

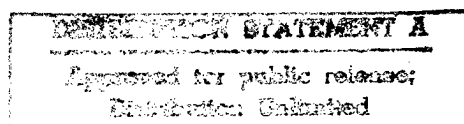
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Latin America Report

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27 June 1984

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BRIEFS

PEMEX REFINERY EXPANSION PLANS--Petroleos Mexicanos [PEMEX] announced that it is carrying out work that will make it possible this year to increase its nominal capacity to refine crude oil from 1,300,000 to 1,400,000 barrels per day in order to meet the future demand for gasoline, diesel, kerosene and other petroleum derivatives. A report published by the semipublic corporation, explained that the expanded installations for primary distillation in the Salamanca, Guanajuato, and Poza Rica, Veracruz, refineries will soon be in operation, producing 60,000 and 38,000 more barrels per day, for a total of 98,000. In regard to its current capacity, PEMEX says that it has an installed refinery capacity of 1,300,000 barrels per day. It says that from the different processes liquid gas, gasolines, kerosenes, diesel, fuel oil, asphalts and lubricants, among other products, are obtained. The action taken by PEMEX aims at meeting national demand for various products derived from oil. That demand will grow at an increasingly accelerated rate owing to the growth of the country itself. Consequently, in order to be capable of meeting fuel requirements in the medium term, PEMEX has started up the second stage in the Miguel Hidalgo refinery in Tula, Hidalgo, and the Engineer Antonio Dovali Jaime refinery in Salina Cruz, Oaxaca. These industrial centers process 150,000 and 170,000 barrels per day. With the expansion they will have a capacity of 150,000 [as published] barrels each. In addition, the report indicates that the work in Tula and Salina Cruz is programmed for completion in 1986 and 1989, respectively. Furthermore, a lubricant plant is being installed in Tula. Its production will make it possible to achieve self-sufficiency in this line of products. These two industrial centers are very important owing to their location. Tula's zone of influence includes the metropolitan area and the so-called Valley of Mexico. Ships leave from Salina Cruz loaded with fuel purchased by all the consumer centers of the Pacific coast. [Text] [Mexico City EXCELSIOR in Spanish 21 Apr 84 pp 4-A, 19-A] 12351

CSO: 3248/642

TTEC IMPROVEMENTS IN TOBAGO AWAIT RELEASE OF FUNDS

Port-of-Spain TRINIDAD GUARDIAN in English 2 Jun 84 p 1

[Text] Trinidad and Tobago Electricity Commission is awaiting funds from the Tobago House of Assembly (THA) to undertake certain electricity improvement projects in the sister island.

Minister of Public Utilities Senator John Eckstein told this to members of the House of Representatives during debate on a motion moved by the Opposition Member for Tobago East, Miss Pamela Nicholson, yesterday.

Miss Nicholson, who was successful in having Speaker Matthew Ramcharan agree to the House discussing the "critical electric situation" in Tobago under the item "Requests for leave to move the adjournment of the House on definite matters of urgent public importance," stressed Tobago should have its own generating capacity and the provision of supply through submarine cables would not solve the problem.

The House passed the Bill for the establishment of the National Institute of Higher Education, Research Science and Technology, before Miss Nicholson's motion was dealt with.

Intolerable

In speaking on her motion she said the electricity supply situation in Tobago was intolerable with numerous blackouts; students studying for the present CXC and GCE examinations were being affected; farmers were also affected with respect to cold storage facilities for their produce; business premises too were reeling.

She did not want to hear anything about more submarine cables as that system was not working efficiently.

She claimed that on Wednesday, the President of the Republic of Trinidad and Tobago, Mr Ellis Clarke, also experienced the effects of a blackout in Tobago.

The problems, she added, would soon be aggravated when the NIPDEC cold storage facilities in Tobago were commissioned as they would need a large amount of electricity.

Miss Nicholson asked the Minister to say what Tobagonians could expect to solve their problems in that regard.

Minister Eckstein admitted that there were some difficulties with the electricity situation in Tobago, but he accused Miss Nicholson of exaggerating the issue.

"I am not saying it is satisfactory but it does not justify the outburst we have been treated to today," he said.

CSO: 3298/877

ENERGY ECONOMICS

TRINIDAD AND TOBAGO

TWO NEW GENERATING UNITS BOOST TTEC CAPABILITY

Port-of-Spain TRINIDAD GUARDIAN in English 4 Jun 84 p 1

[Text] Generating capacity of the Trinidad and Tobago Electricity Commission's Port-of-Spain's power station was improved on Saturday with the commissioning of two generating units.

According to Senator John Eckstein, Minister of Public Utilities, who commissioned them, they have quick-start capacity that none of the other units has.

The units--are capable of reaching full load in five minutes reducing the time the power station could be brought back into service in the event of a total shutdown. They have a life expectancy of 20 years.

Senator Eckstein pointed out that while the machines were commissioned, the specified fuel for use in the turbines would not be available for a while since the laying of the gas line along the Beetham Highway had not yet been completed.

The new turbines are versatile to the extent that they could operate with an alternative fuel known as Jet-A fuel. TTEC will stock quantities of Jet-A fuel for use in the turbines until the gas comes on stream.

Already 50 employees have been trained for the operation and maintenance of the units.

Bamboo Village Too

Professor Ken Julien, Chairman of the Commission gave details of the units and the reasons for buying them.

Senator Eckstein said that the addition of the two units "is a deliberate step taken by the Commission with the approval of the Government to improve the generating capability" of the nation.

He said that in the south-west region there was an improved quality of supply since the commissioning of the 66 KV transmission line from Penal to Fyzabad.

Work was also well advanced on the installation of the first phase of a new power plan at Penal.

The new 132 KV sub-station at Bamboo Village was almost completed and would be commissioned later this month, he said.

"The promise of a much-improved supply to residents of the south and north and north-eastern regions of Trinidad is being honoured," he added.

Activity of a similar nature was also being undertaken in Tobago, he said. A 33 KV transmission line from Milford Bay to Scarborough was to be energised and a second submarine cable was to be laid in December. An additional generating unit was also to be installed in Scarborough.

CSO: 3298/877

BRIEFS

TTEC BONDS--Trinidad and Tobago Electricity Commission will today open an issue of \$30 million worth of bonds for sale to insurance companies, pension funds and other finance sources. The bonds will be on sale from 8 a.m. today until 12 noon on Friday. They are being sold in multiples of 100 at \$100 with an interest rate of 10.50 percent. Interest is to be paid semi-annually, with an expected gross redemption yield of 10.78 percent. Applications will be received at the International Industrial Merchant Bank of Trinidad and Tobago Ltd, 45 Abercromby Street, Port of Spain. Proceeds from the sale of these bonds according to the prospects will be used to expand and upgrade TTEC's power stations at Penal and Port-of-Spain. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 30 May 84 p 1]

LOW PETROLEUM STOCKS--Oilfields Workers' Trade Union claims that there is a low stock of petroleum products, including gasoline, at Pointe-a-Pierre and tank wagons were now going straight to the reformer unit for supplies. Mr Errol McLeod, acting President General of the union made this statement at a news conference held at OWTU's headquarters in San Fernando yesterday. Mr McLeod said: "We have been reliably informed that plans are afoot to import gasoline and other petroleum products." He said this would be the disadvantage of Texaco employees and the country as this would mean loss of valuable foreign exchange. The union leader said Government should address its mind seriously to the question of having a resumption of work at Texaco and other work places to bring back normalcy rather than expending valuable foreign exchange. He claimed that products from the reformer unit were not properly treated and blended for use in motor vehicles. Asked to comment on Mr McLeod's claims of impending imports, a Texaco spokesman said the question should be directed to the Permanent Secretary, Ministry of Energy and Natural Resources, Mr Trevor Bhoopsingh. However, Texaco said that there was no truth in the statement that delivery of petroleum products was made directly from the reformer unit. Mr McLeod said that another meeting is carded for tomorrow between the union, Texaco and the Minister of Labour, Mr Errol Mahabir. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 30 May 84 p 1]

PAPER CASTIGATES U.S. 'TERRORISM' AGAINST NICARAGUA

Belize City DISWEEK in English 27 Apr 84 p 2

[Editorial: "White House Terrorist"]

[Text]

It has been admitted by the Reagan administration that the illegal mining of Nicaraguan ports, which began last January, was conducted by the US Government through its Central Intelligence Agency (CIA). According to Washington sources, the mines had been put in place by speedboats operating from a CIA "mother ship" stationed just outside Nicaragua's 12-mile limit.

But, according to the Washington Post and the three major US television networks, the mining of the ports was not the first action in which the CIA was directly involved in acts of war against Nicaragua. Back in October 1983, the CIA directed an operation against the Nicaraguan port of Corinto, destroying 12 million litres of petroleum and causing the evacuation of 200,000 people.

These terrorist acts authorized by Reagan must be added to the lost of life and damage to the Nicaraguan economy caused by the "contras", mercenaries made up mostly of ex-soldiers of the deposed dictator Somoza, and financed, trained, armed, directed and supported by the CIA.

When Nicaragua moved to take the mining issue before the World Court, Reagan responded by declaring that the US will not accept the jurisdiction of the World Court

on matters affecting Central America for the next two years. This, said US Senator Christopher Dodd, was "in effect, an admission of guilt". It may also be illegal, since the US had agreed, when it consented to World Court jurisdiction in 1964, that it would give six months' notice of any change.

The US action has attracted world-wide condemnation, even from such staunch allies as Britain and France. Even the Republican controlled Senate could not stomach this blatant act of terrorism, and voted by an overwhelming 84 votes to 12 a resolution urging that no more US funds be spent to mine Nicaraguan ports. The House of Representatives followed suit.

Just how repugnant the US action is can be judged from the fact that ultra-rightist Senator Barry Goldwater, Chairman of the Senate Intelligence Committee and long-time Reaganite, could find only one phrase to express his repugnance. "I am pissed off" thundered the Senator, and added that the mining was "an act of war. For the life of me, I don't see how we are going to explain it."

The mining of the ports is not the only thing that Reagan cannot explain. Nicaragua is a country that is at peace with the US and is trying hard to improve relations with that country. There is a resident US Ambassador in Managua. How can the US explain arming a terrorist group to overthrow a government that enjoys overwhelming popular support? Even the US magazine NEWSWEEK admits that "the contras never have attracted much support inside Nicaragua, not even in the conservative countryside."

The fact is that Reagan had decided to topple the Nicaraguan government regardless of the wishes of the Nicaraguan people. To do so he is prepared to direct a gang of murders at the heart of the Nicaraguan people, to lie to Congress and the US people, to defy international law and engage in acts of piracy. Having broken the law, he refuses to go to court, reverting, in the words of Father Miguel D'Escoto, Nicaragua's Foreign Minister, to "the Stone Age concept that might makes right."

The frightening thing, however, is that harsher terrorist acts are yet to be directed from the White House against Central America. The New York Times had said that it had been told that "contingency plans are being drawn up for the possible use of US combat troops in Central America." Despite a partial denial by the administration, no-one seriously questions the possibility that Reagan would resist the temptation to smash a people he disapproves of by any means necessary.

It appears now that the only hope for peace in Central America is for the US people to make known their repulsion at the grotesque acts of their President, and move, at the first opportunity, to rid the White House of the terrorist that now inhabits it.

CSO: 3298/854

UDP DELEGATION WELCOMED ON RETURN FROM TOUR OF U.S.

Belize City AMANDALA in English 11 May 84 p 5

[Text] Belize City, Tues. May 8

Members, supporters and well wishers of the United Democratic Party travelled to the Belize International Airport this afternoon to welcome home a delegation which arrived from the United States of America.

The delegation, which comprised the Party Leader Manuel Esquivel, Leader of the opposition, Hon. Curl Thompson, Legal Advisor of the UDP and City Councillor Mr Dean Barrow, and Director of organization Mr Santiago Perdomo, visited New York, Washington, Los Angeles, and New Orleans.

In Washington, the Party Leader and the Legal Advisor held talks with officials at the State Department. In the other cities visited by the delegation, Belizeans living in the U.S.A. turned out by the thousands to welcome and listen to the officials of the UDP.

On hand to welcome home the delegation officially was the Mayor of Belize City, Mr Gustavo Bautista and City Councillors, Chairman of the UDP Mr Dean Lindo and other officials of the party from Belize City, San Ignacio, Corzall Town, and Orange Walk Town, were also present at the official welcome.

All members of the delegation made a brief statement in which they said that they were happy to have been a part of the delegation and how touched they were to have received such an enthusiastic welcome.

CSO: 3298/855

OPPOSITION FIGURE IN TRINIDAD, PREDICTS PUP DEFEAT

Port-of-Spain TRINIDAD GUARDIAN in English 21 May 84 p 3

[Text] Taking a week off in Trinidad and Tobago for his lifelong battle to keep his country out of the hands of Guatemala, Philip Goldson, Chief Opposition Whip in Belize, is ending his visit here.

He was last in Trinidad in 1965 when he started his round of organising bipartisan Caribbean support for "the true sovereignty of Belize" instead of "a proposed bogus Guatemalan overlordship."

According to Mr Goldson, the People's United Party, which has been in power since 1954, is faced with imminent defeat in the general elections due within the next nine months.

He believes the overwhelming victory of the Opposition United Democratic Party in the country's local government elections recently, if nurtured now by full-throttle Opposition canvassing and expected Belizean overseas assistance, spells curtains for the PUP.

Although he has had to practise sightless since being called to the Belize Bar in 1974, Mr Goldson has had many successes in constitutional actions and in appeal cases that are creating landmarks in that country.

His handicap has not prevented him from winning his Parliamentary seat repeatedly or in reading. "In fact," he says, "I read more now than when I had my sight." He uses very sophisticated electronic equipment and the services of devoted friends to peruse nearly two dozen magazines monthly plus a "raft-full" of legal documents and Bills.

He was editor and publisher of the defunct BELIZE BILLBOARD (extinguished by arsonists many years ago). Mr Goldson still undertakes certain free-lance assignments.

CSO: 3298/856

HOPE FOR ACCORD WITH GUATEMALA SEEN IN PAPER'S EDITORIAL

Belize City DISWEEK in English 27 Apr 84 p 3

[Editorial by Stewart Krohn]

[Text]

Since the attainment of Independence in September of 1981 the question of the Anglo-Guatemalan dispute over Belize has not loomed large in the nation's collective consciousness. Of late there are signs that this policy of benign neglect may be producing some results.

The most important breakthrough comes in the form of an editorial in PRENSA LIBRE, Guatemala's largest newspaper. Entitled "Seeking the truth," the article appears to be a trial balloon inspired by an important faction high in the government. It is a radical departure from the traditional Guatemalan view:

"Perhaps Belize should be ours. But in reality it is not. Its inhabitants speak English and are mainly of African descent...their culture is quite different from ours. Over the centuries a Belizean nationality has formed...one which is alien to our Guatemalan sentiments. No Guatemalan government has cared to face this reality, and our Constitution contains a great lie: Belize belongs to Guatemala. On the other hand, our governments have done little to foment friendly relations with the Belizeans or approach them culturally. For many foreign ministry

functionaries, Belize has meant numerous trips abroad and patriotic affirmations in international forums regarding our lost territory. But realities have not changed in the slightest, despite those efforts. Belize after all, is not ours. To continue with the unrealistic dream is entirely negative. A more correct and practical course would be to seek economic compensation from Britain for having held territory which was rightfully ours for so many years the product of colonialism.

One editorial does not make a government's policy, and trial balloon have a way of quickly crashing to earth. In our recent history we look at a similarly remarkable article in the REPORTER which appeared in 1976. At that time the editor suggested "a modest land-swap" as the basis for a settlement of the dispute. Let's hope that PRENSA LIBRE'S idea is more durable.

CSO: 3298/854

CLOSING OF 3 BANKS SAID TO REFLECT SAD STATE OF ECONOMY

Belize City THE BEACON in English 5 May 84 p 2

[Editorial]

[Text]

THE recent closing of three banks in the country gives us a very clear indication of the sad state in the country.

We learn that government is hard put to find civil servant's pay - a hard Pup principal who has just retired but is unable to receive her pension. There are lay offs. Many firms are on the brink of bankruptcy. One old established firm in downtown Belize City is about to close its doors following in the footsteps of some who have already done so.

The statement that the Royal Bank closed its Cayo and Stann Creek banks due to reorganisation is not true. If true why did they yield to pressure from above to keep the Belmopan branch open? If true, how is the closing of the Barclays Bank on Barrack Road to be accounted for?

The stark reality facing this nation is that government's lack of a meaningful economic plan has brought the country to the brink of collapse.

The truth is that the trade gap and balance of payments has widened. The trade deficit for 1983 stands at \$70 millions. An increase of \$40 millions. Government is unable to meet its bills - try cashing a government voucher at the Treasury.

Inflation is rampant, cost of living sky high and unemployment has reached astronomical proportions. Because of its inability to meet its debts, government cannot "shake down" the banks any further.

Government is responsible and no amount of rhetoric can whittle down this fact.

UDP RELEASES POSITION PAPERS ON FOREIGN, ECONOMIC POLICIES

Belize City THE BEACON in English 28 Apr 84 pp 7, 10

[Text]

The United Democratic Party this week released position papers on its economic and foreign policies bringing out distinct features and definite statements of its position in these areas of Belizean national life.

In the preamble of the economic policy, the party's position is stated thus:

"The United Democratic Party conscious of the need for specific economic objectives and practical development strategy in order to achieve them, will set as a priority the foundation of a short-term (3 years) and a longer term development plan. The economic policy will provide the guidelines for meaningful development."

The policy paper then deals with the Development Priorities. They are: agriculture, tourism, industry, oil and energy,

forestry, fisheries and banking and finance.

There can be no doubt that the underlying philosophy is Free Enterprise with due regard for social justice, the lot of the poor, women and youth

The Foreign Policy Position Paper deals with sovereignty and security, relations with Hemispheric and other countries and membership in international organisations.

The cornerstone of this foreign policy is the preservation of our sovereignty and a lasting settlement of the Guatemalan claim.

As regards its relationship with the United States their position is stated thus: "The U.D.P. views the necessity for good relations with the United States of America as of fundamental concern. Both the wider geopolitical considerations and the narrower strategic

interests dictate that the United States should be our friends." Yet it acknowledges servility to no state.

In a straightforward conclusion the UDP position is stated: "The UDP recognises that the first responsibility of government in the conduct of foreign affairs is the promulgation and protection of the national interests."

Belizeans will be assured of a more prosperous and secure future proposed in the two vital areas of national life.

CSO: 3298/854

PRICE, UDP OFFICIAL ADDRESS LABOR DAY RALLIES

Price on 'New Society'

Belize City BELIZE SUNDAY TIMES in English 6 May 84 p 11

[Text]

Speaking on Labour Day at Independence Hall, Belize City to a gathering of members and friends of the Christian Workers Union the Prime Minister Mr George Price recalled that after a struggle of thirty one years independence came to Belize at a time when our region is in transformation. "Around us is a transformation of violence and bloodshed; in our land it is a transformation by physical and intellectual work, thanks to God and the peaceful Belizean revolution," Mr Price told the rally which was attended by hundreds of workers.

The rally was also addressed by Mr Miguel Rosado, General Secretary of the Christian Workers Union, Mr Barry Bowen of Bowen and Bowen, and Mr Louis

Sabido, Manager of BSI Storage branch in Belize City. Also present were the President of the Union, Mr Desmond Vaughan and the Central Bank Governor, Mr R C Swift.

Prime Minister Price spoke of a positive occasion to build a new world. He said the building of a new society goes on because the Belizean people, in the words of Nehemiah (4,6) have a mind to work. They work because they also know that God made the world and all its resources for us to work and develop and enjoy with social justice.

This desire to work, continued Mr Price, is guaranteed by the Constitution of Belize in its preamble which enshrines that "there should be adequate means of livelihood for

all and labour should not be exploited...."

He said that to build this new society with the factors and resources available to a sovereign and independent nation is the challenge facing the Belizean people even amid the world crisis which would assail us whether Belize were independent or not.

The Prime Minister explained that the economic plan, which entails the production of food for home use and the production of export commodities to earn money in order to buy the goods and services Belize does not produce and needs, encounters unfavourable world conditions of trade and economic growth.

"The economic storm feeds on unfavourable conditions such as high prices of imports, low prices of sugar and other export commodities, the weakening of the Mexican economy and the resulting loss of trade with Belize, high

interest rates and the fall of revenue from local sources."

Mr Price said the people and government must face with courage the storm; "work to live within our means, reduce expenditure and increase revenue as much as possible; and thus ride out the economic storm."

He said that amid this world crisis, there is hope as we work to build the new society and thus continue the work of continuing creation of a better world.

We are encouraged by the words of Pope John Paul II: "The crisis can be a possibility, a positive occasion to build a new world, even in the midst of the difficulties and darkness."

The Prime Minister told the workers: "We should always pause from our work to worship and to contemplate the wisdom of the bible which speaks in the Book of Revelations of a new earth which we build".

Rhaburn at UGWU Rally

Belize City THE BEACON in English 5 May 84 p 3

[Labor Day Address by Councilor Sam Rhaburn]

[Text]

Mr. Chairman
Officers, Members and Supporters of the UGWU
Distinguished Guests
Fellow Workers

I bring you greetings and best wishes from the leadership and supporters of the United Democratic Party on this Labour Day 1984. We do appreciate the opportunity to participate in your May Day rally. We believe that through forums such as these we can get to know and understand each other better, thereby paving the way for joint participation in programmes and activities that would secure for the masses of our people - the working men and women of this nation - better living conditions. This is an objective to which I am sure we are mutually committed.

As an organisation committed to the cause of the working class in particular, and Belizeans in general, it is with much hope and anticipation that we look towards our National Party Conference later this month. We are confident that out of this conference will come decisions of major national importance; decisions that could signal the beginning of the process of the emancipation of the Belizean worker. I am pleased to inform you that workers' organisations including your own, contributed significantly to the formulation of these policies. In a democracy that is how it should be.

Like you, we are concerned about the injustices being perpetuated against large segments of our working population. Likewise we are indeed sympathetic to the thirty-odd per cent of our fellow countrymen that cannot find jobs. Not only are these situations distressing, they are extremely dangerous. We are fully aware of the serious negative impact such situations have had on other countries in the region. We hold the view that if Belize is to escape the sufferings, the miseries and the pains of a resolution from below, we must carry out extensive reforms from above. This is a challenge that will require effective, progressive and enlightened leadership. Recognising the magnitude of the problem, the UDP is of the view that workers' participation in all phases of national life is imperative if real and mean-

ingful progress is to be achieved. Please be assured that workers and worker organisations will be encouraged and afforded maximum participation in a UDP administration.

The United Democratic Party is dedicated to the cause of freedom, personal independence, the democratic system of government and the principles of human rights. We want to see personal initiative and free choice become more a part of the pattern of life of the individual. We want to inspire in people confidence in themselves and in the future of our country. At the same time the United Democratic Party is committed to the creation of opportunities to help those who cannot help themselves.

The party's policies and programmes are designed to achieve these urgent objectives. We propose, as the alternative government, to respect and preserve the freedom and rights of all citizens. To us of the UDP this means that all citizens must enjoy freedom from fear of government's victimization; freedom to hold political and religious opinions; freedom to live decent and dignified lives; freedom to achieve personal independence. As the alternative government we propose to provide more opportunities for employment, education, health care and personal development. In this way our people will free themselves of dependence on political favours and will be able to enjoy the dignity of self-reliance. When our people are independent minded and feel free to make their own choice and use their own initiative, the nation will prosper.

The United Democratic Party is committed to the private enterprise system - tempered with social and economic justice. It is our view that a strong private sector is essential to growth and development. As a result we welcome investors on the condition that they understand what our national priorities are. Dignifying the Belizean worker is one such priority. We cannot and we will not tolerate unfair labour practices; we cannot and we will not tolerate the exploitation of our people.

