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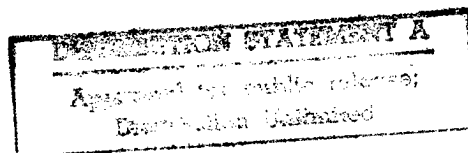
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Latin America Report

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29 May 1984

LATIN AMERICA REPORT

CONTENTS

ENERGY ECONOMICS

BRAZIL

- Progress, Problems of Proalcohol Program Surveyed
(Karl R Felder; NEUE ZUERCHER ZEITUNG, 6/7 May 84)..... 1

VENEZUELA

- PDVSA Reports on Payments to Service Companies, Other Issues
(C. R. Chavez; EL UNIVERSAL, 8 Apr 84)..... 5
- FRG Sends Parliamentarian To Discuss Veba Oel-PDVSA Contract
(Miguel Lopez Trocelt; EL NACIONAL, 16 Apr 84)..... 7
- Cryogenic Complex Plays Key Role in Economic Development
(EL UNIVERSAL, 16 Apr 84)..... 9
- Oil Production, Reserves Figures for 1983
(EL NACIONAL, 17 Apr 84; EL UNIVERSAL, 16, 17 Apr 84)..... 11
- Meneven Oil Production
Lagoven Oil Reserves
Corpoven Oil, Gas Reserves

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

- OECS Director Lewis Discusses Impact of Grenada Operation
(Ernie Seon; THE WEEKEND VOICE, 31 Mar 84)..... 14

Caribbean Financial Services Corporation Set to Open (BARBADOS ADVOCATE, 16 Apr 84).....	16
CARICOM Official Discusses Intraregional Payments Issue (BARBADOS ADVOCATE, 17 Apr 84).....	17
CARICOM Chief Optimistic About Development Possibilities (EXPRESS, 19 Apr 84).....	18
ARGENTINA	
Contin Calls for Reactivation of Multiparty Group (LA PRENSA, 31 Mar 84).....	20
Intransigent Party Dissidents Join UCR Ranks (LA NACION, 28 Mar 84).....	22
Italo Luder Scores Government Tactics Against Peronism (Italo Argentino Luder; CLARIN, 6 Apr 84).....	24
Mucci's Resignation Seen as Victory for Labor Sector (Luis Mario Lozzia; LA NACION, 28 Apr 84).....	27
Student Political Groups Meet To Chart Activities (LA NACION, 30 Mar 84).....	31
Franja Morada Rejects Education Ministry's Guidelines (LA NACION, 31 Mar 84).....	33
Interior Minister Opposes Debate on Divorce Issue (LA PRENSA, 14 Apr 84).....	35
Bishops' Conference Ends, Document Issued (LA NACION, 17 Apr 84).....	37
Government Begins Preparations for Return of Exiles (Luis F. Torres, et al.; SOMOS, 20 Apr 84).....	43
Briefs	
National Liberation Front Proposed	49
Air Force Demonstration	49
BARBADOS	
Sandiford Calls for Repairs to 'Diplomatic Damage' (BARBADOS ADVOCATE, 11 Apr 84).....	51
Official Indicates Government Does Not Agree With Devaluation (Tony Best; THE NATION, 11 Apr 84).....	52

Taitt-Barrow, Haynes in DLP Leadership Struggle
(Henry Christopher; SUNDAY ADVOCATE, 15 Apr 84)..... 53

Developments on Labor Front; Focus on Wage Issues
(BARBADOS ADVOCATE, various dates; THE NATION,
11, 12 Apr 84)..... 56

Walcott on Threat to Workers
NUPW Election Candidates
Harper Victory
More on Harper, by Avonda Scott
Wage Pact With Government
Teachers' Rejection
Rise in Unemployment

Sugar Crop 75 Percent Complete; Positive Factors Noted
(SUNDAY SUN, 8 Apr 84)..... 61

Police Chief Durant Denies Rumors About 'Riot Squad'
(THE WEEKEND NATION, 13-14 Apr 84)..... 62

Briefs

Road Projects 63
Cement's Impact on Port 63
Rural Development Plan 63

DOMINICA

Industrial Development Corporation Chief Resigns
(THE NEW CHRONICLE, 6 Apr 84)..... 65

Savarin Comments on Soap Import License From Jamaica
(THE NEW CHRONICLE, 6 Apr 84)..... 66

Briefs

Opposition Unity Breakdown 68

DOMINICAN REPUBLIC

PR, PRSC To Merge Despite Opposition
(LISTIN DIARIO, 15, 18 Apr 84)..... 69

Social Christian Party Formed, by Saul Pimentel
PRSC Dissidents Allege Illegalities, by Manuel Silvestre

JAMAICA

Currency, Export, Other Economic Issues Capture Attention
(THE DAILY GLEANER, various dates)..... 72

New Dollar Parity
Export Figure Discrepancies
Seaga Warning to Exporters
Changes in Exchange Auction
Revision in Auction Bidding
Sugar Factory Closings
PSOJ on Tax Reform
Blocked Exports to Trinidad

MEXICO

Political Parties of Left Oppose Secession of Soconusco
(LA VOZ DEL SURESTE, 17, 30 Mar 84)..... 81

Chiapas PST Leader's Statement
Statement by PMT Personality

Chiapas: Checks Made by Police To Determine Nationality
(LA VOZ DEL SURESTE, 22 Mar 84)..... 83

Briefs

Chiapas: 'Guerrilla'-Like Peasants 85
Dispute Blamed on Religion 85

PERU

Daily Scores Shining Path Violence
(EL DIARIO MARKA, 25 Apr 84)..... 86

Briefs

USSR Commercial, Technical Cooperation 88
GC Antisubversive Training Abroad 88
Senderists Seize Radio Station 88

SURINAME

Minister Stresses Need for Self-Sufficiency at Plant Opening
(Imro Fong Poen; DE WARE TIJD, 2 Apr 84)..... 90

Moederbond Generally Pleased With Business Sector Cooperation
(DE WARE TIJD, 4 Apr 84)..... 92

Requisite Economy Measures Discussed by Finance Minister (DE WARE TIJD, 5, 6 Apr 84).....	94
--	----

Budget Shortfall: 290 Million
Different Deficit Figures Cited

Economy Surveyed, Found on Verge of Disintegrating (Joh. L. Van Den Bossche; ELSEVIERS WEEKBLAD, 14 Apr 84)....	99
--	----

Briefs

Need for Devaluation Denied	103
Gasoline Shortage Reports Denied	103
100 New Military Policemen	104
Report on News Media	104
ASFA Officials Chosen	105

VENEZUELA

Implications of CTV-FEDECAMARAS Confrontation Viewed (EL UNIVERSAL, 8 Apr 84).....	106
---	-----

Debt Renegotiation To Be Completed in 3 Months (Hernan Mena Cifuentes; EL NACIONAL, 9 Apr 84).....	108
---	-----

Lepage Discusses Corruption Charges Against COPEI Officials (Leopoldo Linares; EL NACIONAL, 15 Apr 84).....	111
--	-----

Corruption Charges Reportedly Fostering COPEI's Unity (Elena Block; EL NACIONAL, 17 Apr 84).....	115
---	-----

AD Leaders Reportedly Seeking Dismissal of Cabinet Members (BOHEMIA, 23-29 Apr 84).....	117
--	-----

Briefs

Interest Payment on Debt	120
--------------------------	-----

PROGRESS, PROBLEMS OF PROALCOHOL PROGRAM SURVEYED

Zurich NEUE ZUERCHER ZEITUNG in German 6/7 May 84 p 9

[Article by Karl R Felder: "Brazil's Long March Toward Energy Self-Sufficiency"]

[Text] Opinions on whether and how Brazil may be able to extricate itself from its well-known economic woes are sharply divided. One of the areas in which some progress has been made in the interim is the energy sector. What is more, the 1975 proalcohol project is a unique undertaking worldwide.

Sao Paulo, late April--Brazil, to be sure, is a country that has more than its share of natural resources. Aside from the fact that this in itself is not enough, the energy sector which is of such crucial importance for a developing economy was dependent on foreign sources from the start and this has always had the potential of causing serious problems. Indeed, the first such woes made their appearance at the time of the 1973 oil shock. In those days, almost half of the country's total energy needs were supplied by petroleum derivatives about two-thirds of which had to be imported. Nonetheless, economic policy continued to be oriented toward expansion although it could only be effected at the expense of increased foreign debt. The palpable consequences, drastically exacerbated by the second oil shock, are well known: higher interest rates, a worldwide recession and a most thorough indexing of the Brazilian economy. As export earnings declined, the cost of oil imported in 1982 alone rose to almost \$ 10 billion or about half of all foreign currency earnings.

Long Incubation Period

Even if these and other current statistics do not lead one to suspect it, Brazil made some basic decisions on how to achieve energy self-sufficiency as early as 1973. The two watchwords were to reduce dependence on foreign oil and to expand Brazil's own energy resources. Although the incubation period was rather lengthy, some initial results are apparent today, as I was able to verify on the spot during the course of a study trip organized by the World Bank. To be sure, a lot and then some still remains to be done. According to World Bank estimates, Brazil has a hydroelectric capability of more than 200,000 megawatts--of which only a little more than one-sixth is being used today. How much time such mammoth projects as the one

Itaipu (with an installed output of 12,600 megawatts) or at Tucuruí in Amazonas take is evident from the fact that the Itaipu treaty between Brazil and Paraguay for example dates from the 1973. Aside from other factors responsible for delays, Brazil's financial woes have of course done little to speed up the work. On the other hand, there are some critical voices being raised against these very mammoth projects once again today.

Progress in the energy supply sector was somewhat faster in coming, even if the idea of attaining self-sufficiency within the next 10 years is probably based on a good bit of Brazilian-type optimism. Nonetheless, led by the Petrobras monopoly and helped along by the recession and official conservation programs, daily oil consumption has dropped from 1.13 million barrels in 1979 to 0.95 million barrels in 1983. During the same time period, daily oil imports declined from one million barrels to 0.73 million while Brazil's own output increased twofold from 340,000 barrels in 1979. Meantime, actual petroleum reserves climbed from 1.54 billion barrels in 1979 to 2.39 billion. That is both a lot and a little—the figure being roughly equal to the margin of error of the estimated Saudi Arabian oil reserves.

World Bank Support

The decline in Brazil's oil consumption—which probably is the most important achievement in this connection—is tied in no small way to another factor: the success of the alcohol program for replacing petroleum in traffic which had initially been viewed with some skepticism. From a distance, one may be prone to minimize the entire program by calling it something of a game in view of the fact that only about 15 percent of Brazil's 10 million vehicles are running on alcohol either completely or in part. But the percentage continues to grow and as for the foreign trade sector, the savings have already brought in more than \$ 1 billion. In addition, it is expected that the program will create some 180,000 new jobs. To be sure, these are just small pieces in the overall Brazilian economic puzzle but they are two of the reasons why the World Bank decided some time ago to support the projects—leaving entirely aside that the technology developed in the meantime may be of advantage to other countries rich in sugar cane as well.

Alcohol Production Growing Rapidly

The idea of running internal combustion engines on alcohol is not new. But its implementation calls for sufficient quantities of the appropriate renewable resource which can be harvested at low cost. In contrast to the U.S. gasohol project, the chances in Brazil were relatively good from the start. Brazil, after all, has been one of the major sugar cane producers for some time. But the road leading from sugar cane production to running automobile engines on alcohol turned out to be a longer one than had been

expected. It was not only a matter of increasing output and simultaneously increasing yield, there also was a need for adjusting automobile engines to the new fuel. In 1975, Proalcool, a national alcohol program, was created for the purpose of raising the output of sugar cane and on the "consumer side" contact was made with the automobile industry.

The original 1985 goal for production and consumption of alcohol was set at 10.7 billion liters annually. In 1979, that figure was adjusted to 14.3 billion liters by 1986/87. By now, the figure stands at 8.1 billion liters as against 0.56 billion when the program first began. This has primarily been achieved through the expansion of sugar cane acreage to 4 billion hectares which has led to a doubling of sugar cane production over the period in question. One ton of sugar cane will yield about 100 kilograms of sugar or 70 liters of alcohol. In 1976/77, 93 percent of the alcohol was still produced in so-called annex distilleries—as a kind of sugar by-product. By now, the number of plants specifically built for alcohol distilling purposes has increased to 164 or almost 50 percent of the total. The largest alcohol producer by far is the Copersucar cooperative which commands about 41 percent of the market. Another reason why Copersucar is important is because it is the only one to operate a modern research center in the vicinity of Sao Paulo, the Copersucar Technology Center (CTC). For more than 12 years, the researchers at the center have been experimenting with new varieties of sugar cane in order to increase crop yield (by 25 percent to 50 tons per hectare; three harvests each year). Improved processing techniques (in extraction and fermentation) resulted in 15 percent higher yields of alcohol—not to mention possible ways of utilizing residues which have not been fully exhausted as yet.

Lots of Problems

The automobile industry, represented in Brazil by world-renowned firms, gave support to the efforts of the government after some initial hesitation. It has since been confronted with any number of technical problems. As early as 1977/78, the first experimental passenger vehicles came off the assembly lines following an agreement with the government in 1976. By 1983, about 90 percent of all domestically manufactured passenger cars were so-called pure alcohol vehicles—the significance of adding alcohol to gasoline having since diminished. At the same time, only 52.2 percent of all light trucks and just 4.9 percent of heavy trucks fell into that category. With the latter, technical problems related to diesel fuel are a factor which causes serious problems. Although alcohol accounts for only 12 to 15 percent of all liquid fuel, the government views the prospects for the future optimistically. One of the most difficult and most cost-intensive problems would seem to be the establishment of an efficient network of distributors throughout the country. For this reason, plans are to operate by stages, giving priority to agricultural vehicles—particularly those involved in sugar cane production itself.

As this ambitious program continues, a number of other problems will have to be resolved—technical, organizational and above all economic problems. From the point of view of the economy the main question is one of cost. Alcohol engines do require 40 percent more fuel than conventional gasoline engines; but on the other hand, alcohol is about 20 percent cheaper. But looking at these figures more closely, one finds that the price of sugar itself is state-controlled or subsidized. If these subsidies were removed—as the IMF, for example, has demanded—the sugar industry might suffer losses and that, in turn, would of necessity affect the production of alcohol. For another thing, alcohol itself is being sold at about 40 percent lower prices than gasoline as part of the promotion campaign for alcohol engines. A study conducted by the University of Sao Paulo has therefore come to the conclusion that despite all the obvious advantages—such as foreign currency savings, self-sufficiency and the creation of jobs—the overall rentability threshold of alcohol as a gasoline substitute has not yet been attained—particularly when oil prices on the free market, Brazil's distorted foreign exchange structure as well as the problems connected with the indexing of the economy are factored into the equation.

Point of No Return Has Been Passed

The Proalcool program thus is a many-splendored thing. The economic and political interrelationships are such that an outsider has a very difficult time arriving at anything like a definitive assessment. Although the program has thus far had an only limited impact on the overall economy of Brazil, it has been implemented to such an extent that the point of no return has probably already been passed. At any rate, the Brazilians are already at a stage where they are not only thinking of alcohol as a potential export article but also of the corresponding engine technology. According to Brazilian sources themselves, however, no one has as yet expressed interest although Brazil is by no means the only country which has a surplus in sugar cane production. In the meantime, there are thousands of "alcoholic" vehicles running throughout the country and it is just an unconfirmed rumor that driving such a vehicle will give one a bad headache. "Accidents" of this sort are also due to alcohol extracted from sugar cane, to be sure. They are not due to the gasoline substitute, however, but to Caipirinho, the national drink of Brazil.

