling party, much to the chagrin of the so-called militant members of the ruling party.

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CSO: 3448/448

PARAGUAY

BRIEFS

LAW STUDENTS ARRESTED--A group of students from the National University Law School has filed Habeas Corpus petition with the Supreme Court on behalf of three law students whom police arrested last Saturday. At present, neither the cause nor the place of their detention is known. The petition submitted by the group of students at the advice of a lawyer says that "citizens Hector Fernandez, Nelson Martinez, and Obdulio da Silva were arrested on 15 February by uniformed policemen from the Central Police headquarters. The arresting officers gave no justification for the arrests." The arrested students are active members of the student movement in the law school and leaders of the Salesian Youth Movement, which is active in apostolic church activities. [Excerpts] [Asuncion ULTIMA HORA in Spanish 19 Feb 86 p 39 PY] /9738

NEW CAVALRY DIVISION COMMANDER--The commander in chief of the Armed Forces has just appointed Colonel Victor Aguilera Torres as new commander of the 1st Cavalry Division, replacing Brigadier General Gregorio Trifon Lopez Prado. [Summary] [Asuncion ULTIMA HORA in Spanish 12 Feb 86 p 13 PY] /9738

CSO: 3348/448

PERU

ARMY TO HELP STOP FOOD SMUGGLING

Lima EL COMERCIO in Spanish 20 Jan 86 p A-4

[Excerpt] The Army infrastructure that will stop food smuggling into neighboring countries at all the border points is ready to go, according to the minister of war, General Jorge Flores Torres, yesterday. He was leaving for Tacna, the first stop on a tour of the military regions of the country.

He revealed: "We are waiting for the legal provision to permit the Army to curb this illegal trade that is taking food away from our people."

Gen Flores Torres' tour will end in a few weeks in the emergency zone (Ayacucho and Huanuco), according to reports.

The minister stated: "We cannot continue to subsidize Ecuador, Colombia, Brazil, Bolivia, and Chile through food smuggling. Therefore, a legal provision to permit the Army to curb this is expected momentarily."

International Meeting

He also referred to the upcoming conference in Lima among chiefs of the armed forces of Peru and Chile. It is part of the talks on arms limitations that began in Arica.

He stated that the Foreign Ministry is coordinating the agenda and details for this conference that will be held in May. He indicated that there will be a similar meeting with Ecuador.

No Discontent

He also revealed that it is a gross mistake to think that there is discontent in the Army because of low wages.

He said: "This is not true. We all need increases because the previous government more or less ignored us. We are treated separately. The president of the republic must decide when there will be an increase."

The minister of war added that his sector is calm because everyone has been promised an increase in February or March, according to Prime Minister Luis Alva Castro.

He stated that, because of inflation, everyone has suffered a great loss in purchasing power of the currency. As an example, he revealed that if a general earned \$1,200 10 years ago, that same general would now earn \$220 because of loss of buying power.

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CSO: 3348/423

PERU

RISING FOOD PRICES PUSH INFLATION RATE UP IN JANUARY

Lima EL COMERCIO in Spanish 2 Feb 86 p F 2

[Text] Due to the increase in food prices, the inflation rate went from 2.8 percent in December to 5.2 percent in January, according to data supplied by the head of the INE [National Institute of Statistics], Dr Graciela Fernandez Baca de Valdez.

In her first press conference in 1986 to announce the Consumer Price Index for Metropolitan Lima, she indicated that although the prices of certain foods are still frozen, others have increased notably. That is the reason for the current inflation rate.

Dr Fernandez Baca indicated that, thus far, the annual rate would be 85 percent. Based on the accumulated average between August 1985 and January 1986, inflation was 31.2 percent.

Sector That Increased Most

The sector that increased most is the one called Foods, Beverages, and Tobacco (8.4 percent), considered to have the greatest effect on the general average.

Within this sector, it is necessary to note the substantial increases in foods:

Fish and seafood, 26.7 percent; vegetables, 26.1 percent; legumes, 16.1 percent; tubers and roots, 34.4 percent; fruit, 9.7 percent; and meat, 6.7 percent.

Other products like sugar remained stable or recorded slight increases: coffee, 3 percent; fats, 2.6 percent; milk, 2 percent; and bread and cereals, 1.7 percent.

All the other foods that make up the "Family Basket" were lower.

Goods and Services

The sector known as Goods and Services recorded an increase of 5.8 percent.

In this sector, it is necessary to point out that so-called personal care services increased 11 percent, foods and beverages outside the home, 6.8 percent, and financial services, 8.3 percent.

The Clothing and Shoes sector went up 5.2 percent. According to the INE, the rates for shoe repair services increased 8.4 percent, shoes, 5.1 percent, and clothing, 5.1 percent.

The sector Recreation and Cultural and Educational Services recorded an inflation rate of 5.5 percent in the first month of the year.

INE technicians indicated that the increase in this sector is due to the large increase in the subgroup Recreational and Cultural Services, 15.3 percent.

Educational services increased 1.7 percent, equipment and accessories, 2.5 percent, and repair services, 1 percent.

The other sectors experienced lower increases--for example, Health Care and Medical Services (3.2 percent).

Within this sector, medical services increased 6 percent; hospitalization and other expenses, 3 percent; therapeutic machines and equipment, 1.8 percent; and medicine, 1.4 percent.

Furniture, Appliances, Housing

The sector Furniture, Appliances, and Housing Maintenance increased 2.3 percent in January.

This sector includes: furniture repair, 6.8 percent; furniture and equipment, 4.4 percent; repairs of domestic appliances, 3.9 percent; and dishes, 1.4 percent.

The sectors that had lower increases are Housing Rental, Fuels, and Electricity and Transportation and Communications.

All the components in the first sector--fuel, electric energy, and water--remained the same due to the freeze ordered. Only rentals increased, 2.6 percent.

In the Transportation and Communications sector, urban transportation service increased its rates 1.6 percent and telephone service went up 1.7 percent. Taxis have increased their rates 12 percent.

Gross Domestic Product

At another point in the press conference, she indicated that the Gross Domestic Product increased 1.9 percent in 1985.

All the economic sectors ended the year with positive rates except construction (-10.9 percent).

The agricultural-livestock sector grew 2.9 percent (livestock, 5.3 percent, and agriculture, 2 percent); fishing, 1.4 percent (thanks to the increase in anchovy fishing); electricity, 3.1 percent; manufactured products, 3.9 percent; trade, 1.6 percent; and others, 1.4 percent.

In the case of manufactured products, the increase is due to increased production in certain subsectors like textiles and metalworking, especially transportation equipment. However, one of the industrial sectors that went down the most was glass.

7717

CSO: 3348/421

PERU

COORDINATION BETWEEN FARM PRODUCERS, POLICY MAKERS URGED

Lima EL COMERCIO in Spanish 2 Feb 86 p F-14

[Interview with Hernando Guerra-Garcia, ONA manager; date and place not specified]

[Text] In an interview with EL COMERCIO, the manager of the ONA [National Agrarian Organization], engineer Hernando Guerra-Garcia C., asked for stable policies on marketing systems through agreements between the producers and those responsible for the agrarian policy.

He felt intermediaries were necessary. However, he indicated that, in certain cases, there is too much intermediation, increasing costs and causing shortages. He favored a selective position on price control. In other words, it is only feasible for certain products.

The ONA is a group of small and medium producers organized by products and valleys.

[Question] What conditions does the ONA ask the government for in order to give incentives to production and thus overcome one of the causes of shortages?

[Answer] In order to give incentives to production, there must be a stable policy for marketing the product. In agriculture, there are many types of marketing ranging from monopolies, as in the case of rice, to barter which is found especially in the mountains. The ONA advocates stability in marketing systems.

Concerning potatoes, this organization stated last year that the so-called shortage that normally occurs in January would be bad. At that time, none of the candidates for president established a clear agrarian policy. The potato is considered the most expensive seasonal product to grow. It was, therefore, very risky to plant it without knowing what the policy for the second half of 1985 would be.

The areas planted decreased noticeably as did credit since the majority of the work is financed. In other words, two factors combined: a lack of confidence in the future and a lack of adequate financing.

[Question] Have contacts been established with corresponding organizations like the Ministry of Agriculture?

[Answer] We have already talked with the minister of agriculture. We feel there must be agreement between the Ministry of Agriculture which sets the policies and the agricultural producers who do the work in Peru.

[Question] What are the basic points for an agreement between these parties?

[Answer] First of all, respect for the current marketing systems. A crop cannot be changed overnight from free trade to a controlled product or vice versa. This has always happened in our country with catastrophic results.

[Question] Especially for the producers.

[Answer] Catastrophic results for the producers which does not receive as much attention as partial shortages.

There must be organization in order to reach an agreement, since not all the institutions represent the farmers. There are institutions that represent agricultural workers, peasants without land, or unions which are not responsible for production. They collaborate in production, but those truly responsible for it are the producers. There must be agreement with the producers' institutions.

[Question] Will one of the basic points in the agreement refer to costs?

[Answer] At the time of agreement, real production costs must be considered and not lowered for political reasons. It is necessary to respect costs and leave an adequate margin in order to encourage production.

[Question] When talking about costs, does intermediation also have to be considered?

[Answer] Yes. Food prices also go up because of excessive intermediation in the marketing systems. It must be pointed out that intermediation in marketing is basic; however, it must be made more efficient. This would be easy to achieve if the farmers' institutions are encouraged. They have had freedom since 1980, but encouragement and support are also necessary.

[Question] Could the producers organize and sell their products directly?

[Answer] That is one possibility. In some cases it is feasible. It depends on the number of suppliers and buyers. There are products for which free trade is ideal, perishable products which we have never had problems with, vegetables.

[Question] What is your organization's opinion about the price control policy?

[Answer] Look, each crop is a separate possibility, a system. For rice, the controlled system is best because prices are fixed beforehand and there is a

secure market. Therefore, the rice growers feel that this system is good. Before planting, they already know the price they are going to receive and know which people are going to buy the crop.

In the last 40 years, rice areas and productivity have quadrupled. The production per hectare has gone from 1,500 kilos to more than 6,000 kilos. This shows that this system is good for this product and under those conditions. I think that any system that operates effectively is good.

[Question] What can you tell us about the agricultural harvest that has just begun? Will expectations be met?

[Answer] The agricultural harvest has begun with problems of drought in the north and floods in the south but that is Peru. Agriculture has a number of unknowns. Therefore, all the measures dictated on national agriculture have to be long-term measures. There must be stable policies. No one year is the same as another. Therefore, you have to talk about averages.

[Question] With the change at the Ministry of Agriculture, do you feel there will be a change in viewpoint on the agricultural problem?

[Answer] It is obvious that a change in ministers has to mean a new viewpoint. We think the previous minister left for political reasons. In the case of the new minister, we think he will be more careful in dealing with the producers' institutions.

[Question] Is the so-called National Food Council feasible? If so, what characteristics would it have?

[Answer] For many years we have been advocating a National Food Council. There are now legal provisions for one.

This council would be designed as an intersectorial office under the Ministry of the Presidency. The production sectors--Ministry of Agriculture, Ministry of Fisheries--and other ministries that deal with supply--Industry and Commerce--would be represented on it. Also with a good team from the Ministry of Foreign Relations, we could import foods, not when it is urgent but when they are cheaper.

The responsibility cannot fall to a single minister. That is irrational. The National Food Council would take the responsibility off the shoulders of the minister of agriculture. This responsibility must be shared by the rest of the government.

[Question] How do current food imports made because of shortages affect the producers?

[Answer] The state cannot be deprived of its right to import under advantageous conditions. The producers advocate a policy of the fewest imports possible. However, if products can be obtained more cheaply abroad, then we will understand. It is necessary to harmonize the interest of the producers with national interests.

[Question] Do you feel that a price control policy causes discouragement, low production and productivity, and chronic shortages as some entities have indicated?

[Answer] I don't think there are any chronic shortages. I think our country can supply itself with a number of foods. Therefore, permanent policies are needed. There cannot be just self-supply and no exports. Production must extend to exports after taking care of domestic requirements. We must think big when we think of agriculture.