Fellow workers and potential workers of Belize; I urge you to be mindful of certain facts. As human beings you are entitled to a decent standard of living. Consequently you are entitled to a job and a decent income. As a people the choice is clear; we can bury our heads in the sands of apathy and indifference thereby condemning ourselves, our loved ones and our fellow countrymen to a life of poverty,

misery and deprivation; or we can, in a consorted effort unite and work to make Belize a nation we can all be proud to call our own. As trade unionists, you more than anyone else should be aware of the power of collective effort. Let us then, as Belizeans, resolve on this Labour Day to build a nation of plenty, a nation where freedom, justice and equality prevail. Like us, you will agree that these are worthwhile objectives.

As the alternative government of this nation we extend the hand of friendship and solidarity to all the workers of Belize in their struggle for better living conditions. That, fellow workers, is my message to you on this Labour Day. To all, a pleasant Labour Day and may the Good Lord bless and keep you always.

CSO: 3298/854

DISSENSION AMONG BELIZE CITY UDP COUNCILORS REPORTED

Belize City DISWEEK in English 18 May 84 pp 1, 11

[Text]

Reports coming out of the U.D.P. City Council speaks of quarrels between City Councillors, mis-use of City Council labour and political infighting.

The tension among the City Councillors started with the setting up of various Chairmanship positions. Hubert Elrington, for example, is Chairman of the Sanitation Committee. He wants authority to hire and fire not only Sanitation Workers but any Council worker. Derek Aikman, Chairman of the Works Committee opposes this idea.

Aikman has been having a running battle with Elrington and a number of others. Aikman wanted to be Mayor but party leaders started a whispering campaign against him. Then through some neat maneuvering, Aikman was edged out of his chance to be the candidate for the Collet Division. Dean Lindo

slided his relative, Dean Barrow into Collect over Derek. Instead of giving Derek second place, Elrington was named as the alternative candidate.

Another sore spot with Councillors is the Commissary at Pound Yard. The Commissary was set up to sell groceries and food stuff at reduced prices to Council workers. The Commissary seems to be privately owned and it is possible that one of the Councillors is the owner. Certainly City Council materials and labour were used to set up the store.

There are charges by workers that the amount deducted from their wages for buying from the store is just too high. Disweek has information that one worker suffered a deduction of 95% from his pay. Workers complain that some suspicious things are going on at the store.

CHRISTIAN DEMOCRATIC LEADER REPORTS ON ATTACKS; ARREST MADE

Aranda Remarks in House

Belize City DISWEEK in English 4 May 84 p 10

[Text]

Mr. Speaker, over the year or so, and especially since the last town board by-election in Dangriga, I have been the object of a series of threats from an organized group. The threats have been so savage that the burning of my home, which occurred last December 25th morning, was referred to during the campaign as only a preview of coming attraction."

With these words, the Hon. Theodore Aranda member for Dangriga, leader of the Christian Democratic Party and former leader of the United Democratic Party, began an amazing accusation in the House of Representatives last Friday. Although Aranda mentioned no group or

party by name, he later said that he had intended to accuse the UDP of the threats and acts against him, but that the speaker had forbidden him to do so, or even to mention that a political party was involved.

Dr. Aranda went on to state that on April 5th at 2:30am, his vehicle parked in his yard was totally destroyed by an explosion. "As if this was not enough," he said there are more threats on my other properties, on my life, on my wife and on my six year old son." He condemned their acts of "violence and terrorism" and in a clear reference to the UDP, alleged that "they seek the government not with ballots but with wickedness and violence.

Police Action

Belize City THE BEACON in English 5 May 84 p 3

[Text] Dangriga: On Friday last week Police made an arrest in connection with the explosive device that was placed on the vehicle of Assemblyman Dr Theodore Aranda (Dangriga Town).

Shortly after 10:00 a.m. 50 year old Antonio Miller, a mechanic of the Citrus Growers Association, was arrested and charged with arson.

The incident in which Dr Aranda's vehicle was destroyed occurred on the 5th of last month.

CSO: 3298/855

CANADIAN MINISTER OF FINANCE CONCLUDES OFFICIAL VISIT

Belize City BELIZE SUNDAY TIMES in English 6 May 84 pp 1, 12

[Text]

Canada's Minister of State for Finance, Mr Roy MacLaren made an official visit to Belize on April 26-29.

Mr MacLaren accompanied by his wife, Lee, arrived Thursday and were met at the Belize International Airport by the Minister of Home and Foreign Affairs, Mr V H Courtenay.

On Friday, the MacLarens, accompanied by the Canadian High Commissioner to Belize, Mr David Reece and his wife; Mr Ross Pritchard First Secretary of the Canadian High Commission, and Miss Linda Gordon, Honorary Consul for Canada saw a display of the Jade Head in Belize City.

The Jade Head was unearthed in 1968 during the excavation at Altun Ha with the assistance of the Royal Ontario

Museum of Toronto, Canada.

The Canadian delegation also visited the National Fire Station in Belize City and was taken on a tour of the Water Treatment Plant at Double Run on the Northern Highway by the Plant Supervisor, Mr David Craig.

The MacLarens were hosted at a luncheon in Belmopan by the Minister of Energy and Communications Mr Eljio Briceno. The Canadian Minister and his delegation also paid a courtesy call on the Prime Minister Mr George Price and Governor General Dame Ninita Gordon.

On Saturday, accompanied by Minister V H Courtenay the Canadian visiting team toured the Mayan ruins of Altun Ha and Lamanai.

CONSUMER PRICE INDEX SHOWS 1983 INCREASE OVER 1980 LEVELS

Belize City THE BEACON in English 12 Mar 84 pp 1, 4

[Text]

The Consumer Price Index is one of the most important economic indicators. It measures the rate of INFLATION in a country. Its use in the preparation of national accounts estimates is significant.

Previously, price indices have never been compiled on a systematic basis in Belize.

The figures for the period 1980 to 1983 show that consumer prices at the beginning of 1983 were on the average 34.4% higher than in 1980.

GENERAL CONSUMER PRICE INDEX

	1980	1983 (Feb)
All Items	100	134.4
Food	100	124.9
Grocery	100	130.2
Clothing	100	139.7
etc.	100	139.7
Household	100	138.3
Goods	100	138.3

Food prices, including groceries rose by 25%. Clothing and footwear by 39.7%.

The average shopping basket, essentially household goods, increased 38.3%. Miscellaneous items, such as medical services, entertainment, confectionery etc. increased by 18.6% over the period.

Overall, prices rose by some 35% from 1980 to 1983. This means that purchasing power declined by that amount. In effect, Belizeans were able to buy less with their take home pay, for those who did not get a salary increase they were that much worse off. Put another way, our people got a pay cut or suffered a devaluation of their money by 35%. This is a whalloping reduction by any standard.

The people have been suffering in silence for long and it can be expected that there will be urgent clamours for wage increase in the months ahead. Trade unions have

been girding their loins for the big fight that their demands will bring.

Already there are rumours that the Public Service Union will be making their demands and will not take no for an answer. Government, in reply, will fire many civil servants when the bargaining begins.

Of course government can control rising cost of living and inflation. Two things need to be done. Import-substitution can prevent the buying of high-priced imported goods. Secondly, stop the issuing of treasury bills (certificates) thereby halting the inflationary spiral. Failure to do so will result in failure to halt inflation.

And so once again it is government's fault that the economic situation gets worse and worse and people become poorer and poorer.

PAPER CHARGES CANE FARMER FUNDS ARE SPENT BY GOVERNMENT

Belize City AMANDALA in English 4 May 84 pp 5, 8

[Text] Cane farmers of the Northern Districts are up in arms against the Belizean government for spending two million dollars of their money. The money, saved by the cane farmers through the Sugar Welfare Fund, is kept by government so that it may be kept in safe lands. [as published]

One of the main reasons this money is kept aside by the cane farmers is so that whenever they encounter hard financial times they can always turn to their savings. For example if the prices of cane would be extremely low they can help themselves for that year. This year the cane farmers needed all the help they could get, so they turned to their savings but they were late. Government had already blown out the two million dollars cane farmers had saved.

It would seem that even high officials from the financial department know how, when and on what the money was spent. Reliable sources close to the financial department say government spends money as it pleases without giving account to anyone. Now the cane farmers need their money and all they are told is that they must wait indefinitely even though as one cane farmer pointed out it's the beginning of a new financial year.

It would appear that government is no longer a safe keeper of people's money. We are now preoccupied about the social security money. We hope that pretty soon government will be able to find the hard working money for cane farmers who urgently need it.

CSO: 3298/856

BRIEFS

BRITISH TROOP EXERCISES--Elements of British Forces in Belize are conducting military exercises in the west and south of Belize. On Monday they began exercises in the Cayo District and will continue April 30 to May 2 in the Toledo district. A Government Information Service release said last week there is no cause for alarm and British Forces will do all they can to limit interference with everyday life. However, drivers of civilian vehicles are being asked to take extra care because of the additional vehicle traffic in the areas covered by the exercise. [Text] [Belize City BELIZE SUNDAY TIMES in English 29 Apr 84 p 3]

KEROSENE PRICE CUT--The pump price of kerosene has dropped by 4 cents per gallon, from \$2.40 to \$2.36. The new price took effect on last week Thursday, but will not represent a significant savings to lower class homes who still use kerosene stoves in the kitchen. Their savings will be less than 2 percent. An official release states that this decrease in the price of kerosene is due to the seasonal fluctuations of the prices of petroleum products at the refineries in the Caribbean area. [Text] [Belize City THE BEACON in English 12 May 84 p 7]

CSO: 3298/856

DISSATISFACTION WITH REJECTION OF DIRECT ELECTIONS BILL VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jun 84 p 4

[Text] Rejection of the Dante de Oliveira amendment by congress left four out of five adults residing in the Sao Paulo and Rio metropolitan areas dissatisfied. That is the conclusion of the Gallup Institute of Public Opinion whose poll shows that those interviewed identify President Figueiredo, Deputy Paul Maluf and the Social Democratic Party (PDS) politicians as mainly responsible for rejection of the amendment which provided for direct presidential elections now. Governors Franco Montoro, Leonel Brizola and Tancredo Neves in addition to the presidents of the Brazilian Democratic Movement Party (PMDB) and of the Workers Party (PT), Ulysses Guimaraes and Luis Ignacio da Silva, respectively, were also mentioned but for their effort during the campaign for direct elections now.

Those interviewed also gave grades of from minus 5 to plus 5 for the performance of the deputies during the campaign for approval of the Dante de Oliveira amendment, according to their preferred parties. The PMDB congressmen received the best evaluation from those interviewed, with indices of 53 in Sao Paulo and 47 in Rio; but the surprise was the approval by the people of the behavior of the Pro-Direct Elections Group of the PDS--which obtained indices of 23 (SP) and 32 (RJ)--while the other PDS congressmen received negative indices of minus 43 and minus 16. Furthermore, even among the declared sympathizers of the government party, the activity of the Pro-Direct group was better received, with plus 33 (SP) and plus 42 (RJ), compared with those who collaborated in maintaining the indirect process of presidential elections, whose indices were minus 3 (SP) and plus 26 (RJ).

The Gallup Institute explains that the dissatisfaction is more prevalent among young people. In the age bracket between 18 and 29 years, 84 percent of those interviewed in Sao Paulo and 86 percent in Rio replied that they are dissatisfied with the rejection of the Dante de Oliveira amendment. Between 30 and 49 years of age, that percentage drops to 76 and 73 percent, respectively, and in the bracket above 50 years of age, 74 percent were dissatisfied in Sao Paulo and 57 percent in Rio. Of all those interviewed, only 9 percent in Sao Paulo and 10 percent in Rio were satisfied with the results of the vote. Other replies and "indifferents" amounted to 12 percent in Sao Paulo and 15 percent in Rio.

However, among those dissatisfied, 51 percent--or 30 percent of all those interviewed--revealed a feeling of frustration over the rejection of direct elections now. Among the dissatisfied also, 17 percent declared that they were indignant or angry. For 14 percent of them, however, the feeling was one of sadness.

Still the PDS

Asked to name the politicians whose actions prevented approval of the Dante de Oliveira amendment in congress, General Figueiredo was the one most mentioned, by 45 percent of those interviewed in Sao Paulo and 41 percent in Rio. The second most mentioned by the Sao Paulo interviewees was Deputy Paulo Maluf (34 percent), but 27 percent of the Rio interviewees blamed other PDS politicians in second place.

Also much mentioned by name were the PDS leader in the chamber, Deputy Nelson Marchezan (22 percent in Rio and 15 percent in Sao Paulo) and the president of the government party, Senator Jose Sarney (11 percent in Rio and 6 percent in Sao Paulo). About 5 percent of the interviewees, on the average, mentioned Ministers Delfim Netto and Mario Andreazza, while the military were mentioned by 6 percent of the Sao Paulo interviewees and 3 percent of those in Rio. Among opposition personalities, the only one who was mentioned by a good percentage as being responsible for the rejection of the Dante de Oliveira amendment was Governor Franco Montoro, although only among Sao Paulo residents. Other opposition politicians were blamed by 5 percent of those interviewed in Sao Paulo and 6 percent in Rio.

On the other hand, Governor Leonel Brizola was mentioned by the largest percentage (53 percent) for his support of the campaign for direct elections now. In Rio, frequently mentioned were Governor Tancredo Neves (37 percent), Ulysses Guimaraes (31 percent) and Vice President Aureliano Chaves (20 percent), in addition to the author of the amendment, Deputy Dante de Oliveira (19 percent) and Governor Franco Montoro (16 percent). In Sao Paulo, in the meantime, Montoro received the highest mention (43 percent), while Brizola came in second (35 percent) followed by Tancredo (31 percent), Ulysses (28 percent), the president of the Workers Party (PT), Luis Ignacio da Silva (27 percent), Deputy Dante de Oliveira (16 percent) and Vice President Aureliano Chaves (15 percent).

<u>Were Dissatisfied and Felt...</u>	<u>Sao Paulo (percent)</u>	<u>Rio de Janeiro (percent)</u>	<u>Total SP/Rio (percent)</u>
Disappointment, frustration, discouragement	49	53	51
Anger, indignation	19	15	17
Sadness	14	14	14
Other feelings	18	18	18
Total	100	100	100
Bases	381	336	717

8711

CSO: 3342/109

POLL SHOWS NEGOTIATIONS SEEN AS SOLUTION TO SUCCESSION ISSUE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 84 p 5

[Text] Despite the fact that 58 percent of the population of the metropolitan area of Sao Paulo and 50 percent of that of Rio de Janeiro support continuation of the popular demonstrations on behalf of direct elections for the presidency of the republic, 54 percent of the Sao Paulo residents and 64 percent of the Rio residents agree that negotiation between the government and the opposition is the best solution to resolve the succession problem. But only 16 percent of the people, both in Sao Paulo and Rio, believe that there will be direct elections for president this year, and the majority of the population believe that the opposition politicians are showing more willingness to negotiate than the government.

Those are the main conclusions of the second stage of the poll conducted by the Gallup Institute of Public Opinion, which evaluated popular reactions to the political situation after the rejection of the Dante de Oliveira amendment. The Gallup Institute interviewed 1,213 persons, 606 in the cities in the metropolitan area of Sao Paulo and 607 in Greater Rio. The sympathizers of the Brazilian Democratic Movement Party (PMDB) in Sao Paulo and those of the Democratic Workers Party (PDT) and the Workers Party (PT) in Rio de Janeiro are the ones who are most hopeful of negotiations that will result in direct elections in 1984.

Negotiations

According to the poll, 16 percent of the Sao Paulo and Rio residents are still confident that direct elections will be held this year, but the majority of those interviewed--37 percent in Sao Paulo and 38 percent in Rio de Janeiro--believe in the return of direct elections only in 1988, as provided in the government amendment submitted to congress. A significant segment of the population--32 percent of Greater Sao Paulo and 32 percent of Greater Rio--believe that direct elections will be reestablished in 1986 after the selection of Figueiredo's successor this year for a 2-year caretaker term.

Even though they do not believe in the return of direct elections to select President Figueiredo's successor, the majority of the population--58 percent in Sao Paulo and 50 percent in Rio--support the continuation of popular

demonstrations for direct elections, while 33 percent of the Sao Paulo residents and 43 percent of the Rio residents believe we must wait for the opposition politicians to negotiate with the government about the succession process.

Paradoxically, 54 percent of the population of Sao Paulo and 64 percent of the Rio population agreed that negotiation is the best solution to the succession process. And only 27 percent of the Sao Paulo population and 23 percent of the Rio population believe that to negotiate is to go against the will of the people expressed in the national campaign for direct elections now.

In the opinion of 46 percent of the inhabitants of Greater Sao Paulo and 51 percent of the residents of Greater Rio, the opposition politicians are showing more willingness to negotiate than the Figueirido government itself and the PDS. Only 30 percent of the Sao Paulo residents and 32 percent of the Rio residents think otherwise.

Parties

With regard to negotiations by the opposition with the government to solve the succession process, among those interviewed it is the sympathizers of the PMDB (39 percent) and the PT (29 percent) in Sao Paulo and the supporters of the Brazilian Labor Party (PTB) (36 percent), PT (35 percent) and PDT (33 percent) in Rio de Janeiro who are most hopeful of negotiations that will result in direct elections this year.

The negotiation for a 2-year caretaker term with a return to direct elections in 1986 is supported most by PMDB followers (31 percent) in Rio de Janeiro, while the PTB followers in Sao Paulo (46 percent) and the PT followers in Sao Paulo (34 percent) are the ones who show opposition to any negotiation with the government and support the presentation of another amendment reestablishing direct elections now.

Most PDS followers, on the other hand--37 percent in Sao Paulo and 38 percent in Rio--support negotiations for direct elections only in 1988, as provided by the government's amendment and the selection this year of an indirect president accepted by the opposition.

It is the sympathizers of the PT (78 percent) and the PMDB (64 percent) in Sao Paulo and those of the PDT (61 percent) and PMDB (55 percent) in Rio de Janeiro who, among the interviewees, most support the position that despite negotiations, the campaign for direct elections now must be continued.

In Sao Paulo, the Gallup Poll applied questionnaires in the capital, Santo Andre, Sao Bernardo do Campo, Sao Caetano, Osasco and Guarulhos. In Rio, the base encompassed, in addition to the capital, the cities of Niteroi, Nilopolis, Duque de Caxias, Nova Iguacu, Mage, Sao Goncalo and Sao Joao do Meriti.

Negotiate only to have election in 1984	29	19	39	29	17	19	27	15	27	33	35	36
Negotiate to have direct elections in 1986 and indirect for president for 2 years.	16	16	19	15	11	17	23	21	31	23	23	19
Negotiate to have direct elections in 1988 and indirect elections for 4 years of a candidate accepted by the opposition.	14	37	6	13	20	15	17	38	10	27	9	13
Do not negotiate with the government and present another amendment for direct elections in 1984.	26	13	26	34	46	15	23	18	23	12	27	23
Undecided	15	15	10	9	6	34	10	8	9	5	6	9
Totals	100	100	100	100	100	100	100	100	100	100	100	100
Bases	606	68	255	94	46	96	607	105	141	145	66	62

RIO BUSINESSMEN FAVOR DIRECT ELECTIONS, DEBT RENEGOTIATION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 May 84 p 5

[Text] The immediate holding of direct elections for president of the republic, an effective fight against inflation and renegotiation of the Brazilian foreign debt interest rates are the main concerns and desires of Rio de Janeiro businessmen revealed by a survey made during the Third Plenary Industry and Commerce meeting of the state of Rio de Janeiro.

Analyzing those results, which were revealed yesterday in Rio, the president of the Rio de Janeiro State Federation of Industries (FIRJAN), Arthur Joao Donato, declared that those positions are in keeping with the desires of society in the sense that democracy be reestablished in the country, a fundamental condition for the discussion of the great national problems. In the political field, he said that the points of view revealed by the poll show that "the businessmen represent a sector of society which supports it, since the entire nation wants direct elections, something which is obvious not only in the streets but also in Congress, as shown by the limited vote for the rejection of the Dante de Oliveira amendment."

In the poll conducted by the Association of Journalists of Economy and Finances (AJEF) with the support of FIRJAN among 110 businessmen of the commercial and industrial sectors of the state of Rio de Janeiro, 57.3 percent showed themselves in favor of direct elections, 25 percent advocated the constitutional amendment by President Figueiredo proposing direct elections in 1988, 10.9 percent preferred the direct selection of the president by the electoral college, and 0.4 percent agreed with the mandate-lid.

In the economic field, concern over the foreign debt was prominent to such a point that 65 percent of the businessmen consulted believed the renegotiation of interest rates and payment periods was imperative, while 35 percent were in favor of a moratorium.

However, for the businessmen the great obstacle to the progress of their activities is the recessive state of the Brazilian economy, so much so that 73.6 percent of those polled continue to say that the country is not yet emerging from the recession, compared to 27.7 percent who believe there is a recovery.

The businessmen participating in the Third Plenary Industry and Commerce Meeting of the state of Rio de Janeiro arrived at the conclusion that Vice President Aureliano Chaves and Minas Gerais Governor Tancredo Neves are the men most indicated for the presidential succession. The two received 40 percent and 31.8 percent of the votes in the poll, compared to 10 percent for Paulo Maluf and 4.5 percent for Marco Maciel. Rio de Janeiro Governor Leonel Brizola received two votes, still coming out ahead of Andreazza, who received only one.

8908

CSO: 3342/108

EMFA HEAD CITES SUPPORT FOR RENEGOTIATION OF FOREIGN DEBT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 84 p 29

[Text] The minister chief of the armed forces staff (EMFA), Brigadier Waldir Vasconcelos, advocated a reform of the international financial system when he analyzed the problem of the country's foreign debt at the Air Force Command and Staff School in Rio yesterday.

Speaking on readjustments of the prime rate, the fluctuating rate of interest fixed by U.S. banks which causes the foreign debt to oscillate without the knowledge or consent of the Brazilian Government, the brigadier expressed his support for the renegotiation of the foreign debt in the first statement on the subject by a military minister: "We took a loan at a rate of interest and during the execution of the financial operation the rate of interest changed without us even being able to utter an opinion. This is very unfair, particularly since Brazil has been showing its determination to make every effort within its capabilities to pay its debt."

The minister-chief of the EMFA supported the Brazilian Government's decision to formalize a common position together with Mexico, Argentina and Colombia in favor of a change of financial and commercial policies that will increase access for their products to international markets.

He believed the joint note in which Brazil, Mexico, Argentina and Colombia emphasize the need for better terms for payment of their debts, reduction of rates of interest and the institution of certain periods for the suspension of payments, is valid.

"Brazil is in the world economic recession and is one of the few that has the capability for emerging from this situation. The national effort is aimed at emerging from this recession, at preventing unemployment and insuring conditions of welfare for the population," added the minister-chief of the EMFA.

After placing Brazil among the nations which devote a smaller percentage of their Gross Domestic Product for their armed forces budget, the brigadier declared that "it happens because the social area needs more resources; the Brazilian man has to be protected, which while it is a priority goal at any time becomes more relevant within a framework of international and national difficulties." The minister said: "Aware of the needs of the social area, the armed forces have accepted budgetary restrictions but are doing the best they can within the

possible such as increasing the national content of materials with a significant growth in the capacity of the military, shipbuilding and aviation industries."

The minister once more criticized the "disorderly growth of the Brazilian population," and analyzing the problems of the great uninhabited Amazon regions, he said: "The settlement of the Amazon Region will have to be done by Brazilian men, who are physically prepared for such a purpose, and the need that it be done with suitable conditions does not make the overpopulation of other regions any less troublesome, overpopulation which resulted from irresponsible parenthood.

"The lack of family planning may therefore contribute to aggravating the social problem of the state since there is not only the inability to keep up with the demographic explosion with development plans, but there is also the need to prevent millions of Brazilians from continuing to be born without the guarantee of the factors required for their survival and of their right to human dignity, health, education, housing and employment," concluded the minister.