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CSO: 3620/296

PDVSA REPORTS ON PAYMENTS TO SERVICE COMPANIES, OTHER ISSUES

Caracas EL UNIVERSAL in Spanish 8 Apr 84 p 2-21

[Article by C.R. Chavez]

[Text] In carrying out its programs and projects, the petroleum and petrochemical industry has maintained its policy of using more domestic technology, mainly INTEVEP [Institute of Venezuelan Petroleum Technology] technology.

Guidelines were established in 1983 for securing required services under technological aid agreements. Under these guidelines contracts were signed with the firms Veba Oel and Chevron Overseas Petroleum Inc. The contracts with Exxon Services and British Petroleum were also renewed in 1983.

The payments to foreign companies for technological assistance totaled 231 million bolivars in 1983. Ongoing efforts to use technology more efficiently and to intensify technology transfer have brought about a decline in such payments. Moreover, the share of Venezuelan firms in supplying engineering and technological assistance has risen to two-thirds.

Even though the use of technological services has declined in the wake of the project programming that began in early 1983, the national oil industry hired more domestic consulting engineers than ever, and the projects assigned to local engineering firms were more complex than ever before.

Domestic engineering and technological assistance thus accounted for 2.3 million of the 3.5 million man-hours contracted for in 1983, 65 percent as compared to 16 percent in 1980.

The programs to maximize the use of domestic technical services were continued in a bid to make a direct, dynamic and practical contribution to promoting active, mounting and increasingly skilled participation by Venezuelan technical services in petroleum and petrochemical projects and programs.

The programs to evaluate Venezuelan engineering, consulting, construction and specialized services firms continued in 1983. To maintain up-to-date, accessible information on these firms' capabilities, a computerized data control system for users was designed and placed in service. By late 1983 this system covered 230 engineering and consulting firms and 141 construction companies.

An industry-wide "Unified Registry of Contractors and Consultants," comprising 2,400 companies, was established during the year. Work was also begun on a "Universal Contracting Guide" that will standardize policies and regulations for contracting services and for purchasing real estate in the oil and petrochemical industries.

For its part, INTEVEP, the research and development center of PDVSA and its affiliates, is currently providing more than 800,000 man-hours of technological support to the industry, which is more than is being supplied under existing technological assistance agreements.

INTEVEP continued its efforts in 1983 to consolidate a high-level research center bringing together more than 600 professionals and technicians specializing in research and development in fossil fuels and related areas. Research and development has focused mainly on the evaluation of heavy crudes, offshore activities, crude oil refining and enhancement, tertiary recovery, gas technology, materials, equipment and other complementary programs.

Particularly noteworthy accomplishments were the virtual completion of the geological assessment of the Orinoco Oil Belt, the assessment of the national continental shelf and the quality control program for domestic suppliers of material and equipment for the oil industry. Major gains were also made in the gasoline, octane and volatility programs, in crude oil enhancement, services and the processing of geophysical data.

Research has been conducted mainly in the area of heavy crude oils and enhanced recovery methods, which unquestionably pose the greatest challenges to Venezuela's oil industry given the current and future makeup of our fossil fuel reserves.

8743

CSO: 3348/410

FRG SENDS PARLIAMENTARIAN TO DISCUSS Veba Oel-PDVSA CONTRACT

Caracas EL NACIONAL in Spanish 16 Apr 84 p D-1

[Article by Miguel Lopez Trocelt]

[Text] The Parliament (or Bundestag) of the Federal Republic of Germany has sent one of its members to Venezuela to ascertain whether Democratic Action or the administration itself has serious economic and political objections to the contract that Veba Oel and PDVSA signed or, as the administration put it, "whether we have been betrayed or deceived."

The man charged with obtaining this information is Ulrich Steger, the chairman of the West German Parliament's Science, Energy and Technology Committee. To this end, he has met with the president of the Venezuelan Congress, Reinaldo Leandro Mora; the leader of the AD congressional bloc, Carlos Canache Mata; Brigido Natera, the president of PDVSA and Herman Anzola, the assistant minister of energy and mines.

When questioned by this EL NACIONAL reporter, Steger replied that the substance of his talks with Venezuelan authorities was strictly confidential and that he was not authorized to disclose the topics discussed or related details.

He let it be known, however, that he was confident that after reexamining the contract, AD and the administration would be convinced of the extraordinary advantages of the heavy crude oil refining contract that PDVSA and Veba Oel signed 2 years ago.

Steger emphasized that Venezuela had decided to reassess the contract between Veba Oel and PDVSA and that in any event the FRG would abide by it.

[Question] Even under the new German government?

[Answer] Yes. In fact, all of the parties in the German Parliament supported the Veba-PDVSA negotiations.

[Question] So no one is against it on that level?

[Answer] A few very conservative deputies have criticized the agreement because the government oil company has sold half of its refining capacity to a country that is a charter member of OPEC.

The German parliamentarian stressed that the multinational oil companies were not happy with the signing of the contract because it reduces their chances to export oil derivatives to the FRG; the U.S. Government, however, has voiced no objections to it.

He also noted that the contract is making both countries (Germany and Venezuela) more independent of the large oil companies.

Advantages and Benefits of the Contract

Steger pointed out that the FRG has two contracts with our country: one for scientific and technological cooperation and the other the Veba Oel-PDVSA pact.

"The second contract is the outcome of fair negotiations between an oil exporter and an oil refiner, and it has advantages for both parties. Venezuela has access to the large FRG market; it can also begin manufacturing heavy oil derivatives at higher prices and it has access to German energy technology, which is still among the world's finest."

Steger went on to say that the contract enables the FRG to count on processed oil exports, to make better use of the government oil company's refining capacity and, finally, to demonstrate its industrial energy technology for heavy oil.

Steger then pointed out that it has not been easy for the FRG to sell half of its refining capacity to an OPEC country. The contract was signed, however, because both parties realized its advantages.

In response to another question, he stated that the profits from this "joint venture" were shared fifty-fifty. The products are already on the West German market, and profits have been made, though he did not specify how much.

He said that it was hard to say how much profit has been made, adding, however, that the earnings from processing a barrel of oil under this contract are greater than in any other country.

He acknowledged that PDVSA has so far paid its share in the refining contract with oil shipments and that therefore it shares directly in the profits.

"Venezuelan products bring in higher profits in Germany than the sale of crude oil to the United States, even though the dollar is stronger right now than the German mark. When the dollar drops to a more realistic level, however, Venezuela will make even more from the contract."

CRYOGENIC COMPLEX PLAYS KEY ROLE IN ECONOMIC DEVELOPMENT

Caracas EL UNIVERSAL in Spanish 16 Apr 84 p 2-17

[Text] The Eastern Cryogenic Complex that Meneven is building in Anzoategui State is significantly spurring the development of our oil industry and of the country in general, because the PDVSA [Venezuelan Petroleum, Inc] subsidiary has been using Venezuelan manpower and engineering and has earmarked a high percentage of its budget for the purchase of domestically manufactured materials and equipment.

The breakdown of the project's estimated cost of 5 billion bolivars is as follows: 78 percent invested in Venezuela and the remaining 22 percent to be spent on essential imported technology. Sixty percent of the money spent here will go to construction companies, 30 percent to equipment manufacturers and suppliers, 8 percent to Meneven for feasibility studies, reserves, engineering and construction personnel and other items and 2 percent to engineering firms.

Purchases of and commitments to purchase equipment and materials so far total 1.085 billion bolivars, 566.3 million in domestic purchases and 488.7 million in imports. The sum total includes 100 million bolivars in so-called field purchases, 92 million in Anzoategui State and 8 million in the rest of the country.

A total of 3,500 workers were employed on the project as of 31 March of this year, 94 percent of them Venezuelan and 6 percent foreign.

This figure is considered low in view of the project's magnitude. Along with work on the project, training has begun for the staff in charge of maintaining and running the facilities. In addition, the first technology transfer program has been completed; this joint venture with INAPET [Petroleum and Petrochemical Training Institute] trained the specialized personnel required to build this cryogenic complex. In late 1983 their activities will be complemented by management personnel who will be responsible for starting up and running this new national development pole.

The Vepica-Tecnicos consortium, which has worldwide experience with large-scale projects, is coordinating the construction work, maintains extensive communications and reports to Meneven.

In accordance with the bidding and contracting procedures and standards of the national oil industry, the Eastern Cryogenic Complex is being built under competitive bid contracts with Venezuelan companies and consortiums established and registered in the country. Whenever possible, priority has been given to construction firms in Anzoategui, whose share in the project as of late 1983 was a substantial 200 million bolivars or so.

The project was broken down into 71 contracts, on which bidding was opened according to the standards and procedures of the national oil industry. Forty-seven contracts totaling 1.014 billion bolivars have been awarded so far; 17 of them have been fulfilled, and work under the remaining 30 is in full swing, with 1,450 persons, the great majority of them Venezuelans, on the payroll. The construction firms have resident engineers registered with the Venezuelan Engineers Association.

From the outset of the project Meneven has met with Venezuelan professional trade unions to explain to them what role foreigners are playing in it and why. Authorization has been requested from the Engineers Association in the case of field engineering work by foreigners, after the association was told why they are needed and that such work is temporary. The required foreign personnel enter the country with DIEX clearance.

The Eastern Cryogenic Complex is scheduled to be completed in late 1985, and the investments in it will be recovered in about 4 years. Meneven has a deep nationalistic commitment to this project because it realizes what a major new source of foreign exchange it will be when it goes on line.

8743

CSO: 3348/408

OIL PRODUCTION, RESERVES FIGURES FOR 1983

Meneven Oil Production

Caracas EL NACIONAL in Spanish 17 Apr 84 p D-7

[Text] Meneven, a subsidiary of PDVSA [Venezuelan Petroleum, Inc], produced 394,000 barrels a day of condensed crude oil, liquified petroleum gas (LPG) and natural gas in 1983, according to the company's magazine MENE INFORMADOR.

The magazine notes that 51 million barrels of crude oil, 7 million barrels of distillates and 26 million barrels of residual fuels were shipped from the Guaraguao and El Chaure terminals.

These products were delivered to domestic and international markets on 63 oil tankers, 169 refined products tankers, 23 LPG tankers and 137 diesel barges.

Meneven also delivered 5 million barrels of gasoline, 3 million barrels of diesel and a million barrels of LPG on tank trucks for exclusively domestic consumption.

It bears emphasizing that the Puerto La Cruz, San Roque and El Caure refineries processed a total of 142,000 barrels a day of varying gravities during 1983.

Lagoven Oil Reserves

Caracas EL UNIVERSAL in Spanish 17 Apr 84 p 1-13

[Text] Despite moderate exploration efforts throughout the year, Lagoven closed 1983 with almost 13.9 million barrels of hydrocarbons reserves; this figure includes 360 million barrels of additional finds, an extra 104 million from enlarged deposits and 380 million as a result of revisions. Quantified gas reserves also rose by 600 billion cubic feet from 23 trillion in 1982 to 23.6 trillion in 1983.

According to the company's annual summary of activities, Lagoven generated 68 percent of the average annual rise in reserves with 57 percent of the average annual investments over the past 7 years. It also intensified

its geophysical interpretations of the data it has obtained from its offshore exploration programs off the Paria Peninsula and in the Orinoco Oil Belt.

One of Lagoven's major accomplishments in 1983 took place in Lake Maracaibo, where it added 7 million barrels of light crude and 24 million of heavy crude. Well UD-209, drilled in Cretaceous limestone, is particularly noteworthy, initially producing 3,500 barrels a day of 32 degree crude oil.

The annual report adds that in the same western operations zone Lagoven reinterpreted the geological data on the most important of the more than 300 deposits identified in the Lake Maracaibo subsoil, mentioning LL-5, the Bachaquero field and the Eocene deposits in the Central Lake region.

Meanwhile, in eastern Venezuela Lagoven completed 9 wells drilled in previous years in the Orinoco Oil Belt, thus adding 125 million barrels of extraheavy crude oil reserves. The company's Geology Department also completed its assessment of the Cerro Negro area of the belt, whose subsoil is estimated to hold 210 billion barrels of extraheavy crude. In addition, the steam-injection program was completed at three wells to double their output.

Lastly, 1983 marked the culmination of the offshore program, which led to the discovery of sizable gas and condensate reserves on the eastern side of Venezuela's continental shelf, contributing more than 1 billion barrels of crude to our reserves. The natural gas outlook improved with the drilling of 3 additional wells southeast of the island of Trinidad; tests showed that they could potentially produce between 8 and 20 million cubic feet a day. This confirms the region's natural gas potential as well as the importance of offshore exploration in terms of both its results and the experience it affords.

Corpoven Oil, Gas Reserves

Caracas EL UNIVERSAL in Spanish 16 Apr 84 p 2-13

[Text] For the 3rd straight year Corpoven, a subsidiary of PDVSA, managed in 1983 to keep its operating expenses below budget despite stepped-up activities.

In the 1983 annual report, the company's president, Frank Alcock, underscored that its reserves increased by 266 million barrels of oil and 107 billion cubic feet of gas; "Corpoven's probable remaining reserves total 2.734 billion barrels of oil and 4.4 trillion cubic feet of gas."

With regard to exploration, the president of the PDVSA subsidiary noted in the report that large amounts of oil and gas were discovered on the western shore of Lake Maracaibo and in the Machete area (Guarico

State), while 251 million barrels of oil and 129 billion cubic feet of gas were located in the Orinoco Oil Belt.

"The company made a special effort to pipe in and supply more gas, and 405 million cubic feet were delivered through the Anaco-Barquisimeto gas pipeline (up 16 percent from 1982), thus replacing 4.6 million barrels of liquid fuels that could be exported to bring in 600 million bolivars," the president mentioned in his message.

He went on to say that operations were normal at the El Palito Refinery after the nationalized oil industry's first large-scale project got under way in 1982: the change in the refining pattern.

Alcock pointed out that in 1983 Corpoven accounted for 42 percent of the domestic market sales of fossil fuel products, except gas. He underscored the inauguration of the fuel distribution plant in Yagua (Carabobo), which from 31 March to 31 December of last year shipped 38,000 barrels a day of gasoline, diesel fuel and kerosene to the consumption centers in the country's central region.

Nationwide, the company placed more than 303,000 barrels a day of fossil fuels on the domestic market, including 142,000 equivalent units of natural gas and 24,000 barrels of LPG.

The Corpoven president noted in his message that export goals were achieved in 1983 in spite of the difficult situation on the world oil market. Some 297,000 barrels a day of crude oil and oil products were exported last year, up 6 percent from 1982.

Some 183,000 barrels a day (61 percent) were crude oil, and 114,000 barrels a day (39 percent) were derivatives. The average realized price was \$26.24 a barrel.

As far as materials and equipment are concerned, purchases in Venezuela totaled 586 million bolivars in 1983, with domestic manufactures accounting for 456 million.

In conclusion, Alcock cited the research and development programs that the Institute of Venezuelan Petroleum Technology and the private sector are engaged in to expand the use of domestic technology, which provided 90 percent of our needs in 1983.

8743

CSO: 3348/408

OECS DIRECTOR LEWIS DISCUSSES IMPACT OF GRENADA OPERATION

Castries THE WEEKEND VOICE in English 31 Mar 84 p 11

[Article by Ernie Seon]

[Text]

QUESTIONS related to trade and the financing of trade in the region will have a more serious bearing on the future of the Caribbean integration movement, than the military intervention of Grenada will have.