[Question] Outside of the reduction of interest rates for agricultural loans, what instruments are needed to achieve permanent development?

[Answer] The reduction of interest rates is a positive measure but the farmer does not just need credits. He needs to know how to use them. The Agrarian Bank must go to the small farmers and teach them how to use the credits. We consider this a big job.

The Agrarian Bank has improved notably. At the beginning of 1980, the bank did not even have 100,000 borrowers. Now the number must be about 150,000. In 5 years, it has been possible to achieve what used to take several decades. This is a giant leap which must be encouraged. The problem is not only to ask for more credit but to teach the farmer through adequate supervision.

7717

CSO: 3348/423

PERU

BRIEFS

DPRK ARMS PURCHASE CRITICIZED--The deputy minister of interior, Agustin Mantilla, returned from the DPRK Friday and announced that 10,000 rifles will soon arrive in Peru. He purchased them in that communist country for the police force. Mantilla never contradicted the accusation we made last week about the type of ammunition purchased for that weapon: 4.45-caliber bullets with steel cartridges that are only made in the DPRK and the GDR. This accusation is very serious for several reasons. It makes us dependent on someone like Kim Il-Song because we will have to buy the ammunition for his obsolete weapons from him. We will have to stop using the installed capacity of the brass factory--which cost \$35 million--inaugurated recently by President Alan Garcia. (The brass that INDUMIL-PERU [Military Industries of Peru] makes is used to manufacture cartridges for weapons that FAMIL now produces for the FAL rifle that the Armed Forces use.) It also interrupts the chain of logistical maintenance of supplies for military institutions and auxiliary forces. The Industrial Service of the Navy has been sending the police force small arms which use brass 7.72-caliber bullets which is what the Army, the Navy, and the Air Force use. The DPRK rifles, with their steel 4.45-caliber bullets, cannot use the nationally made ammunition. It is also known that deputy minister Mantilla made this purchase without the approval of the Joint Command of the Armed Forces which authorizes the purchase of all materiel for military and police institutions. [Text] [Lima OIGA in Spanish 27 Jan 86 p 10] 7717

POTATO PRODUCERS DENOUNCE IMPORTS--While the minister of agriculture announced imports of 12,000 tons of potatoes in Lima, the producers in the main potato zones in the mountains told EL COMERCIO that not only will there be enough potatoes to meet the domestic demand, but it is likely that there will be a surplus for export. Producers from Huasahuasi, the main potato-producing zone in the country, revealed that they will be able to send 250 tons of this product to Lima daily beginning in February. This amount would increase as the harvest continues. Farmers from other productive zones in the mountains like Huancayo and the Ramon Castilla SAIS [Social Interest Agricultural Association] indicated that as soon as the "great harvest" begins (in March), there will be plenty of potatoes. This will permit them to meet the demand and also recover their losses from past years as long as the government establishes shelter prices and does not leave them up to the intermediaries. They indicated that, for these reasons, it is inexplicable that the Ministry of Agriculture is importing potatoes from France and Chile. "This is not at all justified. Not only will there be enough potatoes, but also the Peruvians do not like foreign potatoes. In 1983, the imported potatoes had to be fed to the pigs." [Excerpt] [Lima EL COMERCIO in Spanish 3 Feb 86 p A-1] 7717

ECUADOR ILLEGALLY RESELLING RICE--Tumbes, 17 Jan--Peruvian rice that is smuggled into Ecuador is then resold to Venezuela and Colombia by Ecuadoran merchants and smugglers at large profits. This trade benefits from the shortage of that product in those countries where the smugglers are paid in dollars. This accusation was made by the mayor of the new district of Aguas Verdes, Pablo Hipolito Aranguiri Dominguez. He revealed that food smuggling into Ecuador is alarming. He said that the inhabitants of Aguas Verdes witness basic foods being taken across our borders all day long. He indicated that Ecuador has its borders open to receive Peruvian food. However, it hinders the entrance of our manufactured products. He stated: "In Guaquillas, the merchants have an aggressive economic policy and do business at their own convenience. In the case of rice, they buy it when it suits them, like now when rice is very expensive in Colombia and Venezuela." Concerning control of food smuggling, the mayor of Aguas Verdes indicated that the policemen assigned to the border do as much as possible to repress that illegal trade, but these actions have not been effective so far. He announced that his municipal council will adapt municipal warehouses in the next few days in order to store all the basic foods that reach Aguas Verdes. These will then be distributed based on the quota for each merchant. He remarked that, in this way, the population of Aguas Verdes will be adequately supplied and the surpluses will not go outside the country. [By Javier Ascue Sarmiento, special correspondent] [Text] [Lima EL COMERCIO in Spanish 18 Jan 86 p A-14] 7717

POLICE AIR PATROL SERVICE--With the start-up of the "Police Air Service", the GC [Civil Guard] reaches the level of other police forces in the world and will expand its actions for the good of the community, especially its speed of intervention. For greater effectiveness, Metropolitan Lima has been divided into four zones and special plans have been drawn up to permit it to easily locate the site of intervention. With this service, it can perform sea or land rescues, transfer wounded, control traffic, locate missing vehicles, provide air cover for government officials, and patrol highways, electric towers, and priority public and private installations and offices. Due to the versatility of this type of helicopter (Boeing BO-105), it can easily land at several "heliports" in the capital like the National Stadium, the Obrero sports field (across from Radiopatrulla), PETROPERU [State Petroleum Agency], the Ministry of Interior, Hospital Rebagliati, etc. The ceremony inaugurating this service was held at noon yesterday at Air Group No. 3 of the FAP [Peruvian Air Force]. It was attended by GC General Octavio Herrera Polo, chief of the JUTE [Headquarters for Special Tactical Units], and FAP Major General Jose Nadal representing the Air Force high command. Before taking off for the first air patrol in which the journalists participated, there was a demonstration of the FIR [Rapid Intervention Force] of the GC (which flies the helicopters). They simulated rescues of wounded and demonstrated jumps from the helicopter while in motion and stationary with and without ropes. This demonstrated the superb training of the GC members who, in one of the demonstrations, jumped with a rope from a height of almost 30 meters. [Text] [Lima EL COMERCIO in Spanish 1 Feb 86 p A-11] 7717

CSO: 3348/421

ST CHRISTOPHER AND NEVIS

TEXT OF SIMMONDS ADDRESS ON START OF 1986 SUGAR CROP

Basseterre THE DEMOCRAT in English 1 Feb 86 p 12

[Text of address by Prime Minister Kennedy Simmonds over national radio and TV on 31 January 1986 marking start of 1986 sugar crop]

[Text] FELLOW CITIZENS, GOOD EVENING.

I WILL SPEAK TO YOU THIS EVENING ON THE PROGRESS OF OUR EFFORTS TO REORGANISE AND RESTRUCTURE THE SUGAR INDUSTRY, AND ON ARRANGEMENTS FOR THE START OF THE 1986 CROP.

IN MY BROADCAST OF 7TH NOVEMBER 1985, AND IN MY BUDGET ADDRESS, I TOLD YOU THAT FOLLOWING A VARIETY OF STUDIES OF OUR SUGAR INDUSTRY, IT WAS DECIDED TO IMPLEMENT A RECOMMENDATION WHICH WAS COMMON TO ALL OF THEM - I.E. THAT THE SUGAR INDUSTRY SHOULD BE OPERATED WITH A SINGLE MANAGEMENT STRUCTURE UNDER ONE CORPORATION INSTEAD OF TWO. IT WOULD BE READILY APPRECIATED BY ALL THAT THIS STREAMLINING OF THE INDUSTRY'S MANAGEMENT WOULD RESULT IN A REDUCTION OF OVERHEAD COSTS, AND GREATER EFFICIENCY AND CONTROL WITHIN THE INDUSTRY.

WE RECEIVED ASSISTANCE FROM VARIOUS SOURCES. FIRST THE BRITISH DEVELOPMENT DIVISION (BDD) FUNDED THE SERVICES OF THE BOOKER CORPORATION WHICH PROVIDED US WITH THE MOST RECENT REPORT ON THE INDUSTRY. WE THEN SOUGHT AND RECEIVED THE ASSISTANCE OF A TEAM FROM THE CARIBBEAN DEVELOPMENT BANK (CDB) TO HELP WITH THE PREPARATION OF A PROGRAM TO IMPLEMENT THE "MERGER". FINALLY WE APPOINTED A LOCAL COMMITTEE TO UNDERTAKE THE PRACTICAL ARRANGEMENTS FOR US TO HAVE THE "MERGER" COMPLETED IN TIME FOR THE 1ST FEBRUARY, 1986. THIS COMMITTEE MADE RECOMMENDATIONS FOR THE NEW MANAGEMENT STRUCTURE, DEFINED ROLES AND FUNCTIONS OF PERSONNEL, PREPARED JOB SPECIFICATIONS AND SALARY LEVELS AND WORKED OUT THE PROGRAM FOR THE INTEGRATION OF THE TWO MOST CRUCIAL AREAS, THE ACCOUNTS AND ENGINEERING SECTIONS.

THE COMMITTEE WAS COMPRISED OF MR. EUGENE PETTY, PERMANENT SECRETARY, AGRICULTURE LANDS HOUSING AND DEVELOPMENT (CHAIRMAN), MR. SUSWYN MILLS, PERMANENT SECRETARY, FINANCE, MR. WALTER SIMMONDS, ACCOUNTANT NACO, AND MR. SAMUEL NATHANIEL, ACCOUNTANT SSMC. I TAKE THIS OPPORTUNITY TO PUBLICLY ACKNOWLEDGE THE EXCELLENT WORK DONE BY THIS COMMITTEE, AND TO THANK THEM FOR THEIR STERLING SERVICE.

AS I HAD PROMISED IN THE PAST, THE REORGANISATION HAS NOT RESULTED IN THE LOSS OF ANY JOBS OF PERSONS INVOLVED IN THE HARVESTING OR MANUFACTURING OPERATION. IT WAS INEVITABLE, HOWEVER, THAT THERE WOULD BE SOME LAY-OFFS AMONG THE OFFICE STAFF. IT IS WELLKNOWN THAT OUR INDUSTRY LIKE SUGAR INDUSTRIES IN OTHER COUNTRIES IS CAUGHT IN THE VISE-LIKE GRIP OF FALLING SUGAR REVENUES AT A TIME WHEN COSTS OF MACHINERY, EQUIPMENT, AND OPERATING COSTS GENERALLY ARE RISING. IN THESE CIRCUMSTANCES, WE HAVE A SUGAR INDUSTRY TODAY BECAUSE MY GOVERNMENT HAS YEAR AFTER YEAR SUPPORTED THE INDUSTRY FINANCIALLY AND KEPT IT AFLOAT. I AM DEEPLY DISTRESSED THAT WE WERE UNABLE TO KEEP ALL MEMBERS OF STAFF EMPLOYED. A FEW HAVE

SUFFERED SO THAT THE MANY MAY SURVIVE. LET ME SAY TO THOSE LEAVING, THAT WE ARE DEEPLY APPRECIATIVE OF THE SERVICE YOU RENDERED, AND WE ARE CONFIDENT, THAT AS WE CONTINUE TO IMPROVE AND DIVERSIFY OUR ECONOMY YOU WILL FIND A GREATER OPPORTUNITY AND A BRIGHTER FUTURE IN OTHER AREAS OF ENDEAVOUR.

IN THE RESTRUCTURING, 24 STAFF POSTS WERE MADE REDUNDANT AND PERSONS INVOLVED WERE INFORMED BY LETTER OF 24TH JANUARY, 1986. EVEN THOUGH OUR LEGISLATION ON THE ISSUE OF REDUNDANCY HAS ONLY HAD ITS FIRST READING IN THE ASSEMBLY, IT WAS USED AS THE GUIDELINE FOR THE DETERMINATION OF REDUNDANCY PAYMENTS. ALL PERSONS MADE REDUNDANT WERE PAID AS FOLLOWS:

- (1) PAYMENTS IN LIEU OF NOTICE RANGING FROM 1 TO 6 MONTHS ACCORDING TO SENIORITY;
- (2) PAYMENT FOR HOLIDAYS DUE;
- (3) SEVERANCE PAY BASED ON 2 WEEKS FOR EACH YEAR OF SERVICE IN NACO.