8908
CSO: 3242/107

CENTRAL BANK ANNOUNCES FOREIGN DEBT OF \$92.8 BILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 84 p 29

[Text] The country's gross foreign debt reached \$92.8 billion and exchange reserves climbed to \$5.94 billion; it was reported yesterday by the Central Bank. In the first quarter the debt increased only \$1.16 billion and reserves--in the classic sense--rose \$1.37 billion because of the containment of the deficit in current accounts during the period to only \$290 million and net income from foreign resources of \$3.5 billion. The Chilean economist of the IMF, Ana Maria Jul, begins an evaluation of Brazilian accounts today and expects to finish next Friday.

Although it maintains a projection of a \$4.33 billion surplus in the balance of payments, the Central Bank raised the estimate of the gross foreign debt by the end of the year from \$100.44 billion to \$100.92 billion. Throughout the first 3 months of the year the medium and long-term registered debt rose from \$81.32 billion to \$85 billion, while the nonregistered short-term debt declined from \$10.32 billion to \$7.8 billion as a result of the payment, during the period, of foreign commitments of \$2.34 billion in arrears. According to a review of the forecast debt, next December the registered debt will be \$93.94 billion and the nonregistered debt will fall even more and end the year at only \$6.98 billion.

The net increase of \$3.68 billion in the registered debt throughout the first quarter was due to the fact that Brazil obtained a net \$5.39 billion in foreign resources at medium and long terms with an amortization of only \$1.75 billion. For the period April-December of this year, the Central Bank projected incomes of another \$15.22 billion for amortizations of \$6.23 billion. For the first time, the Central Bank reported officially that 80 percent of the debt has fluctuating interest rates--70 percent follow the changes of the rates in the Euromarket, 8.3 percent the U.S. prime rate and .9 percent other reference rates--and only 20 percent of the loans have fixed rates.

In case that Phase 3 of renegotiations includes, as Brazil wants, the closing of foreign accounts of the next three years, Brazilian authorities will negotiate only the debts that are due in the period: \$35.49 billion. Just in the portion of the registered debt, the Central bank reviewed the makeup of commitments and announced that \$9.72 billion are due next year; \$12.77 billion in 1986, with a peak of \$12.99 billion in 1987. For this year, amortizations amount to \$7.99 billion, however, Phase 2 allowed the automatic rollover of \$6.27 billion.

In the balance of payments for the first quarter, the Central Bank recorded the "strong surplus" position of \$2.68 billion, compared to a deficit of \$1.63 billion in the same period in 1983. The result of \$290 million in the deficit in current accounts was also significant in view of the \$2.85 billion accumulated in the first 3 months of 1983. From last January to March, the trade balance had a surplus of \$2.46 billion and also had a favorable balance of \$30 million in unilateral transfers, which reduced the impact of the deficit of \$2.78 billion in the servicing account.

Even the deficit in the servicing account declined by comparison with the \$3.72 billion of the first quarter of 1983. Net quarterly costs of foreign debt interest for the quarter fell from \$2.55 billion to \$2.14 billion because of the decline in the average rate paid by Brazil from 13.43 percent per year in 1983 to 10.48 percent this year. The Central Bank pointed out that the rise of 1.5 percent per year in the prime rate--rate charged by U.S. bankers to their preferred customers--from the first half of March, will only change the servicing account as of the last quarter of the year on 80 percent of the registered debt of the country.

In the other items of the servicing accounts of the balance of payments in the first quarter of this year, Brazil also recorded deficits: \$31.2 million in international trips, \$230.7 million in transportation, \$5.4 million in insurance, \$225 million in profits and dividends, \$66.2 million in government relations and \$83.7 million in other services.

8908

CSO: 3342/107

CENTRAL BANK PROJECTS ZERO ECONOMIC GROWTH IN 1984

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 84 p 30

[Text] The Central Bank maintained a prediction of zero economic growth for Brazil this year when it released the third magazine edition in English yesterday of the Program of Domestic and Foreign Adjustment. Even with the recovery in industrial production in the first quarter and the expectation of agricultural growth, the caution of the Central Bank in its projection of the Gross Domestic Product (GDP) for this year reflects the maintenance of inflexibility in the execution of the monetary policy and even the effects of the rise in international rates of interest since the second half of last March.

Just as happened last month, the Central Bank allowed correction of deviations in the growth of the monetary base--primary issue of money--not only by net placement of state debt bonds on the open market but also through "the imposition of stricter controls" on the increase of outlays by the Central Bank and the Bank of Brazil. From January to April, the national financial system as a whole had already effected a real cut of 6.5 percent in loans to the private sector. In nominal terms, outlays by the system to the private sector of the economy reached a balance of 88.03 billion cruzeiros, with an increase of 38.1 percent for an inflation in the period of 47.7 percent.

For the first time, contrary to what is said by all the principal economic authorities, the Central Bank admitted that Brazil can even reduce imports for this year, which are estimated at \$15.5 billion, generating a surplus of more than \$9.1 billion in the trade balance and covering additional expenditures caused by the interest on the foreign debt, which is projected at \$10.6 billion as a result in the rise in international interest rates. The Central Bank observed that the reduction in the purchases of foreign oil and even other items, makes it possible to end the year with imports of below \$15.5 billion within the framework of the expectation of a zero economic growth, which will mean a new real reduction of 2.5 percent in per capita income.

8908

CSO: 3342/107

UNEMPLOYMENT DOWN IN SIX MAJOR CITIES IN APRIL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 84 p 23

[Text] April unemployment fell to 7.71 percent with respect with the economically active population of the six principal metropolitan regions of the country. In March the rate had reached 7.81 percent (7.82 percent in February). The president of the Brazilian Institute of Geography and Statistics (IBGE), Jesse Montelo, said that the smaller rate of unemployment in the February-April period was the result of the reactivation of the industrial sector, which during the first quarter of the year recorded a growth of 3.96 percent by comparison with a like period in 1983.

The largest decline in the unemployment rate took place in Recife, going from 9.53 percent in March to 5.59 percent in April, followed by Porto Alegre, where it declined from 9.02 to 8.19 percent; Sao Paulo from 7.5 to 7.49 percent; Salvador, from 7.87 to 7.86 percent. Unemployment grew in Belo Horizonte, with the rate climbing from 8.57 percent in March to 8.94 percent in April, and in Rio de Janeiro, where the rate increased from 7.32 to 7.33 percent of the economically active population. Therefore, Rio and Sao Paulo continue to have the smallest unemployment rates, while Belo Horizonte replaced Recife with the highest rate of unemployment.

Jesse Montelo added that in overall terms there are nearly two million unemployed in Brazil, representing 4 percent of the economically active population, which is estimated at 50 million persons above the age of 15 who are performing paid work. He explained that the level of unemployment has been historically recorded by the National Program of Household Samplings (PNAD) in 1981, 1982 and 1983, which will be verified when the information of the PNAD is subjected to final processing next June.

According to figures released by the IBGE for each sector of activity, the industrial sector continues to show a gradual decline in unemployment; the rate fell to 1.70 percent in April compared to 1.79 percent in March, 1.84 percent in February and 1.91 percent in January. The declining trend was also noted in the commerce sector, where it fell to 1.02 percent by comparison with the 1.04-percent rate in March, while unemployment increased in the service sector from 2.69 percent to 2.73 percent and remained stable in civil construction with a rate of 1.12 percent.

The average rate of persons who are self-employed but who declared they received no income in April, was 1.18 percent of the economically active population, with the greatest rate registered in Recife, 2.40 percent, and the lowest rate in Salvador, .73 percent. In Rio de Janeiro the number of those persons reached .84 percent of the economically active population, while in Sao Paulo it reached 1.07 percent.

8908

CSO: 3342/108

VIOLENCE IN RIO SAID TO BE GETTING OUT OF CONTROL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jun 84 p 12

[Text] Violence in Rio is now getting out of control of the state's civil and military authorities. For 2 days, the city has been struggling with a wave of holdups, murders, rapes and robberies of every kind without the police being able to prevent them or even arrest the culprits. The Secretariat of Security reported that it does not have sufficient funds or personnel. In addition to facing the same problem, the Military Police have a corps of 29,000 men generally unprepared and poorly armed. The Civil Police have no more room for prisoners (almost 8,000), spread over 40 precinct stations, and complain that "we arrest them and the courts release them." Jurist Virgilio Donnici summarizes the problem in a single word: "impunity."

In the last 48 hours, an ambassador was murdered on Vieira Souto Avenue while defending his wife from a holdup; in Jacarepagua a young woman was killed by muggers who had just mugged and wounded her boyfriend; in Sao Cristovao, a native of Sao Paulo was murdered in cold blood by a shot to the head by a boy not much over 10 years old who wanted jewelry and money; in Rui Barbosa Avenue a luxury building was taken over by heavily armed men who took jewelry, money and weapons; and in the very center of the city, a man killed another with a gun over an old romantic quarrel.

Bewildered by so much crime, the city's police authorities are asking for help because they have not been able to capture even one-tenth of those responsible for the crimes, according to a high-level source in the Secretariat of Security. And it is that certainty of impunity that is leading the bandits to unprecedented boldness. Until now, for example, the police have not been able to discover the perpetrators of the kidnapping of four men, one of them former jockey Francisco Yrigoyen; and only yesterday did they catch the holdup men who last Saturday killed medical Doctor Jose Carlos Postch when he "fazia 'cooper'" [translation unknown] in Boa Vista Heights, although the former's name and address were already known for days.

To take a walk today in Vieira Souto Avenue is an adventure that even the police do not advise for anybody, to the despair of the hotel owners who are seeing their customers flee without being able to do anything about it. In terms of crime, the Baixada Fluminense has already been surpassed, according to a veteran Rio policeman, who says that he has never seen such facility to kill

and rob as in the Southern Zone of Rio, where the stores display in their windows weapons of every type and caliber at accessible prices and with the guarantee of registration, as the sales clerks themselves declare.

Ambassador Lucilio Hadock Lobo, 68 years old, 40 of which were spent in the service of his country, was killed with a shot to the heart without any chance of defense a few meters from Caesar Park, known for the quantity and quality of its security arrangements. In that same place, a little more than a month ago, the people saw an entire building being sacked at the exact moment that the police jostled one another in Caesar Park to protect Queen Syliva and King Gustav of Sweden.

The bandits are better trained and armed than the police. Of that, the Secretariat of Security no longer has any doubt. Colonel Cerqueira, present commander of the Military Police, believes that the main reason for the "incredible" increase in crime in Rio is due to poverty: of the police and the population. The 33 machineguns, three shotguns and three carbines that an organized gang robbed from the Rio Grande-Sao Paulo Express Company in Bonsucesso were intended for the Military Police of Espirito Santo. Thus far, the police do not know where the arms and the bandits have gone.

The precinct stations in Rio are literally falling apart. But that is where the courts let almost 10,000 men remain. Some are sentenced men who should be in the penitentiaries; others do not even know why they are there; the majority are guilty of small and medium crimes. One veteran and still active policeman asserted: "The really big criminals are free, organized and with money to buy their own freedom."

Secretary Accuses Middle Class of Criminal Acts

The secretary of the Civil Police of Rio, Arnaldo Campana, said yesterday that the middle class is also participating in holdups. According to the police official, crime no longer comes only from the less privileged class. According to Campana, "the old middle class is also becoming involved in holdups, which can be ascertained by the clothing and appearance of the members of some groups involved in holdups. Those crooks, he observed, use more powerful cars; some even use motorcycles in their assaults and they are bolder and more intelligent."

The observations of the secretary of the Civil Police were made during a press conference that he called yesterday afternoon to talk about the crime wave in Rio. Almost at the end of the conference, the secretary of the government, Cibilis Viana--Brizola was in Brasilia--telephoned to know if he was really giving a press conference and what he was talking about. In front of the reporters, Campana confirmed that he was granting the conference and explained in detail what he had said.

The secretary said also that the reactivation of the patrol precinct stations in the North, South and Center regions, with the civil police working in the streets together with the military police--today the only ones responsible for preventive policing--would be very important for public security.

With regard to the recent crimes and holdups that have occurred in Rio, the reporters wanted to know what measures the police were taking. As the reporters were citing the cases, the secretary was explaining that "everything possible is being done," or that "investigations are underway."

Yesterday, the police succeeded in arresting a man charged with having killed Professor Jose Carlos Postch. In the meantime, there are no clues as to the robbers who sacked several apartments in a building on 870 Rui Barbosa Avenue in Flamengo, the murderers of the director of social security of the National Institute of Social Security, and the kidnapers of Chilean jockey Francisco Yrigoyen, kidnaped with three other persons a week ago.

8711

CSO: 3342/109

VIACAVA FORECASTS RECORD EXPORTS, TRADE SURPLUS IN MAY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 84

[Text] The Brazilian balance of trade will break two historical records this month: exports will be more than \$2.2 billion and the surplus will be more than \$1.1 billion. The announcement was made yesterday by the director of the Foreign Trade Department (CACEX) of the Bank of Brazil, Carlos Viacava, at a meeting with Minister of Finance Ernane Galveas.

Carlos Viacava attributed the favorable activity of Brazilian foreign trade in May primarily to sales of manufactured items and the recovery in prices of some commodities such as coffee, sugar and coca. Viacava expects that results could be even better in June because sales of agricultural products will increase with the beginning of exports of the recently harvested crops.

The CACEX director emphatically denied that Brazil is obtaining good trade balances at the expense of reduced imports. According to him, the decline in imports is the primary result of a realistic exchange policy that made it necessary to produce many articles domestically, which up to then had been purchased abroad. "We made substitutions for imports, because it is cheaper to produce here. Therefore, contrary to what is said, the decline of imports is stimulating economic activity and fighting the recession," he argued.

The CACEX director declared, however, that there is a list of products which have their import licenses suspended not prohibited, but that this is necessary as a precaution against importing superfluous items. He said that when the country obtains surpluses such as those of the present, the government can allow a greater number of imports but in a selective manner. Thus, imports of essential raw materials are gradually being increased, as are components, pieces, parts and even some equipment for keeping Brazilian industry technologically up to date. "Superfluous," he said, "only in case of extreme trade benefits."

Difficult Credit

Credit for exporting is very difficult to obtain admitted the CACEX director. This month, the amount required for "tidying up the house" and selling more would be 250 billion cruzeiros but only 70 billion were released because of money restrictions imposed by the IMF. Last Friday the government released a little bit for financing exports destined for East Europe. Viacava, declared, however,

that the tightening of credit is not going to affect the goal of a trade balance surplus of up to \$10 billion, although he admits that with more resources and less protectionism the country could export up to \$30 billion this year.

At any rate, according to Viacava, Brazil has been managing to expand its foreign trade. The country has the need to renew former trade relations with Latin America. Viacava confirmed that Brazil, Argentina and Uruguay are gradually removing customs barriers among themselves so as to increase the level of trade and provide more employment in the region.

He did not conceal the fact that the understanding among Brazil, Argentina and Uruguay, because of their size in the continent, will give rise to a Latin American common market. "We are always very careful in that type of action, but the European Common Market is there with each country defending the others and all of them protecting each other. We are seeing those examples without doing anything. However, a good prospect is opening up now and we are moving little by little toward a common market in Latin America," he emphasized.

Finally, the CACEX director discarded, at least for the time being, the thought of importing meat from Uruguay and Argentina, from where he just returned. Imports of that product which could be made, would be by the drawback system, which means that they would be imported for processing for export. Viacava believes it is too "early" to speak of importing meat for domestic consumption.

8908

CSO: 3342/107

INDUSTRIAL IMPORTS IN FEBRUARY DOWN 48 PERCENT FRM 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 84 p 30

[Text] Imports by the industrial sector of Brazil were 48 percent less in February 1984 than those which would have been noted in the case that a production-import ratio equal to that of 1980 had been maintained. That is what is shown by a long study by the Department of Economy of the Federation of Industries of the State of Sao Paulo [FIESP] released yesterday. The president of the federation, Luis Eulalio de Bueno Vidigal Filho, says that if the import level of 1980 had been maintained in 1983, industry would have imported \$4.5 billion more than the imports made last year.

Therefore, according to him, that savings was obtained due to the immense effort at substituting for imports. In 1980, according to him, the percentage of imports was 15 percent, which means that for each \$100 of value produced, industry spent \$15 on imports. Today that coefficient has been reduced to 7.6 percent, which means that for the same \$100 produced, the industrial sector imports only \$7.60.

Precaution

"By that we want to show that the industrial sector always responds when it is asked to do something. Therefore, any measure taking restrictions off imports must take that effort into consideration, effort which meant enormous investments and great technological development," continued Vidigal. He says that the FIESP is only acting with caution in case the government really decides to remove the restrictions on imports." That, however, in his opinion, is no less than an unpatriotic action because the government cannot "throw away all the effort by industry."

Moreover, he believes that industry is not in a condition to pay that burden after more than 3 years of recession. On the other hand, he says that the substitution for imports should not be made at any cost because the efficiency factor cannot be relegated to second place, creating problems of competitiveness for Brazilian products on the international market. In addition to that he says that as part of the goods previously imported began to be produced domestically, the impact of the recession diminished and there was a decline in the rate of unemployment. "If industry had not substituted for imports, the decline in the level of production would have been brutal," he continued.

Maturing

The Department of Economy study also points out that any process of substitution for imports "presupposes the maintenance of the rules of the game so that investments made may mature." In that respect, the obstacles to imports must be maintained for a certain period to insure the conclusion of initiated projects.

The study also points out the sectors where there is the most accentuated substitution. The metallurgical industrial sector reduced imports by comparison with 1980 by 78.1 percent, the food products sector reduced imports by 62 percent and the chemical sector 51.9 percent.

Because of all this Vidigal believes that it makes no sense to remove restrictions on manufactured articles. If the government, still according to him, believes it is imperative to import, it should seek products which could even help in fighting inflation itself. Vidigal acknowledges that from now on very little can be done in terms of substituting for imports because industry has already reached a reasonable limit.

He believes that it will be possible to maintain the 1983 level of imports in 1984.

Structure

The study by the Department of Economy also recognizes that the reduction in the coefficient of imports by the Brazilian industry did not happen only because of substitution for imported products but also because of changes in the structure of production which caused an increase in the participation of products or sectors less dependent on imports.

8908

CSO: 3342/107

YUGOSLAV TRADE DELEGATION VISITS TO PROMOTE EXCHANGES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 May 84 p 31

[Text] Imports of Brazilian products by Yugoslavia could reach up to \$1 billion, a volume 20 times greater than present imports, if trade between the two countries were expanded. This is the proposal of the mission headed by Yugoslav Minister of Agriculture Milorad Stanojevik, which is visiting Parana.

For the minister "Brazil is a very useful partner," which will supply a large part of the needs of his country in agricultural products such as soybeans, coffee, cocoa, and tropical fruit. However, the minister, as well as other technicians of the mission, emphasized that imports of Brazilian products are declining. Coffee, for example, fell from imports of 28,000 tons in 1972 to fewer than 8,500 tons which should be purchased this year.

What is happening, according to the technicians, is a restriction on imports set by the Yugoslav government, establishing a sort of "equivalency law," which means that imports cannot exceed exports.

Among the needs of Yugoslavia, the technicians list 400,000 tons of raw soybeans, 100,000 tons of soybean meal and 180,000 tons of soybean oil, in addition to cocoa, sugar, peanuts, concentrated tropical fruit juice, cotton, hides and coffee. To counterbalance this wide range of items, the Yugoslavs first of all offer their experience in agricultural production and organization. As an example, the technicians showed some practical results in the production of corn; average yield of the crop in Yugoslavia is 6,000 kilos per hectare, while in Brazil the average is only 2,000 kilos per hectare. Corn is another exemplary case because the yield obtained in Yugoslavia is five times greater than the Brazilian average (Sentence as published).

The mission believes that it can offer much in the development of Brazilian agriculture by means of basic corn hybrids, high yield seed wheat varieties, fruit tree cuttings and cattle breeding stock especially adapted to Brazilian conditions.

8908

CSO: 3342/108

BEFIEEX APPROVES 7 EXPORT PROJECTS; FUNCEX ON 'COUNTERTRADE'

Export Commitments Assumed

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 May 84 p 22

[Text] The industrial sector will grow 3 percent in 1984, forecast the executive secretary of the Industrial Development Council (CDI), Getulio Lamartine, in Brasilia yesterday after announcing that the Commission for the Concession of Fiscal Benefits to Special Programs (BEFIEEX) this week approved seven export projects totalling \$1.8 billion, which will generate a net balance of \$1.29 billion in foreign credits, and can be accomplished in the maximum period of 10 years.

With this, he pointed out, BEFIEEX has assumed commitments of \$75.7 billion, exceeding the goal set by Minister of Industry and Commerce Camilo Penna; Getulio forecast commitments for \$80 billion by the end of the year. Commitments amounting to \$3.4 billion have already been approved this year, which is the equivalent of three times the amount for 1983 (\$1 billion). Surpassing its goals, BEFIEEX, according to Getulio Lamartine, is consolidating itself as an important industrial instrument.

For Lamartine, exports are showing themselves to be the solution for the economy, but he pointed out that the domestic market must not be forgotten. He agreed with the opinion of the multinational businessmen, who this week claimed the economy is recovering. He said, backing up the executive secretary of the CDI, that the heating up of the economy should come as quickly as possible despite his statement that efforts to reduce inflation should not be slackened.

However, he said, the inflation in demand, which according to the IMF is the main characteristic of Brazilian inflation, no longer exists, particularly in Sao Paulo where there was a complete drying up of the inflationary factors of demand through reductions in wages. He agreed that inflation now is one of costs but he refused to go into the subject, saying he was not competent to do so.

Getulio Lamartine revealed concern over the possibility that generalized imports will be allowed in order to reduce the impact of the excess in liquidity caused by the exchange dollars for cruzeiros deriving from the surplus in the trade balance. He advocated the need for selectivity in imports so as not to prejudice the sectors which have achieved the cycle of substituting for imports, which would prejudice the domestic market.

Law of Remittance

Getulio Lamartine admitted that if the Law of Remittance of Profits were to be changed, BEFLEX could increase export commitments even more because this would allow companies to import more risk capital. He agrees that the limit of 12 percent of nontaxable remitted profits prevents the entry of risk capital since it is more advantageous for investors to place their capital on the international financial market, which is paying more than 12 percent. Therefore, says Getulio, it would be well to change the law in some of its points so that it can become dynamic.

"Countertrade"

Countertrade (a collection of foreign trade alternatives, which run from simple operations tied to bilateral agreements, to BEFLEX type programs and Drawback programs) was responsible last year for 25 percent of the volume of international trade in the amount of \$2 trillion. Nearly 10 percent of Brazilian foreign trade this year should be generated as a result of those trade practices. The subject was the object of a seminar yesterday in Sao Paulo in which 160 persons participated. It was sponsored by the Foreign Trade Study Center Foundation (FUNCEX). Countertrade, concluded the seminar, should attract the attention of the banks and trading companies.

FUNCEX Approves Countertrade

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 May 84 p 28

[Text] It is possible to sell more abroad, generating hard currency despite the fact that the economic recession has practically halted the growth of international commerce, primarily in developing countries. FUNCEX believes in that possibility of growth. Its executive secretary, Roberto Sarmento explained to newsmen in Sao Paulo yesterday about a new type of commerce--countertrade--which is gaining ever-growing acceptance in the international market because of its capacity for generating hard currency for those who are having export difficulties.

The technique in itself, explained Sarmento, is very simple; whoever is exporting a merchandise requires that the exporter buy merchandise from his country, which means that some sales are linked to some purchases. He cited two examples of countertrade in Brazil: The Ministry of Aeronautics linked the purchase of the SINDACTA [expansion unknown] radar system to the sale of aircraft to the French Government. On another occasion, the purchase of Airbus aircraft was linked to the authorization for a national company to furnish the passenger compartments of those aircraft with seats made in Brazil.

According to the FUNCEX representative, countertrade, which may link not only the purchase and sale of merchandise, but also services, has been practiced by state and private companies in Brazil. However, he believes that federal authorities must make an effort to make that practice something which is widespread among Brazilian exporters. He warned that developed countries such as the United States are very well advanced in that sector. He added that companies such as General Electric and banks such as First Chicago and City Bank have trade companies for dealing exclusively with countertrade.

Sarmiento has no doubts that countertrade is good for both the buyer and the seller "and that practice tends to become general as rates of interest reduce stocks of hard currency in developing countries and raise the costs of financing and exports."