This is the view of the Director General of the Organisation of Eastern Caribbean States [OECS] Dr. Vaughn Lewis, which he expressed while reflecting on the military intervention of Grenada in October last, taken at the initiative of his organisation.

Looking back on the role of the organisation five months after the intervention, Dr. Lewis said that the Grenada affair was a completely unanticipated event.

"It was a very intense period of consultation among the leaders of the OECS which hopefully will be beneficial as we expect the present level of consultation to continue on a variety of issues," Dr. Lewis, said.

He said that the event led to some disagreement within the CARICOM system, but noted that this was "only one" of the issues that formed the basis of disharmony. "In my view it may not have been the most serious one, for the questions related to trade and the financing of trade in the region which had preceeded the Grenada question, and was the important focus of the July Heads of Government meeting

in Port Of Spain, will have a more serious bearing on the future of the integration movement than I think the Grenada issue will have," he said.

The Director General said that the event showed up some defects in the consultative process within CARICOM as a whole at the level of diplomacy and consideration of the important question of security for the region.

"In the OECS it had become apparent that the question of security for the islands was an important one that needed to be given deep consideration and some consultation on this had already started."

Dr. Lewis said it is apparent also that the question of security in the wider sense to include the prevention of smuggling and the surveillance of borders was also a regional one, "especially when we speak of the Eastern Caribbean as part of the region."

He added: "The Grenada issue brought to the fore the need for the establishment of a consultative mechanism which will allow for the anticipation by

Governments of the position that other Governments are likely to hold on the question of security."

Dr. Lewis also thought that the Grenada question also exposed "certain gaps" in the OECS system of diplomatic work. He said that the events happened so quickly that the organisation had little time to conduct external work in respect of informing other Governments of the rationale for what the Authority was doing.

He said: "The Grenada issue did show up the need to establish a more consistent basis for making our positions known to the outside world.

This implies much more co-ordinated effort among the

OECS missions abroad more systematic lobbying in central capitals and the making for a greater awareness of the positions of small islands in major institutions like the United Nations which tend to be concerned, drawn and pushed by the attitudes and positions of the large countries."

Dr. Lewis added: "There are many aspects of the treaty which have not been implemented institutionally, and with the Grenada issue putting us in international discussion of a political nature in various world institutions, the Authority will now have to consolidate and develop its mechanism for diplomatic activity and making our situation known abroad."

"Outside of the OECS treaty, there has been the establishment of a regional security system, which will not

only concern itself with military defence but also with the protection of our boundaries and the rights of fishermen in their territorial waters", Dr. Lewis said.

The Grenada crisis has forced the development of the system at a quicker pace, "it has allowed the countries to now enter into more deep consultation with third countries in respect of assistance, and may well bring about a more systematic consultation with other CARICOM countries which are not involved in the security arrangement so as to ensure that there is a basis for quick and adequate action and decision in the event that this should be necessary," he stated.

The OECS has not been requested to play any particular role in the conduct of Grenada's elections, but the islands will maintain a security presence and assist in setting up the mechanism for enumeration, and the taking of the poll.

"An important aspect of trying to hold peaceful elections is to obtain the assurance that there will be some modicum of law and order in the country," the Director General pointed out. He said from the perspective many OECS countries still maintain police in Grenada constituting part of the law and order system there.

"It is anticipated that they will remain there until elections are held and a new government takes over," Dr. Lewis added

CSO: 3298/771

CARIBBEAN FINANCIAL SERVICES CORPORATION SET TO OPEN

Bridgetown BARBADOS ADVOCATE in English 16 Apr 84 p 1

[Text]

The English-speaking Caribbean's first private sector bank begins operation in Barbados within the next two months.

The Caribbean Financial Services Corporation (CFSC) is a direct response to a need from regional businessmen, especially those with small and medium-sized concerns, hardest hit by the inability of commercial banks to provide loans generally for more than seven years.

"The requirements of many private sector projects in the area are for long-term loans and it is to fill this kind of niche that this new institution hopes to be able to serve effectively, working together with the commercial banks," said Mr. Pat Thompson, Executive Director of the Barbados-based Caribbean Association of Industry and Commerce (CAIC).

The CAIC, as the umbrella organisation representing the regional private sector, has been the driving force behind the formation of the new lending agency, whose major operating policies will be decided on at a meeting of the Corporation's Board of Directors later this month.

CFSC, expected to open in May or June, will start operations with a minimum equity of US\$2 million, committed by regional shareholders. The United States Agency for International Development (USAID) is making available US\$12 million in grants and concessionary funding.

The International Finance Corporation, an arm of the World Bank, is expected to make a "substantial capital injection," Mr. Thompson said. Other financial agencies will be approached later on.

The CFSC will initially serve the Caribbean Community, with emphasis on Barbados, Belize, and

the seven countries in the Organisation of Eastern Caribbean States.

This new private sector bank is replacing the ill-fated Caribbean Investment Corporation (CIC), a joint Government-Private Sector venture whose collapse was due in part to costs — a pitfall the new bank hopes to avoid.

Mr. Thompson, who is a director of the CFSC, said the bank will also be involved in the co-financing of projects with other regional financial organisations, apart from its primary function of making long-term finance available to regional business.

Clientele is expected to be mainly small and medium-sized business operations in the Eastern Caribbean.

Loans will be made available only to productive ventures in agro-industry, manufacturing, and tourism, but the wholesale, retail and distributive sectors will not benefit.

CSO: 3298/771

CARICOM OFFICIAL DISCUSSES INTRAREGIONAL PAYMENTS ISSUE

Bridgetown BARBADOS ADVOCATE in English 17 Apr 84 p 1

[Text]

GEORGETOWN, Guyana, Monday (CANA) — Caribbean Community (CARICOM) Secretary-General Roderick Rainford today said serious attention would have to be paid to solving intra-regional payment problems in coming months.

Rainford urged regional bankers meeting here to make an input into solution of the problem by either contributing to the development of ideas on the matter or by actually operating feasible schemes amongst themselves with support from their various central banks to "ameliorate the payments crisis."

The CARICOM Secretary-General was addressing the ninth meeting of the Caribbean Association of Indigenous Banks which began today.

The Caribbean Multilateral Clearing Facility (CMCF), a mechanism which permitted CARICOM countries to trade amongst themselves on a deferred payments basis, was suspended last April after it had reached its US\$100 million credit limit.

The bankers meeting, under the chairmanship of St. Lucian McDonald Dickson, was being

attended by representatives from St. Kitts-Nevis, Grenada, Dominica and St. Lucia. Other representatives were expected from Antigua and Barbuda, Barbados and Trinidad and Tobago.

Rainford said one aspect of the challenging situation within the CARICOM region, in which indigenous banks were emerging, "is the intra-regional free trade regime in CARICOM which is going through very troubling times: and one dimension of that crisis lies in the area of payments."

"Member countries of CARICOM are hard put to provide payment for intra-regional trade, because, on the one hand, they are severely strapped for foreign exchange, and on the other, there has been a collapse of the clearance arrangement that was being operated to mitigate the constraint on foreign exchange," he added.

"Within the next few months," the Secretary-General said, "serious and concerted attention will have to be given within the region to solving our intra-CARICOM payment problems."

CARICOM CHIEF OPTIMISTIC ABOUT DEVELOPMENT POSSIBILITIES

Port-of-Spain EXPRESS in English 19 Apr 84 p 13

[Text] GEORGETOWN, (CANA) — The head of the Caribbean Community (Caricom), Roderick Rainford, is trying to get the English-speaking countries to do more to tap development possibilities inherent in their common market.

The Jamaican economist says that even though a significant increase in the volume of intra-regional trade followed Caricom's July 1973 launching, the Caribbean countries are still "merely scratching the surface of the development possibilities."

Rainford, appointed secretary-general last September, voiced his concern during a recent address to the West Indies Jaycees, a service-oriented organisation. He also spoke of the 13-nation community's plan to cut its food import bill, now running at about \$600 million (U.S.) yearly, and for a regional industrial programming scheme.

He was optimistic that in time the region would exploit its agricultural potential to save the scarce foreign exchange now being spent on importing food, to increase income and expand employment and to earn additional foreign exchange.

"The ultimate outcome" he said, "provides us with a dazzling prospect, but it will not come overnight. Nor will it come easily. For the current status of the region's agriculture is the outcome of decades of settled habit, reflecting a complex of fixed mental attitudes, special interests of one kind or another, inherited tastes and stubbornly persistent consumption patterns not in tune with our production possibilities, as well as the genuinely difficult problem of transition from old systems to new arrangements."

Rainford doesn't think the new industrial programming scheme — under which certain countries would be exclusively allowed to develop special industries — will

be launched overnight, either.

Some countries have voiced patience and disillusionment over the community's slow movement towards launching the scheme, provided for in an annex to the Caricom treaty. But Rainford says he is not "unduly dismayed" because of the "particularly grave and solemn nature of the commitments that will arise under regional industrial programming."

The community is now pursuing action in relation to a number of industrial projects already identified for attention under the scheme.

"The full regime of principles, rules and controls under which the scheme would operate is to be finalised, and we

expect that over the next few months national and regional industrial planners and industry ministers will be carrying the process further," Rainford remarked.

The secretary general anticipates that when the first officially designated regional industries go into production "development through Caricom regionalism will have moved into higher gear, and economic integration through the common market will have achieved greater depth."

Designating an industry as a regional one, he remarked, "should operate as a signal that immediately triggers a clearing of the decks, so to speak, for that industry to be established and to cooperate."

The expectation, he added, was that at a minimum, the industry would have assured access to markets in Caricom member states, without fear of its capacity being wastefully duplicated elsewhere, and that it would enjoy a number of other benefits to be spelt out within the regime that is to be adopted for the operation of the programme.

Rainford feels that once the scheme is launched, "we would in the field of industry, and particularly in a number of major industries related to forest resources, mineral resources and agricultural resources,

start to truly exploit the economies of scale which we can get from a common market, develop indigenous raw materials, expand employment, increase income and secure

both increased savings and grater earning of foreign exchange."

Caricom countries have a multi-million dollar regional trade. Barbados, one of the major exporters, sold its neighbours \$69.4 million worth of goods last year. In turn, Barbados spent \$75.1 million on imports from Caricom countries.

Prior to 1973, the volume of intra-regional trade was about 3 or 4 per cent of total trade; it has now moved to 9-10 per cent.

Rainford's explains the life this way: "This expansion was based on supplies from firms which were already in existence, as well as new firms which were established as a result of the wider market opportuni-

ties, and was a response to the impetus arising from the introduction of duty-free facilities and a common external tariff."

He described the expansion as "an important engine of economic and social growth" in Caricom member countries.

"But even so," he remarked, "we were, and are up to now, only merely scratching the surface of the development possibilities inherent in the common market."

"The production possibilities are yet to be realised, and alluringly beckon us to purposive action in the future."

The same could be said of the development possibilities regarding the transport services in

the area, where the governments have their own airline (LIAT) and shipping line, the West Indies Shipping Corporation (WISCO).

"I think our intra-regional transport services still have considerable scope for development," Rainford said.

But he admitted that there were major new initiatives in transportation including the drafting of an agreement on cooperation in air transportation involving the regional airlines.

According to Rainford, a decision should be taken in the near future on the question of signing and ratifying the document.

Rainford also raised questions regarding the

region's human resources development.

"I think we have arrived at a cross-road ..." he remarked.

It was said that, compared to the developing world, the Caribbean was more literate, and could boast of a relatively more literate output from the education system at all levels as well as economic advancement, Rainford said.

"Yet, in our Caricom region, today we find that one of the most — if not the most — severe constraints on development is to be found in our manpower balance," he added.

He continued: "There is probably no greater challenge facing us today than in the human re-

source area. There is a challenge for the human resource of the Caribbean to arm itself with the conceptual equipment that will be supportive of independent, or interdependent, rather than dependent, development.

"There is a challenge for our human resource to equip itself with the range of operational and management skills necessary for development, and with the capacity to create, deal with, and use technology, in the widest sense of the term ..."

There was also the challenge for the region to achieve rational deployment of its human resources and to pursue strategies to retain "vital elements" of its manpower supply.

CSO: 3298/771

CONTIN CALLS FOR REACTIVATION OF MULTIPARTY GROUP

Buenos Aires LA PRENSA in Spanish 31 Mar 84 Sec 2 p 2

[Text] Carlos Contin, leader of the Radical Civic Union (UCR), deemed it necessary to reactivate the Multiparty Group only if the institutions of the republic "should run a serious risk." In statements to NOTICIAS ARGENTINAS, Contin thus answered the proposal formulated by the president of the Christian Democratic Party, Francisco Cerro, of summoning the political pentagon.

He also said that the Radicals would receive the CGT [General Confederation of Labor] in the context of the labor confederation's tour of consultations with political parties because "it has always engaged in dialogue."

He nevertheless rejected the possibility that Radicals might form a front that "would hinder the country's institutional progress since the Executive Branch, Parliament and the Judicial Branch are functioning normally."

New Focus

In speaking of the Multiparty Group, Contin maintained that "it must now be focused in a different manner and would only have to be summoned if the institutions of the republic should run a serious risk."

"In the face of a situation of this nature, we should even expand the Multiparty Group to include other political organizations and even make it multi-sectorial," he said.

The Radical leader said that at the present time, institutions are in no danger and that on the contrary, they are growing stronger day by day because "any dialogue in Parliament, however tense, will solidify rather than weaken them."

National Unity

Questioned about the call for national unity made by President Alfonsin, he said that "that national unity is much broader than the Multiparty Group since it also includes intermediate sectors such as labor, business and professional organizations, among others."

He emphasized that national unity can be instrumented from Parliament, which "in no way should compete with the Multiparty Group.

"In addition," he said, "in Parliament are represented all political forces active in the Multiparty Group."

Work To Be Done

Contin emphasized that given the grave situation faced by the country, "what Argentines must do is dialogue and express opinions helping to shed light on problems, but never replace democratic institutions.

"The purpose of the Multiparty Group was to restore the country's institutional life and now that that has been regained, we must maintain it," he said. (NA)

11,464

CSO: 3348/388

INTRANSIGENT PARTY DISSIDENTS JOIN UCR RANKS

Buenos Aires LA NACION in Spanish 28 Mar 84 p 6

[Text] A split of yet-to-be-determined depth has occurred in the Intransigent Party (PI), when leaders of the party in the San Isidro district announced their affiliation with the Radical Civic Union (UCR), thereby culminating a process beginning days ago with the decision of those same leaders to inform the election judge of their decision to break with the group headed by Dr Oscar Alende.

Yesterday afternoon, Juan Carlos Rago, head of the San Isidro PI committee, Dr Eduardo Prado, former provincial senator of the UCR, and Dr Eduardo Prado, Jr., councilman elected to represent the PI in the latest elections, headed the group of San Isidro leaders who went to the Buenos Aires UCR committee to join the party formally and, more specifically, the Movement of Renewal and Change.

In the presence of Dr Carlos Bravo, acting president of Buenos Aires UCR members, and Deputy Leopoldo Moreau, the former members of the PI, defining themselves as "Yrigoyen radicals" and "Intransigent radicals," stated in a bulletin that they "firmly believe in the overriding need to shape that great historic third movement which both of our parties proclaim," that they believe in "the new radicalism, with its renewed makeup whose majority contains younger elements and Dr Raul Alfonsin, a magnificent leader of singular stature and importance and who was designated by the absolute majority of all citizens as head of the republic."