THE TOTAL PAID OUT IS \$156,045.94. IN THE CIRCUMSTANCES, ALL PERSONS MADE REDUNDANT WERE FAIRLY TREATED. ALL OTHER MEMBERS OF STAFF WERE INFORMED BY LETTER THAT THEIR SERVICES WOULD BE REQUIRED BY THE SSMC.

AS OF 1ST FEBRUARY, 1986, NACO WOULD CEASE TO EXIST AND THE ENTIRE SUGAR INDUSTRY WILL BE OPERATED BY THE SSMC. IN THE INITIAL STAGES, THERE MAY BE UNFORESEEN DIFFICULTIES AND ANOMALIES, BUT WITH GOODWILL ON ALL SIDES AND A GENUINE DESIRE TO SEE OUR COUNTRY PROGRESS, WE WILL OVERCOME ALL DIFFICULTIES.

AS I INDICATED ON A PREVIOUS OCCASION, THE NACO OVERDRAFT AT THE NATIONAL BANK WILL BE TAKEN OVER BY THE GOVERNMENT, AND APPROPRIATE ARRANGEMENTS MADE FOR ITS SERVICING. ALL OTHER DEBTS OR LIABILITIES OF NACO WILL BECOME LIABILITIES OF THE SSMC. I WISH TO THANK ALL FORMER EMPLOYEES OF NACO FOR THEIR SERVICE, AND ALSO ALL MEMBERS OF THE BOARD OF NACO FOR THE DEDICATED SERVICE THEY RENDERED DURING VERY DIFFICULT TIMES FOR THE INDUSTRY.

I TURN NOW TO REVIEW THE ARRANGEMENTS FOR THE START OF THE 1986 CROP. BEFORE GETTING DOWN TO SPECIFICS, HOWEVER, I WILL BRIEFLY OUTLINE THE SITUATION OF SUGAR IN GENERAL, TO PLACE OUR POSITION IN PERSPECTIVE.

THE CURRENT PRICE OF SUGAR WHICH WE SELL TO ENGLAND IS £255 PER TON INCLUDING FREIGHT WHICH WE PAY. HOWEVER, THE VALUE OF THE £ HAS BEEN FALLING STEADILY AND TODAY THAT PRICE IS EQUIVALENT TO US\$.16 PER LB. SUGAR SOLD TO THE U.S. IS US\$.18 PER LB. THE PRICE ON THE WORLD MARKET IS US\$.04 PER LB.

OUR COST OF PRODUCTION IS US\$.22 PER LB. OR US\$483 PER TON. THIS IS ONE OF THE LOWEST AND MOST EFFECTIVE PRODUCTION COSTS IN THE REGION.

IT IS CLEAR THAT THERE IS NO POINT SELLING ON THE WORLD MARKET AT US\$.04 PER LB. WHEN IT COSTS US 22¢ PER LB. TO PRODUCE AND MARKET THE PRODUCT. IN ANY CASE EVEN AT THE BEST AVAILABLE PRICE IT STILL COSTS US MORE, US\$483, TO PRODUCE A TON OF SUGAR THAN THE US\$410 THAT WE CAN SELL IT FOR. THIS IS THE BEST PRICE WE CAN OBTAIN FROM THE USA. THE SITUATION HAS BEEN MADE WORSE BY THE PASSAGE OF THE FARM BILL IN THE UNITED STATES. UNDER THIS LEGISLATION THE SUGAR QUOTA FOR ALL COUNTRIES WILL BE REDUCED AND SHORTLY REMOVED ALTOGETHER. IN ADDITION THE VALUE OF THE £ CONTINUES TO FALL. THEREFORE, WITHOUT THE SUPPORT OF THE GOVERNMENT THE INDUSTRY WILL DIE AND WITHER AWAY.

AGAINST THAT BACKGROUND, NEGOTIATIONS BETWEEN NACO/SSMC TOGETHER (IN ANTICIPATION OF THE MERGER) AND THE ST. KITTS-NEVIS TRADES AND LABOUR UNION BEGAN ON 15TH JANUARY, 1986, WITH THE UNION DEMANDING THE FOLLOWING IN RESPECT OF WAGES AND BONUSES:

- (1) THAT A GENERAL WAGE INCREASE OF 25% BE GRANTED;
- (2) THAT THE END OF CROP BONUS BE INCREASED TO 5%;
- (3) THAT THE CHRISTMAS BONUS BE INCREASED TO 10%;
- (4) THAT THE DULL SEASON BONUS BE INCREASED TO 5%;
- (5) THAT A SPECIAL PAYMENT (GOAT WATER) BE PAID IN JANUARY 1986;
- (6) THAT THE WEEKLY PENSION OF \$7 ON ESTATES BE INCREASED TO \$10.

IT IS CLEAR THAT ON THE BASIS OF THEIR EARNINGS, SSMC/NACO CAN'T AFFORD TO PAY PRESENT WAGES AND BONUSES MUCH LESS CONSIDER ANY INCREASE AT ALL.

GOVERNMENT, HOWEVER, BEING FULLY AWARE OF AND SYMPATHETIC TO THE NEEDS OF THE WORKERS IN THE INDUSTRY, DETERMINED THAT WITHIN THE LIMITS OF PRUDENCE, WE WOULD FIND A WAY TO GIVE INCREASES TO THE WORKERS. WE THEREFORE ADVISED SSMC/NACO THAT THEY COULD OFFER MODERATE INCREASES IN THE FOLLOWING TERMS:-

- (1) A GENERAL WAGE INCREASE OF 4%;
- (2) AN END OF CROP BONUS OF 4%;
- (3) A DULL SEASON BONUS OF 4%;
- (4) A CHRISTMAS BONUS OF 7%;

AND WE WOULD PROVIDE THE MONEY FROM THE PRICE STABILIZATION FUND. WE HAD USED THE SPECIAL WAGES INCREASE FUND PREVIOUSLY AND THAT FUND IS NOT NOW STRONG ENOUGH TO ASSIST US AT THIS TIME.

WHAT IS THE STATE OF THE PRICE STABILIZATION FUND?
3.6 MILLION DOLLARS IS STILL IN THE BANK OF COMMERCE AND IS NOT AVAILABLE TO US NOW. THE BANK OF COMMERCE CASE IS NOW BEFORE THE COURT. IN NATIONAL BANK THE FUND HAS ABOUT 4.9 MILLION DOLLARS. SOME MAY THINK THAT IS A LOT OF MONEY, BUT WITH THE PROSPECTS THAT WE MAY LOSE OUR U.S. QUOTA AND THAT THE PRICE OF SUGAR WILL GET WORSE INSTEAD OF BETTER, WE CANNOT USE UP ALL OF THE MONEY IN THE FUND AT ONE SHOT, AND HAVE NOTHING TO FALL BACK ON. THE WAY THINGS ARE GOING, WE MAY HAVE TO REVERT TO THE FUND NEXT YEAR JUST TO KEEP WAGES WHERE THEY ARE AND NOT ASK THE WORKERS TO TAKE A CUT.

IN MANY AILING BUSINESSES IN THE UNITED STATES AND ELSEWHERE IN THE WORLD, WORKERS HAVE BEEN ASKED TO TAKE A CUT, A REDUCTION IN WAGES, AND THEY HAVE DONE SO GLADLY, PREFERRING TO HAVE HALF A LOAF RATHER THAN NO LOAF AT ALL. WE HAVE NEVER ASKED THE WORKERS IN THE SUGAR INDUSTRY TO TAKE A CUT IN PAY, AND WE DO NOT WISH TO START NOW.

IN ADDITION, SINCE THE REVENUES FROM SUGAR ARE NOT LIKELY TO BE BETTER NEXT YEAR THAN THIS YEAR, WE CAN ONLY GIVE THE INCREASE THIS YEAR, ON THE UNDERSTANDING THAT IT WILL CONTINUE TO BE FINANCED FROM THE FUND UNLESS AND UNTIL THE REVENUE FROM SUGAR INCREASES TO THE POINT WHERE THE INDUSTRY CAN ITSELF TAKE OVER THAT PAYMENT. SINCE WE DO NOT KNOW HOW LONG THE PRESENT RECESSION IN SUGAR WILL LAST WE MUST BE PRUDENT IN THE USE OF THE FUND, AND STRETCH ITS RESOURCES AS FAR AS POSSIBLE.

THE ASSISTANCE THAT GOVERNMENT IS GIVING TO THE INDUSTRY, TO KEEP IT ALIVE SO AS TO PROVIDE EMPLOYMENT FOR THE WORKERS SHOULD REMIND YOU OF WHAT I HAVE SAID TO YOU SO OFTEN IN THE PAST - "WHEN THERE WAS PLENTY, WE GAVE YOU ABUNDANTLY," AND NOW THERE IS LITTLE WE ARE LITERALLY SQUEEZING BLOOD OUT OF STONE TO OFFER YOU STILL GOOD WAGES AND LIBERAL BONUSES.

YOU MUST REMEMBER THAT NOW THAT YOUR WAGES ARE INCREASED, YOUR BONUSES WILL INCREASE IN REAL TERMS BECAUSE THEY ARE A PERCENTAGE OF YOUR WAGES.

ON 20TH JANUARY, 1986, THE UNION REDUCED THEIR DEMANDS TO -

- (1) A GENERAL WAGE INCREASE OF 18%;
- (2) END OF CROP BONUS OF 4% ACCEPTED;
- (3) DULL SEASON BONUS OF 4% ACCEPTED ;
- (4) CHRISTMAS BONUS OF 8%.

THESE DEMANDS, PARTICULARLY THE MAGNITUDE OF THE REQUESTED WAGE INCREASE, WERE STILL UNREALISTIC IN THE PRESENT CIRCUMSTANCES. SINCE NO AGREEMENT WAS REACHED, THE MATTER WAS REFERRED TO THE LABOUR COMMISSIONER, WHO, UNABLE TO RESOLVE IT REFERRED IT TO THE MINISTER OF LABOUR, HON. MICHAEL O. POWELL. AFTER MEETINGS ON 29TH AND 30TH JANUARY WITH ALL PARTIES CONCERNED, THE MINISTER DETERMINED AS FOLLOWS:-

- (1) THERE WILL BE A GENERAL WAGE INCREASE OF 4%;
- (2) THE END OF CROP BONUS WILL BE INCREASED TO 4%;
- (3) THE DULL SEASON BONUS WILL BE INCREASED TO 4%;
- (4) THE CHRISTMAS BONUS WILL REMAIN AT 7%;
- (5) THE INCENTIVE BONUS FOR CANE CUT AFTER EASTER WILL REMAIN.

IN ADDITION, ALL PENSIONERS OF NACO WHO WERE RECEIVING \$7 PER WEEK WILL NOW RECEIVE \$10 PER WEEK. THE INCREASE WILL ALSO COME FROM THE FUND UNTIL THE INDUSTRY IS IN A POSITION TO ABSORB IT.

AS MINISTER OF FINANCE I WILL BE OFFERING A FURTHER CONCESSION TO THE WORKERS. I PROPOSE TO EXEMPT THE CHRISTMAS BONUS PAYABLE IN DECEMBER FROM THE SOCIAL SERVICES LEVY.

THESE THEN ARE THE CONDITIONS OF WORK WHICH WILL BE OPERATIVE FOR THE COMING CROP. I BELIEVE THEY ARE VERY GENEROUS IN THE CIRCUMSTANCES, AND I WOULD INVITE ALL WORKERS TO WORK FROM BEGINNING TO END OF CROP, BE AS PRODUCTIVE AS YOU CAN. MAKE YOUR EFFORT TO SAVE YOUR INDUSTRY AND EARN MONEY WHILE IT IS THERE TO BE EARNED.