8908

CSO: 3342/108

INFLATION RATE FOR 12-MONTH PERIOD HITS RECORD 235.5PERCENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 May 84 p 21

[Text] After 2 months of consecutive declines, the rate of inflation this month remained at the same level as that recorded in April, 8.9 percent, it was reported yesterday by the Brazilian Institute of Economy [IBRE] of the Getulio Vargas Foundation responsible for the preparation of the calculations. For the second month there was no adjustment in the rates. With the rate of 8.9 percent in May, the accumulated change for the year reaches 60.7 percent and in the last 12 months it reached the record rate of 235.5 percent.

According to the IBRE, the rate of inflation for this month "reflects, among other important elements, the increases in prices of petroleum byproducts, meat, agricultural products (except vegetables and legumes), public and personal services." The readjustment of the minimum wage "also exerted a strong influence in some components of the general index."

IPA: 8.8 Percent

The Wholesale Price Index (IPA) registered a rise of 8.8 percent this month, with an accumulated index so far this year reaching 62 percent and 258.3 percent during the past 12 months. In that index the greatest changes were in the prices of machinery, vehicles and equipment (12.2 percent), domestic appliances (12 percent), nonfood raw materials (10.3 percent) and food products (7.1 percent).

The greatest percentage changes in the IPA were in these groups: sea salt (71.1 percent), piacabe [palm fibers] (63.5 percent), refined cottonseed oil (53.3 percent) grapes (49.7 percent), SBR rubber (49.7 percent), iron ore (40.9 percent), Hevea rubber (39.7 percent), civil construction machinery (38.4 percent), cocoa butter (35.1 percent) and steel ingots (34.2 percent). The greatest percentage influences on the IPA were caused by beans (7.7 percent), unrefined petroleum (6.3 percent), cotton fabric (5.9 percent), chilled beef hindquarters (3.6 percent), corn (3.5 percent), gasoline of up to 90 octane (3.4 percent), soybeans (2.9 percent), chilled beef front quarters (2.1 percent), heavy trucks (2.1 percent) and artificial fabrics and threads (2.0 percent).

CPI 9.2 Percent

The Consumer Prices Index (CPI), the second component in calculating inflation, showed a rise of 9.2 percent in May, with an accumulated change during the year of 57.9 percent and 198.6 percent during the past 12 months. The prices which went up the most in the CPI are: housing (12.6 percent), clothing (10.7 percent), home furnishings (10.2 percent) and health and hygiene services (9.7 percent). Food was the item that rose the least in that index: 8.2 percent.

The greatest percentage changes were represented by the following products: strawberries (53.9 percent), shoulder roast (31.5 percent), steak (31.4 percent), chuck (30.7 percent), brisket (30.5 percent), onions (29.1 percent), persimmons (28.9 percent), frozen shrimp (27.5 percent), beef round (27.3 percent) and duckling (26.0 percent). The articles which had the greatest percentage influence on the CPI were: top round (3.3 percent), duckling (2.4 percent), sirloin (1.9 percent), manioc flour (1.6 percent), black beans (1.5 percent), soybean oil (1.5 percent) and powdered coffee (1.4 percent).

ICC: 8 Percent

The third component in the calculation of inflation is the Construction Cost Index (ICC), which registered a rise of 8 percent in May. The accumulated change so far this year is 58.9 percent and that of the past 12 months is 179.9 percent. The cost of labor rose 9.4 percent and construction materials costs rose 6.9 percent.

8908

CSO: 3342/108

CULTIVATION OF ADDITIONAL 2 MILLION HECTARES SEEN FOR NEXT CROP

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 84 p 23

[Text] Rio--The next Brazilian crop will include the production of 2 million more hectares, planted basically in beans, rice, corn and cassava. That information was given by the minister of agriculture himself, Nestor Jost, who revealed in Rio yesterday that by the end of this month, he will be submitting a proposal to the National Monetary Council to obtain the funds for the project.

Nestor Jost said also that he did not know the exact amount of funds necessary to cultivate those additional 2 million hectares and also where those funds will come from. According to him, the National Monetary Fund may allocate less funds to export products such as soybean, for example, in order to devote more attention to those basic products.

The minister said that the great concern for the next crop will be rice, and that the experts from his area already have instructions to calculate immediately the Basic Cost Defrayal Figure (VBC) to be used for the coming crop. "Soybean as well as cacao and coffee will continue to get their normal credits while the basic products may receive more adequate funds. Our concern is that for many years the production of basic consumer food crops--beans, rice, corn and cassava--has not been increasing according to the needs of the Brazilian population," the minister declared.

Jost admitted that there is a lack of funds for marketing the current crop but "money is always scarce, especially in developing countries such as ours. It is not the first time we have faced that problem and we could certainly be a great world supplier of agricultural products if there were money."

Delay

According to him, there was no disagreement between the Ministry of Agriculture and the Ministry of Planning regarding the proposal to hold income tax refunds so that the money could be used in marketing the crop. "It was proposed that those payments be delayed in the form of loan. However, Minister Galveas declared that there was already a commitment in that regard with the announcement of time periods for payment of the refunds. The solution we found was to delay payments of last year's cost defrayal credit, a solution which the finance minister approved yesterday (Thursday)."

The minister also denied that there is going to be any importation of agricultural products this year "in addition to the traditional purchase of wheat and a small amount of colored beans [feijao de cores]. It will not be necessary to import meat because we believe that even between harvests there will be enough beef in the country to take care of the needs of the population."

8711

CSO: 3342/109

SAO PAULO GRAIN, CEREAL CROP EXPECTED TO DECLINE 12.2 PERCENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 May 84 p 26

[Text] The grains and cereals crop of the state of Sao Paulo will be 12.2 percent lower than that of 1982-83, which represents a decline greater than that predicted by the Secretariat of Agriculture in February, when a drop of 10 percent was predicted. Those figures were revealed yesterday by Devancir Aparecido Romao, director of the Institute of Agricultural Economics (IEA).

The predictions, contained in the fourth survey of the IEA, indicate that Sao Paulo will procure 4.4 million tons of grains and cereals in the 1983-84 crop, with an area of approximately 2.5 million hectares, 0.4 percent below the area planted in the state in 1982-83.

The IEA attributes the decline in the grains crop to the drought period at the beginning of the year added to the smaller use of productive aids [insumos] and the shortage of improved seeds, which reduced the yield of soybean, corn and principally rice. According to Devancir Romao, the results of the June survey may indicate even greater losses for the current crop.

None of the main products will show an increase of production: rice will crop from 617,400 tons to 389,100 (minus 37 percent); water beans [feijao das aguas], from 151,800 tons to 145,800 (minus 3.9 percent); dry beans [feijao da seca], tons to 112,200 (minus 9.0 percent); corn, from 3,159,000 tons to 2.9 million (minus 8.2 percent); soybean, from 966,000 tons to 856,200 (minus 11.4 percent). The results of those last two products were the most disappointing since recovery had been expected with the price rise on the world market.

Improvement

In the opinion of Devancir Romao, despite those figures, Sao Paulo agriculture had good news in recent months: "Type-B milk produced in the state received an exemption from the Goods Transfer Tax (ICM) and the Secretariat of Agriculture established the sale of bean seed at 85,000 a sack, the same price paid to the producer."

He pointed out also that the vegetable farms showed an increase in production as well as planted area, especially of onion seedlings. In that category the worst results were in tomatoes intended for industrial processing, which had a drop of 16.7 percent in area and 9.2 percent in production.

On the other hand, coffee had an increase in production, going from 883,200 tons to 903,200 (plus 2.3 percent) despite a 4.6 percent reduction in planted area, which decreased from 88,600 [as published] to 847,900 hectares. According to the IEA survey, coffee will still have its yield in processing kept at 20 kilos per 40-kilogram sack, the same as that of the previous crop, with the production in processed sacks 2.3 percent higher than the previous crop (from 7.36 million to 7.53 million).

With regard to oranges, the production increase will be 4.2 percent, going from 7,705,000 tons to 8,026,000. However, the estimate for that product released yesterday is lower than the previous ones--199 million crates in November and 197 million in February.

Decline Continues

The IEA figures, Devancir Romao points out, cause concern mainly because of the continual decline in the production of food items. "In Sao Paulo, that situation is felt mainly in the areas of Ribeirao Preto and Campinas where the cane has occupied the space of the food crops. In the state, the production of cane for industry in this crop has increased 5.1 percent (from 108.5 million tons to 112.3 million)."

The IEA director said also that the figures for the last 10 years give even more cause for concern. "To have an idea of the problem, in that period the production of rice fell 35.1 percent, potatoes 33.7 percent and onions 70.1 percent."

8711

CSO: 3342/109

BRIEFS

SAO PAULO STRIKE CAUSES--According to a survey conducted by the metallurgical union, wage delays were the main reason for the strikes waged by the metalworkers. Of the more than 30 strikes that have occurred since the beginning of the year, about 50 were caused by wage delays. In the other strikes, the workers' demands were the readmission of employees and job stability or restoring wages above the level set by Decree-Law No 2,065. On the average, the stoppages for delayed wages lasted 1 day with agreement being reached with the companies to solve the problem. The movements for wage demands or stability lasted less time (around 4 hours) and the great majority obtained positive results for the workers. Of those agreements, the one that most exceeded current wage legislation was that signed with the Semmer Company granting the full National Consumer Price Index (INPC) to all employees and a quarterly advance of 15 percent for those who earn up to three minimum wages. The review made by the union also shows another 15 wage agreements signed with companies exceeding Decree-Law No 2,065 without any workers' movement having been set off. The negotiations with those companies had results similar to that with Semmer. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jun 84 p 24] 8711

CSO: 3342/109

MAGAZINE CLAIMS U.S. MONOPOLY OF INFORMATION PROCESSING IN L.A.

Havana TRICONTINENTAL in English May-Jun 84 pp 58-63

[Article by Enrique Gonzalez Manet: "Problems of Information and Informatics in Latin America"]

[Text]

LATIN America has double the resources for information and communication as the rest of the so-called

Third World.¹ But despite this, the region has one of the highest levels of illiteracy, and an almost non-existent level of communications. The little mass media that does exist is concentrated in disproportionately developed urban centers, in which large sectors of the population have a barely marginal existence. The press, radio, movies and television — with more than 70 % of their financial backing coming from transnational and other foreign advertising — stimulate a culture of consumerism and help distort traditional identity and values.

At the beginning of the 1980s, four out of every ten Latin Americans are cut off from all means of communication. There are fewer than 70 copies of daily newspapers for every thousand inhabitants of the continent. That figure tends to be decreasing as a result of the increasing costs of paper and printing equipment, the latter

becoming more and more complicated and sophisticated due to the emergence of micro-electronics and computerized systems.

While advertising costs have soared at a dizzying rate — in 1979 they were calculated at \$4 billion — money spent by governments on education and culture dropped significantly. The budget appropriations for research and development never exceeds two tenths of one percent. With rare exceptions the countries of the area don't have established policies on communications and culture, nor even reliable statistics, which are essential for economic planning.

This grave situation, and the phenomenon of dependency which affects most of the continent, were pointed out by a group of prominent Latin American experts in the First Meeting of the Monitoring Group of the Intergovernmental Conference on Communications Policies in Latin America and the Caribbean, which was held in Quito, Ecuador in December of 1981. The specialists revealed not only the lack of adequate

resources, but also the lack of any real consciousness of the phenomenon of dependency, and — even more serious — the absence of political will to make changes in this important sector.² They also asserted that the modernization of telecommunications technology and the socio-economic impact of micro-electronic innovations provoke serious and unexpected problems "that still have not been duly dealt with in the region."

The experts pointed out that Latin America is experiencing a dangerous lag in planning, both in terms of policy formation and legislative action. One key concept is that management and control of the telecommunications structure is operated by a miniscule number of giant transnational companies in a small number of developed countries.³ In the presence of Dr. Antonio Pasquali, UNESCO's assistant general director of communications, the specialists stated that the region does not have the resources today capable of meeting the development needs of its people.

Penetration and dependence in Latin America

Along this line of critical thought, the Peruvian researcher Juan Gargurevich pointed out that Latin America is entering the world of communications far behind the developed countries, and is at a disadvantage as a result of the technological invasion. The region, then, becomes the victim of technological change that permits the imposition of power by the transnational corporations.⁴

It is a matter of a more evolved form of dependency,

springing from the United States by means of a self-serving ideology that is introduced into Latin America through the mass media.⁵ Local businessmen, explains the economist Manuel Espinoza García, don't have the financial or technical base to counteract the invasion of foreign capital, nor the freedom of action to struggle against this dependency, because the advertising necessary for their continued operations comes from foreign corporations.⁶ Latin America is the only continent in which 90 % of the mass media is completely controlled by private enterprise.

The social reality of the continent is determined by the fact that 50 % of the population is rural, and 30 % consists of poverty-stricken city-dwellers whose lack of access and participation reflects the direct relationship that exists between acquisitive power and the utilization of the mass media. This relationship extends to cultural and educational sectors, since those who are better educated are also those who make the most use of cultural media and activities such as books and concerts, art exhibits and theatre. The culture of two-thirds of the population of Latin America rests fundamentally on radio and television, which has a strong negative impact due to its low quality and indiscriminate and distorted commercial orientation.

Color television and transistorized receivers are considered luxury items and status symbols for large segments of the population. If you accept the premise that communication is a public responsibility and a factor for social change, the majority of the people in the region are,

apparently, relegated to immobility and the acceptance of the *status quo*.

Peter Schenkel, a specialist from the German Federal Republic (West Germany) who is director of research for CIESPAL (International Center for Higher Studies in Communications for Latin America) in Quito, stated in 1975 that in Latin America the mass media has as its objective: a) to serve private economy and the market structure; b) to maintain the political *status quo* and its political structure; c) to defend the structures and ideas of the dominant system of relations; d) to keep the great majority of the people from acquiring consciousness; e) to guarantee that the mass media remains in the hands of private enterprise.⁷

These circumstances, points out Juan Gargurevich, are not unique to Latin America, and can be generalized to include most of the "Third World". In other regions there is greater state regulation of radio and television, but not of the printed media, which mostly belong to private, political or institutional interests.⁸

In general these important aspects in the evolution of social thought are almost unrecognized by government officials, and in many cases even by professional journalists. The concealment and distortion of such processes can be seen in the academic and teaching sector, despite the existence of some 170 schools of journalism, with an enrollment of over 100,000 students, and of pioneering organizations such as CIESPAL, ININCO (Communications research Institute) and ILET (Latin American Institute on Transnational Studies) as well as groups like the Latin American Association of Communications Researchers (ALAIC).

Although daily newspapers appeared in Latin America in the 18th century, and the first school of journalism in 1935, CIESPAL — in a report on professional training for journalists and "communicators" — states that "journalism schools don't offer optimal levels for professional preparation that meets the requirements of today's society. Academic innovation has been insignificant and technical development almost nil."⁹

According to Latin American specialists such as Luis Aníbal Gómez, Oswaldo Capriles, Luis Ramiro Beltrán, Héctor Mujica, Luis Gonza Motta, Oswaldo Sunkel, Theotonio Dos Santos and others, the region is a dependent zone, underdeveloped and without communications, as a result of backwardness, lack of resources, informational deficiency, structural deformation and the overflow of commercial advertising. Pasquali states that the real ministers of culture are the advertisers and advertising agencies. The mass media doesn't contribute to social change, but rather acts as an element to retard and neutralize it.

Facts and figures on Latin America

Television is dominated by foreign advertising, and imports from 50 to 80 % of its programming, which is impossible to reject within the existing market structure, due to its low cost and high commercial profitability. Latin America is inundated with irrelevant messages, with contaminating ideological content, through the mass media controlled by the monopolistic centers of power.

In the press, destined almost exclusively for the capitals and

big cities, advertisements take up almost 75 % of all space. The rest is primarily dedicated to sports, social commentary, and police actions. The radio is no exception. Soap operas and so-called "international" music compete with an absurd amount of commercials aimed at promoting consumer products, including universal bank credit cards, which have been turned into first class status symbols for the general public. To own a "Bank Americard", "Visa", or "American Express" is to have "class" and to belong to the most affluent circles. In the computerized world of today, the personal information offered in order to have access to a credit card also means to have been personally approved by a US transnational corporation.

In 1973 UNESCO, PNUD, and the International Telecommunications Union (ITU) did a poll in Latin America to check out the viability of a regional system of educational television. The results indicated a student drop-out rate of 60 %, a rate of under-educated higher than 40 %, and a growing illiteracy rate of more than 45 million people. This tendency has been sharpened by the constant withdrawal of investments in general education during the last decade.

There is chronic and structural unemployment, which in some areas, such as Central America and the Caribbean, affects more than 50 % of the work force. The increase in extreme poverty and rural emigration can be added to this picture of desperation. In the entire region there is not one country — except Cuba — in which the budgetary allocation for culture exceeds 1 % of the national income.

Latin America has 3 % of the world's television sets, but re-

ceives 35 % of the US program exports, with a total of 150,000 hours annually. Commercial advertising in this medium is as much as 313,000 messages a day, some 61 % more than the already saturated level in the United States. The advertising expenditures in the region are around \$3.65 billion a year, two-thirds of it in radio. In nearly 70 % of the cases the advertisers are foreign. One Venezuelan expert stated, "Free enterprise has shown a complete inability to promote the cultural industry and serve the interests of the people of the region."¹⁰

At a time when the buying and selling of information, data and messages is one of the most important trade transactions, the increase in the material base of communications depends increasingly on imports, which creates relations of dependency. The intensive transmission of foreign modes of behavior and value systems denaturalizes the national personality and accentuates the phenomenon of alienation. One must ask oneself, who establishes the guidelines for style and consumption and by what means? This has special meaning in a continent in which the basic culture of the population in terms of attitudes and consumption is of foreign manufacture.

The region has an insignificant number of specialists in planning, administration and production of cultural material and communications. There is a great scarcity of scientists, engineers and mass media technicians. The training schools generally lack capable teachers, up-to-date curriculum, libraries, laboratories, and documentation centers. The region also lacks researchers devoted exclusively to communications.

Media control and imperialist domination

In 1976, at the Intergovernmental Conference on National Communications Policies, held by UNESCO in San José, Costa Rica, Carlos Andrés Pérez, then president of Venezuela, referred bluntly to the situation in Latin America: "The international press only gathers information that deteriorates the image of our people, and the big press and audio-visual media of the industrialized world ignore our struggles, our efforts and the legitimate demands of a system of international justice."

At the beginning of the 1980s the regional situation had gotten worse, to the point where Bolivian researcher Luis Ramiro Beltrán stated that "as long as the kind of cultural relation that exists between the United States and Latin America predominates, the cultural integrity of the countries in this region will be in danger, and it will be very difficult to achieve economic and political emancipation."¹¹

In an already classic work concerning the manipulation of the mass media and US imperialist control, Beltrán and North American specialist Elizabeth Fox draw some critical conclusions:

1. Latin America's mass media system is so heavily penetrated by the United States' economic, political and communications institutions that it is fair to speak of domination.

2. Most mass media in the region — especially electronic media — is directly or indirectly influenced by major US interests.

3. There is more news about the United States than about Latin America itself. US movies make up more than 50 % of all

those shown. Importation of television programs in Latin America ranges from a low of 30 % in some countries to as much as 90 % in others. This is of sufficient magnitude to constitute a threat to the autonomy of the media in Latin America, especially considering its social impact and the tendency toward imitation.

4. The United States exercises a notable influence over the behavior of much of the collective mass media of Latin America, and is a decisive factor in the irrational promotion of consumer goods and services, alienation, triviality, social conformity, violence, racism, elitism and conservatism. These interests are opposed to national development via social change, cultural autonomy and political sovereignty.

5. The United States and its Latin American partners publicly proclaim their belief in the classic notions of the people's right to receive information, "freedom of the press", and "free flow of information." But their behavior speaks otherwise: they engage in monopolistic practices, coercion and extortion to guarantee their positions of power. Those who oppose them are indiscriminately labelled "totalitarians".

The authors of this study, who work out of the Bogota (Colombia) Inter-American Development Research Center, add that "it is evident that the US security and propaganda agencies are working actively in Latin America, and resort to highly unethical and undemocratic methods." According to their evaluation, rights in the field of media exist only for the ruling national minorities and their US counterparts, whose activities in the mass media are tied to the interests of those

who control the region's means of production. Fox and Beltran's book cites more than 200 documents and publications, many of them official, which amply demonstrate that the continent is subjected to overwhelming US cultural domination.

**Informatics: a new field
for monopolistic action**

The articulation of communications by means of computers and satellites, known as informatics, is a new field open to monopolistic control by the United States, whose global networks and infrastructures already constitute a new form of neocolonial domination, of a more total and sophisticated nature than that previously known.

The United States controls 82 % of the production of electronic components, 54 % of the data banks, 89 % of the commercial information stored in computers, 48 % of the installed data processing equipment, the six most important international teletransmission networks, and 52 % of the Intelsat satellite system, which are largely in the hands of the American Telephone and Telegraph Company (ATT) and International Telephone and Telegraph (ITT), subsidiaries of the Morgan and Rockefeller banking houses.

The apparent competitive advances in the world market by countries such as Japan, West Germany, England, France and Italy in the field of informatics and instant telecommunications are really tributaries of gigantic US corporations such as IBM, Exxon, Control Data, Intel, Fairchild, Hughes

Aircraft, Hewlett Packard, General Dynamics, Arthur D. Little Inc. and other transnational corporations.

The case of Latin America is a sad example of penetration and dependency which for some countries, under the current capitalist system, is almost irreversible as a result of conditioning and the structural distortion of their operating systems and development strategies. Some 15 US firms control the supply of equipment and software or languages covering a wide variety of sectors and services. Their contents always reflect transnational interests and in many cases are guided by national security policies.

With the exception of Cuba and Brazil, not one country in the region has an autonomous national communications policy or applies these techniques as part of an independent development strategy. And Brazil lacks its own software, so has had to make great efforts to adapt to its needs the program packages that go with the (now nationalized) models already in production and operation.

Judith Sutz, a specialist from the Center for Research and Development (CENDES) of the Central University of Venezuela, in a pioneering study on "The Informatics Situation in Some Latin American Countries" (June 1981), showed that "in many cases the entire process is imported en masse, and always with the technical methodology imposed by the makers, with the consequent irrationality and lack of control." Computers, she adds, proliferate in public administration, banking systems and universities, with a social and political impact of growing importance.

Among her other conclusions, Sutz says that the region is not

prepared to make rational use of informatics and that the mechanical transposition of technological solutions induced by computerization penetrates all sectors and makes itself felt at all levels. "Our productive apparatus is replete with needless capabilities and useless sophistications. Extremely costly equipment is deteriorating in our hospitals for lack of maintenance, because we don't have qualified technicians to repair it and there is no stock of spare parts. One clear example is the effort to computerize public administration without adequate planning."

She went on to state that decisions are made under the influence of overwhelming promotional campaigns by equipment producers, domestically aided by the state bureaucracy or the executive directors of private firms. Ignorance about technology and the needs which it can serve add to this. The main obstacle is political in nature. It is evident that the impact of informatics affects all of society, and that only an autonomous will can guarantee that decision-making is not bound within the strict framework of technology.

Political problems of informatics in the region

It is noteworthy that at the Sectorial Meeting on Information and Informatics organized in Caracas in November 1982 by the Intergovernmental Bureau on Informatics (IBI) and the Presidency of the Republic, the Minister of Intelligence Development, Dr. Luis Alberto Machado, referred to informatics as a necessary instrument in the struggle for cultural identity and national sovereignty, as

opposed to the mechanisms of monopoly control that affect the region.

The Center for Studies on Third World Development (CEESTEM) in Mexico City, directed by former president Luis Echeverría, described the Latin American situation in this field in the most somber terms. A study it published in 1982 showed that Latin America contains only 1 % of the world's computer equipment. The study adds that "Our countries (with the exception of Cuba and Brazil) don't have the capacity to design and build such equipment, and its use depends on the capacities of the West, especially of the US companies."