Dr Eduardo Prado said that the entire leadership of the San Isidro PI "had for some time felt the need to return to the old Radical trunk" and added that all members of the group in that district -- between 1,000 and 1,300 cards -- had also decided to join the UCR." It was also stated that Councilman Eduardo Prado, Jr. would soon request to be transferred to the Radical block.

Before the meeting, Deputy Moreau told LA NACION that "certain Intransigent groups in San Fernando and Vicente Lopez will join the Radicals" and that in the days ahead, other members of the Buenos Aires PI will follow the same path as the people in San Isidro, a district which Eduardo Prado defined "as one of the ten most important in the PI."

Background

The San Isidro sector that broke off from the PI had not maintained contact with the leadership of the party in Buenos Aires Province and on the national level since the middle of last year.

Concerning the disagreement, based on ideological aspects and party leadership, LA NACION noted it at the end of August, when Judge De la Serna received a report requesting a challenge to the assemblies which authorities on the Buenos Aires committee of the PI held at that time to designate candidates and district officials.

The request, which was unsuccessful because of a meeting soon thereafter with the judge, was presented by leader Squirisi Moreno, a man identified with the group headed by Rago and the Prados. The latter yesterday admitted their disagreement with those assemblies, but added that they had had nothing to do with the request for the challenge."

PI

The split, which prominent leaders of the PI rated as not important and not surprising, came about at a time when the group was trying to take a stand against the government with an attitude of "constructive criticism" which, "without anyway reaching the point of submissiveness," would not entail action hindering the fundamental plans of the government.

For that and other reasons, Alende would not agree to dialogue with the CGT [General Confederation of Labor] if Radicals should be excluded from those talks, a posture shared by deputies Arabolaza and Monserrat, along with other leaders. Those in opposition to the metropolitan group led by Deputy Raul Rabanaque Caballero believe that the PI position with respect to the government should be that summarily described.

"In San Isidro, we have over 300 members and obviously, they will not all go over to the UCR," said Arabolaza, adding that "what we are now concerned about is making sure that sectors close to Dr Alfonsin understand that the country's situation cannot be fixed by a single party, for which reason we want, without losing our identity, to back that process that is only now beginning."

11,464

CSO: 3348/388

ITALO LUDER SCORES GOVERNMENT TACTICS AGAINST PERONISM

Buenos Aires CLARIN in Spanish 6 Apr 84 p 15

[Article by Italo Argentino Luder: "Self-Criticism With 10 Years of Hindsight"]

[Text] The situation which the country is living through now cannot be analyzed with the help of stereotyped patterns that do not take into account the dynamics of the current political process. The two majority forces have the same concern with rebuilding their political space in the light of the new experience of power in democratic Argentina. The consequence of this is a realignment of the smaller parties to preserve their political identity which suffered a hard blow on 30 October in spite of the fact that the indirect system of election boards benefitted them through the possibility of deciding whom they would support at that moment. Therefore, the main loser is Argentine political pluralism which had expressed itself during the 1973 elections.

Tasks of Democracy

The date of 30 October must be the point of departure for a new experience to be commonly shared by all Argentines and the reconstruction of the institutional frame of reference so as to tackle the solutions to the most profound social-economic crisis which the country has ever recorded. As for the immediate future, the replacement of a prolonged military autocracy with a representative democracy, the restoration of a government of laws and of public morality, the possibility of reversing the country's international deterioration, the civic maturity necessary to put aside the factional spirit which, for many years, frustrated the country's best possibilities. My political attitude has always been along these lines. This is proved by my action as president of the senate in 1975, when I was elected by the vote of the Peronists and the radicals, my urging, during my presidential campaign, to the effect that the constitutional government promote a political truce of 2 years, my visit to the president-elect on the day following the elections, marking an unheard-of event in the country's political history.

For these reasons, I say that the strategy of confrontation with Justicialism, which at least until now has inspired the government, is a bad thing for the country's interests. Justicialism is accustomed to fighting on the grounds on which circumstances so require; and that has been our historical experience. The prolonged proscription lasting 18 years while civilian and military administrations succeeded each other in the country; the harsh discriminatory persecution of the last 8 years, not only in terms of individual guarantees, but also the attack on our historical bases; the dismantling of the sources

of work for the industrial worker, the quantitative reduction of the organized labor movement, the destruction of its professional associations, the treacherous sacking of its social works.

During the past 30 years, there has been one historical constant that worked as motivation for military coups: To push Justicialism out of the government or to prevent it from coming to power. The first case came in 1955 and 1976 and the second one came in 1962 and 1966. Nobody can claim that he is not familiar with the reality of the country's eventful political history. The administrations of Dr Frondizi and Dr Illia signified a risk from the moment they opened the possibility of a return of Justicialism. On Friday, 22 February 1973--the day the election campaign ended--the military president in office addressed a message to the country that was a harsh criticism of Justicialism and urged everybody to vote against it. Those examples are sufficiently eloquent so that Argentina's youth may know how the agreements, both open and tacit, against the popular sectors always worked.

In that context, Justicialism must define its role in the new situation the country is going through and must learn a lesson from the experience of 30 October. It would be easy to point out that the election results were due to errors in the implementation of a very short campaign of 40 days, as a consequence of an internal reorganization with 3,200,000 members, and a timetable established by the election boards which turned out to be cumbersome and delayed the election of the candidates. That is true but in some districts this was traumatic and produced a negative result. And that is our responsibility.

Ten Years of Hindsight

But that is not enough. The moment has come for Justicialism to come out with its self-criticism, not so that somebody might be able to recover from some domestic defeats but rather to prevent the repetition of mistakes. And that self-criticism must not be confined to the 6 months prior to 30 October but must instead be extended to the last 10 years, more precisely, since the death of General Peron. In public statements, I said a few days ago that his absence necessitated the employment of a new leadership style since the earlier one was based on the personal charisma of the founder of Justicialism. That method had run its course and had to yield to new forms of organization and a system of leader selection with the full participation of the members, which would facilitate the promotion of the most representative and suitable men and women on all levels of political activity.

During this long period of time, Justicialism did not have any strategic leadership; it was moved by political spontaneity and a response to the particular situation of the moment. It exalted a rather naive triumphalism and isolated itself politically. I tried to reverse this latter aspect when the institutional opening took place; in January 1983, during a press conference held in Bahia Blanca, I proposed the reconstruction of the national front and the return to an election understanding with our historical allies which could be joined by related political forces. My proposal was not accepted by Justicialism, in spite of the lessons which General Peron had left to us in this respect.

This would not only have given impetus to a multisector alliance and this would not only have affirmed the multiclass character of Justicialism but

it was also a way of facilitating the indirect vote of the middle strata and prevent their withdrawal on 30 October. Nobody is unaware of the fact that a broad area of those sectors did not feel that it had been summoned by Justicialism. The image of security, balance, guarantees, order amid liberty was not fully achieved; and those are the values which the middle strata prefer very especially, above all the women; this concern was reflected in the female vote. This was a constant feature throughout the country since--even in the provinces in which we won--we lost the capital cities that have a higher cultural and economic level.

The Independents

Political experts may say that the middle class is the sector that is politically most misled and off the track and this lent more importance to anecdote, to "image," to style than to the historical role of the options that were presented on 30 October. All of this may be true but it does not excuse the leader because he is obligated to know the political behavior of the different social sectors.

Besides, these are the strata where the independent vote is found in a larger proportion and that vote does not have any definite commitments to any party and therefore makes up its own mind for each election. That independent public opinion cannot be mobilized with sentimental memories because it does not feel motivated on the basis of old loyalties. On the other hand, the analysis of the makeup of the 30 October vote for the radical formula shows the temporary support given by the small parties which, regardless of their names, expressed conservative thinking or economic liberalism and which represent 15 percent of the electorate.

A knowledge of the political reality is indispensable so that Justicialism may recast its strategy. Domestically, this means broadening the participation of the membership through new procedures, such as mobilization and debate. It means overcoming the nostalgic approach, reaffirming its historical objectives, and promoting the updating of the instrumental means for obtaining those objectives. It means drafting an overall proposal, not a sector proposal, to the country and it means calling for the formation of the national bloc. This will make it possible to train leadership cadres who will be ready to shoulder a new responsibility. To carry this strategy out completely we must not only have internal consensus within Justicialism but we must also have prestige before independent public opinion.

(Dr Luder was the presidential candidate of the Justicialist Party, provisional president of the republic, president of the senate of the nation, and president of the Latin American Parliament.)

5058

CSO: 3348/402

MUCCI'S RESIGNATION SEEN AS VICTORY FOR LABOR SECTOR

Buenos Aires LA NACION in Spanish 28 Apr 84 p 7

/Article by Luis Mario Lozzia: "Alfonsinism Falls Back on Radicalism"/

/Text/ The replacement of the labor minister is an important event in the country's political life. It concerns the administration's orientation and is tied in with the structure of the main opposition force.

Regarding the former, this constitutes a serious loss of ground for Alfonsinism. A description of Alfonsinism within the historical identity of the Radical Civic Union will help us see this more clearly. Even before publicly declaring his determination to tackle the internal struggle for the presidential candidacy, Dr Alfonsin outlined a strategy one of whose main components was the active inclusion of groups which until then had only been tangentially connected with radicalism. On top of that, he was smart enough to cover, with the necessary ethical garb, proposals which Peronism had ruined not only due to the incompetence of its last administration but also in the rather tortuous relationship with subversive elements. The latter, as we know, were successful in partly usurping the populist initiative of Peronism, in whose hybrid condition Peron dissolved the original fascist tendency.

The Constitution as Program

In his effort to broaden the electoral bases, Alfonsin worked into traditional radicalism a certain number of proposals that were particularly satisfactory to the viewpoint of the European social democratic parties. Those proposals, presented in a rather tenuous fashion, but reaffirmed with the selection of officials responsible for some areas of government, are strictly speaking those that made it possible to differentiate Alfonsinism within the historical body of the UCR /Radical Civic Union/.

During the years in which the parties of doctrinaire essence reproached the UCR for the absence of a master program, a program that would be less variable than mere election platforms, the response--very close to the statements made by Yrigoyen and Alvear--was repeated as follows: "Our program is the Constitution." This attachment to the indisputably liberal text of the National Constitution was eclipsed during the days when the pressure from the group that was intellectually guided by Moises Lebensohn turned somewhat red with a kind of nationalist socialism to the program that was finally approved in 1948 during the radical convention in Avellaneda.

That program was a banner that was adopted to oppose a group of objective ideas to counter the corporative line conferred upon the Peronist "Movement" by the dictator. It therefore looked like a chance inclusion in a party which, from the day it was founded, was against solutions of the collectivist type. This is why, at the time, it opposed the socialism of Juan B. Justo with the same energy it used in fighting elitism and election fraud in which conservatives without a long-range vision were shipwrecked.

The operational ramifications of the Avellaneda program put an end to the confused opportunism of the UCR in 1957 and the ambiguous ideologism of some of its splits, so that the failures of others, more than their own definition, restored the Constitution as the real program of the UCR when Ricardo Balbin moved up from the position of party leader.

This meant that prospects of a social nature would be subjected to the functional requirements of the institutions on which the republic rests. Respect for the Constitution again became a civic dogma and social problems were measured in the light of the economy.

Labor Union Bosses

On the basis of a rather unfortunate practical experience, the entire country learned on 30 October 1983 that the system on which was based a labor union leadership rich in big showmen--the term here being used in the purest meaning of the Spanish language--is incompatible with the growing strength of a vigorous democracy. From the democratic viewpoint, the labor union machinery--with its flourishing bureaucracy and its merger with a political party--signifies the institutionalization of motionlessness. The heritage which Peron had left to the country was made up of labor union organizations that had deteriorated to the category of fiefs. They were run by the determination of a united Peronist boss system whose self-perpetuating professionalism detected a mortal danger in the transforming impetus of democracy, transposed to the labor union environment.

From 1878 to 1945

No Argentine citizen can be unaware of the fact that a decisive argument in Alfonsin's victory was his promise to promote a law capable of forcing the tough labor union cliques to abide by honest internal elections--in other words, elections not controlled by the clique itself--and make it possible, through pluralism, to have some kind of supervision over the decisions of the majority, regardless of its party affiliation.

In order to promote this undertaking, which would change 40 years of labor unionism with Mussolinian roots, the president appointed a veteran militant. His special feature consisted of the fact that he was convinced that labor union development in Argentina began aggressively with the strike of 1878 conducted by the Printers Union. This is tantamount to denying that it began on 17 October 1945, with the help of the police and the blessing of what at that time was the most influential military sector. To realize that Antonio Mucci is more an Alfonsinist rather than a radical it suffices to read the "personal thesis" written by himself in 1963 as part of a cycle sponsored by the ILO in Geneva (1). This monograph shows that the author's education drew from different sources. This is exemplified by his interpretation of the meaning of 1 May: As far as Mucci is concerned, this is

not the meaning that was assigned to it here by conventional socialism but rather by the memory of the "martyrs of Chicago," as the anarchists always preferred.

Mucci's Downfall

The frustration resulting from the action of the former labor minister springs from various causes. The first one is undoubtedly a certain romanticism in the acceptance of frontal clashes with a labor union hierarchy which acts as a compact bloc in defending its possessions. The second one perhaps is that he tackled the labor union problem outside the Peronist Party context of which it is a part. And the third one--at least by conjecture--is that he allowed himself to be swept along by the urgency which the period of the first 6 months of administration signifies to Alfonsinism as a term during which it is necessary to produce--in labor union, military, economic, and diplomatic matters--those measures that are bound to be more troublesome when the psychological effect of the big election victory begins to wear off.

All of this must be said without forgetting that--since he is a militant who is exclusively concerned with labor union activity--he could have been lacking the complex of personal political relationships that are absolutely indispensable in taking over and lasting in the legislative field. We must also look at his own position within the UCR where a small group treated him with the kind of coldness that is usually reserved for a little-known recent arrival. And, finally, we might mention the bad luck of those men who are simply swept away by events.

Consequences of Resignation

Regardless of the reasons for Mucci's departure from the cabinet, this is not an isolated episode. If we look at the resignation from the angle of Peronist labor unionism, it would be no exaggeration to consider it as a resounding victory. First of all, a man was kicked out who was very familiar with the mechanism whose gears make the big bosses of the Argentine labor union system virtually unremovable. On the ministry level, this also signified success in stopping the labor union democratization bill in the Upper House; some of the provisions of that bill contained the possibility that the Peronist labor union bosses might run the risk of losing their jobs.

This victorious corroboration is bound to have a profound effect on Peronism. Divided and broken down into small groups, changing loyalties, and temporary lineups, and devoid of the proper skeleton for keeping its political manifestations going far beyond nostalgia and organized resentment, Peronism continues to be a force that gathers in a vacuum.

The masters of the best-lubricated labor union machinery have taken a resolute step to occupy that vacuum. But the consequence of the subordination of Peronism to its labor union machinery will not signify its conversion into a parody of a "Labour Party." It will simply signify the resignation of the political leaders of Peronism--some of whom harbor more universal concepts for future action--to become the talking puppets of intrigue. They will also inevitably be doomed to becoming a part of a situation which not even the military leaders involved in the Process dared ever terminate. There is really no need to point out that this reluctance sprang from the historical fact that the current labor union makeup is the product of a military-type theory.