BECAUSE OF THE REORGANISATION WE ARE A BIT LATE IN STARTING THE CROP. LET US CATCH UP.

THE CROP WILL START ON MONDAY 3RD FEBRUARY. LET US REAP IT WITHIN THE BEST ECONOMIC PERIOD. THE BETTER THE INDUSTRY DOES, THE BETTER YOU DO. LET US GET ON WITH THE JOB FOR OURSELVES AND OUR COUNTRY.

G O D B L E S S Y O U !

/9274
CSO: 3298/358

1 April 1986

ST CHRISTOPHER AND NEVIS

STATUS OF UNION-GROWERS-GOVERNMENT SUGAR TALKS

Basseterre THE LABOUR SPOKESMAN in English 1 Feb 86 p 1

[Text] On Wednesday and Thursday of this week, representatives of the St Kitts-Nevis Trades and Labour Union, the St Kitts Sugar Manufacturing Corporation (SSMC) and the National Agricultural Corporation (NACO) met at Government Headquarters, Basseterre, under the chairmanship of Mr Michael O. Powell, Deputy Prime Minister and Minister of Labour and Tourism.

The Union was represented by Comrades Joseph N. France, Fidel O'Flaherty, Owen Caines, Dudley Gumbs and Joseph Jones.

SSMC was represented by Messrs. Peter Van Hamel, Vincent Corbin, Samuel Nathaniel and Bernard Audain.

NACO was represented by Messrs. Leonard James, Christopher Walwyn and Wentford Rogers.

The Union put forward a case for the following increases for sugar workers:

- (1) a general wage increase of 18%;
- (2) an increase in the Xmas bonus from 7% to 8%.
- (3) An increase in estate workers pension from \$7.00 to \$10.00 per week.

During the earlier negotiations, the Union, NACO and SSMC had agreed to increase the end-of-crop bonus and the dull season bonus to 4%.

The Union referred to a number of problems facing sugar workers, including-

- (a) the sharp increases in the cost-of-living;
- (b) sugar workers do not get a full week's work (or pay) in the dull season;
- (c) the recent imposition of a 2% levy on wages by the government;
- (d) increases given to other categories of workers in the island.

The Union also pointed out that other Caribbean sugar-producing countries, faced with similar money problems to those being faced in St Kitts, had still found ways to improve the wages of their sugar workers.

The sugar corporations responded that they were sympathetic to the plight of the sugar workers but they had no money.

The Union suggested that the Government take some money from the sugar funds to pay the increases in wages, bonuses and pensions to the workers.

In the end, Mr Powell said that, as far as the government was concerned, the final offer to the Union was -

- (a) End-of-crop bonus increased to 4%,
- (b) Dull season bonus increased to 4%,
- (c) Estate workers pension increased to \$10.00,
- (d) A general wage increase to 4%.

The Union Executive is scheduled to meet later today to consider the matter.

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CSO: 3298/358

ST CHRISTOPHER AND NEVIS

MINISTER OF TRADE AND INDUSTRY ADDRESSES DEVELOPMENT GROUP

Basseterre THE DEMOCRAT in English 1 Feb 86 p11

[Excerpts from address by Minister of Trade and Industry Roy Jones at 25 January 1986 opening meeting of the East Caribbean Foundation for National Development at the Fort Thomas Hotel]

[Text]

Let me on behalf of the Government and People of St. Kitts and Nevis, say a word of WELCOME to ALL of you here, especially the Delegates and Representatives from overseas. You have come at a good time. You have come when some of us are still glowing with a sense of pride over how our country is viewed by others. FREEDOM HOUSE, an independent, non-profit organization based in New York released the results of its 1985 Annual worldwide survey of over 160 countries and territories, in every corner of the globe, and named St. Kitts and Nevis one of the world's "MOST FREE" nations for the second time in succession. St. Kitts and Nevis received the highest rating possible, for political rights and civil liberties. I sincerely hope that those of you who are visiting St. Kitts for the first time will set aside a little of your time, to sample the hospitality of our people and to get a taste of the kind of FREEDOM that makes our country one of the FREEST in the world. You should speak to our people. Feel free to ask our people questions. They will be glad to answer.

Government recognises the importance of small business development and is committed to creating the right climate that will foster and encourage the establishment and development of small business. We are aware too, that small businesses can and do grow into big ones and sometimes into giant ones. In any case, nearly all the businesses in St. Kitts and Nevis, whether they fit the description of small, medium sized, large or extra large, started small. So we in Government are mindful that being small is only a stage on the way to growing BIG. Nobody has to tell us or remind us that the islands of the East Caribbean are very small and weak in terms of economic and political development. And as such, we know that our individual efforts are limited. But by pooling our resources we can make ourselves, seen, heard and understood.

The CARICOM Countries could be a formidable economic force if we would act together more and better. Some members of the community have not lived up to the guiding principles of the CARICOM Treaty or even the Nassau Understanding hammered out at the CARICOM Heads of Government in 1984

But I am not going to harp about the weaknesses, problems and failings of CARICOM here today. Except to say, the problems are serious. I believe however, that in spite of the problems and set backs we in CARICOM have the "WILL" political and otherwise, to hold the community together and wrestle with the problems with the determination to overcome them. I think we can and will. Government supports the efforts, objectives and goals of the St. Kitts and Nevis Foundation for National Development and congratulates its officers and members on their achievements so far and for hosting this important meeting.

What I'll say now, I cannot say loud enough, but I'll say it nonetheless. The Government of St. Kitts and Nevis, has a clear vision of what it wants to achieve. We are determined to improve the quality of life for our people. And, Meetings like this, offer hope and increase our opportunities. I have a problem at times trying to make some people understand that DEVELOPMENT and GROWTH take time. And at a time when nearly all the Caribbean Nations are experiencing slow growth, lay-offs and closures in our manufacturing industries, and at a time when this region is plagued by very low prices for our traditional exports like sugar and bananas. Your organization, the Foundations for National Development, can represent a new source for building confidence in our people - and in particular, the small business people who are more vulnerable to the present adverse economic climate. The donor agencies funds, therefore, could spell the difference between collapse or survival of certain small businesses.

The prophets of doom and gloom in this country are always making the claim that doomsday for St. Kitts and Nevis is just around the corner. Don't believe them! The prospects for continued meaningful growth are still good and I can say the same for employment. But I must give a word of warning. Our productivity gives me cause for serious concern especially in the Public Sector. Productivity and work ethic in the Civil Service for example, are low and bad respectively. And this hurts our country. Of course, there are some Civil Servants who work hard and conscientiously but in my opinion, they are the exception and not the rule.

I would like to remind the workers of this country that they are expected to give a fair day's work for a fair day's pay. Less than that, they are hurting our country and impeding our progress. While on this subject, let me also call on the employers to pay a fair day's pay for a fair day's work.

We have heard over and over the importance of being able to feed ourselves. It is especially to the small business people that the Government of St. Kitts and Nevis look for much needed help in this area. Government is anxious to see more and more of our people getting involved in FARMING. For we must aim to feed ourselves. The opportunities exist in farming, in large numbers but sad to say, the takers are few. Too many of our people expect Government to do almost everything for them. I would like to remind them that Nation-Building is not for Government alone. Nation-Building must involve all of us. All of us have a part to play.

I feel compelled also, to mention two of the main criticisms directed against the Government of St. Kitts and Nevis by the Opposition.

1. GOVERNMENT IS TRYING TO KILL THE SUGAR INDUSTRY. That is far, far from the truth. The Sugar Industry is still the mainstay of our economy, and Government is determined and has made it absolutely clear, that we intend to keep this vital industry. The fact is, Government is presently in the process of upgrading the industry with a view to protecting the livelihood of the 5,000 sugar workers and their family and to help make the Industry viable.

2. GOVERNMENT WANTS TO DESTROY TRADE UNIONS IN THIS COUNTRY. Again this is not true. Consistently, we in Government have said that we support Trade Unions. As late as November last year, our Prime Minister, the Rt. Hon. Dr. Kennedy Simmonds addressed this issue in the National Assembly. He called on Genuine Trade Unionists to make up their minds whether they are Trade Unionists or Politicians. In the past, Trade Unions achieved great benefits for their members and I congratulate them for that. But, for them to continue the same kind of confrontation with Management, and demanding astronomical increases when the operations simply cannot absorb these increases, is suicidal.

/9274
CSO: 3298/358

ST CHRISTOPHER AND NEVIS

COMMUNIQUE DESCRIBES EEC AID UNDER LOME CONVENTION

FL151928 Bridgetown CANA in English 1600 GMT 15 Feb 86

[Text] Basseterre, 15 Feb (CANA)--Prime Minister Dr Kennedy Simmonds praised the contribution of the European Community (EC) to St Kitts and Nevis during aid talks this week with an EC delegation.

We can say that we have benefitted considerably over the years from our relationship with the EC, Simmond told the delegation, headed by Deputy Director General for Development Maurice Foley.

Its members left here yesterday for Barbados at the end of a two-day visit.

The aim of the meetings was to draw up the indicative programme of community aid for St Kitts-Nevis, in accordance with the provisions of the Lome Convention II between the Africa, Caribbean, and Pacific (ACP) states and the European Economic Community (EEC), a communique at the end of the talks said.

Under the convention, St Kitts and Nevis will receive approximately EC7.5 million dollars to be focused on primary school rehabilitation in St Kitts and improvement of the water supply in rural areas of Nevis.

In addition, the communique said, the European Investment Bank will help finance capital investment in certain productive facilities that conform to the convention.

The discussions concluded, the communique added, with the signing of the indicative programme of community aid.

While here, the EEC delegation toured projects in St Kitts and Nevis financed by the European Development Fund. This twin-island federation became a full member of the convention in 1984 but has been associated with EC for 10 years. During this time, it has received 11 million dollars in aid.

/9274

CSO: 3298/358

ST LUCIA

CONTINUATION OF PLP LEADER'S ADDRESS TO PARTY CONGRESS

Castries CRUSADER in English 8, 15 Feb 86

[Parts 2 and 3 of address to Progressive Labour Party Congress by party leader George Odlum; for Part 1, see JPRS-LAM-86-024 of 11 March 1986, pages 143-145; capitalized passages published in boldface]

[8 Feb 86 pp 6-7]

[Text] Today, four years later after the United Workers Party assumed office in 1982 it is ironical to hear the Prime Minister's New Year Message lamenting the fact that there is no **COOPERATION** for the Government and the State from the People of St. Lucia. He went to great lengths to indicate that St. Lucians refuse to support National Events unless they are well-paid to do so. He identified this as one of the fundamental problems affecting the economy and the development of St. Lucia.

Whatever magic the ruling Party worked in 1982 to be able to claim an electoral victory it is clear that they had **NO PLAN** for St. Lucia. No viable men to push the country ahead. No sustaining philosophy or ideology apart from empty phrases about **FREE ENTERPRISE** and **DEMOCRACY**. No popular support. No principles to contain corruption and mismanagement and this is why St. Lucians are now blighted with a Regime that is totally opportunistic and reckless in their self-indulgence.

The Progressive Labour Party's Programme was designed **WITH THE PEOPLE** and **FOR THE PEOPLE**. Our emphasis was on popular mobilisation to ensure that all developmental projects would enjoy the support and assistance of the People.

There are some who ridiculed our regular public meetings and our attempts to educate the people with a view to awakening national consciousness. There are others who sneered at our concept of Grassroots Democracy and the activation of the Village Councils to ensure island-wide participation. But in recent weeks the Government has initiated a Decentralisation Programme as a token gesture to mark the advent of a General Election. From time to time during the luckless tenure of office of the ruling Party there have been faint calls for a vestige of National Unity from the same men who decried the concept in 1982 when this Party strongly advocated the formation of a National Government as a prelude to the solution of some of our structural problems.