CEESTEM says it is not surprising that the major Latin American users in the late 1950s were the big financial and banking institutions, and a few branches of the state apparatus, especially those related to the military and security sectors. In the case of Mexico the accelerated growth of informatics in the country was due to "the business activities of the producers of goods and services, whose program is similar to that of the United States."¹²

According to the investigations carried out by CEESTEM, five countries, not counting Cuba, possess 82 % of the computer technology in the region: Brazil, Mexico, Argentina, Puerto Rico and Venezuela. Puerto Rico, as a colonial extension of the US domestic market, has 11 computers for every thousand inhabitants; Venezuela, two per thousand, and Mexico, Argentina, Uruguay, Costa Rica and Panama, only one. The bulk of this is small and medium-sized equipment which could be called obsolete considering the qualitative technological leap in microcomputer technology in the last five years.

Cuba is a case apart, with special characteristics. Since the change in its higher education programs in 1966, it has been able to independently develop its own minicomputers with national design and production. It has also been able to create its own Spanish software appropriate to its specific needs. It currently has high-level training centers, data banks and program libraries and is moving ahead with a planned program of computerizing its organizational, economic and leadership structures. Cuba's original contribution in the field of computer technology has been recognized by the socialist countries' Council for Mutual Economic Assistance (CMEA) for its production of alphanumerical video-displays and the CID 300-10 minicomputer.

In the rest of Latin America there are no interconnected systems on a national scale. There is a structural hypertrophy created by economic, financial and trade concentration. Eighty percent of the computer potential in the region is found in the capital cities. In Brazil, 75 % is divided between Sao Paulo and Rio de Janeiro.

This centralization is exemplified by the transnational network of Citibank of New York, called SWIFT (Society for Worldwide Interbank Financial Telecommunications),

which by itself encompasses the capitals of Venezuela, Colombia, Argentina, Chile and Mexico. It thus ties together the financial, trade and industrial centers of the major countries of the region, hooked up to the parent company of the second biggest bank in the world.

Latin American nations, like those of Asia and Africa, tend to be exporters of "raw data" and importers of "processed data." Another troubling aspect is that ITT alone has nearly 30 data bases in Latin America, whose product flows automatically to the central computers of the Chase Manhattan Bank affiliate, without the governments of those countries having knowledge of or access to its contents. This is done under the mantel of industrial secrecy and private property.

The tendency for the countries of the region to be dependent consumers is thus reinforced through the most sophisticated techniques of informatics. A look at the Latin American scene shows that the countries with the greatest potential in this sector are also those most penetrated and controlled by US transnational corporations. Among other factors, this is due to the imperialist imposition of its doctrine of "free flow of information" and "free access", and because the region lacks national communications policies. ●

FOOTNOTES

- * *Informatics* is a term recently coined from the French *informatique*. Originally meant to refer to the new field of computer science and technology which includes data processing and satellite telecommunications, it is also used in a broader sense to refer

to everything having to do with the modern means of gathering and distributing all forms of information.

¹ Annual Statistical Report of UNESCO, Paris, 1981.

² UNESCO Office of the Regional Adviser on Social Communication for Latin America, "Final Report of the First Meeting of the Monitoring Group of the Intergovernmental Conference on Communications Policies in Latin America and the Caribbean," pp. 24-26, Quito, Ecuador November 30-December 4, 1981.

³ *Ibid.*

⁴ Gargurevich, Juan: "Comunicadores y periodistas: necesidades de América Latina" (Latin American needs: communicators and journalists) in *Chasqui*, the Latin American Communications magazine, pp. 22-23, Lima, Peru, January-March 1982.

⁵ Espinoza García, Manuel: *La política económica de Estados Unidos hacia América Latina entre 1945-1961*, (US economic policy toward Latin America from 1945 to 1961), Casa de las Américas, pp. 10-11, Havana, 1971.

⁶ *Ibid.*

⁷ Schenkel, Peter: "Medios de comunicación y subdesarrollo", (mass media and underdevelopment) in *Comunicación y Cambio social*, (Communications and social change), ISIS-CIESPAL, p. 52, Quito, Ecuador, 1975.

⁸ Gargurevich *op. cit.* p. 24.

⁹ *Ibid.* p. 26.

¹⁰ Pasquali, Antonio: *Comprender la comunicación* (understanding communications), pp. 330-333, Monte Avila publishers, Caracas, Venezuela, 1980.

¹¹ Beltrán, Luis Ramiro and Fox, Elizabeth: *Comunicación dominada: Estados Unidos en los medios de América Latina* (Controlled communications: the US in Latin American media), Nueva Imagen publishers, Mexico City, 1980.

¹² IBI Newsletter, Nos. 32-33 and 55-58: "Report from Mexico on the First Conference of Latin American Experts on Informatics," Buenos Aires, October 1-16, 1979.

CSO: 3200/32

SEAGA INTRODUCES EXPENDITURES BUDGET FOR FISCAL 1984-85

Budget Highlights

Kingston THE DAILY GLEANER in English 11 May 84 p 1

[Text]

Departments/Portfolios	Recurrent	Capital	Totals
Governor-General	\$453,500	—	\$453,500
Parliament	\$7,000,000	—	\$7,000,000
Ombudsman	\$632,000	—	\$632,000
Audit	\$2,888,500	—	\$2,888,500
Services Commission	\$2,324,000	—	\$2,324,000
Prime Minister's Office	\$30,289,000	\$31,776,000	\$62,065,000
Finance and Planning	\$1,226,043,500	\$672,069,500	\$1,898,113,000
Labour	\$8,099,000	\$450,000	\$8,549,000
Nat. Security and Justice	\$315,641,000	\$12,900,000	\$328,541,000
Public Service	\$61,519,000	\$5,895,000	\$67,414,000
Social Security	\$22,898,000	\$2,300,000	\$25,198,000
Education	\$465,500,000	\$28,860,000	\$494,360,000
Youth and Community	\$35,500,000	\$11,699,000	\$47,199,000
Health	\$243,368,000	\$19,888,000	\$263,256,000
Foreign Affairs and Trade	\$41,205,000	\$ 6,900,000	\$ 48,105,000
Agriculture	\$54,670,000	\$56,415,000	\$111,085,000
Industry and Commerce	10,700,000	\$13,522,000	\$ 24,222,000
Tourism	\$ 1,420,000	\$48,000,000	\$49,420,000
Science, , Environment	\$ 8,000,000	\$ 7,449,000	\$ 15,449,000
Mining & Energy	\$ 4,635,000	\$ 9,989,000	\$ 14,624,000
Public Utilities & Transport	\$58,023,000	\$53,265,000	\$111,288,000
Construction (Works)	\$36,700,000	\$47,163,000	\$ 83,863,000
Construction (Housing)	\$19,823,000	\$14,621,000	\$ 34,444,000
Local Government	\$205,850,000	\$19,501,000	\$225,351,000
Electoral Office	\$600	—	\$600
GROSS TOTAL	\$2,863,182,100	\$1,065,522,500	\$3,928,704,600

Estimate Details

Kingston THE DAILY GLEANER in English 11 May 84 pp 1, 3

[Text] Estimates of expenditure for a \$3.8 billion budget for the financial year 1984/85 were tabled in the House of Representatives yesterday, by the Prime Minister and Minister of Finance, the Rt. Hon. Edward Seaga.

The estimates, which are some \$600 million over last year's, will be studied by the Standing Finance Committee of the House which will meet on May 15, 16 and 17 at Gordon House; the annual budget debate is expected to commence on May 22.

The 1984/85 budget shows gross expenditures of \$2,863,182,100 in the recurrent estimates and \$1,065,522,500 in the capital estimates. With appropriations in aid totalling \$35,623,000 which subtracted from the gross total recurrent expenditures, leaves a net total of \$3,893,081,600.

On the recurrent side, major allocation as usual goes to the Ministry of Finance and Planning with \$1.2 billion, followed by the Ministry of Education with \$465.5 million; the Ministry of National Security and Justice with \$315.6 million; the Ministry of Health with \$243.3 million and the Ministry of Local Government with \$205.8 million.

On the Capital side, the Ministry of Finance and Planning again topped the totals with \$672 million; followed by the Ministry of Agriculture with \$56.4 million; the Ministry of Public Utilities and Transport with \$53.2 million; the Ministry of Industry and Commerce with \$48 million and the Ministry of Construction (Works) with \$47.1 million.

In the Ministry of Industry and Commerce, a sum of \$13 million has been provided for the Industrial Development Programme. This programme relates to the setting up of a new organization consequent on the decision by which the Jamaica Industrial Development Company (JIDC) and the National Industrial Development Company Limited (NIDC) are to be integrated, as announced by the Governor General in yesterday's Throne Speech. [as published]

In the Ministry of Touristry \$46 million, which is \$4.2 million more than last year's, has been allocated to the Jamaica Tourist Board to carry out its programme. There was also a \$250,000 grant to Bath of St. Thomas to assist in the refurbishing of guest rooms and to meet anticipated deficits.

In the Ministry of Mining, \$170,000 has been provided for developing the Mandeville Quarry Zone, to supply Jamaica with adequate quantities of building and construction aggregate for the next 50 years. There is also an allocation of \$6½ million for energy conservation and alternate energy usage under a Jamaica/USAID project.

In the Ministry of Public Utilities, \$9 million has been provided to enable the Jamaica Railway Corporation to improve facilities under its rehabilitation programme; \$4.4 million to rehabilitate the international airports

and \$1.9 million for improving and safeguarding facilities used in air navigation.

The Rural Electrification Programme is to be bolstered by an input of \$6.6 million, which is \$5.1 million more than last year's allocation, and \$13.2 million has been allocated for financing continuing work on the Greater Mandeville Water Supply Project.

In the Ministry of Construction, \$9.4 million has been provided for the Kingston Metropolitan Region-Urban Transport Project (Jamaica-/World Bank) which is intended to effect significant improvements to the movement of people, goods and commodities in the Kingston/Metropolitan Region, thus enhancing the city's economic growth.

In the Ministry of Construction (Housing), the allocation for Urban and Rural Settlements Improvement Projects has been increased from last year's \$5 million to \$7.7 million this year, and the Prefabrication Woodwork Plant (Italy/Jamaica) has received \$6.8 million, an increase of \$5.1 million from last year, for the construction of three prefabrication plants and one woodwork plant essential to Government's housing programme.

In the Ministry of Local Government, \$3.1 million has been provided for Irrigation Projects of Charlemont, Braco, Pedro Plains and Mid-Clarendon, and \$2.8 million for the KSAC amenities and facilities budget.

There were also increases in the allocations for improvements to markets and infirmaries, as well as \$5.7 million for the acquisition of a fire boat for the KSAC, in addition to water tankers, garbage units and heavy duty service trucks under a French Protocol.

In the Ministry of National Security and Justice, there is allocation of \$2.7 million for construction of new police stations and improvements to existing ones, a decrease of \$1.7 million. And \$1.5 million has been allocated for repairs to Jamaica Defence Force equipment, a decrease of \$2.9 million.

There is an allocation of \$7.9 million for the purchase of major police equipment including vehicles and spares by way of a line of credit.

In the Ministry of Justice, \$1.4 million has been allocated for construction and improvements to Court Houses, while the Correctional Services have received \$510,000 for the purchase of vehicles and spare parts by way of a line of credit.

In the Ministry of Social Security, \$2.3 million has been provided for the completion of the Golden Age Home.

In the Ministry of Agriculture, one million dollars have been allocated to finance the development and expansion of the fishing industry by improving the facilities on the beaches including Morant and Pedro Cays, as well as a subsidy on outdoor motor fuel.

There is a provision of \$4.2 million for agricultural planning which involves the development of institutional capabilities through training. A sum of \$2.3 million has been provided for the Rural Physical Planning Project and \$1.4 million for Land Resource Assessment.

In coffee production, \$5 million has been provided for the Japanese Coffee Project which is designed to expand Jamaica's development of Blue Mountain Coffee up to 3,500 acres.

A sum of \$1.2 million has been provided for the Hague/Meyersfield Drainage Project for the development of small farmer rice production on approximately 450 acres in the West Polder, and the maintenance of the drainage system already installed.

There is \$2.9 million for the continuation of the project to increase island-wide fish production. The project provides assistance in design and construction of fish ponds, stocking, reaping and coordination of marketing as well as training of farmers.

There is an allocation of \$6.4 million for the six-year project for Agricultural Marketing Development which is aimed at improving the living standards of farmers, consumers and market intermediaries by the establishment of a marketing division in the Ministry. The project is in its fourth year.

A total of \$6.3 million has also been provided under the Jamaica Agricultural Research Project to accommodate expenditure to provide the institutional framework and physical facilities necessary for conducting research work in live-stock, crops and plant protection.

In the Ministry of Education, an allocation of \$14.3 million has been made for the construction and replacement of 22 primary schools as part of the Government's programme for the construction of 50 new primary schools. The project is being funded by the Government and the Inter-American Development Bank.

In the Ministry of Youth and Community Development, a provision of \$1.1 million has been provided to carrying out the completion of repairs and improvements in the Copse Place of Safety, the construction of one Boy's Home and one Girl's Home to accommodate 75 persons, each.

The sum of \$1.3 million has been provided for the Institute of Sports to carry out improvements at Independence Park which houses the National Stadium and for the development of a number of playing fields.

In the area of its family planning project for the year, an allocation of \$199,000 has been made for the introduction of a Family Life and Family Planning programme aimed at reducing teenage fertility. The project is supported by the USAID. A total of \$337,000 has been allocated for the training of primary and all-age schools teachers, school nurses and guidance counsellors in the area of family planning under the same programme.

A sum of \$6.5 million has been proposed for the expansion of the Vocational Training Development Institute and the construction of two industrial production centres in Kingston and Montego Bay over a four-year period as part of the Jamaica-World Bank Third Education project.

In the Ministry of Health, a total of \$4.3 million has been made available for the continuation of the programme of restoration and upgrading of hospitals, and related institutions. There is \$3.7 million for the upgrading of the Comprehensive Health Centre at Slipe Pen Road, approximately \$1.9 million for the completion of a new block at the Lionel Town Hospital in Clarendon and \$987,000 for the completion of a new health centre in Port Antonio.

A provision of \$6.6 million has been made for the Health Management Improvement Project which is being run jointly by the Government and the USAID.

In the Ministry of Foreign Affairs and Foreign Trade the Jamaica National Export Corporation is to receive \$6.9 million for market research, sponsoring trade fairs and missions, training programmes and other services.

Program for Needy

Kingston THE DAILY GLEANER in English 11 May 84 pp 1, 3

[Text] A massive food aid programme is one of three new steps to be introduced by the Government this year to help the most needy in the society. The new moves were announced in the Throne Speech delivered at the State Opening of Parliament yesterday by the Governor-General, the Most Hon. Sir Florizel Glasspole.

Delivering the annual traditional speech to open the 1984/85 session of Parliament, the Governor-General announced that during the financial year the Government would institute:

--An increase in the National Minimum Wage.

--Relief to lower income categories of workers as a result of tax reform measures.

--Launch one of the most massive food aid programme in the country's history to protect all nutritionally at-risk persons, children, pregnant and nursing mothers and the indigent.

Details of the programme are to be given by the Prime Minister, the Rt. Hon. Edward Seaga when he opens the 1984/85 Budget Debate on May 22.

Sir Florizel said that to back-up the Government's programmes, effective administrative reforms in the Civil Service were proceeding, first with the Ministries of Finance and Planning and the Ministry of the Public Service. An administrative reform committee with full-time staff members was now in place implementing the findings of completed management audits.

Other measures are to be initiated to carry out far-reaching programmes to: restructure selected areas of the public sector; tighten the process of accountability by tracing all reported breaches of financial regulations back to the originators and to change systems to prevent recurrence; introduce performance budgeting this year; and, to step up the pace and extent of divestment.

He said that during the financial year the Government would aim at:

--Strengthening the auction system as the most effective way to allocate foreign exchange.

--Create a meaningful surplus in the External or Balance of Payments Accounts.

--Substantially reduce the budget deficit, through taxation measures already announced and a programme of reducing fixed costs in expenditure which is to be instituted.

--The introduction of a special factory building programme with assistance from the Caribbean Development Bank, as well as the introduction of a new Shelter Programme.

--The combination of the Jamaica Industrial Development Company (JIDC) and National Industrial Development Company (NIDCO) into a single agency offering intensive programmes of training.

--Arrangements for converting 40 megawatts of electric power to coal to be completed, as well as arrangements to commence the excavation of peat from Negril.

In other announcements, the Throne Speech disclosed that a second cruise ship pier is to be built at Ocho Rios and at least one new hotel to commence construction at Negril.

An \$80 million rural road improvement programme is expected to be finalised with the Inter-American Development Bank in September, and the Kingston Metropolitan Road Programme, financed through World Bank assistance, to commence a project to rehabilitate 128 miles of Corporate Area roads, construct pavements, improve intersections including the installation of traffic lights.

Importation Orders have been placed for 200 motor buses to upgrade the Kingston transport system.

The Jamaica Telephone Company is to commence a \$146 million expansion programme, without budgetary assistance, to provide 5,000 new lines.

State-of-the-art radar equipment is to be installed at the international airports to improve the monitoring system for safety of aircraft traffic.

A programme is to be launched to provide teachers' guides and textbooks for primary schools. This programme is a cooperative effort between the Government

and the Gleaner Company and is being pioneered by the GLEANER which will print the books.

There is to be increased emphasis on family planning in a stepped-up drive to achieve a target of 2.5 million population by the year 2000, instead of the projected three million.

A Green Paper is to be tabled in Parliament on labour relations setting out the findings of a task force established by the Prime Minister in 1982. The findings of an attitudinal poll will also be included. [as published]

Increased agricultural production is to be introduced in the Prison Services in addition to improved training programmes.

The protection and promotion of the national heritage will receive a boost when the project preparations for both the restoration of Seville and of Port Royal are completed and submitted for international financing.

CS0: 3298/837

TEXT OF GOVERNOR GENERAL'S SPEECH FROM THE THRONE

Kingston THE DAILY GLEANER in English 11 May 84 pp 21, 22

[Text] Following is the text of the Throne Speech delivered by the Governor General yesterday at the State Opening of Parliament:

Mr President and Members of the Senate, Mr Speaker and Members of the Honourable House of Representatives:

The Government was mandated for a second term by the General Election of December, 1983, and has therefore been able to continue the economic programmes which it had set in 1981.

1983/84 concluded the three-year period which the Government, assuming office in 1980, set as the time frame for economic recovery. During this period, the economy showed a reversal of the negative trends of the previous period.

The record of the past three years has shown:

- a reversal of negative growth to positive growth in all three years;
- decreasing investment flows reversed to increased investment;
- a decline in the Budget deficit which had jumped to the alarming level of 17 percent of GDP by 1980;
- reduction in the average level of inflation from 22 percent in the 1970's to 9 percent over the past 3 years;
- a marginal decline in unemployment.

Despite these real successes, which few countries have equalled during this period of severe international economic strain, the economy continued to show the effects of stress as the struggle to come to grips continued with the one area in which negative results persisted: the further deterioration of the country's foreign exchange reserves.

Decline in Foreign Exchange

The fact that this deterioration is linked to the decline in foreign exchange earned by the export of bauxite and alumina, and in turn to the savage international recession which has severely reduced the export market for these products, is small comfort. The reality is that the effects of the worst international recession in 50 years is still with us even though the industrial

countries, where it started in 1982, are now emerging from the slump in their own economies. The world recession was late in its impact on the developing world and it will be late in leaving us.

Little wonder then that the debate on world economic conditions continued to be the dominant theme of international fora, replaying those segments of the collapsed North-South dialogue which still survive. The industrial world of North, the solution is still to revive world trade which has slumped from an average of zero growth over the past 3 years from more than 5 percent average growth in the preceding 3 year period. Revive international trade in measured steps and it will create the base for recovery, is the theme.

To the developing countries of the South, this is a solution only in part: the timeliness of reviving world trade overlooks the urgency of mounting debt burdens on huge loans contracted when trade was better but which must be serviced now.

Jamaica played a regional role of much importance in this debate. It was our Government which promoted the concept of the need for a special plan to foster the growth of Caribbean trade and investment with the United States as a mechanism to generate growth, which evolved as the Caribbean Basin Initiative. But likewise Government has pressed at all international financial meetings for other mechanisms to relieve the crushing burden of debt which so many countries in this region shoulder. Notably, at the special Conference on the international debt crisis held in Quito, Ecuador, last year, and in the continuing dialogue to increase the resources of the IMF to enable it to better relieve the strain, the Government of Jamaica continues to be a respected and effective voice for timely and practical financial reforms.

Support for Contodra Group

So too have been our initiatives in the East-West struggle. The Government continues to give full support to the use of dialogue to achieve the aims of peace--reasoned dialogue to tackle the basic underlying social and economic factors which rupture peace, stability and the process of orderly development. It is for that reason that Government supporters the initiative of the Contadora Group to restore the primacy of peaceful dialogue in Central America. It is for that reason, too, that Government supports the thinking of the Kissinger Plan for economic recovery in Central America.

But equally, Government has not failed to draw the line when dialogue serves no purpose. The events which unfolded in Grenada last October unveiled a stage beyond the recourse of dialogue: a vast storehouse of sophisticated weapons in the hands of men whose ideological commitments knew no boundaries. The threat of powerful weapons at the command of men who had butchered the leadership of the Government and placed the entire nation under house arrest, led to the Government's unhesitating decision to accept the invitation of the Organisation of Eastern Caribbean States and the Governor-General of Grenada to join in a successful pre-emptive strike to liberate Grenada on October 25, 1983. We salute the liberating forces and our soldiers who are now the mainstay of the Caribbean Peace Keeping Force in Grenada.

National political developments took an equally dramatic turn in December 1983, when the holding of General Elections resulted in one party being returned in the House of Representatives. The Government with a deep commitment to the principles of democracy and human rights, acted with appropriate sensitivity to the high value in which the people of Jamaica hold the democratic system. Eight highly respected and proven independent Senators were appointed and the House of Representatives opened its doors for the first time for public participation in debates. Furthermore, Government, in fact, amended legislation to make possible special provisions for representation of the former Opposition in key areas of the electoral process, despite the fact that no legal entitlement existed.

Commitment to Democracy

This is an ultimate act in the preservation of democratic rights.

With an unfailing sense of judgment, the people of Jamaica have not allowed panic to prevail. They have watched the new Parliament unfold as an even livelier debating forum with no lack of opposing viewpoints. It has been a measure of great import to watch the resumption of trust in our democratic system reestablish itself quietly and effectively.

Government is equally satisfied that the long road to electoral reforms is nearing completion. When identification cards are delivered and the new voters list published by August, the next step to be taken is the priority review of boundaries by the Electoral Advisory Committee.

The level of stability which Jamaica has enjoyed in recent years is a precious commodity which no one should squander. Protest for good reason will always be afforded the attention that enables understanding. Not so those who want their views to prevail regardless of the consequences.

That the end should justify the means is a foreign doctrine to Jamaicans. The people of Jamaica have put behind them the turbulence of ideological conflict, and the offensiveness of political rhetoric. They want no more of it. They expect soberness to prevail and will hold to blame those who want them to judge their cause, not with reason but with fear.

The fabric of economic recovery is a delicate one. Few would take comfort in the fact that there are many who hold some power in their hands with which they can unravel it. But many more will embrace the view that true Jamaicans will not willfully harm this country and themselves, and true Jamaicans yet will not forgive the few who lack national compassion if they seek to prejudice what many have laboured to build.

The performance of the economy must be assessed against the objectives which have been charted by the Government. As the events of the past three years unfolded, the Government's Master Plan became more perceptible with pieces of the strategy not sufficiently understood, now visibly falling into place.

Clear understanding of this strategy is essential to ensure that the public can understand where the country is coming from, where it is now, and where it is going.

Economic Strategies

The Government has pursued two main economic strategies within the framework of a Master Plan since 1981:

To turn the economy around from the negative direction of the past--the Economic Recovery Programme; and to restructure the economy so that once the negatives are reversed it can move forward not in the direction of the past, but in a new direction with greater benefits. That is the Structural Adjustment Programme.