As for the repercussions which Mucci's resignation may have in the administration, the most obvious thing is that it produces a situation in which Alfonsinism falls back upon the historical fortress of radicalism. This means wiping out, if only in short-range terms, the assumption as to the "Alfonsinist movement"--initially encouraged by the fact that it had a small labor union area of its own and by the support of groups outside the parties--for the purpose of strengthening the original layout of the UCR as a party.

The administration then adds conflict in the labor union field to the experiences deriving from its urgent actions concerning the foreign debt. In summary, it must negotiate without having any fast guarantees--anticipated at the beginning of November as a harvest of the dynamic actions of the first 6 months--in order to deduct from them the political cost of the concessions that come with any negotiations.

FOOTNOTE

1. Cf., "Diez anos de sindicalismo argentino" /Ten Years of Argentine Labor Unionism/, by Santiago Senen Gonzalez, Corregidor Publishers, 1984.

5058

CSO: 3348/402

STUDENT POLITICAL GROUPS MEET TO CHART ACTIVITIES

Buenos Aires LA NACION in Spanish 30 Mar 84 p 11

[Text] Leaders of the Franja Morada are meeting in various parts of the country to begin the procedures to normalize the Argentine University Federation. The trip by Andres Delich--president of the FUBA [University Federation of Buenos Aires]--to Comodoro Rivadavia, although motivated by certain problems among the student centers of the Franja Morada of the university in Patagonia, was in reality one of the preliminary activities for the meeting that will be held in La Plata on 8 April. The meeting will be attended by representatives of practically all the university federations in the country that are in the hands of the Radicals.

It is assumed in student circles that this meeting will outline the policy of the faction in the FUA [Argentine University Federation] and will unofficially designate the president of the national federation.

Peronist University Students

On the other hand, Peronists will meet in Cordoba on 7 April to reach agreements on their program and to prepare their strategy for the student elections to be held this year in almost all the centers. Although the Peronists cannot stand up to the Radicals in the federations, the fact that there are Peronist governments in many provinces may favor the reemergence of their factions in the universities of the interior.

Independents

The University Coordinating Board of Independents issued a statement regarding the elections held under Law 22.207 stating that the elections "should be reviewed." The statement adds that the proposal of the independents is based on "the need to protect the professors who won the unchallenged races."

"The review is the most correct moral path, neither an indiscriminate repeal nor a complacent validation," say the independents, who also propose holding "clean races, without discrimination, based on the records and competition for the posts that are not yet filled, those that are temporarily filled, and those that may be created."

UPAU

The Union for the University Opening (UPAU), "the united expression of the liberal center in the university," issued a statement deploring the attitude of "a group of leftist activists hiding behind an unrepresentative committee of first-year students with the complacent complicity of the Franja Morada faction," which stopped traffic on Figueroa Alcorta avenue with a demonstration.

12351

CSO: 3348/390

FRANJA MORADA REJECTS EDUCATION MINISTRY'S GUIDELINES

Buenos Aires LA NACION in Spanish 31 Mar 84 p 8

[Text] "Guidelines" and "suggestions" on the organization and operation of intermediate-level student organizations, which were formulated by the Ministry of Education and Justice, were made public and began to be sent to directors and rectors of public and private institutions. They are contained in documents that are annexes to Resolution No 3, issued for that purpose.

Among other concepts, it is stated that student organizations that are created in response to the interest of the students in each institution will be integrated into the educational activities of the school and will be an educational experience. These organizations will channel the personal, individual and social initiatives of the students and will not be able to carry out political or party activities.

Objectives

In this sense, emphasis is placed on objectives such as "to facilitate diverse means of participation that will allow the contribution of individual expression," "to improve the student's ability to select, choose and make decisions freely and responsibly in accordance with his level of maturity" and "to develop attitudes of solidarity, loyalty and fairness based on harmonious living."

The guidelines state that student organizations will be organized by means of democratic procedures that guarantee genuine representation and that their operation will be consonant with the fundamental principles embodied in our constitutional structure. They will be integrated into the general activities of the institution without interfering with classes and, in addition, will be allowed to organize cultural, social, sports and recreational activities.

Political Activities

The guidelines further stipulate that the associations will not be able to undertake political or party activities. Nor will they be allowed to take any discriminatory action that disturbs the unity or harmony of the educational community or that violates morals or good customs, patriotic symbols or the principles of the national constitution.

The document containing the suggestions lists various points. For example, all regular students will be able to participate in this experience and each class will elect annually a delegate or representative and two alternates by secret vote at an assembly of all of its members.

The class delegates will meet in an assembly of representatives which will determine the system for the election of the governing body. Moreover, the assembly will continue to act, before the governing body, as an advisory and intermediary body.

It is also stated that first-year students will participate in the assembly with voice and vote and that the governing body will be composed of students from the second through final year of study.

It is also suggested that a teacher act as advisor to each class. The teacher will be named by the rector from a list of three proposed by the students. It is further suggested that a locale in the institution be designated so that meetings of the association may be held there and that the association operate on the basis of statutes and a program of activities formulated by the governing body.

Rejection by Franja Morada

The Franja Morada Secondary Students' group issued a statement rejecting the ministry bulletin that establishes these guidelines and suggestions.

"This bulletin," it adds, "expressly prohibits political and party activities in one of its points. It thus fails to understand the new stage in which our country is living, during which it is indispensable for our associations, in turn, to strengthen the democratic process by placing Argentine education at the service of the majority sectors of our society."

12351

CSO: 3348/390

INTERIOR MINISTER OPPOSES DEBATE ON DIVORCE ISSUE

Buenos Aires LA PRENSA in Spanish 14 Apr 84 pp 1, 3

/Text/ The interior minister, Antonio Troccoli, said that "the government has decided to fight pornography with all the ways and means the constitutional system will allow." At the same time he insisted that "the president understands that this moment in which we are seeking national unity, is not the time to present a subject like divorce, which is divisive and makes for confrontations."

Troccoli made these declarations at the Maria Auxiliadora Retreat House in San Miguel after meeting with over 60 bishops who participated in the Plenary Conference of Argentine Bishops which concluded after 5 hours of deliberations.

The Crisis

The interior minister noted he was present "in the name of the president in order to bring the bishops his fraternal greeting" and the prelates, he added, "asked me to say a few words, so I expounded on the seriousness of the crisis the country is facing."

"I have referred to the tremendous legacy we have received," the minister commented, "but also to options the republic has, beginning with reconciliation and national unity."

A Call To Meet

Troccoli added that he had explained to the bishops that "in spite of any mistakes we may have made, we are men of flesh and bone and surely we started with incorrect evaluations and have come to situations from which we expected better results."

"But basically," he reported, "I have told you what the presidential call to meet consists of."

To this effect, Troccoli said that "it is a call for all of us representative occupational sectors to seek common denominators and to make the effort to be able to reach agreements that will strengthen the proper answers to the serious problems that affect the country."

Troccoli asserted that these serious problems "go far beyond government and that they require an answer from the country."

Request

"Consequently," added Troccoli, "we have asked the bishops, in the name of the president of the republic, for the Argentine Church, which has done so much to promote national reconciliation, to help us in this dissemination, in this civic instruction so that it will spread throughout the country this message which seeks to bring together all Argentines so that we may be able to travel together the road to reconstruction."

Questions

Troccoli said the bishops asked him questions on subjects such as housing and pornography, and in regard to housing, he explained that the "government is reinstating housing plans and that we have reactivated the National Housing Fund" /FONAVI/.

He added that in regard to pornography the government is prepared to fight it in every way with every means the constitutional system allows.

To this effect, he made assurances that "The penal code will be used to prevent the public exhibition of obscenity, so that only adults who are interested in this sort of thing will make use of these written or cinematographic expressions of pornography."

With regard to abortion, the incumbent interior minister said that "it is not a subject for discussion, since the penal code defines abortion as a crime."

With regard to patria potestas, he pointed out that "we are supporters of the equality of rights between men and women" and in referring to divorce, he indicated that "I have transmitted the opinion of the president, who expresses that in times when we are seeking national unity it is not the right time to bring up a subject that divides and brings about confrontations between fellow Argentines."

Franja Morada

He gave assurances that "there will be time for debate, there will be time for us to be able to discuss this quietly."

Regarding the statements of the archbishop of San Juan, Italo Distefano, in which he criticized Franja Morada, Troccoli said that "there is some journalistic exaggeration about what Archbishop Distefano said."

"I believe," he added, "that the statements made by the archbishop of San Juan last weekend have not been quoted verbatim."

Troccoli said that Monsignor Distefano declared on several occasions that "his ministry is one of reconciliation and not aggression."

Finally, the interior minister declared that "the country needs national unity and the church has a basic, fundamental banner, which is the ethical framework and the scale of values on which national unity must be built."

12448

CSO: 3346/377

BISHOPS' CONFERENCE ENDS, DOCUMENT ISSUED

Buenos Aires LA NACION in Spanish 17 Apr 84 p 7

/Text/ The following is the complete text of the bishops' document titled "Democracy, Responsibility and Hope."

Introduction

1. Our country has started a new phase of life in democracy. This will be beneficial to all Argentines, since the return to a constitutional state means returning to our usual form of political life, which goes back to the early days of our independence and is rooted in the evangelical principles of the dignity of the human person, principles which have been spread through the New World for nearly 5 centuries.

2. The democracy which has just been restored needs to be made secure in its true foundations, for which it is essential to illuminate with all possible clarity the ways leading to it, so that each and every citizen will assume his conscious responsibility to play the leading role due to him in his own sphere.

3. As they have been doing throughout the history of our fatherland and especially in the most recent years burdened with grave national problems, the Argentine bishops, at the start of this new institutional phase, are once more offering their evangelical reflections with a view to seeking and promoting the good of the country.

I. Attitude of the Church On the Path to Democracy

4. At a crucial moment in our history, Brother Mamerto Esquiú, then bishop of Córdoba, defended the Argentine Constitution as a fundamental rule under which the people could lead a peaceful, orderly life.

In these last few years the Argentine Episcopate, in the same spirit as the "Constitutional speaker," spoke out and acted in many ways to help the restoration of a constitutional state.

It did so with the teaching of important documents such as "Church and National Community," "Way of Reconciliation," "Principles of Civic Orientation for Christians," "God, Man and Conscience," among others, creating areas for dialogue

among the different political and social groups, exhorting permanent the reconciliation and unity of the Argentines.

5. During hard times for the institutional life of the country, it went to the clear wellsprings of the Gospel for inspiration, seeking only the nation's good in carrying out its pastoral mission.

It denounced the subversion that threatened to destroy the essential values of our nationality, indicated the morality of the just internal defense of our country, and criticized to the proper authorities and public opinion not only the excesses, but also the illegitimate system of repression.

Its teaching and conduct to this effect have been described in a publication titled "Documents of the Argentine Episcopate, 1965-1981," which constitutes an evident witness to the presence of the church in those years which we now again offer to the serene reflection of our fellow citizens.

The Argentine Episcopate could not be right in everything they said and did. We bishops are limited men, but we can assert that we always strive to work and speak according to the dictates of our consciences as shepherds.

II. Conditions For the Real Life of the Constitutional State

6. As we said in our document "Church and National Community" (no 117-131), the hard task of fully restoring democracy implies some essential conditions.

Taking into account in the first place the principle of separation and balance between executive, legislative and judicial powers, stipulated by the Constitution, it seems opportune to recall some of the conditions referring to the role of the majority and of the minorities in government administration. Both must serve the people rather than a party, and their aim must always be to promote the common good. The majority must respect other opinions; the opposition, in turn, must be constructive: this is not a matter of harassing an enemy to hinder the carrying out of a policy, but of investigating fairly and calmly the performance of the governing majority and of proposing other legitimate solutions.

One must also be alert to the danger of different forms of authoritarianism which may invade the mentality and political practice even in a democratic system.

Since democracy requires a conscious, personal commitment for participation, citizens must aspire to increase their civic education, so that they will not be mobs lacking ideas or initiative, but responsible people.

7. It is nevertheless not enough to fulfill these and other conditions to assure democratic life, for it does not consist solely of a form of government, but is essentially a style of life that implies living together in pluralism and unity.

8. Pluralism implies other people's respect in an atmosphere of responsible freedom. This has its limits; not to know them or to break them is to violate the rights of others.

Unity must be produced mainly by an inner disposition that, casting aside personal ambitions and sterile sectarianism, sincerely seeks the common good, which consists of "all the conditions of social life that make possible associations and for each of its members the fullest and easiest achievement of their own maximum potential" ("Mater et Magistra," no 65).

9. It is certain that the leading role of the persons, of families, of intermediary associations and of institutions should be guided and protected by the authorities, whose specific purpose is to lead the people to the achievement of the common good.

In this way it will increasingly be a reality for political democracy to become social democracy (cf. ICN, no 110).

III. Some Reasons for Concern

Democracy and the Economy

10. "A truly stable political democracy cannot exist without social justice. One sign of a democracy with Christian meaning should be the universality of this justice, with specific attention to those most in need" (ICN, no 126). This assertion, expressed in 1981, reminds us today that it is not possible to secure democracy without social justice, which must be the product of the mutual effort of the government and of all sectors of the citizenry.

In turn, as we said in the aforementioned document (no 129), a stable democracy cannot exist without a healthy economy and fair distribution. Everyone is troubled by, among other things, growing inflation, which affects most those who have least, and the heavy burden of the foreign debt, which threatens to hinder the needed growth of the country.

Real Life of the Constitutional Status

11. Life in a democracy is equivalent to a life of guardianship and full use of the rights of all the constituent members of the community, both ranked personally as well as by associations and institutions.

We note that since the restoration of democracy there has been created in our country a climate of confidence in the institutions that are responsible for prescribing the standards of community life, seeing that they are carried out and that infractions are punished. This is very praiseworthy and must be looked after as a basic value of social life.

12. Nonetheless, it is regrettable that unscrupulous, often groundless, public accusations have been made during these first months of life under democracy against persons who have the right not to have their reputation arbitrarily damaged.

13. Intermediate associations, such as unions, business and cultural organizations, which constitute a vital force for the community, as well as the armed forces, which have their own mission in the life of the nation, must feel respected in their rights and functions, exercised according to their specific objectives.

Culture and Education

14. Democracy, as a style of life, is founded in the nation itself. The nation, in turn, is established essentially by its culture.

The culture of the Argentine people, part of Latin American culture, is the result of nearly 5 centuries of growth and contains a nucleus of basically evangelical values.

We have no doubts in asserting that the soul of our country is Christian and, for that very reason, open to the pluralistic effect of other conceptions, in an authentic respect for freedom of conscience.

Under present circumstances we cannot help expressing our concern in regard to currents that are trying to bring in a culture inimical to our national identity.

We trust that those who must look out for the common good of the country will fulfill their obligation to defend the cultural identity of our people, subject to so many pressures which are alien to it.

15. Within this area, it is essential for us to refer in a special way to education.

According to the teachings of the Second Vatican Council, the family, by transmitting basic values, is the "first school of social virtues" and its educational task "is of such importance that when it is lacking, it can hardly be replaced." ("Gravissimum educationis," no 3).

In the family, the parents are the first educators of their children and to complete their task, they choose freely for themselves the schools that best reflect their convictions.

16. The importance government programs now give education, assigning to it a significant share in the allocation of public funds, is praiseworthy.