The Prime Minister's cry that the lack of public support is one of the most serious drawbacks in his Administration is more than eloquent testimony to the wisdom of the PLP's insistence on a broadly-based Government receiving wide public support from all sectors and parties in the community. This was true in 1982 as it is true today in 1986. The PLP was objective enough and honest enough to recognise it in 1982 but the UWP was too pre-occupied with the prospect of office to heed the warning. The reality of 1986 has forced the Prime Minister to admit that we were right all along.

But as in so many other social and political issues in St. Lucia the PLP has been objective and analytical and the UWP invariably comes around to admitting the accuracy of our statements. Those of you who listened to the Party Political Broadcasts prior to the 1982 Election will remember the two widely divergent views on President Reagan's Caribbean Basin Initiative held by the Leader of the UWP and my view expressed as Leader of the PLP. Mr. Compton saw the Caribbean Basin Initiative as "the greatest thing for the Caribbean since the Marshall Plan". Our view was not as effusive. We criticized the militaristic motive behind the CBI. We felt it was aimed more at El Salvador than the Caribbean.

We resented the fact that the aid package attempted to dictate a specific model of development for the Caribbean at a time when the people of the Caribbean were themselves searching for a model which would minimise exploitation and give them a chance at self-reliance and self-development. Finally we anticipated the fact that the CBI would provide very little in terms of assistance for the Caribbean. We begged to disagree with the naivete or the perversity of Mr. Compton. Today both the Prime Minister and his Deputy Mr. Mallet are loud in their condemnation of the effects of the CBI. Is it that they couldn't see before? Or they wouldn't see? Was their blind allegiance to Washington's hand-outs too strong to permit them to see the fortunes of their people in lucid terms?

Brothers and Sisters, you have seen at first hand the quality and style of our politics for more than a decade. You have noted our insistence on principle and integrity. You have observed over the years how we have resisted the blandishments of institutions and individuals whose intention was to subvert the power of the people. You have seen some of us operate in office. You have savoured the taste of our democracy. You have observed our sensitivity to the plight of the masses. You have monitored our struggles for a decent living wage for the oppressed sectors of the community. You have felt the elation and pride in our country when we represented you at the United Nations and in the highest forum of international discourse. You have heard us championing the cause of the Anti-Imperialist struggle. You recall the ringing tones in which we advocated the cause of small Mini-states and emphasised the importance of the concept of SOVEREIGNTY to such island-states. You have carefully followed our record in fighting CORRUPTION and the EROSION OF HUMAN RIGHTS for individuals irrespective of their status or calling. You saw for yourselves the battered and brutalised body of YAMAHA and knew that his corpse was tongue-less to defend his rights and only the voice of the Progressives was left to trumpet out his cause.

You heard the pleas of David England and his family as they proclaimed their innocence; some of you watched the injustice unfold in silence and almost heard the deafening silence of our community as VICTIMISATION and CALLOUS VINDICTIVE ACTION expressed itself. It was the Progressives who stood as the lone voice--the still small voice--in our Community. Brothers and Sisters, St. Lucians know that there is a different road to follow. They have seen the quality of PLP Democracy and they know the JUSTICE and HUMANITY that is implicit in PLP's SOCIALISM.

Political Developments (1982-1986)

At our last Special Congress in Gros Islet we traced in detail for the benefit of our supporters the events leading up to the Red Hearts Election of 1982. We itemised the level of interference in that election by outside forces and we exhorted you as a Congress and as a Party to ORGANISE FOR LIBERATION. This was the theme of our last Special Congress--ORGANISE FOR LIBERATION. Unfortunately I must report with honesty to you that the level of organisation which we looked forward to achieving did not materialise in the course of the past three years. We were threatened and challenged by some subtle manoeuvres and had it not been for the firm ideological position of some of our Brothers and Sisters, the entire future of our Party could easily have been compromised and the people of St. Lucia would be without a buoyant hope of ridding themselves of Comptonism and the UWP Government.

Immediately after the 1982 General Election our Party set to work revising the Statement of Principles by elaborating on the Principles expressed and spelling out in greater detail the policy implications of some of the principles. We also embarked on the exercise of preparing educational material for use in our Cell Groups. It was felt that only by this slow process of education our supporters would be able to develop the consciousness which would offset the "chicken and rum" patronage politics of the UWP and the barrage of propaganda used against Progressive Groups in the Caribbean.

These study groups involved almost every single candidate who contested the elections except Richard Edwin of the Dennery North Constituency who is studying in Canada and due to return in March of this year. For a period of time PLP morale was very high despite the fact that the grim economic facts of surviving after a General Election without income were weighing heavily on the minds of all of us.

Of course it was clear to everyone with any knowledge of the ground politics of St. Lucia that PLP is a serious political force to be reckoned with even though the distortions and the manipulation of the last poll left the Party with only one seat in the House of Assembly. Those who have a vested interest in seeing that no serious People-oriented Government takes office in the Caribbean came to the firm conclusion that no effort must be spared to destroy the PLP as an organisation.

They had come to the conclusion after years of attrition and untiring effort to destroy and corrupt your Party Leader, that the Leader of the Progressive Labour Party was not a saleable commodity. He cannot be bought. He cannot

be frightened. He cannot be wished away. He had become, given the limitations of mortal man, almost indestructible. In the esoteric vocabulary of Labour Party politics, he was CHOEUR CAMPECHE. With this realisation, the strategy they adopted was to isolate the Party Leader by subtly luring away all the top cadres of the Party. The techniques used were varied. They ranged from propaganda ploys about Communism, Cuba and Libya to luring away cadres with jobs, economic handouts, organising loans for candidates and sowing the seeds of confusion in the Party. The overall plan envisaged that these disaffected candidates would move into the chimerical group which describes itself as the St. Lucia Labour Party under a newly-installed Leader. In the straightened economic circumstances in which defeated political candidates find themselves in these small vicious and vindictive Caribbean societies such a strategy was found to make some impact.

By the turn of 1983 when the Party could muster no resources to sustain its cadres it became increasingly difficult to convene Executive Meetings and General Council Meetings. There was a high level of absenteeism and four consecutive Executive Meetings were cancelled for lack of a Quorum. This was certainly a new development in the political life of our Party. As Party Leader I had anticipated this development and promptly convened a Caucus of dedicated stalwarts from Cell groups in the different Constituencies. The terms of reference of this Party Leader's Caucus was to carry on the day-to-day conduct of Party business until the Executive and General Council started functioning again.

The Caucus did precisely that and we convened a series of Public Meetings on specific issues mainly to ensure that the Party's profile remained unaffected. We held some Demonstrations in the Valleys and an Unemployment March in Vieux Fort. We intensified our contact with Cell Groups simply to explain the strategy of the Party to them and to upkeep their morale during the period when it was obvious that a number of Candidates were absent from public functions of the Party.

Brothers and Sisters, I must explain to you that the retreat of defeated candidates is a regular feature of Caribbean and St. Lucian politics given the victimisation in our societies and the inability of out-of-office politicians to find any form of gainful employment. But such was the impact of PLP that a different code of conduct is expected of PLPees. Our people consider them to have a tradition of HARDNESS and they look for commitment and dedication from them in all circumstances. This is a wonderful tribute to the image of the Progressive Labour Party--HEARTS ARE FOREVER.

In September 1984 a group of candidates wrote a letter to the Party Leader expressing concern about the way the Party was operating away from the main organs of the Party such as the Executive and the General Council. The group requested a meeting with the Party Leader to thrash out some of these problems.

The Party Leader promptly referred the letter to the Caucus and the Caucus recommended that the signatories to the letter should all be invited to attend an Executive Meeting or a full meeting of the General Council. The meetings were convened but only three or four of the signatories attended.

Nevertheless this had the effect of re-establishing the Executive and the General Council Meetings. The Executive itself endorsed the decision of the Caucus to conduct such consultation within the framework of the Party machinery. The upshot of all this is that there were persistent rumours that members of the PLP were about to move into the SLP camp. Those rumours were understandably encouraged by the SLP themselves in an effort to create confusion. But when we consider the make-up of a Progressive it is difficult to conceive of a strong PLP cadre moving into the unprincipled opportunism that characterises the new leadership of the SLP. Up to this moment, despite all the propaganda about isolating the PLP leadership, not one single PLP candidate has announced his intention to run for the SLP. When an interviewer confronted the Deputy Leader of the PLP a fortnight ago and asked him whether he had any association with the SLP he replied: "I have no association with the SLP. Someone from the SLP invited me to join them and I refused". Brothers and Sisters, once again we have to observe the peculiar quality of the PLPees. Despite all the victimisation and the economic hardship our PLP cadres have stood up firm and HARD. Neither the UWPees nor the SLPees would have resisted the bribery and the carrots so stoutly. I have gone through this episode in detail in a way that no Convention Address from the other two Parties would. This is because the Progressives must learn to face the realities whether they are palatable or not. We must face our setbacks as boldly as we embrace our triumphs. The other Parties in St. Lucia would pretend that all is rosy in the garden and there are no weeds clogging their path. This is not the Progressive Way.

[15 Feb 86 pp 6-7]

[Text] The Grenada Episode

Brothers and Sisters our Party had indicated to you that part of our Post-Election strategy was to keep a low profile, not appearing to obstruct any of the efforts of the Government to run the country in accordance with the model they embraced. Of course we had warned the electorate of all the dangers that lurked in the return to power of a Compton Administration. We had a supreme confidence in our analysis and we were sure that if they were left alone they would virtually fall on their own weight. I want to thank you the supporters of the PLP for the understanding way you responded to the strategy.

You have been bred on a Party tradition of regular Market Steps meetings, full exposure of issues and constant mobilisation for action. When you were faced with the merciless imposition of unfair taxes and burdensome Hospital fees you simply shrugged your shoulders and said: WE LIKE IT SO! When the UWPees themselves were bawling over unemployment and the hard economic situation, you grinned knowingly and said: WE LIKE IT SO! When the Public Servants couldn't get their salaries and the Government goes begging and borrowing every month to try to pay wages, you only said: WE LIKE IT SO. When the U.S. troops moved in to militarise our country and to train our Policemen as killers you calmly remarked: WE LIKE IT SO.

This is the high level of maturity and political consciousness brought about by your faithful attendance at political meetings, caucuses and Cell Groups.

But during this time when the low-profile strategy was being employed a traumatic event took place in the Caribbean: The murder of Maurice Bishop and the subsequent Invasion of Grenada by the United States assisted by some Caribbean policemen. As shocking and stunning as these events were you will recall that our Special Congress in Gros Islet in October 1982 I had warned of certain developments in the political life of these islands. I told you to beware of certain small groups that were mouthing Marxist slogans that they did not fully understand. I even went on later to lecture to you in Cell Groups on Marxism and its relevance to our Class problems and other economic and philosophical problems. This is because I foresaw the dilemma that our brothers would be faced with if they got caught in the trap of manipulating power through small groups instead of rooting their power in the wishes of the masses of the people. Certain groups here took umbrage at these observations and attacked me roundly for them. But the tragic events in Grenada underscored the relevance of these remarks.

Brothers and Sisters I want you to exult in the knowledge that our Party--the Progressive Labour Party of St. Lucia--was one of the very few Parties in the Caribbean which stood up on its principles all during this trying and exasperating episode. We enunciated every principle which flew in the face of the Yankee Invasion. We denounced the murderers of Comrade Maurice Bishop in no uncertain terms. We denounced the Leaders of the Caribbean like the late Tom Adams, John Compton of St. Lucia and Eugenia Charles of Dominica for their complicity in sacrificing our Sovereignty for a doubtful mess of CBI pottage. We broke our silence in order to mount a Rally on the Market Steps to explain the events of Grenada to the people of St. Lucia so that the full weight of US-organised propaganda would not blur their vision. It is extremely important for you to appreciate the sharp difference between the Parties in the way they react to important issues of the day. The PLP never flinches from facing the issues and reasoning with the people in order to arrive at a firm position. We never hide or take refuge in silence as some other Parties did on the Grenada issue. This is the Progressive Way.