The turn-around of the economy from the negative direction of the past is already attested to by the results of the performance of the economy over the past three years. Positive movement has been recorded for every major indicator except the rebuilding of the foreign exchange reserves which have shown, not improvement, but further decline. It is the continuing struggle to halt the decline in foreign exchange reserves which is the basis for much of the bitter medicine which policies still prescribe.

The progress of structural adjustment over the past three years shows an economy responding to the stimulus of new policies designed by Government to generate additional foreign exchange earnings, so that the reliance on bauxite and alumina earnings from the international market place which is beyond our control, will not be so great in the future as has been the case in the past.

This will mean a healthier and more stable economy in the future. It also means greater employment resulting from the expansion of sectors earning foreign exchange.

The results of the adjustment process to generate more foreign exchange earnings in the non-bauxite sectors are encouraging so far:

- Tourism has shown notable success;
- agriculture, with the help of Agro-21, shows growing success;
- and manufacturing is now poised to grasp opportunities for success.

Much of this has been aided by the new rate of exchange for the Jamaican dollar. Devaluations have produced a rate of exchange which has benefited all the export earning sectors but none more so than manufacturing.

The opportunities which now arise, given the competitiveness of the new rate of exchange, have prompted Government to set up the Prime Minister's Task Force on Exports comprised of public and private sector membership to devise the strategies for an export thrust into the United States market based on the incentives of the CBI. Some 200 Jamaican products are now competitively marketable in the United States. They form the base for the manufacturing

sector to join Tourism and Agriculture as net foreign exchange earners, fulfilling the objective of the programme of Structural Adjustment of the Jamaican economy.

All of this will only materialise if foreign exchange is sufficiently available to import raw materials, capital goods and services. For this reason Government has changed the basis of payment made by overseas visitors to one which recognises the Jamaican dollar as the only legal tender. Coupled with this are the tight restrictions on credit which ensure that there are no surplus funds available from the banking system to illegally buy and hold foreign exchange.

Restrictions Seem Effective

These measures are now beginning to have the desired effect as the resources now flowing into the auction system, which was set up to effectively allocate the available foreign exchange, are growing to meet the needs for imports. This has been augmented recently by the revival of the Export Development Fund with an injection of US\$12 million, and will be further augmented with the availability of US\$40 million from the second Rehabilitation Loan by the Inter American Development Bank which is due to come on stream within two months to provide funds to import raw materials, spare parts and light capital goods.

Government intends to maintain a tight grip on the availability of credit, releasing any surplus through the Rediscount Window of the Bank of Jamaica to the productive sector, particularly construction. This Window will come on stream in due course as the build up of liquidity determines.

Government intends also to increase its capabilities to monitor the foreign exchange earning sectors to minimise under and over-invoicing and other devices being used to transfer foreign exchange illegally overseas. Government's monitoring programme is beginning to have effect and it is intended to strengthen these capabilities very substantially.

So too is the intention to strengthen the auction system as the most effective way to allocate foreign exchange.

With the systems in place now beginning to indicate positive results, Government expects that the External Account, that is, the Balance of Payments Account, will show a meaningful foreign exchange surplus this year.

Likewise, the domestic Fiscal Account, which has been showing improvement in the reduction of the deficit must show very substantial improvement this year. This Account, which is generally referred to as the Budget, must show a very substantial reduction in Budget deficit this year.

To do so, a major taxation programme, which comprises most of the taxation measures for the year, has already been announced. This will add revenues to reduce the deficit.

Likewise, a programme of reducing fixed costs in expenditure will be instituted, to further reduce the deficit.

Painful as these are, the alternative is more painful: for the deficit, which represents the amount borrowed to finance the Budget has grown beyond the ability of the Budget to finance and still leave sufficient resources to meet other important needs.

In 1972/73, the amount borrowed to finance the Budget was a tiny 3.7 percent of GDP; by 1980/81 it had been blown up to the horrendous level of 17 percent of GDP.

Clearly, if this continues, so much of the country's revenues will have to be set aside to pay debt that there will be little left over, and vital needs of the country will suffer. To this must be added the further critical factor that it will not be possible to continue to get the support for Budgetary loans in the future to the extent that has been available in the past. The implications are quite clear, that we must act in preparation so that the day will not come when Government is unable to meet the needs of the country in budgetary expenditure.

It is the Government's intention, therefore, to reduce the present Budget deficit level this year to less than 10 percent. There is no escape from this exercise which will finally address the problem caused by the excessive budgetary reliance on borrowings in the past 10 years.

Make no mistake about it, these programmes will hurt in the short term. But it is the inevitable price for medium and long term recovery. The programme to achieve a Balance of Payment surplus to improve the foreign exchange reserves by tightening credit so that little is left over to fuel the black market, and by devaluations which have been necessary to provide a competitive rate of exchange for exports, will hurt. The programme to reduce the Budget deficit by taxation and cost compression to reduce expenditure, will hurt.

Bitter Medicine To Be Taken

But if all the bitter medicine is taken now, particularly when other signs are clearly emerging to show that the restructuring of the economy is showing success in improved earnings from tourism and agriculture and that manufacturing now has the opportunity for solid export gains, then the social and economic costs which are being borne by the country at large will not be without significant improvements to follow, and from the tree that is pruned, fruit will bear in greater abundance.

It will be of comfort to the burden bearers to note that Government will take three specific steps to help those who need help most--

- (1) increase the National Minimum Wage;
- (2) offer relief to lower income categories as a result of Tax Reform measures;

(3) launch the most massive food aid programme in the country's history to protect all nutritionally at-risk persons, children, pregnant and nursing mothers and the indigent.

These programmes will be developed by the Prime Minister in his Budget presentation later this month.

To back-up the Government's programmes, effective administrative reforms in the Civil Service are proceeding, first with the Ministries of Finance and Planning and of the Public Service. An Administrative Reform Committee with full-time staff members is now in place implementing the findings of completed management audits.

Other measures are to be initiated which will carry out far-reaching programmes to restructure selected areas of the public sector; to tighten the process of accountability by tracing all reported breaches of financial regulations back to the originators and to change systems to prevent recurrence; to introduce performance budgeting this year; and to step up the pace and extent of divestment.

These will involve comprehensive reforms designed to sharpen the capabilities of the public sector to meet the challenges of good management.

The Private Sector continues to experience investment growth. Two Hundred and fifty-one (251) new investments have now been launched by the J.N.I.P. since its inception 30 months ago, a rate of two per week. What is more, 51 of these have been launched in the first four months of this year, at an improved rate of three per week.

Every Parish has benefited from the spread of these investments throughout the island.

To aid this continued investment buoyancy, a special factory building programme will be undertaken this year, with assistance from the Caribbean Development Bank, and a new Shelter Programme introduced.

Investment will gather a new momentum as the J.N.I.P. opens offices in the Far East, increases its capabilities in the U.S.A., and initiates its programmes in the United Kingdom.

Training Programmes

To match the investment momentum, the JIDC and NIDCo will be combined into a single Agency offering intensive programmes of training in each of the industrial subsectors which are involved in the Structural Adjustment Programme to equip them for exports. This has already been undertaken with good results in the Garment and Furniture subsectors both of which are active in export development. Footwear and Electronics will follow this year.

These training programmes are being assisted through allowances from H.E.A.R.T. to the trainees where necessary.

The H.E.A.R.T. Programme will see the completion of the first three new Academies this year. They are located at Stony Hill for Business courses, Portmore for Building Construction, and Ebony Park in Clarendon for Agriculture. Together, these will add a further 1,500 training places for young people each of whom will receive one year of training. Four Thousand (4,000) more young trainees are being recruited this year in the School Leavers and Continuing Education Programmes.

Government recognises the need to stabilise the Bauxite and Alumina industry which has passed through the worst period in its history. Production of bauxite in Jamaica fell from 12 million tonnes in 1980 to 7.7 million tonnes last year. This year production is expected to climb back up to 9.2 million tonnes, beginning the recovery of output.

To enhance the recovery of this sector, Government has taken three emphatic steps:

- (1) renegotiation of the Bauxite Levy, as recently announced, to give significant incentives to increasing the output of existing plant capacity;
- (2) open dialogue on conversion of existing oil-fire boilers to coal based on long-term contracts being negotiated by Government;
- (3) approached the U.S. Government to purchase 1 million tonnes of bauxite this year to replace much of the production lost by the impending closure of Reynolds Jamaica Mines.

Added to these factors will be the continuing efforts to contract barter and counter-trade agreements through BATCO which have opened new opportunities for foreign exchange earnings totalling so far US\$59 million over the past two years.

Energy costs for imported oil continue to bear more than 26 percent of our non-bauxite imports. Government has settled on the two types of alternate energy for development which hold the greatest promise for effective substitution for oil.

These are hydro-power which has a known potential of 50 megawatts and oil substitution by coal and peat which can replace a further 80 megawatts of oil-generated electricity.

These alternate measures combined can replace 50 percent of peak demand for electricity output generated by oil.

Government, accordingly has placed great emphasis on conversion of coal, mining of peat and studies to develop hydropower projects. All three of these programmes are in advanced stages. Arrangements for converting 40 megawatts of electrical power to coal will be completed this year; so too will be the arrangements to commence the excavation of peat from Megril; hydro studies continue with the feasibility of a major source of power totalling 47 megawatts in the back Rio Grande to be finalised this year, which is not included in the 50 megawatts of known potential.

After years of study the alternate energy programme is, at last, at the stage of implementation.

147 megawatts in the back Rio Grande to be finalised this year, which is not included in the 50 megawatts of known potential. [as published]

Loans from an Energy Credit Fund financed with the assistance of US/AID will be available this year through the National Development Bank for the Private Sector to retrofit plant equipment to conserve energy.

Tourism's Good Show

The Tourism Sector has shown the best results of the sectors of the economy undergoing structural adjustment. Visitor arrivals have increased by a record level of 44 percent over the past three years.

A second Cruise Ship Pier is to be built at Ocho Rios this year and at least one new Hotel will commence construction at Negril.

As we approach the practical operational capacity of the present level of hotel accommodation, the next phase of development of the industry needs to be determined. The possible new directions will be discussed in the Budget presentation.

Government is also concerned that the direction of the Tourism industry does not proceed without due recognition of local needs. To this extent Government intends to carry out surveys of true operational costs in the industry beginning with the pricing of food and beverages in hotels. A committee of inquiry has now been appointed under the Ministry of Tourism to carry out this survey.

Agriculture has been undergoing a structural transformation which is revitalising the sector.

The traditional export crops of sugar and bananas were the most significant areas to be addressed on a priority basis. The restructuring plans of both these industries have now been completed.

Banana Exports will take place primarily from 9,000 acres capable of producing 180,000 tons of high yield export quality fruit, more than half of which acreage is already programmed for commercially intensive high yield scientific production. The remaining selected acreage will follow into production partly in this year and the remainder in two years.

Sugar production will be encouraged only on farms and in mills which are efficient and cost competitive.

Details of these programmes will follow in the Budget presentation.

AGRO 21 has created a dramatic interest in agricultural investment. The result is that the target of putting 200,000 acres of under-utilised land into production in four years is rapidly being achieved.

Agricultural Investments

This expansion of production includes the existing non-traditional crops such as coffee, cocoa, citrus, coconuts, tobacco, spices, meat, milk and fish, all of which have ready markets for substantially increased production. New crops include various winter vegetables, soya, rice, fruit orchards, spices such as paprika, flowers and foliage plants.

Small farmers are gaining increased technical know-how from projects already started and are linked into the larger farms for production and export.

Small farm production of ethnic food crops for export has also increased dramatically from \$2 million to \$12 million over the past five years. To stimulate further export of these crops the Ministry of Agriculture recently launched a "Let's Grow More in '84" Project.

The Agricultural Credit Bank last financial year increased lending by \$34.5 million to which \$23.7 million was loaned to small farmers through 39 People's Cooperative Banks which have been restructured to operate on a proper banking basis. This year \$91 million will be available for further project lending.

The Manufacturing Sector is the last remaining area to be restructured in the Structural Adjustment Programme. As I observed earlier, Government has replenished the credit resources available to the sector, has pursued an exchange policy to enable this sector to export competitively to Third Country markets, and has eliminated the bureaucracy for licences and quotas for the importation of raw materials and capital goods.

The enactment of the CBI Legislation now gives the sector the opportunity of exporting to the world's richest marketplace.

Government proposes to work closely with this sector this year, as has been done with agriculture, to ensure that the export potential is fully realised.

The construction sector will be dominated this year by the construction of factories, road improvements, and water supplies as home construction adjusts to new cost levels.

Rural Programme

An \$80 million Rural Road Improvement Programme is expected to be finalised with the Inter-American Development Bank in September this year. This will be very welcome assistance to meet the long list of growing complaints concerning the conditions of Rural Roads. At the same time, the Kingston Metropolitan Road Programme financed through World Bank assistance will commence a project this year to rehabilitate 218 miles of Corporate Area Roads, construction of pavements, improved intersections including the installation of traffic lights.

The continuing programme of rehabilitating the Jamaica Public Service Company generators has all but eliminated unscheduled power outages, for the first time in several years. The programme will be finalised with the overhaul of the B-6 Generating Unit at Hunt's Bay which is to commence in July.

Several water supply schemes are in progress or planned for the near future:

The Yallahs Diversion Scheme to introduce 15 million gallons per day to Kingston will be completed before the end of this financial year.

An imaginative project to entrap the springs feeding the Ferry River in an earth dyke 675 million gallon reservoir will be carried out. While there is no certainty that the project will produce potable water, the possibilities are strong enough to warrant the cost of \$2.5 million to provide a possible 10 million gallons per day.

Rural Water Supply Schemes

Seven major water supply schemes are planned for the rural areas: Lionel Town, Mocho, Spanish Town, Guy's Hill, Pembroke Hall, Darliston and Alexandria. Irrigation works for 40,000 acres of the Clarendon Plain will commence this year with \$20 million of assistance from the Saudi Development Fund.

Requirements for spare parts to rehabilitate all defective pumps in order to restore existing water supplies will be a priority action of Government this year.

Orders have been placed for 200 motor buses to upgrade the recently restructured Kingston Transport System. Orders are now being prepared for buses for Rural Transport.

The Jamaica Railway Corporation is being restructured on a planned basis and new funding is being provided to rehabilitate the track system. Six new engines were recently acquired.

The Jamaica Telephone Company is to commence this year a \$146 million expansion programme without budgetary assistance to provide some 5,000 new lines.

State-of-the-art radar equipment is to be installed at the international airports in this year to greatly improve the monitoring system for safety of aircraft traffic. The legislation to control illegal airstrips will be finalised shortly.

The Primary School Expansion Programme will get substantial assistance this year from an IADB financed project to increase school places by 28,200. When completed, the project will provide a place in school for every child of primary school age making it possible for an island-wide programme of compulsory education.

Government will launch a programme this year to provide teachers' guides and textbooks for primary schools. The project is an outstanding example of co-operation between Government and the private sector, and is being pioneered by the Gleaner Company which will print the books.

This will be the first time in our history that primary school children will receive textbooks in sufficient numbers to enable each child to have a set of

books shared by three children. The years to come will undoubtedly record the benefits which this will bestow on the Primary School educational system.

DECENTRALISED UNIVERSITY

The long process of deliberations have now come to an end and the Campuses of the University of the West Indies are to be decentralised this year: the Mona Campus will be hereafter financed by the Government of Jamaica, Cave Hill by Barbados and St. Augustine by Trinidad and Tobago. This long awaited changeover will now allow the development plans for the Mona Campus to be responsive to the educational needs of Jamaica and to proceed without the need for approval by other countries.

To programme the future development of Mona, a team of experts is being appointed to report to the Ministry of Education this summer.

Government will continue to emphasise its programme of Community Centres, Craft Training and Sports in addition to the programmed increase in Youth Training through the H.E.A.R.T. Academics.

Arrangements are in progress for the International Youth Conference to be held in Jamaica next year. Thousands of youth will attend this Conference from the countries of non-Communist world. Jamaica will be the focus of world youth attention in 1985 — the International Year of the Youth.

The nation's health service has been undergoing both the process of building and rebuilding at the same time. Twenty-three new Health Clinics have been built since 1981, and all repairs of significance completed in rural hospitals and clinics.

A fleet of ambulances now exists serving all hospitals as never before.

Government will continue this programme by the construction of two additional clinics in Port Antonio and Kingston with assistance from the Government of the Netherlands.

The replacement of outdated hospital equipment will begin on a significant scale.

A joint effort of private and public sources will be launched to carry out the necessary repairs to the Children's Hospital.

Planning for the new Public Health Laboratory will be completed, awaiting processing of a project for financing by an international funding agency.

FAMILY PLANNING

Increased emphasis will be placed on family planning this year in a stepped-up drive to achieve a target of 2.5 million population by the year 2000, instead of the 3 million which would

result if the emphasis on family planning is not significantly increased.

A comprehensive nutrition programme will be launched to deal with malnutrition in children, nursing mothers and the elderly.

Government has decided to table a Green Paper in Parliament of Labour Relations setting out the findings of a Task Force established by the Prime Minister on Worker Attitudes in 1982. The findings of an attitudinal poll will also be included.

While this Green Paper does not necessarily represent the views of Government, public discussion of its contents will serve as a guide to changes in Government policy to be undertaken later. This is the purpose of a Green Paper. These changes will

aim at giving stability to industrial relations and will be a timely effort to stem the extent of industrial disputes.

Government recognises that there will be substantial pressure for wage improvements in the light of increased costs and, accordingly, will be announcing a new National Minimum Wage. However, great caution must be exercised in both private and public sector wage demands lest the advantages now secured by a competitive rate of exchange are cancelled out by wage settlements, in which case the social cost of the devaluation would remain and the economic benefit of greater export earnings and employment would disappear.

The Government's wage policy can stand the test of time, and can be stated simply as —

- Free Negotiations
- Ability to Pay
- Rate for the Job
- National Interest

It would be tragic if we incurred costs without benefit and, accordingly, Government intends to ensure that the public sector settlements are at reasonable levels to allow some meaningful relief of additional costs without setting a pattern which would lead the way nationally to the elimination of opportunities for greater employment of the work force and greater earnings of foreign exchange by the economy.

CRIME DOWN

The level of violent crime continues to show reduction over the last years of the 1970's and is an important factor in the greatly increased stability of the country.

The role of the Security Forces is a vital one which Government fully appreciates. To give further support to these efforts, Government will continue to rehabilitate Police Stations, increase and modernise the

fleet of vehicles, and increase the scope of training. To this end, the new Police Training School at Twickenham Park will enable expansion of training programmes inclusive of courses for Officers.

The Prison Services will this year benefit from an increase in the training programme and agricultural production on a more meaningful scale will be introduced within the institutions.

Work on Court Houses will continue to rehabilitate these structures and to restore the furnishings and equipment to levels commensurate with the status of institutions of justice. Years of neglect resulted in some of the worst cases of deterioration of buildings in the entire public sector. Government began a programme two years ago to rehabilitate these structures and will continue this programme this year.

The process of Law Reform is very advanced and will shortly contribute greatly to far-reaching social and juridical changes in the rehabilitation of convicted persons and in Family Law, dealing with, among other things:

- gainful employment for prisoners
- the rehabilitation and integration of offenders into society;
- conditions under which past convictions can be expunged from the records;
- a single ground for divorce;
- broadening of the scope of Maintenance Orders to include children born out of wedlock;
- protection of the rights of family members and dependents of a deceased person to reasonable financial provisions from the estate;
- increasing of the age of consent to sexual intercourse by young girls;
- review of the legislation concerning child abuse;
- revision of the provisions for settlement of matrimonial property.

The scope of this programme represents the widest ever sweep of social reforms in the protection of the family and the rehabilitation of offenders.

FOREIGN POLICY

Jamaica continues an effective and multi-faceted foreign policy covering the Industrial Nations and the Third World with special emphasis on our regional and sub-regional interests in Latin America and the Caribbean and in the struggles of Africa against Apartheid.

The resumption of the leadership role in the ACP-EEC negotiations, the enactment of the CBI, are no small tribute to the effectiveness of our voice in international affairs.

Government will continue to shape our foreign policy as a logical extension of our domestic policies to strengthen the flow of transfer of resources from official and private investment sources and to effectively expand the two-way flow of trade.

The Information Services are being restructured and re-trained to provide well trained, well equipped professional service capable of fulfilling Government communication needs. J.B.C. now has most of the equipment for installation to give full coverage for radio and television in all areas of the island by the end of November.

Cultural programmes have always assumed a pre-eminent position with this Government. The policies which create these programmes will continue to generate effective and imaginative new thinking to formulate projects which stimulate interest in our heritage, and pride in accomplishment.

The protection and promotion of our heritage will receive a boost this year when the project preparations for both the restoration of Seville and of Port Royal are completed and submitted for international financing. Work on the preparation of these projects has reached an advanced level.

Last year, cultural activity was dominated by the celebration of our 21st Anniversary of Independence. The outstanding success of Jamaica

21 ending with the distribution of the Prime Minister's Medal of Appreciation to over 1,000 persons and the handing over of the Nation's flag to every school to be raised each morning with the singing of the National Anthem, have inspired all of us to respect our past achievements and renew our efforts to build our nation.

This year we are ceremonially marking the 100th Anniversary of the birth of the Rt. Excellent Sir Alexander Bustamante, National Hero, and the 150th anniversary of the Abolition of Slavery in 1834. The commemoration of these anniversaries will be islandwide. They will recall in tributes the life of Sir Alexander Bustamante and the impact of Abolition on the rights and freedoms of man.

IMPORTANT ANNIVERSARIES

Both anniversaries are connected by a common precept — freedom from oppression for the working class, which was the life mission of Sir Alexander Bustamante and the noble cause which many abolitionists across the world made great sacrifice to attain.

As we commemorate these events, let us remember that economic freedom can only be attained by bold and

courageous decisions to break down the patterns which condemned us to work and to produce in certain moulds for the greater benefit of others.

Let us remember that economic freedom can only be won by work and production.

If we do not grasp the opportunities before us and apply ourselves to the task, then there is little use bemoaning what we don't have or can't enjoy.

The Colonial system taught us, as dependents, to respect great providers, not producers.

As we now begin those years of adulthood in Independence, there will be less and less room for dependency, and more and more need for true independence. This can only come from economic strength, and strength comes from work.

As we face this year of vivid contrasts in both sacrifice and opportunity, we can be assured that sacrifice will lead to opportunity, and if we grasp the opportunity there will be less need for sacrifice to come.

That is the guiding light to lead us over the next year and may God grant us wisdom in your debts and decision.

SEAGA DENIES POLITICS WERE INVOLVED IN REMA VIOLENCE

Kingston THE DAILY GLEANER in English 11 May 84 pp 1, 3

[Text] The gun warfare in Wilton Gardens (Rema) which subsided yesterday were ascribed by Prime Minister Edward Seaga last night as stemming from the maltreatment of a woman.

He told a gathering in the Hugh Sherlock Primary School that he had come there to find out what had caused the problems over the past few days.

Mr Seaga, who is also MP for West Kingston, had spoken with some residents for over an hour before, said everybody had a chance to talk.

He had found out that the problems started with the maltreatment of a girl from Rema who had a boyfriend in Rose Town, and because of this maltreatment "certain things happened by way of attacks on this community and Rose Town."

Eventually people from Rose Town fled to Tivoli Gardens and the MP said he could not control the situation and "this brought Tivoli Gardens to Rema."

"Things that should not have happened had happened."

Mr Seaga said there was no problem politically in the area. It was not PNP against JLP or JLP against JLP. The problem was coming from a woman being maltreated.

He said they had now agreed to stop and they were "drinking here now to the peace."

Mr Seaga said today someone, accompanied by Colonel Leslie Lloyd, would be coming to the community to get information from persons who were burnt out or otherwise affected so they could be compensated.

Those who moved out could move back.

Mr Seaga also promised that construction work would begin in the area shortly from which residents who could benefit would benefit. He afterwards addressed a crowd of hundreds who had gathered in the school's compound.