But this interest in revitalizing official instruction cannot be the reason for restricting or postponing so-called "private instruction" which is actually nongovernmental public instruction, a form of education which in our country is very largely influenced by the Catholic Church.

In last year's document "Christians and Elections," we said that "freedom of instruction is a basic right of the human person that the government cannot restrict. This principle is the sole principle congruent with democracy and it is set down in our national constitution" (no 16).

"We must aspire to the improvement of a system which has borne much fruit for society" (no 19).

17. Education is not only for all men, but also for "the total man," a rational creature with a farreaching destiny.

An education which is limited to instruction, claiming to be neutral in basic values, a school without God or morality, does not satisfy the requirement of being "education of the total person." Nor does it take into account the rights of the parents of the students, who on this subject take priority.

18. The same society is educating children and youths through its institutions of authentic cultural expression, of personal experience of the great national ideals.

One educates seriously for true democracy by encouraging everyone's orderly participation, obedience and respect for authority and the institutions of the country, and consideration for other people's opinions. One does democracy no favor when in its name only superficial or arbitrary decisions are made.

19. Since society is an agent of education, it must be careful not to let it become contaminated by intrusive, negative values.

The current vogue of pornography is a factor which has a serious bearing on the education of our youth, adolescents and even young children. It is the expression of profound moral decisions, which attacks values at the core of human life, such as modesty and respect for the dignity of women.

IV. Democracy and Reconciliation

20. Democracy will never manage to be achieved in our country without a true spirit of reconciliation.

We reiterate once more the statement we made in 1981 in our document "Church and National Community": "In order to be able to direct our efforts toward a unity and participation from which no one shall be unjustly excluded, it is first necessary to agree on a spirit and practice of reconciliation. This is the point at which the Christian spirit offers at this moment in its history, its most individual and specific contribution. We believe it is our duty as bishops of the Church to support with our words the call to a total and profound national reconciliation" (no 199).

21. We said then, and we have reiterated on many occasions, that reconciliation is based on the three mainstays of truth, justice and love, one of whose higher forms is forgiveness.

"If we build upon these mainstays of truth, justice and love, we can be sure that we will achieve the much wanted and needed reconciliation, and Argentina will manage to be a place affording authentic freedom to all its children" (ICN, no 202).

We believe it very important to underline under present circumstances that genuine reconciliation is not only in truth and justice, but also in love and forgiveness.

Our people must not lose the greatness of soul which is the ability to forgive.

This attitude in no way means that the church favors leaving unpunished the serious crimes which have been committed and which have done so much harm to the country.

On the other hand, this forgiveness certainly requires in those who have been remiss in recognizing and loathing their own faults, the firm resolve not to commit them again, reparation as far as possible for the wrong done and adoption of a new conduct (cf. "At the Present Time in the Country," no 3).

22. "As God initiated dialogue with men in creation and reinitiated it more wonderfully in redemption, the man of goodwill must be prepared to achieve it in myriad ways, no matter what interruptions or frustrations error and selfishness, the fruits of weakness and sin, may have caused in the past, or may cause in the future. It shows the firm will to be a nation, an inexhaustible capacity for brotherhood" ("Gospel, Dialogue and Society," no 3).

Conclusion

23. The time of Lent, during this Holy Year of the Redemption which is now coming to a close, invites and exhorts us specially to pray to God and offer him the generosity of our sacrifices.

We would do well to kneel before the cross of Jesus Christ, savior of the world and pray fervently for the unity and welfare of our country, and place our sacrifices at his feet together with His.

Next to the cross on Calvary stood Mary. To her, who shows us her maternal presence in her Sanctuary of Lujan and to whom we have come in pilgrimage during this plenary conference, we entrust the present and future of our country.

12448

CS0: 3348/377

GOVERNMENT BEGINS PREPARATIONS FOR RETURN OF EXILES

Buenos Aires SOMOS in Spanish 20 Apr 84 pp 14-17

[Article by Luis F. Torres, Juan B. Yofre, Estela Estrada and Ana Baron:
"The Return of 60,000 Exiles"]

[Text] In the days ahead, President Raul Alfonsin will affix his signature to the order creating the National Commission for the Return of Argentines. The decision will launch a plan concluding on 31 December 1985, by which time an estimated 120,000 exiles will have returned to the country. The newly created commission will be headed by sociologist Jorge Graciarena, who is already meeting with its other members, including Jorge Eduardo Minervino, executive secretary of the official organization.

The commission's agenda will be ready by the first week of May, following which the Executive Branch will sign another order approving it so that it may be implemented.

How many Argentine exiles are living abroad? Figures vary depending on how the different cases are viewed. For the Committee for the Advancement of Argentine University Students and Professors Abroad (CEUAE), there are some 2,125,000 expatriates. This figure is obtained based on the number living abroad permanently and who have done so for some time, their children, temporary residents, special transients, undocumented persons and others living in the country they chose for an indefinite length of time.

Nevertheless, the local office of the UN High Commission for Refugees believes that there are some 60,000 Argentines living abroad as refugees. Naturally, to obtain this figure, the United Nations only has its records, which do not include exiles who did not appeal to the international organization.

Jorge Minervino believes that the number of Argentines residing abroad is about 2 million, without including their children, which would raise the figure to some 2.5 million persons.

"About 95 percent of them," Minervino says, "have no legal problems. Many left because they feared being the victims of injustice. This was the case of many professional people and workers who feared the insecurity in which they were living because they had friends or relatives who had been taken prisoner,"

the future commission member said, adding: "Argentines must be certain that those who return have no problems. Reliable studies conducted enable one to make this assurance."

Funds

The UN High Commission for Refugees will help the National Commission with the return of Argentines by granting about \$1 million to facilitate the exiles' reintegration. The funds will be used to grant loans enabling those returning to resume their lives in Argentina. But in addition to this large sum, more funds will be granted by the Federal Republic of Germany, Spain and Mexico, among other countries.

According to Minervino, for Argentina, the exiles' return will mean an investment of approximately \$3 million to \$4 million. In addition, none of the funds will have to be paid back because it is done on the basis of solidary aid. "The international community has been very benevolent," Minervino emphasized. Likewise, the official criterion on the exiles is that all prominent Argentines who left will be reintegrated. Insofar as possible, consideration is being given to offering them the same conditions they now enjoy abroad. For the rest of the residents abroad, making up what is called "common labor," an attempt will be made to find jobs for them through various channels, one of them being the Regional Development Plan to be implemented jointly with the provinces. There are also plans to set up work cooperatives through common areas of specialization. In a word, the main question is ensuring the reintegration of exiles into their country, on the spiritual, social and work levels. Promoting and facilitating their return are the two essential objectives of the National Commission. "The work we are doing," Minervino said, "is not only aimed at political refugees, but to exiles in general." In the case of scientists, "they will be offered the best possible conditions so that they will return," he added.

Economic Exiles

There is another category of expatriates, known as "economic exiles," those who left because prospects for achieving success were better abroad than in Argentina. These foreign residents will also be urged to return and they will be placed on an equal footing with those living in the country. For example, they will be granted individual loans for various uses, including the construction or purchase of homes. Joint efforts will be made with provincial governments and major business firms endeavoring to facilitate their return.

Minervino also made another announcement: A census is being prepared of Argentines living abroad by embassies and consulates. The census will reveal information relating to the type of labor or work the exile learned to do abroad and, based on that information, study his reincorporation into life in Argentina.

The future secretary of the commission, which is currently under the Foreign Ministry's Human Rights Office, repeated that it is not true that those who

left the country did so for strange reasons. Actually, very few had any questionable involvement. It is the unavoidable obligation of the government to facilitate their return.

In addition, the Argentine delegation on the UN High Commission for Refugees told SOMOS that "to date, the program has helped 550 Argentine citizens to return to their country."

The government is considering exempting equipment from customs duty and eliminating duty on personal effects of returnees, along with other measures aiding working and professional reintegration.

Other related aspects must be borne in mind. For example, Spain will grant a large sum of money (the exact figure is not yet known) to subsidize those returning until they find work or to provide housing loans. This Spanish aid will be limited in time.

Spain

At the present time, some 12,000 Argentines are living in exile in Spain. It is the second-ranking country, after the United States, as far as the number of expatriates is concerned. The 12,000 went to Madrid between 1976 and 1977 and the numbers dwindled between 1980 and 1981.

Since the restoration of democracy, the work "return" has been on the lips of all residents in Spain, although returning is not so simple.

A summary analysis yields the following results: There is one group of exiles who arrived in Spain, secretly not intending to live there permanently, but their children are now grown and feel that they are Spanish. In many cases, those children are asking for the right to remain in what was the land of exile for their parents.

Others tried to become assimilated, finding good jobs and starting families. They ask: "Return, yes, but to what?"

It is difficult to give an exact number of Argentines who have already returned or about to do so, but in any case, there are many, just as there are many who are undecided, preferring to wait for democracy to gain a good foothold in Argentina.

France

The number of Argentine exiles in France is practically impossible to determine for two reasons: Those living there as political refugees have the cover of secrecy granted by the French area office. The others are scattered as workers or students and there are no official records containing their names.

With respect to those officially seeking asylum officially, the secretary general of the Office for Refugees and Persons Without a Country told SOMOS that "I cannot tell you how many there are because this is superconfidential data.

The only thing I can tell you is that the number of Argentine political refugees in France is much smaller than everyone assumes."

In fact, many Argentines who went to Paris for political reasons decided not to seek official asylum because this requires giving up the Argentine passport.

Obviously, in the case of Argentines who had not been involved in political activities, the decision was difficult to make because they had left the country with their documents in order and many preferred to remain in France as students or independent workers rather than giving up all possibility of return.

When Raul Alfonsin won the elections, many Argentines living in France proposed the possibility of returning, but the picture was not very clear for some. Shortly thereafter, roving Ambassador Hipolito Solari Yrigoyen arrived in Paris and invited all those living in France for political reasons to a meeting held at the Argentine Embassy.

Newsmen could not attend, but it was later learned that the meeting lasted three and a half hours and that some 200 persons attended. Obviously, the main topic of conversation was the return to Argentina.

Solari Yrigoyen apparently came with a very clear message from the new president because Argentina must be for Argentines. Anyone wishing to return can do so, but if anyone has a legal case pending, he must, upon his arrival in Buenos Aires, appear before the courts and if necessary, be tried. If found guilty, he will have to serve the sentence.

Many brought their personal problems to the meeting. One of those attending apparently said that he had killed someone but explained that it had been in self defense. The answer was: "The courts will decide." Those who might have problems were advised that an attorney had been appointed in Argentina so help them clarify their situation. Then came a time of reflection, although some had already decided to return.

Based on international rules, the United Nations pays for the return tickets of refugees and they are allowed 10 kilograms of excess baggage. In some cases, money is provided for their return.

French Prime Minister Pierre Mauroy had promised to charter a plane for exiles wishing to return. However, it was impossible to fill one because not all were ready to go at the same time because of their obligations or school for their children. In addition to all these problems, there was the red tape of procedures at the consulate, which are very complicated when approval for the return is at stake.

The Argentine Government has established no specific policy on the return (such as, for example, creating a special commission for facilitating procedures) and consequently, the consulates must solve the different problems as they arise.

With respect to those with litigation before the courts, they are granted temporary documents enabling them to return to the country and go directly to the jurisdiction in question.

One of the most difficult problems facing all those intending to return is the new place of residency. "Once in Buenos Aires, what do we do?" was the question circulating following the invitation issued by the Radical Government. Actually, no one can guarantee them that they will find work in Argentina easily. On the contrary: In general, the picture is gloomy. Those who managed to settle in France and start families cannot decide whether to return when they do not even know how they would live. Since Alfonsin came to power, there can be no doubt that the Argentina colony in Paris declined substantially. However, many doubt whether they would gain much by returning.

Solari Yrigoyen

Roving Ambassador Hipolito Solari Yrigoyen was the first official to devote himself fully to urging exiles to return to Argentina.

His office has to date taken up isolated cases and different problems put to him during his recent trips through Latin America and Europe.

When the National Commission is in full operation, the work of Yrigoyen's office will fill the organization's files.

To date, the ambassador (who is now in Peru) has solved problems arising out of diplomas of the children of exiles wishing to return. He has also solved problems with customs, which had seized bags and suitcases of persons returning.

Another problem handled by Yrigoyen's office came from foreign airline offices which refused to grant 50 kilograms of excess baggage, as announced by the government. The United Nations managed to have the companies grant only a 10-kilogram excess baggage allowance.

The ambassador met with exiles in France, Spain, Mexico and Venezuela. In the latter country, he held long meetings with exiles when he was accompanying President Raul Alfonsin on his first trip abroad.

At every opportunity, Yrigoyen engaged in intense activity in accordance with instructions from the Executive Branch: ensuring that all Argentines might return to their country to build democracy.

However, various objections had to be faced with respect to the fact that the country does not yet offer the economic and employment conditions needed to ensure a peaceful return with no problems.

In conclusion, it is to be hoped that by the end of July or the beginning of August, some 60,000 exiles will arrive in Argentina. By that time, school will be out in Europe and the university terms over. Consequently, those who have already decided to return will pack their bags and embark upon the long trip home.

Exile

Based on a study by the Committee for the Advancement of Argentine University Students and Professors Abroad (CEUAE, dated 1 December 1980, at least 1.7 million Argentines are living abroad. This figure corresponds to those living abroad permanently or having lived abroad for an extended period of time, including their children born outside of Argentina.

The figure goes up at least 25 percent when one includes temporary residents, special transients, medium- and long-term visa holders, undocumented persons and others having resided in the foreign country for an indefinite period of time. When one counts all these cases, one reaches a figure of 1,125,000 expatriates.

The study did not include those categorized as tourists.

Percentage Distribution

The study showed that 65 percent of the expatriates, assuming the minimum total mentioned, reside in the United States, 28 percent in Spain and Canada, with 16 and 12 percent respectively. Another 6 percent corresponds to Brazil, Israel, the Federal Republic of Germany, Venezuela, Italy and Mexico. The remaining 1 percent is divided among Australia, France, England, Switzerland, South Africa, Colombia, Peru, Holland and Belgium.

Employment

The survey yielded the following general results: labor, 48 percent; technical employment, 25 percent; university professional, 5 percent; merchants, 20 percent; industrial, 2 percent.

When one applies the percentages to two-thirds of the total number of Argentines living abroad, considered as the economically active population, one obtains the following: labor, 682,000 persons; technicians, 355,000 persons; merchants, 284,000; professional, 71,000 persons; manufacturing, 28,000.