After the demise of the Bishop Regime our Party felt that it was of crucial importance for St. Lucia to fill the gap which was left in maintaining a firm link with the Socialist International Movement especially with the Latin American and Caribbean group in the Movement. We also felt it important to strengthen our links with the European members of the Socialist International. The PLP has been present at some of the Bureau Meetings of the Socialist International and has participated in the activities of the Latin American and Caribbean Committee in the movement.

At the last Bureau Meeting of the Socialist International in Vienna on October 15th-17th 1985 the Report of the Socialist International Committee on Economic Policy was formally presented by Michael Manley of Jamaica on behalf of President Willy Brandt. The Report is of importance to Social Democratic and Labour Parties in that it marks important new ground in the thinking of the democratic Left in response to the crisis of the Eighties.

It also represents a strong challenge to the failures of the New Right. The Report is contained in a booklet entitled GLOBAL CHALLENGE.

For the purposes of the PLP we do not see this Report as a blueprint for the solution of our internal national problems. Clearly we ourselves must find such solutions in accordance with the internal dynamics and the objective conditions in our country but the Report deals with the reform of International Institutions together with types of governmental action which can be undertaken by like-minded Governments cooperating internationally.

For the general information of the Congress and for the benefit of those who have not yet read the Report I will briefly outline the main Conclusions and Recommendations of the Report:

- (1) There must be a multilateral solution to the North-South stalemate, but to achieve it we need to recognize the veto on global development imposed by some of the developed countries. We challenge the domination of the world economy by a handful of giant transnational corporations.
- (2) Changes in the structure and management of the world economy, which have been called the New International Economic Order, NIEO, must be progressively implemented if there is to be any real prospect of self-sustaining global development. The South has a responsibility to focus on the creation of new capacity for production and a strengthening of patterns of trade through South-South cooperation.
- (3) The indications of an interest in dialogue on the world economic system by Eastern Europe with the West and the possibility of introducing the North-South Agenda into that dialogue has major implications for the global economy.
- (4) Conservative and monetarist policies, not least those imposed by the IMF, have now imposed major deflation on the world economy and contributed to global slump.
- (5) The mutual interests of the peoples of both North and South in disarmament at present are blocked by global militarism. We recognize the rights of sovereign states to self-defence, but deplore a world arms budget which is over a third of the GDP of Third World countries--for ten percent of what the world now spends on arms each year, we could begin a process of world recovery and achieve a decade of new development for North and South alike.
- (6) This implies major changes in the current policy approach and reform of international institutions, as well as a realignment of the global development agenda. Until the North begins the process of resolving its own crisis, there are only limited prospects for development of the South. But so long as multilateral solutions are blocked by individual powers or superpowers, like-minded countries in both North and South should work together and, through their regional institutions, pioneer joint recovery programmes.

As I mentioned earlier these recommendations are global and institutional nevertheless they have a bearing on our own local and internal situation.

It must not escape your notice that even at that level the emphasis is on INTERDEPENDENCE, COOPERATION, DIALOGUE, REALIGNMENT, LIKE-MINDED COLLABORATION, JOINT ACTION AND UNITY! Let those Architects of Division and Self-Promoting Anarchists who are scheming to divide the people of St. Lucia in order to let the Forces of Reaction and Exploitation continue their wickedness, let them see that at the highest levels of international relations JOINT ACTION and UNITY in the common cause is the right Progressive path to follow.

Political and Moral Decline

Brothers and Sisters, in some ways it is easier to understand the economic decline of St. Lucia than it is to fully appreciate the havoc which the Government has wreaked on our politics, our political institutions, our national pride, our moral values and our self-consciousness as a people. I wish to bring a very simple and commonplace example to you of the dramatic decline in our self-esteem as a people. Everywhere on our roads today it has become hard to find fares to pay transport so hitch-hiking or getting lifts has become a dire necessity. Our youth in their resilience devise techniques for asking for free-rides. The most common technique now is to call-out to the driver of the vehicle "BOSS-MAN BOSS-MAN GIVE ME A LIFT. One cannot help but reflect that a few years ago the Youth of St. Lucia would take a firm stand on calling anyone BOSS-MAN. He would see this as a compromise of his manhood and as a relic of the days of slavery. Today such sensitivities are no more. If the driver's susceptibility to flattery will result in a free ride then this is in itself a justification of the sentiment. The sense of history has disappeared. The fierce sense of dignity and personal pride is gone and it is replaced by the cheap tactic of the hustler or the Con-Man.

As simplistic as this example might sound it is indicative of a marked deterioration in the quality of life at all levels. The Ministers of Government have themselves expressed their concern about this deterioration but they have failed to admit to their part in bringing about the collapse of our value-system. Perhaps they have never paused to see the world through the forlorn lenses of a St. Lucian youth, unemployed, half-educated, with sick and penniless parents, pregnant and unemployed wife or girlfriend and no immediate prospect of earning legitimately in his country of birth. It might be alarming to many people that almost HALF of the youth of St. Lucia find themselves in a predicament similar to the one I have just described. Some have already complicated their problems with an addition or regular use of drugs and/or alcohol.

Our Youth see the society, not through the rose-tinted spectacles of our Prime Minister who tells us that banana production has increased, tourism arrivals have increased therefore everything is rosy in the Garden. Our Youth are the ones sitting on the bottom-line of survival in this society. They are the ones who know how rosy the stench of the ghetto is! They are the ones grubbing for pennies to keep body and soul together! They are the ones waiting endlessly for work at Hess! They are the ones shut out by Club Mediterranean in their own country! They are the ones being hunted down for

smoking marijuana! They are the ones being jailed for petty crime while the big-shot crooks go scot-free! They are the ones who were banned from marching! They are the ones who were banned from wearing greens! They are the ones who lived through YAMAHA and COPRAGATE and saw the quality of Justice in this country.

Brothers and Sisters let us dwell a bit on the impact of these two episodes on the mind of a young man reaching out for some standard of behaviour, some hint of fairness, some code of ethics, some sense of decency as to what is right and what is wrong.

In the Yamaha case the Police lied to the public by claiming that a suspect who was in their custody for questioning in connection with a murder had jumped over a cliff to his death, when the death certificate and pictures of the brutalised body revealed otherwise. The PLP member of the House of Assembly put an oral question to the Prime Minister asking whether the Prime Minister would consider appointing an Independent Commission of Enquiry into the Police in view of the fact that the Police account of the death differed sharply from the cause of death stated in the official death certificate.

The Prime Minister's reply was made at a House of Assembly Meeting on 29th January 1985 on the very day that the Coroner's Inquest had started on the death of Ralph Daniel, in connection with whose murder the Police questioned Fontenard. Instead of specifically replying to the question about an Investigation the Prime Minister abused the privilege of the House to make a series of dangerous and irregular statements about the case. He made the alarming and mischievous statement that "All available evidence of this brutal and dastardly act points to Fontenard as the Culprit". He later repeated the statement at a Public Meeting on the Boulevard while the Inquest was in process. Predictably the verdict of the Coroner's Inquest reflected exactly the position taken by the Prime Minister despite the force of the medical evidence to the contrary. But this was not surprising since the Police hand-picked a jury with strong political bias to effect the cover-up.

(To be continued next week)

/6091

CSO: 3298/353

ST LUCIA

BRIEFS

NEW PLP EXECUTIVE--The New Executive: Party Leader: George Odlum; Deputy Party Leader: Antonius Gibson; Party Chairman: Jon Odlum; Deputy Party Chairman: Harold Nicholas; Party Treasurer: Wilcina Haynes; General Secretary: Leo Clarke. [Text] [Castries CRUSADER in English 25 Jan 86 p 1] /6091

POPE'S VISIT--Castries, Feb 27, CANA--Pope John Paul will visit St Lucia on July 7, the Roman Catholic Church here announced today. Confirmation of the trip was contained in a letter presented to Prime Minister John Compton this week by Monteiro de Castro, archbishop of Benevento and apostolic pronuncio based in Port of Spain. The Polish-born Pope was invited to visit here several months ago. Church and government officials, confident that he would have accepted, had already started planning for the occasion. Last year, St Lucia, which has a population that is reported to be 85 per cent Roman Catholic, established diplomatic relations with the Vatican. The Pope was last in Caribbean last February, when he paid a brief visit to Trinidad and Tobago at the end of a Latin American tour. It was not immediately known whether he will visit nearby states. [Text] [Bridgetown CANA in English 1706 GMT 27 Feb 86 FL] /6091

CSO: 3298/364

1 April 1986

ST VINCENT AND THE GRENADINES

BRIEFS

GRENADINES YOUTH ACTIVITIES--The President of the St Vincent and the Grenadines National Youth Council (NYC) Arthur Bobb says that an NYC's delegation will visit the Grenadines, from February this year. He said the delegation will examine what can be done to increase the level of communication with the NYC's servicing of the islands. There are youth organisations in the Grenadines, affiliated to the NYC, and who have received little recognition from the council last year. The NYC President admits that "the Grenadines have been neglected" by the NYC and many other sporting and cultural organisations in St Vincent. He stressed that the problem was communication. Bob noted, that it was important that the people of the Grenadines didn't think that the NYC is "segregating and discriminating" in the work it is doing. He said there are some handicap facing the NYC, including limited finance. [Text] [Kingstown THE VINCENTIAN in English 24 Jan 86 p 6] /9274

CSO: 3298/359

TRINIDAD AND TOBAGO

NAR, LEADERS DISCUSS NEW PARTY, ELECTIONS, PROSPECTS

Robinson Remarks

Port-of-Spain TRINIDAD GUARDIAN in English 24 Feb 86 p 1

[Article by John Babb]

[Text] Active opposition politics in Trinidad and Tobago yesterday formalised itself into a single unit--the National Alliance for Reconstruction (NAR).

By 2.20 p.m., when the National Alliance of the United Labour Front, (ULF), Democratic Action Congress (DAC), and Tapia, and the Organisation for National Reconstruction (ONR), were no more, the overflowing audience applauded as they sang Auld Lang Syne.

The atmosphere at the Seamen and Waterfront Workers Trade Union Hall (SWWTU) on Wrightson Road, Port-of-Spain, was one full of emotions. The capacity audience of delegates and observers applauded almost everything said or done by the NAR political hierarchy.

Lloyd Best, formerly of Tapia, received a welcome home reception he will not forget for a long time.

Much public tribute and praise were showered on Karl Hudson-Phillips, formerly of the ONR, and Basdeo Panday, formerly of the ULF, who each received vociferous and long-standing ovations. They are both Deputy Political Leaders of the NAR.

But it was the NAR Political Leader, A. N. R. Robinson, who put the icing on the cake with an off-the-cuff address that reflected the atmosphere of the conference.

And in a no-nonsense speech "ANR" told NAR like it is.

Need for Discipline

He emphasised the need for discipline "from the top to the bottom".

The Political Leader called for strict adherence to the party's Code of Ethics, and warned that those who fell out of line could draw the full wrath of the National Executive and/or special conference of delegates.

Mr. Robinson told of having received complaints about the conduct of some members in the Local Government bodies, but said he had refrained from taking drastic action.

He felt that the code of conduct must first be established and approved. Now that this has been done, he said he expected everyone to observe the code.

In an apparent preface to the forthcoming election campaign, Mr. Robinson warned NAR members and supporters: "It is not going to be easy pickings."

In his inimitable convincing style and delivery Mr. Robinson declared: "Let me warn you, election year is one in which the PNM is always prepared to sell half of the country in order to keep the other half.

"I say these things," he added, "merely to drive home to you how serious is the struggle that we face; how desperate is the opposition against us, and how drastic is the situation we will meet when we have the offer to form the Government of Trinidad and Tobago."

But it is our country to which we must be totally and completely committed," declared Mr. Robinson.

"I myself do not shrink from the task, and I hope you feel that you are up to the challenge, and you will not hesitate to tackle the task which will confront us as we enter the Government and proceed to the reconstruction of Trinidad and Tobago," he added.