Yesterday, saw the fierce fighting in the area since Tuesday having a lull from Wednesday night. The bitter battle between gangs had taken seven lives up to Wednesday morning.

Wednesday night only one incident was reported. A four-room apartment, belonging to Elaine Jackson on Third Street in Rema was gutted by fire set by men with high powered weapons.

Reports are that Miss Jackson, in the height of the gun clashes had locked up her apartment and taken refuge at the Denham Town police station.

A higgler, she was planning to move to St. Catherine and her apartment was packed with furniture appliances, and other articles.

The gunmen struck around 7.30 p.m. They broke down the door, removed articles, doused the place with kerosene oil and set it afire. A unit from the Trench Town fire station put out the blaze.

Damage to the apartment and its contents was put at \$80,000. There was no insurance.

Residents of the area told the GLEANER yesterday they spent a sleepless but quiet night as for the first time since the attack they heard no gunshots.

On Wednesday afternoon about 3 o'clock, police acting on a report that gunmen were in Trench Town terrorising the area, rushed there and were met with gunfire. The police returned the fire and the gunmen retreated towards Spanish Town Road.

The running gunbattle stopped in the area of Milk Land and North Street and Spanish Town Road where the gunmen were cornered by the police.

The police engaged about 30 of the gunmen in a two-hour gunbattle.

One of the men was shot and he dropped a Thompson submachine gun. The police attempted to get the gun but it took them half an hour to do so as at every attempt they came under heavy gunfire.

The men eventually escaped the police cordon. After this engagement the guns were silent.

The following statement was issued by the Police yesterday afternoon:

"The Police High Command, along with the Minister of National Security, today toured the troubled area of Western Kingston and parts of South West St. Andrew as a follow-up to the initiative of the Security Forces to restore and maintain calm to these areas.

"The citizens, most of whom are directly affected by the unfortunate incidents of the past two days, were given the assurance and confidence that every measure will be taken to maintain normalcy.

"The areas of Wilton Gardens, Arnett Gardens and Rose Town are now receiving increased uniformed mobile as well as foot patrol. In the meanwhile, the Criminal Investigating Branch has increased the intensity of their investigations into the murder of the seven persons between Tuesday morning and Wednesday night.

"The police are renewing their appeal to persons who have information which can assist them in their investigations to come forward and give such information. While we appreciate the fear some people may have, we give the assurance that every effort will be made to protect such persons."

CSO: 3298/837

GOVERNMENT WORKERS LEADER SLAMS GOVERNMENT POLICIES, INDIFFERENCE

Kingston THE DAILY GLEANER in English 8 May 84 p 3

[Text]

Crawling peg devaluation, the most harmful form of devaluation, has led workers to face economic uncertainty and to suffer a lack of confidence as a result of lay-offs and general instability, according to the general secretary of the Jamaica Association of Local Government Officers, Mr. E. Lloyd Taylor.

He accused the Government for its "mountain of silence" and absence of communication with the unions amid the growing hardships being experienced by the workers.

"Nothing has improved. As a matter of fact, things have got worse. More lay-offs, news of redundancies, bauxite production falling with Reynolds about to pull-out, threats of further loss of work for all of us who now have jobs, and a special danger for those of us in the public sector," he declared.

Mr. Taylor who was addressing the 43rd annual general meeting of J.A.L.G.O. at the Americana Hotel in Ocho Rios on Saturday, said that as nobody was consulting with the unions, "we hear that the IMF is making its usual demands to cut down on public sector spending and for us to perform effectively and produce more."

In all of this the Jamaican dollar was going down and prices were going to go up even more while wages valued less with the standard of living plummeting to the ground like a bird that has been pelted with bullets, he said. "We who have to produce as well as consume are not being consulted."

The dollar struck a new low at \$4.15 to U.S.\$1 last Thursday and the harsh economic fact of the crawling peg devaluation up to now was that, from a 77 per cent devaluation in November, the Jamaican dollar had dropped to a total of 133 per cent.

"There is no reason to believe that the crawl is over during these crucial days from now until Budget time-whensoever that is," he said.

All users of foreign exchange were in a "mad scramble" to accumulate American dollars before the got dearer coupled with what had come to be known as the auction system, a pernicious system which allocated foreign exchange to the highest bidder.

Mr. Taylor said that what this meant to the workers was higher prices of which they were painfully aware. He listed the hike in the price of gasoline, electricity rates to 40 per cent, cooking gas, 30 per cent and chicken meat to 40 per cent after a series of hikes from last year.

"All this is aggravated by the presence of a mountain of silence. In the prevailing total lack of communication, apparently nobody but the government knows or understands what the government is doing - and up until now the government is not talking," he said.

Devaluation, he said could not be viewed in isolation of the IMF, of the Government's philosophy; the deregulation, the divestment, the tight fiscal and monetary policies, neither could devaluation could be removed from the Government's wage and employment policy, the pricing policy and the Government's generally "stoney" attitude towards labour.

The average local Government worker whose income as of April this year was \$150 per week gross and after statutory deductions ended up with \$120, could not survive on this amount with all the increases in basic foods and the cost of other necessities.

"The country is in a crisis but nobody is paying the worker any mind. We still hear about wicked strikers and unpatriotic picketers. One of the things that any Government which runs Jamaica must come to terms with sooner or later, is the central place that the workers and their trade unions must have in the development of this country," Mr. Taylor said.

He noted that the working people of this country who had been the real producers of wealth in Jamaica, could not be satisfied with being cast aside in deliberations which were likely to affect the lives of nearly one million members of the labour force.

There was a need to remind all political leaders, especially those in power, that no economic plan, no development strategy, no agreements with any international financing agency or friendly nations away from these shores could make sense without the input, co-operation and goodwill of the workers of this country.

Mr. Taylor asked: "Why then are the trade unions not being made, as the private sector employers are made, to be partners in the plan to bring recovery to the country?"

He observed that somebody once said that what the country needed was reconstruction, not recovery; and with this the working class people must agree, for there was nothing to recover to but the low wages, bad conditions of work, employers exploiting workers, and trade unions being used only when convenient for political bosses.

Mr. Taylor listed the successes that the mobilisation of labour brought for the country from 1938 to the present and questioned why the country was not paying the attention it should to the effective mobilisation of that labour.

"What is the Government's thinking? Where is it going as far as the involvement of the trade unions and the labouring classes are concerned? Is there a strategy of national development which makes provision for the automatic input by the trade unions representing the bulk of the workforce?"

"I have a deep concern that the trade unions are being pushed further and further on the periphery of all social and economic arrangements in this country. This is a violation of history and a defiance of commonsense," he said.

As employer, the Government could not be too careful that it did not fall into the trap of perpetuating bad habits of employment and treatment of workers that were long associated with certain sections of the private sector, he declared.

"We are indeed still fighting for our existence after a generation and more of struggle by the working class to gain a decent standard of living, self-respect, a little human dignity and some social justice in a country which every Government insists on telling us, belongs to us," he said.

It was JALGO's view that even now it was not too late for the Government to sit down and have meaningful dialogue with the workers' representatives through their trade unions, Mr. Taylor said.

HOTELIERS AT ODDS WITH GOVERNMENT OVER TAX HIKE, ATTITUDE

Kingston THE DAILY GLEANER in English 8 May 84 pp 1, 3

[Text]

The increase in hotel accommodation (room) tax will have to be borne by hoteliers at a total cost of about J\$14 million between now and the end of December.

This was one of a number of areas of concern raised by members of a Jamaica Hotel and Tourist Association negotiating team at a media luncheon at the Terra Nova Hotel in Kingston yesterday.

The hoteliers also again expressed misgivings about the National Retained Account and other mechanisms and measures implemented by Government. Hoteliers are required to instruct overseas connections to remit all foreign exchange to the National Retained Account.

The hoteliers also said that the hotel trade was being adversely affected by negative inferences and utterances from Government about the operation of the hotel trade, which they claimed have influenced local perception of hoteliers.

The negotiating team, chaired by Mr. Gordon "Butch" Stewart, has been established to have greater dialogue with Government, educate the public about the trade, and to represent the position of the hotel trade to the society.

Members of the team participating with Mr. Stewart in the media briefing yesterday were Dr. Ken McNeill, Mr. Peter Rousseau, Mr. Cary Pike and Mr. Desmond Segree.

The hoteliers said that there was a negative image about the hotel trade and this had come about chiefly because of Government accusations that the hotel trade was responsible for the leakage of J\$42 million last year.

They denied the charges and said the Government owned 60 per cent of hotel rooms in Jamaica and was involved in several companies, yet it was not established whether the leakage had taken place in the public or privately-owned hotels.

They said further that estimates of earnings in the hotel trade were grossly exaggerated and the leakage could be an exaggeration. All hotels were subject to "rigorous scrutiny" from the Bank of Jamaica and reputable auditing firms, and not a "shred of evidence" had been advanced about the alleged leakage, they said.

The hoteliers said that they had made a significant contribution to

the economy especially when the economy began to suffer from the down-turn in inflows from the bauxite/alumina industry, and yet they had been painted as a "bunch of thieves."

They said the hotel industry was the centre of the tourist industry, which could not perform in the way it ought to "if there is a climate of hostility in the Jamaican community."

The hoteliers said they are willing to make a positive response to Government measures and to the economy but urged dialogue and greater care before the implementation of measures which bear directly on the trade.

They said that the increase in the room tax was ill-timed and would have to be absorbed by the hotels themselves, as the tax was announced too late to be calculated in packages marketed abroad, and ultimately paid by guests.

The Jamaica Tourist Board had, asked them to absorb the tax, as tour operators and marketers would "dump" Jamaica were they to be told now about the tax. The tax announced as part of a pre-Budget tax

UNAM STUDY SHOWS EXTENT TO WHICH PRICES OUTSTRIP SALARIES

Mexico City UNOMASUNO in Spanish 18 May 84 pp 1, 9, 10

[Article by Angelica Quezada]

[Text] During the 24 months up to this past April the minimum wage rose 142.84 percent; in contrast, the prices of the items in the basic shopping basket increased 224.54 percent on the average. Some essential items were up more than 300 percent, and the price of certain vegetables skyrocketed over 1,400 percent during this period, according to the studies conducted by the Current Economic Trends Workshop [Taller de Coyuntura] in the Postgraduate Studies Division of the UNAM [National Autonomous University of Mexico] Economics Department.

The major essential foodstuffs, such as beef, pork, chicken, eggs, oil, salt, pasta for soup, cheese, canned chiles and tuna, recorded between 8 and 10 price increases last year. This means that their price tags were upped every 36 to 45 days on the average. Moreover, the prices of some of these foods, such as beef, pork and chicken, rose faster during the first 4 months of this year than from January to April 1983.

Against this backdrop of constantly rising food prices, the National Consumer Institute (INCO) found that the prices of controlled items were up, on the whole, an average of 58 percent last year and 31 percent from January to March of 1984.

Parallel to these constant, broad price increases decreed by the oligopolies of producers and store owners, the food market is characterized by an anarchical pricing system. For example, the same item can cost twice as much in a small store as in a large, privately-owned self-service market, where prices, in turn, average 20 percent higher than in a store for federal employees (and this does not include the exemption from the value added tax). The stores for federal employees offer a smaller selection, however, and service is for the most part poor.

This newspaper conducted a survey of 240 widely consumed items. It was developed by INCO and included, in addition to basic foodstuffs, items such as personal care and housecleaning items, detergents and

soaps, among others. The study found that about 70 percent of these products posted monthly price increases and that on the whole their prices rose an average of 7 percent this April.

UNAM Current Economic Trends Workshop researcher Manuel Camarena pointed out that on 15 April 1982 an average 5-person family supported by 1 worker spent 46.48 percent of the minimum wage on food. The figure rose to 62.11 percent as of 18 April of this year. The monthly minimum wage was 8,400 pesos 2 years ago and stands at 20,000 today.

The monthly minimum wage thus increased 142.85 percent from April of 1982 to last month. In contrast, the prices of 30 essential foodstuffs (selected by the National Nutrition Institute and used by the Mexican Foodstuff System [SAM] for its Recommended Basic Shopping Basket (CBR)) soared 224.54 percent during the same period.

Given these price rises, a family that spent 3,904.50 pesos a month to buy the 30 food items in the most basic shopping basket (INCO's list comprises 100 items, and the Bank of Mexico's about 70) now has to spend 12,672 pesos to buy the same amount of food.

It also bears mentioning that when government institutions conduct their annual survey of inflation and prices, they do not take into account the major increases in December. They compare the February with the January results only, not the January with the December results, even though appreciable rises take place in December. For example, the price of a kilogram of chicken increased 24 percent from December 1983 to January 1984; beef prices were up 12 percent; pork was up 19 percent, and egg prices rose 3 percent.

UNOMASUNO's survey, based on INCO's monitoring of prices at self-service stores, also revealed that the most important basic foodstuffs, such as pork and chicken, posted faster price rises during the first 4 months of this year than in the January to April period in 1983. The price of beef was increasing 15.18 percent a month during the first third of 1984, compared to just 1.74 percent a month last year; pork prices were rising 4.1 percent a month, compared to 2.49 percent last year, and egg prices were increasing at a pace of 12.21 percent a month, compared to 4.7 percent last year.

Beef prices have thus risen 45.55 percent so far this year, as against 7.47 percent during the same period in 1983. The increase in pork prices during the first third of this year has been 12.31 percent, compared to 7.47 percent during the first third of 1983. The price of a kilo of eggs has risen 36.64 percent, compared to 14.12 percent last year.

The group of foods that posted eight price increases includes canned chiles, canned tuna, detergents, pork and eggs.

Grocery Prices That Increased the Most in 1983

No	Size	Item	ENE.	FEB.	MAR.	ABR.	MAY.	JUN.	JUL.	AGOS.	SEP.	OCT.	NOV.	DIC.
1	1li.	1,2,3 Oil	94.17	94.17	93.85	94.47	95.00	95.00	95.00	110.07	122.79	122.85	122.59	122.67
2	250 gr.	Del Monte Chiles	31.58	31.58	34.80	37.36	48.74	48.74	48.53	60.09	53.86	53.18	54.19	60.56
3	215 gr.	Berdez Chiles	17.00	17.00	18.10	18.30	18.48	18.48	21.28	23.78	23.89	23.90	23.88	23.25
4	200 gr.	Cora Soup Pasta	12.88	12.88	12.92	12.96	12.96	13.03	14.66	17.88	18.76	18.77	19.35	18.95
5	200 gr.	Rex Soup Pasta	13.67	13.67	14.90	14.90	17.49	17.49	22.76	28.02	32.24	32.06	32.92	33.33
6	198 gr.	Dolores Tuna	64.23	64.24	67.59	68.97	73.59	73.59	73.59	107.44	124.88	124.97	124.69	123.20
7	340 gr.	Nido 9 Powdered Milk	106.00	106.00	106.53	126.52	147.52	147.52	147.92	147.90	147.05	202.79	202.79	200.64
8	1 Kl.	Salt	10.79	10.79	10.77	10.95	11.00	11.55	13.62	14.01	16.39	16.71	16.38	16.83
9	100 gr.	Dona Blanca Detergent	55.87	55.87	67.26	73.40	88.76	88.76	89.55	101.34	100.56	100.32	100.39	100.58
10	100 gr.	Ariel Detergent	32.13	32.13	39.95	39.95	39.95	42.03	45.53	45.37	47.85	44.89	43.57	40.25
11	125 gr.	Lis Paper Napkins	71.44	71.44	84.12	84.12	84.19	87.73	85.58	94.68	84.97	90.20	87.73	87.75
12	4rls.	Regio Toilet Paper	66.77	66.77	81.66	83.23	83.23	88.72	97.03	96.28	94.19	90.83	90.06	92.47
13	4rls.	Petalo Toilet Paper	58.22	58.22	73.70	73.78	75.80	83.43	83.43	85.25	82.83	74.59	79.07	80.88
14	4rls.	Lis Toilet Paper	84.21	84.21	84.21	89.64	110.73	110.70	107.67	107.51	106.58	106.93	135.24	132.04
15	225 gr.	Los Volcanes Cream Cheese	195.00	195.00	196.07	212.39	242.18	244.18	244.02	244.89	250.12	250.73	301.89	307.28
16	400 gr.	Noche Buena Manchego Cheese	34.97	34.97	29.90	35.03	49.06	42.26	38.64	36.60	39.17	32.17	43.86	82.04
17	1 Kg.	Limes	28.88	28.88	30.43	32.92	61.60	73.77	82.40	88.57	87.25	82.69	35.09	77.59
18	1 Kg.	Yellow Potatoes	283.43	283.40	293.97	298.43	299.90	307.79	320.00	339.03	368.75	379.52	378.73	379.77
19	1 Kg.	Finely Ground Beef	63.60	63.60	63.08	72.04	73.38	70.31	70.26	74.07	75.09	84.28	98.60	98.95
20	1 Kg.	Medium Eggs	298.40	298.40	310.35	321.15	328.90	328.12	327.81	362.67	428.85	430.80	426.47	496.43
21	1 Kg.	Pork												

Prices in self-service stores in the Federal District

Among those that posted 10 price increases last year are beef and soup pasta; there were 11 price increases for cheese; salt registered 9 price rises, and powdered milk prices went up 7 times.

The most important staple foods have posted extraordinary price rises over the past 2 years (from April 1982 to this past April). For example, fresh milk has gone up 296.55 percent, as the official price rose from 14.5 pesos a liter to 57.5 pesos.

The average price of a kilo of soup pasta (four varieties) increased 307.45 percent, from 36.2 pesos in April 1982 to 147.5 pesos in April 1984.

Egg prices are up 356.4 percent, inasmuch as a kilo that used to cost an average of 31.77 pesos now costs 145.6 pesos. Meat prices are up 149.52 percent, from an average of 146.28 pesos for a kilo of the various cuts to 365 pesos a kilo. The price of chicken has risen from 87.07 to 367 pesos a kilogram, 281.3 percent. A kilogram of pork now costs 543.5 pesos, compared to 206.31 pesos, up 163.43 percent. The price of safflower oil is up 207.14 percent, from 56 pesos a liter to 172 pesos.

We should emphasize that the Economic Trends Workshop did its price sampling survey at self-service stores, where price rises are controlled by the authorities, in contrast to local grocery stores and the stalls at public markets, where there is practically no control.

Foodstuffs in the Minimum Recommended Shopping Basket

<u>Item</u>	<u>Price per Kilo</u> <u>15 April 1982</u>	<u>Price per Kilo</u> <u>18 April 1984</u>	<u>Percent</u> <u>Increase</u>
1. Corn	7.50	25.50	240.00
2. Tortillas	5.50	15.50	181.81
3. Dough	3.60	10.00	177.77
4. Wheat flour	45.92	49.33	733.27
5. Sweetbread	50.00	165.20	220.00
6. White bread	7.50	28.57	280.93
7. Cookies	34.66	165.00	230.00
8. Soup pasta	36.20	147.50	307.45
9. Rice	35.00	80.00	128.57
10. Beans	22.85	45.00	92.93
11. Potatoes	28.18	179.90	538.39
12. Tomatoes	26.05	59.90	129.94
13. Chiles	40.17	112.90	181.05
14. Onions	8.95	134.90	1,407.26
15. Lettuce	11.85	67.25	467.51
16. Carrots	15.50	50.90	228.38
17. Bananas	17.04	43.90	157.62
18. Apples	62.71	254.90	306.47
19. Limes	26.20	134.90	414.88
20. Oranges	9.05	59.90	506.62

21. Beef	146.28	365.00	149.52
22. Pork	206.31	543.50	163.43
23. Chicken	87.07	332.50	281.30
24. Eggs	31.77	145.00	356.40
25. Fresh milk	14.50	57.50	296.55
26. Lard	40.00	437.20	93.00
27. Fish	173.63	682.45	293.04
28. Safflower oil	56.00	172.00	207.14
29. Sugar	13.50	55.40	310.37

This study was conducted by the UNAM Current Economic Trends Workshop based on the prices that it found in self-service stores for the items in the basic shopping basket recommended by the Mexican Foodstuff System, in accordance with the choices made by the National Nutrition Institute.

8743

CSO: 3248/645

CROES SEES TURNING TO UN IF OTHER ISLANDS DO NOT COOPERATE

The Hague ANP NEWS BULLETIN in English 30 May 84 pp 1-2

[Text] The Hague, 30 May--Aruba could turn to the United Nations for a final appeal if the five other Antillean islands and Holland fail to meet their agreement to allow it to secede as from 1 January 1986, Aruban leader Betico Croes told reporters here last night.

Croes, leader of the majority Aruban MEP party, said however that the island would resort to a UN appeal only if the rest of the Antilles failed to cooperate with its secession plans and if Holland could not guarantee that last year's Round Table Conference (TC) resolutions would be carried out.

The Aruban leader had spoken earlier in the day with Jan de Koning, minister for the Netherlands Antilles, who represented the Netherlands at the Willemstad conference which dealt with the economic prospects for the former colony after Aruban secession.

Croes said De Koning had assured him yesterday that Aruban secession would take place as scheduled, an assurance Croes said had somewhat calmed his misgivings.

Disappointed

He said he was nonetheless disappointed that Holland still refused to take steps against the other five islands for their refusal to comply with the RTC agreements. Croes said he had received the impression that Holland still hoped to convince the remaining islands that such compliance was in their own best interests.

He emphasised that the collapse of last month's island summit on a 'survival plan' for the economies of the smaller islands after secession would not be allowed to stymie Aruba's plans.

The Aruban leader said he considered unilateral secession 'risky' for the island. 'We would consider such an alternative only in the most extreme of cases, and then only after agreement with Holland, he said.

A UN appeal could damage Holland's image, which further lessened the chances of such a stop, Croes said, since 'We are in general agreement...Holland wants to help us and the will exists.'

CSO: 3200/29

CROES URGES USE OF FORCE, IF NECESSARY

The Hague ANP NEWS BULLETIN in English 28 May 84 pp 2-3

[Text] Schiphol, 28 May--Betico Croes, leader of the majority MEP [People's Electoral Movement] party on the island of Aruba, called at the weekend for the Dutch Government to use force if the other five islands in the Netherlands Antilles refuse to cooperate in plans to grant Aruba separate status.

Croes arrived at Schipol airport on Saturday for a 10-day visit to plead his island's case with MP's and Jan de Koning, minister for the Netherlands Antilles.

Under a Dutch agreement with the six Caribbean islands, Aruba is due to gain separate status from 1 January 1986, with a view to becoming independent in 10 years.

The other five islands, however, are seriously concerned about the economic consequences of such a move, and the Antillean government has been attacked by both Dutch and Aruban politicians for 'deliberate delay' in putting the plans into action.

Convinced

Croes said he hoped the other islands would yet allow themselves to be convinced that they must carry out the terms of the agreement. But if not, the Dutch Government should use available means of force, he said.

Asked about which means in particular, he said 'I shall leave that to the Netherlands, but the Netherlands has both legal and economic means at its disposal.'

Talks with the islands had reached an impasse, and the attitude of the government based in Curacao amounted to a boycott, he claimed.

De Koning is due to visit the islands in August.

CSO: 3200/29

GOVERNMENT, STEVENS HIT FOR THREATS OVER WATER USAGE

Basseterre THE LABOUR SPOKESMAN in English 28 Apr 84 p 1

[Text] All over the island of St. Kitts people reacted with shock and anger this week Wednesday and Thursday after they had heard a snap broadcast by Mr Ivor Stevens, Minister of Communications, Works and Public Utilities the Nevis Government and also Minister of Communications, Works, etc. in the St. Kitts Government in which he threatened "harsh measures" against water users.

The broadcast was made at about 11: o'clock Wednesday morning (25 April). In it Mr Stevens ordered people to stop watering their lawns and washing their cars.

"The watering of lawns and the washing of cars is strictly prohibited," he said.

Without spelling out the penalties, Mr Stevens warned, "Harsh measures will be taken against anyone here found wasting water." He said that there was a water shortage caused by a prolonged drought.