11,464

CSO: 3348/388

BRIEFS

NATIONAL LIBERATION FRONT PROPOSED--Nestor Vicente, leader of the Christian Democrats, Raul Rabanaque Caballero, national deputy for the Intransigent Party, and Justicialista Senator Vicente Saadi have emphasized the need to form a people's revolutionary national "liberation front" in Argentina. Vicente and Rabanaque Caballero made the statement at the official opening of the new headquarters in this capital of the Christian Democratic line known as Humanism and Liberation, to which the Peronist senator was also invited but who did not attend because of a last-minute meeting held in the higher chamber, it was reported. However, in a message joining the many expressions of support, Saadi emphasized that "the development and strengthening of the people's currents must be a factor of unity" in Argentina and emphasized that "we shall have to work for a national liberation front." At the ceremony, attended by nearly 300 persons, socialist leaders Simon Lazara and Victor Garcia Costa joined communist Fernando Nadra and former vice presidential candidates Lisandro Viale from the PI and Catalina Guagnini from the Workers Party. Also attending were Peronist leaders Nilda Garre, Blanca and Armando Cabo and Mario Campora, Chilean Rafael Araya and members of different human rights groups. After stating that "democracy is one step in the conquest of liberation," Vicente said that the project must have "its backbone in the working class." "The purpose uniting us," he said, "defeated the national security proposal of the Armed Forces. That is why we want to complete the defeat because otherwise, out of the ashes will come new embers burning the history of Argentine reality." [Text] [Buenos Aires CLARIN in Spanish 31 Mar 84 p 10] 11,464

AIR FORCE DEMONSTRATION--(DYN)--Minister of Interior Antonio Troccoli last night minimized events instigated by a group of young Air Force officers who, in the Santa Fe district of Reconquista, challenged the constitutional system of government. Troccoli said that "they are an exception. They had just had a little too much to drink and had something to get off their chests." He added that "there is a new attitude in the Armed Forces that undeniably recognizes exceptions" and emphasized that this type of event will be met by "a new teaching task." In statements made before television cameras on the program New Times, Troccoli said that the Armed Forces "are going to fit into this framework of the new republic" and added that the three branches "are reconsidering their role within the democratic system." Reconquista, Santa Fe--This city, located in the northern part of the province, felt the full effect of a situation caused by young officers from the 3d Air Brigade

stationed in this city. According to certain versions of the events, the officers, assigned to the brigade, had returned from a local club and were singing songs as they marched through the downtown streets, including slogans such as "It's going to end, it's going to end, this custom of voting...." Other expressions were also chanted against the chief of the General Staff, Gen Julio Fernandez Torres. Radical youth in this city have stated in a bulletin that events such as this "show us that even today, splinter groups misfits loyal to the ideological conception popular in the period of the Process, do not understand that they have the historic opportunity of joining a democratic plan." Finally, they urge "those responsible for the events not to repeat such dissenting demonstrations such as these so that once and for all, we may achieve national and social liberation." Sources close to the 3d Air Brigade in this city would neither confirm nor deny the report. [Text] [Buenos Aires LA NACION in Spanish 29 Mar 84 p 6] 11,464

CSO: 3348/388

SANDIFORD CALLS FOR REPAIRS TO 'DIPLOMATIC DAMAGE'

Bridgetown BARBADOS ADVOCATE in English 11 Apr 84 p 1

[Text]

The Barbados Government should work patiently to repair the country's diplomatic damage and to improve the quality of its participation at the regional and international level.

Additionally it should strengthen the country's economy and reorganise the Ministry of Foreign Affairs.

Deputy Opposition Leader Erskine Sandiford said so yesterday following this country's diplomatic setbacks after its participation in last October's multi-national invasion of Grenada.

Mr. Sandiford who is also the Democratic Labour Party's (DLP) spokesman on Foreign Affairs, said the setbacks were a reflection of the shambles in which the country's foreign policy found itself.

"In the aftermath of that (invasion) there is the state of relations between Barbados and Guyana, which is bad; between Barbados and Trinidad and Tobago, also bad; and between Barbados and Britain, still soured over charges of non-consultation or inadequate consultation over matters relating to the intervention.

"Virtually all the Third World countries were against our actions in Grenada, and never before has this country come up against such a constellation of opposition in a foreign policy matter on which it was in the forefront."

Mr. Sandiford said Barbados foreign policy was characterised by a lack of clarity in respect of goals, incoherence in respect of strategies, and by a high degree of bureaucratic inadequacies. He

pointed out these were in terms of the structure and organisation of the Ministry of Foreign Affairs, and the blurred relation between that Ministry and the Prime Minister's Office.

"The upshot is that the foreign policy is floundering and is in shambles and a future Government will face a difficult task in putting the pieces back together and in restoring respect, prestige, and the image of the country in the area of foreign policy," Mr. Sandiford declared.

He said part of the reason for the existing state of affairs was that Government has allowed "a vaulting ambition to cause it to take up foreign policy postures which were beyond the capabilities of the political, economic or military resources of the country to sustain."

CSO: 3298/772

OFFICIAL INDICATES GOVERNMENT DOES NOT AGREE WITH DEVALUATION

Bridgetown THE NATION in English 11 Apr 84 p 1

[Article by Tony Best in New York]

[Text]

WITHOUT making a direct statement as to the Barbados Government's intention, Deputy Prime Minister, Mr. Bernard St. John, has suggested that a devaluation of the Barbados dollar would not be in the country's best interest.

"There is a considerable amount of doubt as to whether any advantages which you get in the short-term would be of a permanent nature," he said in response to a question about devaluation.

With presentation of the country's budget just around the corner, there is some speculation that government may devalue the currency because of the strength of the United States dollar, thus making Barbadian goods and services more attractive to foreigners.

But Mr. St. John said in an interview that experts had advised that "whatever short-term advantages you may get at first sight for a devaluation would be lost because of the high importation of goods into the island."

He said devaluation would trigger a substantial jump in the import cost of goods and would also cause a significant increase

in the cost of living in Barbados. The deputy prime minister added that if the currency was devalued and the cost of living went up, people would have to be paid even higher wages.

"What we have to do is to have a rigorous examination of our cost factors, in particular our productive capacity. If we can improve our productive capacity, it might outweigh the cost factor we have to deal with in the form of lack of competitiveness."

When asked directly whether devaluation would be considered by the Government, Mr. St. John replied that whenever the matter was discussed privately or publicly, the Government was advised that the disadvantages would outweigh the advantages over the long term.

TAITT-BARROW, HAYNES IN DLP LEADERSHIP STRUGGLE

Bridgetown SUNDAY ADVOCATE in English 15 Apr 84 p 4

[Commentary by Henry Christopher: "Further Strains in DLP"]

[Text] The leadership struggle within the Opposition Democratic Labour Party (DLP) has clearly taken on a new and more divisive twist judging from a recent announcement by Opposition Leader, Errol Barrow.

Addressing a recent constituency branch meeting the DLP's Parliamentary leader had revealed that the St. John constituency branch would be proposing a constitutional amendment that would free sitting DLP members of Parliament of any office within the Party's administration.

Mr Barrow put it this way! "We will be asking the rank and file members of the party to set the parliamentarians free, so that members of the House and Senate can devote all their energies to the task of setting the people free." He added that his party contained a "Super-abundance" of administrative and organisational ability and political skills needed to bring about in the DLP's management and decision-making process.

Some DLPites have readily conceded the need to bring about greater involvement of the rank and file membership in the party's affairs. But some are of the view that a great deal of this already exists through the constituency branches, the system of zones into which the party is divided across the island and through the election of ordinary members to the party's highest decision-making body, the national executive.

However, there has been sharp and bitter reaction within the DLP to the proposed constitutional amendment by the St. John branch which, if adopted would debar members of Parliament from holding any office within the party's administrative structure.

Members of the DLP as well as outside political observers see this intended move as a blatant and not so very clever device to destroy the hopes and chances of current DLP President, Mr Branford Taitt, of ever becoming its leader in Parliament either as Leader of the Opposition or Prime Minister in any future DLP Government.

And there must indeed be a great deal of logic and merit in that conclusion. For not so long ago with a great deal of fanfare the DLP went through the whole process of amending its constitution so as to allow a person to be elected President for more than three consecutive terms.

Part of the rationale given for that amendment then was that the DLP had recognised and needed to preserve at the highest possible level, the organising ability and administrative expertise of Mr Taitt who has had some formal training in the areas when he attended University in the United States.

So to try so shortly after that amendment to reverse the process has come to be regarded as a tactical move to remove the hold of Mr Taitt over the party's rank and file where it is widely acknowledged that his influence is greatest. It is felt within the DLP that Mr Taitt has "earned his spurs" and "paid his dues" by involving himself in the party's machinery and has by this method worked his way up the ladder to its Presidency.

Not only that, when the DLP's constitution prevented Mr Barrow himself from being elected President again for at least a year, he stood for and was elected to the party's key administrative position of General Secretary.

It is hard, therefore, to justify in logic or in fact this proposed turnaround in approach so quickly, especially when by becoming General Secretary it was important for members of Parliament (Mr Barrow represents the St. John constituency in the House of Assembly) to be involved in the day-to-day administration of the party machinery.

According to reports from within the DLP, supporters of Mr Taitt are saying that they would support the proposed constitutional amendment, but only if at the same time there was a commensurate alteration in party policy to permit the DLP's parliamentary leadership to be elected on the floor of the party's annual conference.

Because it is known that Mr Taitt is very strong and popular with the party's general membership, it is felt that the second proposal would ensure that he could and would be elected Opposition Leader and Prime Minister if the party gets back into power while Mr Taitt still retains that hold over the rank and file.

The Taitt faction within the DLP are said to be readying their strategy to defeat the proposed amendment since they feel this would be the only way in which they can block the chances of the other faction supporting Dr. Richie Haynes, from displacing Mr Taitt.

Dr Haynes has for several years now being considered by some as being the heir apparent to Mr Barrow and that Dr. Haynes was being groomed to replace Mr Barrow as a future DLP Prime Minister.

Reports persist that Dr. Haynes enjoys the backing of Mr. Barrow, a situation that was said to obtain even before Dr. Haynes was elected in 1978 to the House of Assembly. So close and strong has the relationship between Dr. Haynes and Mr. Barrow been said to be, that prior to the change of Government in 1976 a then DLP Cabinet Minister was prompted to refer to Dr. Haynes as the "second most powerful man" in Barbados.

Supporters of Mr. Taitt have been pointing to the fact that Dr. Haynes has never yet held office within the DLP and has therefore never yet had the chance for him to show and the rank and file to assess, his organisational and administrative sharpness. They feel that this is essential experience for potential leaders and administrators in Government.

Furthermore, declare the Taitt supporters, Dr. Haynes who has had no formal training in today's vital field of economics, has been escalated into the position of "shadow Minister" of Finance over Mr. Taitt who has had some University training in economics and was himself exposed to and involved in the practicalities of economics as a Minister of Trade, Industry and Commerce between 1971 and 1976.

From all indications, the wrangling within the DLP over who will take over from Mr.

Barrow has further escalated with news of the mooted St. John constitutional amendment.

Analysts have also pointed to another factor which is said to be an indirect criticism of Mr. Taitt's leadership as President of the DLP. This has to do with Mr. Barrow's unfavourable comparison of the membership recruitment of the DLP with that of the Jehovah Witnesses.

Apart from the fact that Mr. Barrow's comments cast severe doubts on the veracity of numerous DLP reports of the induction of hundreds of new members at various functions, his strictures are a clear indication that he is not pleased with the way the DLP party has been functioning.

What is transpiring now, to the discomfort and embarrassment of DLP members and supporters, is as a result of the Party's fear, failure and refusal to establish a new leader for Mr. Barrow who had led the party in two major electoral defeats in 1976 and 1981.

Now the chickens have come home to roost. But this is only the beginning as the stresses, strains and cracks that were papered over for years now, break out into the open as chasms of conflict and confusion envelop the DLP.

Hopefully out of that the DLP will learn that the postponement of vital decisions can only result in pain and setbacks later.

DEVELOPMENTS ON LABOR FRONT; FOCUS ON WAGE ISSUES

Walcott on Threat to Workers

Bridgetown BARBADOS ADVOCATE in English 7 Apr 84 p 1

[Text]

Free and independent trade unions are a pre-condition for any real democratic society General Secretary of the Barbados Workers' Union, Mr. Frank Walcott has stated.

He was convinced that there was a movement afoot "by a despotic and fascist few" who were attempting to undermine trade unionism in the country and deny workers their basic civil rights.

"The loss of the right by the worker would weaken our society and undermine the area for co-operation and industrial peace. We repeat that free and independent trade unions are a pre-condition for any real democratic society," Mr. Walcott said.

He maintained that any attack on the autonomy and freedom of trade unions was an attack on the foundation of democracy.

He said earlier that some employers, both foreign and local, have been using

diabolical and anti-union tactics to scare workers from trade union organisation.

He added that methods have also been instituted to frustrate workers with the hope of creating doubts as to the efficacy of the unions.

Mr. Walcott stated that a small but visible number of employers have also used the camouflage of the recession to sack workers and rehire from the hundreds who swelled the ranks of the unemployed and underemployed in the country.

He was of the opinion that this practice was not only dangerous, but smacked of the 1937 era.

The BWU General Secretary said the Union was also monitoring the attempt by some employers who were trimming their workforce under the guise of unemployment and who were aiming at maximising productivity during a two or three-day work week.

NUPW Election Candidates

Bridgetown THE NATION in English 11 Apr 84 p 40

[Text]

A KEEN contest is expected today for the key post of president of the National Union of Public Workers (NUPW) as elections of that 40-year-old body begin.

Voting for five out of six elective offices — including the presidency, will begin at NUPW headquarters, Dalkeith Road, St. Michael, at 8 a.m. and end at 8 p.m.

Results are expected to be announced by 8:45 p.m. today.

There will be a straight fight between Mr. Nigel Harper, special assignments officer in the Ministry of Finance; and Mr. Errol Gay, executive officer in the National Insurance Office.

Mr. Harper, 47, is a long-standing member of the 6 500-member strong NUPW and served at the level of Clerical, Executive and Technical Officers Division of the union. He is also a member of the NUPW's council.

Mr. Gay, 53, has been first vice-president of the NUPW for two years, and he has also served in the Clerical, Executive and Technical Officers Division.

They are both public servants of equally long standing, having each served 28 years.

Mr. Horatio Cooke, also an experienced public servant, who is now manager of the Agricultural Division of the Barbados National Bank, resigned from the presidency after holding the post for four years.

Other candidates seeking election today are:

□ Mr. Glenric Oliver Davis-Isaacs, of the Ministry of Agriculture; Mr. Caswell Franklyn of the National Insurance Office, and Millicent Small of the Ministry of Labour — for the office of first vice-president.

□ Mr. Ralph Reynold Ishmael, of the Labour Department and Mr. Cedric Harcourt Murrell, of the Air Traffic Control Department — for the office of second vice-president.

□ Mr. Cecil Westford Drakes, of the Barbados Water Authority, and Mr. Osmond H. Gaskin, of the Emergency Ambulance Service — for the post of deputy general treasurer.

□ Mr. Cameron Bascombe of the Samuel Jackman Prescod Polytechnic, and Mr. Winston S. Coppin, of the Air Traffic Control Department — for the post of public relations officer.

□ Mr. Charles A.T. Skeete, of the Audit Department, has already been elected unopposed as general treasurer.

Originally, arrangements had been made for voting at five Government offices and at NUPW headquarters for the offices that are being contested by the 11 candidates.

But the Executives Committee of the union decided to call off that plan for decentralised voting. A few years ago, the NUPW's annual conference has taken a decision to decentralise the elections in order to have a higher level of participation. Based on this decision the necessary steps had been taken for its implementation.

The NUPW has now postponed the decentralised balloting "for the time being in the interest of security".

A NUPW statement said the decision to decentralise the voting is to be evaluated particularly in relation to its desirability and need.

A re-examination of possible security ramifications would also be studied, the statement said.

It also stated that holding the elections on a week-day is an innovation aimed at facilitating and encouraging greater membership participation in the election of officers.

Another innovation is that elected officers will now hold office for two years instead of one, the statement pointed out.

Harper Victory

Bridgetown BARBADOS ADVOCATE in English 12 Apr 84 p 1

[Text]

Mr. Nigel Harper was elected president of the National Union of Public Workers last night after winning 542 of the 859 votes cast. He succeeds Mr. Horatio Cooke who stepped down after four years.