Feeling of Confidence

"We will have to do it in the economic field, the social field, in the field of organisation of the Government, and the building of political institutions which will give every ordinary man and woman in the community a greater say in the conduct of Government.

"Let us get rid of this over-centralisation that has dogged this country for years. We have to inject a feeling of confidence in the nation, and a conviction that self-reliance is the way to progress," he said.

Mr. Robinson reminded the NAR members: "It is you who had made the call for unity; it is you who now have a chance to proceed in unity." As a result, he urged that they begin organising at the grassroots in their communities.

After explaining why he believed that the next General Election would be held shortly, Mr. Robinson, emphasised to members the need to be ready.

Mr Robinson's speech was punctuated with much applause, especially when he fired the imagination of members that the election may be around the corner.

But Mr Robinson kept waving his warning signals. "It will get hot, hotter, and hotter, and hotter as time goes on in the next three to four months. I am told it could even be as early as April, 1986, so we must be ready," he declared.

The day's programme ended shortly after Mr. Robinson concluded his speech. And like their leader, delegates left convinced that yesterday had been a great day in the history of Trinidad and Tobago, and in the history of the Caribbean as a whole. Moreover, it had been "a great day for opposition politics."

Election Speculation

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 86 p 3

[Text]

POLITICAL Leader of the National Alliance for Reconstruction (NAR), A.N.R. Robinson, thinks that "the great battle — a general election — may be on us at any time."

And why does he think so? On Sunday when he gave his reasons to an overflowing audience of NAR members and supporters at the Seamen and Waterfront Workers' Trade Union Hall on Wrightson Road, he told them: In August local government elections are due. Also, this year, a general election is due in November. Let no one fool you. A general election is due in November, 1986."

"The situation," he explained, "is, that the Constitution provides for a grace period. And when the Constitution provides a grace period, what it means is, that the grace period may be necessary only in exceptional circumstances. But Prime Minister will not observe this spirit of the Constitution. So that grace period would carry us to February, 1987," Mr. Robinson added.

Then the NAR Leader asked: "Are you going to allow Mr. Chambers to postpone Local Government elections?"

He said: "I don't think he would want to give up without a fight. If he postpones, it means he is afraid of an election. But will he proclaim to the world that he is afraid? We know he is afraid," he added.

According to Mr. Robinson, the Government was in such a situation last year when it could not make its ends meet. There was a gap of \$1.5 billion, and they were facing a gap in

1986 of about \$2.6 billion, hence the devaluation. The Government was forced to devalue. It had got itself in a situation where it had no choice but to devalue, because a Government does not devalue just before a general election. And since devaluation we are threatened with storm warnings on the international horizon over our major resource — oil.

Waste Of Resources

"Here we are in 1986, 24 years after achieving Independence, we are more dependent on oil than we were when we achieved Independence in 1962. And that is principally due to the wrong-headed approach of the Government to industrial development and its extravagant waste of the resources.

"In 1981, the year of the last general election, the Government increased recurrent expenditure by almost 70 per cent — by over \$2 billion. So our savings were wiped out by the stroke of a pen, and what was our long-term savings were wiped out in a matter of two to three years in order to satisfy the insatiable desire of power politics of the PNM. So if they did that in 1981, do not under-rate what they will do in 1986.

"It is my duty to warn you that no matter how much the climate of the country is for a change, it will not be easy pickings, so gear yourselves for the task," he added.

Stand on Social Justice

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 86 p 12

[Text]

ALL OFFICERS of the National Alliance for Reconstruction (NAR) will remain in office until the next annual conference of the party.

This was agreed upon at Sunday's special meeting at which the two constituent units formally dissolved and became one party in opposition to the ruling People's National Movement (PNM).

It followed a resolution moved by the party's Political Leader, A.N.R. Robinson, at the SWWTU Hall where the all-day session took place.

The officers are Herbert Atwell, chairman; Nizam Mohammed and Clive Pantin, vice-chairmen; A.N.R. Robinson, Political Leader;

Deputy political leaders Basdeo Panday and Karl Hudson-Phillips. Executive members Suruj Rambachan; Anthony Smart, Roy Augustus, Ken Ablack, Dr. Romesh Mootoo, Arthur Sanderson, Philip Nunez, Jenson Fox, Valeria Walcott, John Humphrey, Winston Dookeran, Kelvin Ramnath, Trevor Sudama, Pamela Nicholson, Lloyd Taylor, Dr. Beau Tewarie and Dr. Martin Sampath.

One of the important matters tackled at Sunday's meeting was the passing of the NAR constitution with amendments. A party source said yesterday that further amendments — if necessary — would be made at a Special conference.

Article two of the document states that NAR pledges to uphold the Constitution of Trinidad and Tobago, the rule of law and the fundamental rights of the individual within a framework of economic and social justice and religious freedom.

Also, to uphold the democratic system of political participation free from victimisation and sensitive to the multiple interests in the society.

Other aims and objects include:

- To work towards national unity and to collaborate with organisations and individuals also dedicated to this aim;

- To promote the economic, social, moral, spiritual, cultural and educational development of the people of Trinidad and Tobago;

- To foster patriotism and social

cohesion and the acknowledgement of a Supreme Being among the people;

- To provide good humane government with high standards of integrity and service;

- To promote economic, cultural and political association with other Caribbean countries and a better understanding among peoples of all nations, and;

- To support and collaborate with all peoples throughout the world for the total elimination of all forms of racism, apartheid, tyranny and totalitarianism and for the defence and promotion of fundamental human rights and freedoms as enshrined in the Charter of the United Nations.

Code Of Ethics

Under the heading "Code of Ethics," a member is deemed to have committed an act of indiscipline or misconduct if he/she does a number of things such as engaging in any immoral, obscene and disorderly behaviour whilst engaged in the course of the party's business;

- Behaves in such a manner that would bring the party or any unit into ridicule and contempt;

- Makes any statement or informs any person or authority of any matter which is contrary to the policy or programme of NAR; and

- Discloses without the consent and/or authority and/or permission of any unit of the party any decision or any information which he/she is not authorised to disclose.

There is provisions for the establishment of a Disciplinary Tribunal which has the power to penalise erring members in a number of ways, including expulsion, suspension, reprimanding or offering an apology acceptable to the party.

Election Prospects

Port-of-Spain TRINIDAD GUARDIAN in English 27 Feb 86 p 1

[Text]

AN OPPOSITION National Alliance for Reconstruction (NAR) Senator has given a cautious welcome to a poll — still to be officially released — which shows that the ruling People's National Movement (PNM) would lose the next general election to the NAR.

Senator Dr. Sahadeo Basdeo, a University of the West Indies lecturer, said yesterday that while he was generally suspicious about polls, he knew that the people of the country were also disenchanted with the present government.

He added:

"The fact that this disenchantment is more than ever more pronounced at this time means one must take the conclusions in a more serious way and be heartened by the results.

"However," he said, "it would be folly for the right thinking citizens

who see a change of government as the first step in correcting the many ills in the country to be lulled into a sense of complacency.

The Opposition needs to continue its hard work to ensure that the will of the people is realised on election day, whenever that time comes."

Senator Basdeo also warned citizens to look out "for a massive public relations campaign to be carried out by Government because the ruling PNM knew that its political stocks were low.

"This is easily gauged by the pending visit to factories by Prime Minister George Chambers. Is he saying that Industry and Commerce Minister Wendell Mottley cannot supply him with whatever information he needs from this sector?

"See what I mean.. a public relations blitz by the ruling party," the Opposition Senator noted.

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CSO: 3298/360

TRINIDAD AND TOBAGO

REPORTAGE ON JAMAICAN PRIME MINISTER'S VISIT

Seaga Speech to Jaycees

Port-of-Spain TRINIDAD GUARDIAN in English 3 Mar 86 p 1

[Text]

JAMAICAN Prime Minister Edward Seaga sees a new trade mechanism which promises to afford Caribbean manufacturers increased access to the Canadian market.

The new mechanism, he told West Indian Jaycees on Saturday night at the Holiday Inn, is currently before Caribbean governments as a basis for discussions and negotiations.

It is quite likely that this is one of the topics which the Jamaican Prime Minister will discuss when he holds two hours of talks at Whitehall with Trinidad and Tobago Prime Minister George Chambers today.

By pursuing a foreign policy based firmly on a balanced mix of the region's natural, political, ethnic, economic and trading considerations, he told his audience, the efforts of the region's governments had borne fruit at the regional level in the creation of the Caribbean Basin Initiative (CBI).

The CBI, he pointed out, was further recently expanded at the recent Grenada meeting with U S President Ronald Reagan.

When he visited Grenada last month, President Reagan announced a special programme to benefit Caribbean garment manufacturers in the US market. Caribbean-produced clothing made from cloth woven and cut in the US would have guaranteed access to the US market, Mr. Reagan assured.

The US President said it was good for the US textile industry, and meant jobs for the Caribbean people.

Mr. Seaga on Saturday night also told of efforts that recently resulted in positive results in the development of CaribCan with Grenada.

Like in the case of the CBI, Mr. Seaga said the new mechanism currently being discussed would provide increased access for Caribbean goods to the Canadian market.

Mr. Seaga spoke on the theme —

"Of Freedoms and Democracies." In doing so, he noted that notwithstanding the variety of ethnic origins, language groups, different cultural traditions and disparities in income, there was a pattern of precept and practice which could fairly be termed a Caribbean political tradition.

The dominant and enviable characteristic of this Caribbean tradition was a firmly entrenched tradition of parliamentary democracy, featuring regular elections, "which has created the largest concentration of stable functioning democracies in the entire world, several of them with a history of many decades of flawless performance," he added.

He asked: "Where else in the world does there exist an aggregate of 29 functioning democracies among 32 political entities, half of them sovereign nations?"

Enviably Perception

"No other geographical area can make this boast, not in Africa, nor Asia, nor Latin America, nor indeed, even in Europe and North America," he added.

He told West Indian Jaycees it was important that one recognise that, despite many pressing issues at national and regional levels, "we have earned for ourselves the enviable perception in the eyes of the international community of being a zone of moderation."

According to Mr. Seaga, "this image is one of the most precious resources which we can share today."

Such a perception, he added, enabled the Caribbean to look outwards, assured of more positive responses in terms of stability, trade and economic linkages, investment flows and much-

needed technical assistance, to achieve and sustain an acceptable rate of economic growth and improved living standards.

The Jamaican Prime Minister urged that the foreign policy of countries in the region must continue to be mix and a blend which served all their interests.

In his speech Mr. Seaga referred to the action taken by Caribbean countries to wipe out Marxism in Grenada. He said this action changed the region's international image from negative to positive.

Mr. Seaga expressed the conviction that his visit to Trinidad and Tobago will "strengthen the fraternal relationships between the two governments and allow us to get along better and solve problems more easily because we would know each other more intimately."

Seaga-Chambers Meeting

Port-of-Spain TRINIDAD GUARDIAN in English 4 Mar 86 p 1

[Article by Norris Solomon]

[Text] Trinidad and Tobago is leading the entire Caricom region in providing facilities and services for its people, Jamaica's Prime Minister Edward Seaga said yesterday.

Speaking before formal discussions at Whitehall with Prime Minister George Chambers of Trinidad and Tobago, Mr Seaga drew attention to landmarks scheduled for him to visit. They included the prestigious multi-million dollar Mount Hope Medical Complex, Financial Complex, Hall of Justice, Point Lisas Industrial Estate and the Neal and Massy auto assembly plant.

He said: "I look forward to seeing these physical landmarks, because I hope that one day we too shall be able to generate those surpluses that are necessary for us to provide our own people with the kind of facilities and services which you are leading the entire region in providing for the people of Trinidad and Tobago.

The Jamaican Prime Minister felt Caricom was not an arena for earning foreign exchange but for exporters to cut their teeth in gaining experience to enter international markets where foreign exchange can be gained. That, he said, was the real world of Third World competition.

Caricom, he said, could do great things like providing work, and he hoped that during his talks with Mr Chambers they could achieve "zero licensing EC-O's" to make trade truly free in the spirit of Caricom.