Mr Stevens failed to tell the people of St. Kitts if the Simmonds government was going to stop giving hundreds of thousands of gallons of water to visiting tourist boats--free of charge!

He also failed to say whether the lavish use of water at the Prime Minister's Residence at Kittstoddarts--where the lawns and the trees are heavily watered at least twice per day--would be stopped.

In related news, the Department of Agriculture has warned about a sharp reduction in the production of food crops.

Carrots and other perishable vegetables are expected to fall in output.

CSO: 3298/838

LABOR ORGAN SCORES PAM FOR RECORD ON JOBS

Basseterre THE LABOUR SPOKESMAN in English 25 Apr 84 p 2

[Editorial: "Its Only Words...."]

[Excerpts] At a recent public meeting one PAM trump was heard to remark that the only promise PAM had not kept was the promise to refund to workers the money held in their accounts in the National Provident Fund. But, he continued with confidence, they are going to repay it.

We wish to offer some comments on both of the statements made by this young man.

In the first place for anyone to say that PAM has kept every promise except the one to do with the refund of National Provident Fund is blatantly dishonest.

There are so many other promises PAM has not kept. PAM offered the young workers a better deal. It promised many more jobs outside the canefields for young people. It is madness for anyone even to pretend that this promise has been kept. There are so many young people out of school who cannot find jobs. And there are many whose jobs have disappeared.

Some young people who work in the tourist industry must still make do with seasonal employment. Some are almost permanently "on days which means that they do not work a full week. There is a real reversal in terms of job opportunities being offered. The level of unemployment in the country is scandalously high.

There was a promise that there would be no victimisation. This promise was given new life after PAM had been initiated into government. But there has been almost non-stop victimisation against all who are thought to be unsympathetic to the government.

This question of job and job security is a profoundly serious one. And PAM must not be allowed to sweep it under the carpet. For those who are in employment PAM promised improved wage levels. They enticed the young workers away from their Trade Union promising them increased benefits. They said that the Union was preventing the employers from paying wages in U.S. dollars and they wished to remove the "dead hand" of the Union.

Four years later workers are finding it difficult to secure wage increases. The basic start-up pay in a small electronics factory is \$61 per week with \$1.00 a day for transport and \$1.50 a day for lunch. Workers are not yet receiving their wages in U.S. dollars. All in all workers everywhere in the country are financially worse off.

Late in 1983 they promised that work would start in January 1984 on an oil refinery in the Half Way Tree area. We are nearing the end of April 1984 and no work has started and the government have given no explanation.

With the NRP/PAM government "its only words and words are all (they) have" but even their words are worthless.

The people can no longer tolerate a government of promise or promises. They need a government that will promise only what it intends to perform and that will faithfully perform what it has promised. As for PAM the people must get them out.

CSO: 3298/838

BRIEFS

CROP ARSON--Basseterre, Sun., (CANA)--St. Kitts and Nevis National Agricultural Corporation (NACO) says arsonists are trying to destroy the 1984 crop. NACO, which manages the industry, said that since February 574 acres of mature cane--11,000 tons--at 18 estates and 116 acres of young cane had been destroyed by fire in what appeared to be "a calculated plan to destroy the crop." The corporation yesterday announced a \$1,000 reward to anyone who can give information leading to an arrest and conviction in connection with the series of fires. According to the corporation, 16 acres of ripened cane at one plantation and another 23 acres at another were destroyed by fire last Friday. Eight acres of young cane were also destroyed, the corporation reported. A week earlier, 13 acres of cane were burnt. St. Kitts and Nevis had produced over 15,200 tons of sugar this year. Industry officials originally put this year's production target at 29,000 tons. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 7 May 84 p 5]

CSO: 3298/838

CENAC'S 'ELEGY' FOR PLP PLAYS INTO U.S., COMPTON'S HANDS

Castries CRUSADER in English 5 May 84 pp 1, 5

[Text] When Leader of the Opposition Neville Cenac admitted to the whole electorate in his Budget Reply that the Labour Party was dead, it was indeed a curious statement. The House of Assembly is known for curious happenings and bizarre statements but few expected the Leader of the Labour Party to write the obituary for his own moribund Party. One can admire his candour on this occasion but it seems that the remark cannot be regarded superficially. In fact what the man who emerged as Leader of the Party after that now-famous Vieuxfort, Convention, was saying, was that he had not brought the Party to life as he was expected to. Things are not functioning and the Party is gasping for its last breath.

Curiously enough the Party Leader's assessment of the Party's fortunes conflicts sharply with that of the Vice President of the Party, Newcomer Julian Hunte who goes out of his way to give the impression through the media that the Party is "Getting Organised." Naturally Mr Hunte will not come out and say who is getting it organised when the Party leader himself is not conceding or recognising any new organisational thrust. One is even tempted to speculate that the Party Leader might not be aware that Mr Hunte and his new-fangled political associates are seriously contemplating a strategy which would shunt the machinery of the party away from the conventional leadership into a new scenario. If this speculation is plausible then Opposition Leader Neville Cenac was genuine and objective when he conceded that the Labour Party was a spent force.

Supporters of the Party were very concerned about the direction and future of the Party when they made an effort to go to the Vieuxfort Convention in 1982 following the convincing defeat of the Party at the Polls. The defeat was convincing only in the sense that a Party which prides itself on being the longest established political organisation in the country was beaten into third place by the PLP which was formed a mere six months before the election. The PLP in fact walked away with most of the traditional SLP vote although the first-past-the-post system rewarded the SLP with two seats in the House to the PLP's one.

As is usual in the behind-the-scenes manoeuvres of the SLP there was no in-depth political analysis of the options open to the Party prior to the Convention. The Convention was once again seen in two-dimensional terms of keeping

certain persons out and putting certain persons in. The lobbying which went on was certainly conducted along these lines and although many people felt relieved that Peter Josie had got his "come-uppance" the result of the Convention had no hopeful positive element about it. It was clear to any casual observer that Neville Cenac who got the nod over Peter Josie had no real track record of mobilising a Party especially a Party that was roundly defeated at the Polls and needed a strong injection of morale and courage to resurrect it. The unexpected positioning of Julian Hunte in the Vice Presidential post telegraphed a message to everyone that the road ahead for the Party was the old beaten track of squabbling and internecine warfare at leadership level.

The signs were there for the principal persons in the Party like Leroy Butcher, Tom Walcott, and the others who made a showing along with Peter Josie at the 1982 polls. They were aware that there was a structural weakness in the Party after the Convention and this turned on the mobilisational capacity of the leadership. Both Butcher and Walcott can be dogged campaigners if sufficiently motivated. Their motivation might come from different wellsprings but once wound up they have a capacity to do battle. Both were aware that the Convention had further ruptured the Party and that Neville Cenac although a convenient stop gap to keep out Josie had no stomach for a brusing campaign. Obviously some stalwarts would have to carry the campaign for him in the same way that Odlum and Josie carried it for Louisy in the pre-1979 period. The history here is much too recent to be forgotten. If more experienced Party men would balk at repeating the failures of the past, the neophytes in the Party would have no such scruples. For them the leadership quarrels of Labour was a thing of the past and they would boldly rush in where angels fear to tread.

If Neville Cenac's queasy stomach is a deterrent in mobilisational work then who could blame Julian Hunte for thinking that his battering-ram forehead was the answer to all Labour's problems. But the aftermath of the Vieuxfort Convention saw a spluttering of activity when some Labour Party men like Cenac, Butcher, Modeste et al tested the ground in Laborie, Choiseul and Vieuxfort where Labour made it's best showing in the election. It was an interesting experiment which looked as if the Party was trying to prove to itself that it had the clout to campaign without a Josie. The effort was short-lived. It was a moot point whether they decided that they had not the flair or that the organisational bogey raised it's head.

Peter Josie fell into isolation and looked on with quiet satisfaction at the paralysis of the Party after it had dumped him. Josie could not help feeling that ingratitude more strong than traitors arms had vanquished him and burst his might bubble. Josie was clear that his marshalling of the Labour Party scattered forces during the 1982 Election debate was enough to earn him the perpetual gratitude of the Party, but perhaps he had not learnt the lesson that gratitude is a desperately short commodity in politics. And the question of treachery well... Nemesis has a disturbing way of appearing at unexpected times. Fortunately the Presidency of the Seamen's Union brought a welcome power base to Josie and this offset his political isolation. It also afforded him an opportunity to keep in touch with his political base in Vieux Fort.

Somehow the sum total of Cenac's nonperformance and Josie's isolation was the exact catalyst that Hunte was looking for to force the issue that his acceptance or manipulation of the vice-chairmanship of the Party raised. By then Butcher was totally disenchanted with the projection and the ideological posture of the Labour Party. He just couldn't swallow the Party's unprincipled stand on the invasion of Grenada. He felt that some principles should rise above the opportunism of Party politics and the Labour Party actually came out on record in support of the invasion like any right wing reactionary party. Walcott for his part was too preoccupied with finishing his Office Block on Jeremie Street which he has leased to the Government to concern himself with the vagaries of Labour Party politics. His acute pragmatism has always wrestled with his ideology and he claimed justification when he saw PLP ideologies resorting to the same means-to-an-end capitalism. All these divergent forces in the Labour Party left Opposition leader Cenac looking more and more like an empty symbol with nothing to symbolise, hence his utter despair about the future of his Party. In the cut-and-thrust of Parliamentary debate Labour Party Representative Cecil Lay looks oddly at one with the PLP representative Jon Odum and at arms length from his party leader Neville Cenac. This leaves Opposition leader Cenac in the unfortunate position of leading only himself.

A number of factors are forcing the Labour Party to look inwardly at itself and to consider whether a lacklustre star that fails to twinkle and is so severely splintered would not prolong the life of a Compton regime which is rapidly running out of time. Even the tactical silence of the PLP is putting the spotlight on the SLP and its strident claim to be the legitimate Opposition.

The paralysis in the Party and its Leadership has resulted in an interesting phenomenon. Peter Josie with his nose for political realities is keeping in touch with the Vieux Fort South seat even though he has no profile in the Party. Julian Hunte is also facing the fact that without a track record in Labour politics that his best bet is to create a constituency base at all cost and this will strengthen his negotiating position inside the Party. He has set about working the Grosislet seat with an expensive and feverish intensity. Unfortunately his approach is to out-UWP the UWPees and while the near-the-bread-line indigence of our people will find him many willing and cheerful receivers, it is obvious that this is not a firm enough nexus for a long and meaningful relationship with the people of the area. Gregor Mason can confirm this.

Julian Hunte has already chalked up some notches in general service to the community. His restoration of Mindoo Phillip Park and his competent handling of the National Development Corporation should both serve him in good stead, not to mention his service to Cricket at the level of West Indies Board of Control. In normal parish pump politics this should be more than enough to put all credibility arguments to rest. But Labour Party politics is indeed a ballgame by itself! Labour Party zealots will not be satisfied with the aura of self-made-man success around Hunte, they are finicky about Labour Party credentials. Working class identification and achievement are nearer the mark in wooing them, and Hunte will not enhance his credibility if he strives to follow UWP

policies, strategies and thinking, fondly believing that these are the realities of the post-Grenada situation.

While Leroy Butcher has distanced himself from the sheenanigan of Leadership jockeying in the Party, Hunte appears to have produced the carrot that has lured Remy Lesmond away from the Josie Camp. At present Hunte appears to be the only one with the financial resources to play the carrot-on-the-stick game and this is causing some envious concern to rivals and colleagues alike. It has even tempted Minister Lansiquot into an unfortunate indiscretion in the [word illegible] of Assembly when he alluded to Hunte [word illegible] as playing fields in the Northern area with funds from the Instant Money Game. Parliamentary privilege might protect the Minister but he no doubt calculated all this for the jackpot of casting a timely slur on Hunte's campaign in the North. Of course the Minister's criticism is a two-edged sword as far as Hunte is concerned--it will raise questions about the level and source of finances but it will also have the reverse effect of demonstrating UWP antagonism to Hunte which Hunte badly needs to clean up nagging doubts about his UWP connections in the minds of the man on the street.

The sum total of Cenac's elegy for his Party, Hunte's Northern Thrust Josie's Detachment and Butcher's disenchantment is that the St. Lucia Labour Party is once again starting to look like a Hydra Headed Monster. This is exactly what the United Workers Party is hoping for. This is precisely what the Americans are spending to achieve. This is Compton's hope of surviving his now inevitable demise.

CSO: 3298/839

REPORT ON ODLUM CONTRIBUTION AT SOCIALIST INTERNATIONAL

Castries CRUSADER in English 5 May 84 pp 6-7

[Text] There were many International Socialists present at the Bureau Meeting of the Socialist International held in Denmark last week. Under the chairmanship of SI President Willy Brandt the Bureau discussed matters affecting Southern Africa and Latin America and the Caribbean. Ex-president of Venezuela Carlos Andres Perez was there to present a report on the Latin America and Caribbean situation and other well-known SI faces like Olof Palme the Prime Minister of Sweden and Leopold Senghor the President of Senegal were also in attendance.

Among the Caribbean Parties the PNP of Jamaica was represented by Carl Rattray. The Working People's Alliance of Guyana was represented by Rupert Roopneraine and the Barbados Labour Party had a delegation of three comprising Foreign Minister Louis Tull, Agriculture Minister Richard Cheltenham and Raul Harris. St. Lucia's Progressive Labour Party was represented by Party Leader George Odlum.

At a preliminary meeting of the Latin American and Caribbean Group which was chaired by Guillermo Manuel Ungo of El Salvador's National Revolutionary Movement MNR, the participants gave a brief summary of recent political developments in their respective territories. The affairs of Latin America and the Caribbean were dealt with in the plenary session of the Bureau under the chairmanship of Willie Brandt. The Report of the SI Committee for Latin America and the Caribbean was presented by Venezuela's Carlos Andres Perez. He dealt in general with the crises affecting all Latin American and Caribbean countries resulting from the humiliating and degrading conditions imposed by the International Monetary Fund on these countries. He said that these dark clouds are now gathering all over Latin America because there is widespread social unrest since people are no longer prepared to put up with such degradation. He cited the examples of Brazil, Columbia and Costa Rica. However, he argued that we were on the eve of the birth of a New Latin America--a new stage of democracy. Military Autocracy is being ousted in favour of Civil Government and military juntas are everywhere under attack and even taken to Court. Venezuela and Peru are cases in question and in Brazil the process of democracy cannot be stopped.

In the discussion following the report a number of countries elaborated on particular aspects of the report. St. Lucia's PLP leader praised Carlos Andres Perez for his clear analysis of the realities of Third World economic life. He said, "You have understood clearly what it means to live in the belly of the Beast at the mercy of the debt servicing burdens and the interest-rate juggling of creditor countries."

The PLP leader then launched into an attack on the militarisation of the OECS countries by the United States and the creation of a Regional Defence Force among the OECS countries spear-headed by Barbados. He said that it was unfortunate that he did not attend the Brussel's meeting of the Bureau when some rather alarming statements were made by the Barbados Representative Henry Forde on the question of the invasion of Grenada. Mr Forde spoke of "the trite legal principle of nonintervention."

It was amazing that Mr Forde could have referred to the principle of non-intervention as "trite" when this very principle is the bedrock of all the attitudes and policies of the Socialist International and forms the very cornerstone of all International Law. Mr Odlum also pointed out that Mr Forde has misled the Bureau when he said that "All political parties in the Caribbean had approved of the Grenada invasion by the US." He made it clear that his Party the Progressive Labour Party of St. Lucia had opposed the idea of the invasion even before it took place, had denounced the actual invasion as an affront to sovereignty and had voted in the House of Assembly in St. Lucia against the US-backed invasion.

Mr Odlum said that in recent months there has been an organised effort by the Reactionary Regimes in the Caribbean to minimise the horror of their actions by appealing to International and Regional bodies to "play down the differences" arising from the Grenada events. It is essential for principled bodies like the Socialist International to stand firm on such sacred principles as nonintervention and not accommodate regimes which flout the principles and then plead for understanding and accommodation. The Commonwealth Summit the same governments which were brass-faced and jingoistic about the Grenada invasion were pleading for understanding and healing the Caricom rift. Today Barbados is making a similar pitch to pour oil on the troubled waters of Grenada when they were most instrumental in agitating the waters. The Foreign Minister of Barbados Louis Tull has given a cosy picture of present day Grenada but Grenada is still an occupied territory and no elections held in Grenada in the coming months can ever be fair and free while America occupies the territory and operates through a bogus Interim Council. There appears to be a growing acquiescence in international affairs which is the cancer that would undermine all democracy. President Reagan's reaction to the UN vote of 102-9 against the Grenada invasion was that this would not disturb his morning breakfast. This is precisely the type of cynicism. His refusal to abide by the findings of the International Court of Justice on the mining of Nicaraguan waters is another shocking display of arrogance, terrorism and cynicism. It is the same cynical tendency which would make a distinguished lawyer like Henry Forde refer to nonintervention as a trite legal principle.

Mr Odium went on to identify a rash of repressive legislation that is being imposed by the Reactionary Regimes in the Eastern Caribbean.

He cited the disgraceful treason laws of Dominica and the legislative challenges to freedom of expression in St. Lucia.

At the end of the debate the Bureau of Socialist International adopted a Draft Resolution on Latin America which expressed its profound concern at the deterioration of the situation in the region of Central American in terms of the escalation of armed conflict as well as the violation of the principles of international law.

CSO: 3298/839

AGREEMENT REACHED ON GUIDELINES FOR PRESS, BROADCAST STATIONS

Paramaribo DE WARE TIJD in Dutch 2 May 84 p 7

[Text] Awaiting the realization of a press code Premier Wim Udenhout and the privately owned media in operation on 1 May agreed on guidelines which are binding on the media. These "Guidelines for Press and Broadcast Stations" were signed by all parties on Monday morning 30 April. The document reads as follows:

Guidelines for Press and Broadcast Stations

In the interest of national development, security and peace the following guidelines are established for the press and the broadcast stations:

Article 1

As of 1 May 1984 the press and the broadcast stations are again allowed to operate in Suriname except for special circumstances and, among other things, awaiting regulation by a press and broadcast station code.

Article 2

After the realization of a code for press and broadcast stations the press and broadcast stations operating here are obliged to unconditionally accept its regulations and to abide by them.

Article 3

As long as the code mentioned in article 2 is not yet ready the press and broadcast stations operating here will follow the directions and guidelines of the state, namely the prime minister (minister of General Affairs and Foreign Affairs).

Article 4

With their news, publications and programs the press and broadcast stations operating here will do their utmost to contribute to developments serving the national interest.

Article 5

The press and broadcast stations operating here must refrain from publications and broadcasts which are potentially harmful to the national interest and security or the lawful authorities.

Article 6

When in doubt about the applicability of article 5 the press and broadcast stations operating here must consult with the prime minister, or the ministers of General Affairs and Foreign Affairs before they publish or broadcast an item.

Article 7

Articles in foreign publications concerning the lawful authorities may only be published or broadcast with knowledge and permission of the prime minister.

Article 8

The press and broadcast stations operating here may not publish items against the law, public safety and public morality.

Article 9

The press and broadcast stations operating here are not permitted to publish unverified stories which explicitly or implicitly damage the reputation of individuals or groups of persons.

Article 10

The prime minister (minister of General Affairs and Foreign Affairs) must see to it that these regulations are observed.

Article 11

If the press and broadcast stations operating here do not properly adhere to these guidelines the proper authorities can suspend or revoke their license. Punishment will only be given after the transgressor or his proper representative has been heard by the authority which pronounces the punishment. The transgressor will be heard in the matter, he or she can be accompanied by his or her counsel.

Addendum

In establishing the above guidelines the government agreed with representatives of the press and broadcast stations that they can assist in formulating the code mentioned in article 2.

Thus established in Paramaribo on 30 April 1984.

The above mentioned guidelines are signed by: Prime Minister W. Udenhout, and also E. Vervuurt, R. Pierkhan, E. Findlay and L. Morpurgo.

BRIEFS

CAPITAL TRANSFERS BANNED--Paramaribo/The Hague, 28 May--Surinamese authorities have banned all capital transfers abroad, informed sources in Paramaribo said at the weekend. A letter from the Ministry of Transport, Trade and Industry, dated 15 May, told banks that requests for no further applications for transfer of capital out of the country would be considered, the sources said. The letter referred to transfer of profits, dividends, interest on mortgage claims and rents and cited the former Dutch colony's 'precarious foreign exchange position' as the reason. Surinam's foreign exchange reserves fell to crisis levels earlier this year, as the South American country faced the double blows of a crippling strike in its vital bauxite industry and a continuing Dutch embargo on development aid. A spokesman for Suralco, the aluminum company whose workers staged the strike in January and February, said transfer of its profits would not be affected. The transfers to the U.S. parent company Alcoa were regulated by an agreement signed in 1958, and it was Alcoa rather than Suralco which sold company products on the world market, he said. Surinamese authorities are currently negotiating with the International Monetary Fund (IMF) for an urgently-needed loan, but the talks are being hampered by Surinamese determination not to see the Surinam guilder devalued by 50 per cent, as the IMF wants, the sources said. [Text] [The Hague ANP NEWS BULLETIN in English 28 May 84 pp 3-4]

EUROPEAN COMMISSION LOAN OFFER--Brussels, 29 May--The executive commission of the European Commission announced today that it has decided to offer the former Dutch colony of Surinam a soft loan worth 18.75 guilders from the European Development Fund. The commission said the loan was mainly intended to provide funds for fishermen and medium sized agricultural firms in Surinam. At the end of last year the European Parliament said aid to Surinam from the community's development fund should be halted because of the political situation in the country. Holland suspended bilateral development aid to Surinam after 15 prominent opponents to the military regime of Lieutenant Colonel Desi Bouterse were murdered in December 1982. [Text] [The Hague ANP NEWS BULLETIN in English 29 May 84 p 3]

CONSUMER GROUP OPPOSES HOARDING--The Organization for Consumer Interests has in a communique declared its solidarity with the way in which the Ministry of Transportation, Trade and Industry acts toward shopkeepers who hoard goods. The organization has made an urgent appeal to the authorities "to take legal measures or to make laws which provide for the confiscation of goods which serve to cover the most vital necessities of life and which have been wilfully withdrawn from circulation. In addition, heavy fines should be imposed on the dealers involved." The Organization for Consumer Interests says that trade is in the service of the consumer, and that hoarding must be regarded as a crime against the society and as a violation of the licensing provisions. The Organization for Consumer Interests has requested consumers to report hoarding practices to the price fixing and price control authorities. [Text] [Paramaribo DE WARE TIJD in Dutch 10 May 84 p 1] 7262

LABOR DELEGATION TO MOSCOW--Tuesday a labor delegation consisting of Hendrik Sanrochman of the Mother League, Henny Truideman of the CLO [Public Servants Organization Central Council], and Cecil Rodgers of the PWO [Progressive Employee's Organization] left Suriname for Moscow to attend a seminar. The study meeting in Moscow is set up for labor leaders from the Caribbean; the seminar begins on 14 May and will last a month. Gerrit Belfor of C-47 who attended the 1 May festivities in Moscow will also be present at this seminar. [Text] [Paramaribo DE WARE TIJD in Dutch 10 May 84 p 1] 10319

VISIT BY PRC DELEGATION--On the basis of the friendship treaty between the People's Republic of China and the Republic of Suriname a protocol was signed by the two countries in 1981 for the construction of an indoor sports stadium. Within the framework of the preparations for its construction an eight men delegation from China arrived on Thursday 26 April in Suriname to finalize the necessary designs and contracts. On 28 April the minister of Education and Sciences A. Li Fo Sjoie received the Chinese delegation; the minister of Public Works, Telecommunications and Construction E. Tjon Kie Sim and the ambassador of the People's Republic of China were also present. On Monday 30 April during the first discussion in the Ministry of Education and Sciences the Chinese delegation presented the construction plans and designs and also a matching scale model in the presence of the minister of Education and Sciences. It is expected that the preliminaries will be completed within 3 months; the start of construction is targeted for 1 October 1984. [Text] [Paramaribo DE WARE TIJD in Dutch 2 May 84 p 7] 10319

CSO: 3214/47

- END -