Earlier, Mr Chambers said that while large markets in third countries were important, regional trade was of much more significance to both Jamaica and Trinidad and Tobago.

When Mr Seaga went to Whitehall for talks with the Trinidad and Tobago Prime Minister, Mr Chambers welcomed him saying:

"In the past we worked closely together with others in forging a common Caribbean position for negotiation of the Lome Convention, an approach which allowed us to gain concessions which none of us individually would have been able to secure. I am sure there is much we can learn from that effort to enable not only our two countries but also the entire region to extract greater benefits from the Caribbean Basin Initiative and the CaribCan agreement in years ahead."

Mr Chambers noted that in the last quarter of 1985 there was substantial increase in the value of licences and foreign exchange approvals in respect of the importation of goods for Jamaica.

He said he was heartened to learn that Jamaica was making every effort to ensure smooth implementation of "our bilateral Trade Agreement as well as our understanding in respect of the servicing of the debt owed to Trinidad and Tobago."

Yesterday was the third day of Mr Seaga's visit.

Important Meeting

Mr Seaga agreed with Mr Chambers that the meeting was of great importance.

He said: "I would like to put it in mathematical formula following in the words of your illustrious predecessor, the late Dr Eric Williams, when Jamaica withdrew from the Federation many years ago.

"He summed it up in a phrase which has lived in history and which has been significantly logic as 'one from ten leaves zero.'

"In respect of Caricom, I say two from ten equals zero, because we are the two largest market places of Caricom, and if we do not provide market places for each other then we cannot provide markets for the rest, nor can the rest of the countries which constitute Caricom expect to be markets for us.

Mr Seaga added: "To me Caricom is an arrangement which has many facets, but we tend to overlook the fact that basically speaking Caricom is not an arena for earning foreign exchange.

"It is an arena in which our exporters can cut their teeth in terms of gaining the experience that is necessary before they enter the real world where foreign exchange can be gained. The real world of Third World competition.

Caricom, Mr Seaga said, more than anything else, was "an opportunity for us to give work to our people.

"If we did nothing more than trade equally between ourselves and thereby earn no foreign exchange in terms of the net balance we would serve to give more work to the people of Trinidad and the people of Jamaica."

He said he had looked at the statistics over the last five years and noted that the balances had swung from one side to the other, which if they were totalled over the period, would cancel each other out.

Sitting in with Mr Chambers yesterday at the discussions were Errol Mahabir, Minister of External Affairs, Ronald Williams, Minister of State Enterprises, Senator Wendell Mottley, Minister of Industry, Commerce and Consumer Affairs, Senator Anthony Jacelon, Minister in the Ministry of Finance, and Knowlson Gift, Trinidad and Tobago's High Commissioner to Jamaica.

With Mr Seaga were E. Frank Francis, Minister of Foreign Affairs; Donald Bryce, Permanent Secretary in the Office of the Prime Minister; Derrick Smith, Member of Parliament; Senator Olivia Grange, Parliamentary Secretary in the Office of the Prime Minister; Reginald Phillip and Ellen Bogle, Jamaican High Commissioner to Trinidad and Tobago.

Later in the day Mr Seaga met Opposition Leader Basdeo Panday at the Trinidad Hilton for a 45-minute session during which both men compared political institutions of both countries.

Mr Panday, who said Mr Seaga viewed the National Alliance for Reconstruction (NAR) as a good step towards entrenching the two-party system and thereby strengthening the democratic process, added:

"I found Mr Seaga to be a very charming person who knows what he wants, how to get there and certainly has a very commanding personality."

Seaga-Panday Meeting

Port-of-Spain EXPRESS in English 4 Mar 86 p 1

[Article by Anthony Milne]

[Text]

LEADER of the Opposition Basdeo Panday met with Jamaica Prime Minister Edward Seaga for 45 minutes yesterday at the Trinidad Hilton when they discussed "politics generally and the structures of government," according to Panday.

"We spoke about the structure of our Houses of Parliament and local government bodies," Panday explained, "as well as our elections and boundaries commissions." Panday was interested to learn that in Jamaica political parties have representatives on the elections commission, something he has been pressing for here for years.

"We also spoke about our general election which I indicated is due in November, with a three-month grace period," the Opposition Leader explained. "I brought him up to date on efforts for opposition

unity here and the National Alliance for Reconstruction and Mr Seaga felt the new party would make for better democracy in the sense of helping to entrench the two-party system."

Asked what his impressions were of Seaga, Panday described the Jamaican Prime Minister as "an extremely charming man with a commanding personality and strong character who seems to know exactly where he is going and seems to have no problem about how he is going to get there, or that he will."

Panday said he felt that he, as part of a possible future Trinidad and Tobago government, could deal with Seaga easily. "I get the impression Jamaica is a deeply democratic society," Panday observed, "and it is always easy to deal with people like that."

Port-of-Spain TRINIDAD GUARDIAN in English 5 Mar 86 p 1

[Text]

TRINIDAD and Tobago and Jamaica have reached an agreement on Jamaica wiping off its indebtedness to this country.

Jamaica Prime Minister Edward Seaga disclosed this at a news conference yesterday afternoon.

On the last full day of his official visit to Trinidad and Tobago, Mr. Seaga spoke on a wide range of issues but concentrated mainly on trading relations between the two Caricom States, which he said dominated talks he held with his local counterpart, George Chambers.

The Jamaican leader explained that most of the questions directed at him were dealt with in a joint communique to be issued at the end of his visit. He said:

- Both countries were working on a bilateral air services agreement.

- Jamaica was the leading beneficiary of provisions under the Caribbean Basin Initiative.

- Proposals from Canadian Prime Minister Brian Mulroney for a CBI-type programme called Carib/Can would be put to the next Caricom Heads of Government conference in Guyana.

On An Ongoing Basis

On the debt problem, Mr. Seaga said: "That's a matter that has been settled with the visit of Prime Minister Chambers to Jamaica. What was proposed was instead of this huge debt which I inherited from my predecessor remaining to be paid off in huge lump sums, that the debt would be serviced on an ongoing monthly basis.

"So that when the time came at the end of the year, the lump sum would be reduced to a manageable

amount and this has been going on satisfactorily.

"I really cannot answer that question (how much Jamaica was still owing Trinidad and Tobago) but the original amount was a little over \$100 million.

"And how much remains I really cannot answer because there have been several payments made and the payments have been going since the meeting between myself and Mr. Chambers, on a monthly basis."

Areas Of Development

Mr. Seaga who leaves for home this morning with his wife, Mitsy, and the rest of the visiting party, said he was very impressed with the various projects he saw, which were constructed with the resources gained during the oil boom.

Asked about the success of his five-day visit, he said:

"This can be best described in a very practical way. When one visits a country to participate in conferences you are burdened by the affairs of the particular event and you never get a chance to see anything outside of the events with which that conference is concerned.

"I have made several visits to Trinidad in the past but this is the first time that I have had the opportunity to see other areas of development in Trinidad about which I have heard, and I have been very impressed with what I have seen with regard to the degree and extent of the heavy industries that have been created around energy as well as the extent to which some of your resources from the boom years have been used to create substantial areas of service for various social programmes of the country.

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CSO: 3298/365

TRINIDAD AND TOBAGO

UNION SHUTDOWN COSTS CARONI, CANE FARMERS MILLIONS

Port-of-Spain EXPRESS in English 26 Feb 86 p 56

[Article by Harry Partap]

[Text]

THE SHUTDOWN of the sugar industry last weekend has cost state-owned Caroni Ltd and the 7,000 cane farmers a total of \$1.75 million.

If the weekend action of sugar workers continues for the rest of the 1986 sugar crop, the industry will lose a total of \$25.1 million. Of this figure cane farmers will be poorer by \$8.1 million.

Yesterday, Caroni's Public Relations Manager Tony Deyal said that the weekend action of the workers represented by All Trinidad Sugar and General Workers Trade Union (ATSGWTU) resulted in a shortfall of 11,825 tonnes of canes to the factories. He said that 13,600 tonnes of cane were targeted for delivery to the factories. Of this, 6,600 were expected from cane farmers. The farmers were

able to sell only 1,775 tonnes.

The 4,825-tonne shortfall of farmers' canes this weekend had cost them \$500,000. It was explained that in the production week which started on Saturday, only 13,018 tonnes of canes were ground compared to the targeted schedule of 25,200 tonnes. To date the company has produced 30,769 tonnes of sugar from 406,817 tonnes of canes. This represented a shortfall of 3,133 tonnes of sugar and 39,483.

Deyal said that due to the shortfall, both the Brechin Castle and Usine Ste Madeleine factories had to be shut down. The factories resumed operations at 7 a.m. Monday. This resulted in 8,874 tonnes of cutter-bundler canes being left in the fields since the FLT operators did not turn out to work.

He said during this period 8,000 tonnes of canes were burnt added to 17,972 tonnes already in the company's hands.

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CSO: 3298/360

TRINIDAD AND TOBAGO

OFFICIAL DISCOUNTS RUMORS OF ANY FURTHER DEVALUATION

Port-of-Spain TRINIDAD GUARDIAN in English 27 Feb 86 p 1

[Article by Jerry Johnson]

[Text]

A SENIOR Government official yesterday branded talk of a further devaluation of Trinidad and Tobago currency as rumours circulated by black marketeers to manipulate the price. The Government, the official said, would be crazy to devalue the local currency twice in an election year.

Anthony Jacelon, Minister in the Ministry of Finance, confirmed this yesterday morning when formally opening a two-day seminar for corporate customers of the Republic Bank.

The government official said the rumour was the work of currency speculators who had brought back foreign currency, spirited away from the country earlier, and were trying to determine price by increasing demand.

Black marketeers, too, were involved in the manipulation of price and they were selling mainly to cocaine dealers who could not obtain EC-0's for their illicit drugs.

Commenting further, the official said that this was the reason the Ministry of Finance and the Governor of the Central Bank could not entertain the Trinidad and Tobago Chamber of Industry and Commerce's proposals to dismantle the EC-0 system.

Significant Factor

A Chamber delegation met recently with both the Minister in the Ministry of Finance and the Governor of the Central Bank and presented strong arguments for dismantling the EC-0 system which included the decline in purchasing power generally and the devaluation of the local dollar.

"Circumstances are changing and the devaluation is a significant factor," the official said. "But the recommendations are premature."

The official explained that while the Chamber proposals were reasonable, if the Government dismantled the EC-0, with the speculation about devaluation, everyone would rush immediately to import goods and stock up Trinidad and Tobago until it sinks.

"We must wait until the rumour dies down," he said.

TRINIDAD AND TOBAGO

BRIEFS

PIARCO BOMB SCARE--Piarco International Airport was closed for about two hours on Saturday as a result of a bomb scare which saw the complete evacuation of the main terminal building. As a result of the noon-time bomb report, several outgoing flights were delayed and incoming planes were not allowed to land, an airport source said. [Text] [Port-of-Spain EXPRESS in English 24 Feb 86 p 40] /9274

TOBAGO AIRPORT CLOSURE--Crown Point Airport in Tobago will close for two days from tonight to permit major repairs to the runway. Trinidad Contractors Limited, who are carrying out a \$6.2 million resurfacing job on the runway, will work around the clock until Thursday morning to carry out the repairs. An announcement of the Airports Authority explained that the major repair work is on the spots of the 6,000 foot long runway which have been continually susceptible to wear from the frequent aircraft landings. As a result of the suspension of flights of the BWIA Domestic Service all tomorrow and Wednesday, the demand on the inter-island ferry service run by the Port Authority is expected to increase dramatically. Meanwhile, an informed source told the Express, that the National Security helicopters would be available in the event of any emergencies which may demand anyone being flown into or out of Tobago. But another source connected to the tourist industry said that a number of visitors to Tobago who had advanced departure bookings for tomorrow and Wednesday will now be put to great inconvenience, and additional hotel expenditure. [Text] [Port-of-Spain EXPRESS in English 24 Feb 86 p 40] /9274

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