From 8 a.m. to 8 p.m. public servants affiliated to the 6 500-strong union cast their ballots for what NUPW general secretary Mr. Joseph Goddard indicated was the most keenly contested election of officers in his 11 years with the union.

There was a steady flow of voters, throughout the day some of them from the airport turning up in

taxi cabs.

It was a straight fight between Mr. Nigel Harper, a special assignments officer in the Ministry of Finance, and Mr. Errol Gay, executive officer in the National Insurance Office.

Mr. Harper, 47, is a long-standing member of the NUPW. He has already served at the level of clerical, executive and technical officers division of the union.

Mr. Gay, 53, has been

the first vice president of the NUPW for two years and he has also served in the clerical, executive and technical division. He has been serving in the public service for 28 years.

The other offices elected yesterday were: first vice president, Millicent Small, second vice president, Ralph Ishmael, public relations officer Winston Coppin and deputy general treasurer Cecil Drakes.

Bridgetown BARBADOS ADVOCATE in English 13 Apr 84 p 1

[Article by Avonda Scott]

[Text]

A civil servant who has been very much in the limelight in recent years is Mr. Nigel Harper.

He was one of the people responsible for the cultural upsurge in Barbados in recent years and his ability as a sports administrator is well known.

This is perhaps why hundreds of public servants affiliated to the National Union of Public Workers (NUPW) placed their trust in him as a leader by voting him into the presidency of that union last Wednesday.

Mr. Harper, 47 and a civil servant of 28 years' standing, won handsomely from his only rival, Mr. Errol Gay. He polled 542 of the 859 votes cast.

His immediate thoughts on the union are that it is going through a period of fermentation where its membership is trying to get direction.

"Yesterday's (Wednesday's) election clearly demonstrates that the membership intends to say alive — to keep the organisation alive and to move forward," he said.

He said that the large vote turn-out was an indication that the union's membership is determined to rebuild their organisation. His personal aspiration is to encourage the

NUPW membership to develop a higher consciousness of its duty to itself and to the wider society "through sacred trust."

He pointed out that the nature of a public servant's job set him apart from other unions and therefore the strategy of organisation and resolving problems must be manifested differently from other organisations.

Mr. Harper maintained that the major issue now facing the union was an internal one.

That issue, he submitted, was to bring together all public servants who by dint of their job should enter a commitment to strengthen the organisation and bring it into a "oneness."

"There is a large number of civil servants who are not members...they have to put nation and the union above party," he urged.

Mr. Harper, a special assignments officer in the Ministry of Finance, started his career in the public service in 1956 in the Chief Secretary's Office it has spanned almost every ministry since that time.

His Public Service record includes heading the Division of Culture from 1976-1981, Chief Sports Officer from 1973-1976, administrative superintendent of the Port Department and resource person for Training Division courses.

Wage Pact With Government

Bridgetown BARBADOS ADVOCATE in English 13 Apr 84 p 1

[Text] Government and the National Union of Public Workers have reached a wages settlement. The union has accepted a 15 per cent pay hike in the first year and five per cent in the second year across the board for its 6 200 members.

The Union was originally pressing for a 16 per cent pay rise at the top of the salary scale and 26 per cent at the bottom. Government moved up from its offer of 12 and a half per cent in the first year and two and a half per cent in the second year.

The two sides are to meet again to discuss a regrading exercise for public servants.

It is Government's intention to bring the salaries of professional

people in the Civil Service in line with their counterparts in the private sector.

Prime Minister Mr. Tom Adams, said in the House of Assembly recently that for too long professional people in the public service have been paid "bad wages" and promised that the regrading would be carried out later this year.

Government will be meeting with another public service union the Barbados Secondary Teachers' Union (BSTU) today to discuss the salaries revision.

That union is understood to be asking for a 37 per cent increase at the bottom and 18 per cent at the top.

President of the other teachers' union the Barbados Union of

Teachers (BUT), Victor Hutchinson, said on Wednesday that his Union's wages negotiations with Government were taking place against the background of repeated legislation of salaries for public servants and teachers.

The BUT is asking for increases similar to the BSTU.

Salary increases for public servants have been legislated on the last four occasions and this practice has been met by stout protest from the unions who claim it has eroded the element of collective bargaining.

In the meantime, the Barbados Workers Union (BWU), which represents some workers in the public sector, has not yet met with Government to discuss the salary increases.

Teachers' Rejection

Bridgetown BARBADOS ADVOCATE in English 14 Apr 84 p 1

[Text] Teachers' union in Barbados have flatly rejected Government's offer of 15 per cent in the first year and 5 per cent in the second year across the board.

Both the Barbados Union of Teachers (BUT) and the Barbados Secondary Teachers' Union (BSTU) met yesterday for the first time with the Chief Establishments Officer.

The offer has already been accepted by the National Union of Public Workers (NUPW) and the teachers believed that the meeting yesterday took place against this background.

President of the BUT, Mr. Victor Hutchinson, said that whereas Government's offer for the highest points in the salary scale could be considered seriously, the amount being offered at the lower end was completely unrealistic and unjust.

He pointed out that the lowest paid teacher got \$735 a month and 15 per cent of this was only \$110.

On the other hand, he said, 15 per cent of the salary of the highest

paid civil servant was \$588.

Mr. Hutchinson emphasised that the meeting was the first opportunity for the union and Government to discuss face to face the matter of salary increases and related issues.

"Government's behaviour therefore demonstrated a lack of respect for the norms of bargaining practice and indicated no willingness to allow discussion to lead to a satisfactory settlement that takes into account the points of view of both sides", he said.

The BSTU, in a press release issued at the end of the talks, said there has been no attempt by Government to meet the Union with a view, through oral discussion, of reaching an acceptable settlement.

That Union argued that the impending budget could have a significant negative effect on the take-home pay.

It also did not believe that the flat percentage increase across the board was an equitable way to ameliorate the social injustices suffered by all teachers and

especially those at the lower end of the salary scale.

"The proposed 15 per cent increase in the first year is approximately only 12½ per cent since it includes the interim period made in 1983", the BSTU said.

It also maintained that any agreement with Government should be made after consideration of all salary and non-salary proposals.

The BSTU said that Government has made no attempt to include the non-salary items in any settlement.

Both unions submitted that Government's approach indicated that it did not intend to try to reach agreement in the traditional way — across the bargaining table.

The BSTU said it was an insult for any union to be asked to enter into its first meeting when Government has already decided what its final offer was.

The BUT said Government seemed to want to finish the negotiation before it had properly begun.

Rise in Unemployment

Bridgetown THE NATION in English 12 Apr 84 p 24

[Text]

WHILE total unemployment in Barbados declined in the second quarter of last year, it rose during the third and fourth quarters.

Male unemployment fell steadily over the year, but female unemployment dropped in the second quarter and increased for the remainder of the year.

The Ministry of Labour, Social Security and Sports, setting out these statistics in its newsletter for the fourth quarter of 1983, says that during the year, while the number of persons in retirement increased by 2 800 the voluntary idle decreased by 2 100. Some of the latter, it said, may have entered or re-entered the labour market.

The number of males unemployed for the third quarter in 1983 was 6 500 and that remained unchanged during the fourth quarter. However, the male labour force decreased from 60 800 to 59 800 between the third and fourth quarters of last year, causing an increase in the male unemployment rate from 10.7 percent to 10.9 per-

cent.

Research revealed that between October and December, 1983, when the Household Sample Survey estimates climbed by 900 persons, the number of persons claiming unemployment benefits dropped by 589 and registrations for jobs at the National Employment Bureau fell.

The newsletter pointed out that in the latter part of 1983 several industries in the manufacturing sector were facing difficulties and were forced to cut back their work force.

Since the manufacturing sector is one of the areas in which females dominate the job market, it said, it seemed plausible to assume that the majority of those laid off were females and that they were responsible for the fourth quarter's .9 percent upswing in the overall unemployment rate.

For the last quarter of 1983, the newsletter stated, total claims received by the National Insurance Office increased. That might be attributed to a rise in claims for sickness benefits, because all other claims fell, including unemployment claims which dropped by some 589.

CSO: 3298/773

SUGAR CROP 75 PERCENT COMPLETE; POSITIVE FACTORS NOTED

Bridgetown SUNDAY SUN in English 8 Apr 84 p 1

[Text]

BARBADOS' sugar crop, which according to Minister of Agriculture Dr. Richard "Johnny" Cheltenham could just exceed the earlier estimate of 100 000 tons, is 75 percent completed.

Some estates will finish reaping before Easter Sunday (April 22), but generally, the crop will run into the middle of May.

Minister Cheltenham said yesterday in an exclusive SUN interview: "The sugar industry is on the fight back. There is a new mood and a new sense of optimism and determination."

But the minister observed: "The major problem in the industry relates to its continuing financial difficulties, arising in the main from the very low price we are getting for our sugar. And that is a matter over which the Government and the industry has no control."

EXCHANGE RATES

He added: "It is centred around the adverse movement of the exchange rates. The basic position is that our principal market is the European Economic Community — we sell about 55 000 tons of sugar there a year — and we are paid in a basket of currencies (European units of account) which has in effect been devalued against the United States dollar. This is a continuing process that started about three years ago."

Dr. Cheltenham listed the following areas which have brought him great satisfaction:

- The percentage of canes burnt so far this year stands at 3.5, (of the canes reaped) which is of the same magnitude as last year, and far below the 1982 figure of 22 percent.
- The projection for the smallholder contribution has already been reached. Some evidence of the smallholder drifting out of sugar cane has been arrested.
- Extraneous matter stands at under six percent, and in light of the high mechanisation of the industry, this is regarded as tolerable.
- A higher efficiency and smoother flow in factory operations, with a lower degree of stoppages from lack of cane.
- A very consistent and very high flow of cane from field to mill, and
- A high quality of sugar cane.

Dr. Cheltenham said: "The technical efficiency of the reaping and processing this year has been the best for a long time. I think that this is a reflection, in part, of the new mood within the sugar industry; the new mood of determination and the new mood of optimism."

He added: "I have also been advised that the coordination between field and factory has been better than it was in previous seasons and thus far, the whole reaping process this year has gone virtually without a hitch."

Minister Cheltenham explained that the island experienced a very dry October and November, which affected earlier forecast of a higher tonnage and said: "Rain in those months is very important for the crop. But on the other hand, we had one or two fortunate circumstances this year. We had cool nights and we had a rich amount of locally available labour."

POLICE CHIEF DURANT DENIES RUMORS ABOUT 'RIOT SQUAD'

Bridgetown THE WEEKEND NATION in English 13-14 Apr 84 p 3

[Text]

COMMISSIONER of Police, Mr. Orville Durant, has squashed rumours that there are plans for a riot squad.

Responding to queries from the **WEEKEND NATION** as to whether such a body was being organised by the Police Force, as rumoured, the commissioner said he knew of no plans for the setting up of such a squad.

Ever since Prime Minister Tom Adams announced in Parliament that a pioneer squadron was to be established under the aegis of the Defence Force, speculation has been rife that a riot squad was being formed in the Police Force.

Mr. Durant pointed out that there was already in existence arrangements within the force to deal with such emergency situations should the need arise. The police task force, set up over four years ago and recently restructured, was the agency organised to cope with such emergency situations, he said.

Inspector Alan Longe, the police's public relations officer, pointed out that this body was geared to cope with any eventuality from covering cricket games, and parades to patrolling crime prone areas.

A riot squad, he added, was a thing of the past, noting that if something out of the norm happened the task force would be the body to deal with the situation.

The last time local police were seen in riot gear was during the Kerry Packer World Series Cricket between the Australians and the West Indies at Kensington Oval over five years ago, when spectator violence erupted during the game.

CSO: 3298/774

BRIEFS

ROAD PROJECTS--Barbados will spend \$40 million on its road network over the next two years in a construction and rehabilitation project, of a magnitude of which has not been seen here before. Chief Technical Director in the Ministry of Transport and Works, Mr Cedric Archer, told the SUN that this programme would have the effect of maintaining the present level of employment at his ministry (if not increasing it) and creating "substantial employment for others" in the projects which will go out to tender. [By Roy Morris] [Excerpt] [Bridgetown SUNDAY SUN in English 15 Apr 84 p 1]

CEMENT'S IMPACT ON PORT--The advent of locally produced cement on the market this week is expected to deal a staggering financial blow to the Bridgetown Port. In addition the commodity being turned out by the \$200 million Arawak Cement Plant at Checker Hall, St. Lucy, will also be crippling to the island's three importers, Marine Traders, Geddes Grant and West Indian Suppliers, who will shortly be told that they should no longer bring cement into the country. General manager of the Bridgetown Port, Mr Peter Parker, told THE NATION yesterday that the port stood to lose some \$2 million in revenue annually when they stopped handling imported cement in a very short time. Meanwhile Mr Patrick (P.J.) Roach, a director of Marine Traders, said that his company would lose "close to \$40 000 annually" by not being able to import cement. The director also said his company had applied for a contract to export locally made cement within CARICOM and other markets. But, he noted, that even if granted this contract he could not hope to rival the business of importing. "Obtaining the franchise may help make up for some of the profits lost," Mr Roach said, "but if this fails to hold forth we may have to resort to sending home some workers--which we don't want to do." [Excerpts] [Bridgetown THE NATION in English 16 Apr 84 p 1]

RURAL DEVELOPMENT PLAN--Some 562 households, controlling 944 acres of land, have already signed-up to participate in the Rural Development Project, sponsored by the Barbados Agricultural Development Corporation (BADC). This was announced yesterday by BADC's chairman, Senator Owen Arthur. Senator Arthur said these households spread across the parishes of Christ Church, St. John, St. Philip, St. George, St. Michael, and St. Lucy, and that 562 acres fell within the low rainfall zones. Reviewing the success of the project so far, the chairman noted that "the extension staff has been recruited and has been carrying out an extensive programme." Included in this is production planning, farmer education and market intelligence. "The tractor cultivation scheme has already gone into operation and has provided a service on over 400

acres," Senator Arthur said. He said that four miles of feeder roads had been selected for improvement, the maintenance workshop at Groves was nearing completion and tender documents for the second at Spencers, had been approved. He regretted that the uptake of credit under the project "has been slow, amounting to only \$159 000," but anticipated that this figure would increase as irrigation facilities became available. [Excerpts] [Bridgetown THE NATION in English 11 Apr 84 p 40]

CSO: 3298/774

INDUSTRIAL DEVELOPMENT CORPORATION CHIEF RESIGNS

Roseau THE NEW CHRONICLE in English 6 Apr 84 p 1

[Text] Dominica's leading industrialist Phillip Nassief has stepped down from the Chairmanship of the Industrial Development Corporation (IDC) after spearheading its operations for the last three years ended March 31st, 1984.

As far back as August 1983, Mr Nassief had informed Prime Minister Eugenia Charles that he would not be available for reappointment after his 3-year term as IDC Chairman owing to the need to give more time to his own business concerns. His work with the IDC specifically in 'charting the course' during the early stages of development has been highly rated and was done on a purely voluntary basis.

According to Miss Charles her Government is proud of and satisfied with the contribution of Mr Nassief who played a "crucial role in moulding the IDC" at a time when Government thought its functional and productive existence was an "absolute necessity in the country's development thrust."

Mr Nassief, current Chairman and Managing Director of Dominica Coconut Products Limited will now turn much of his attention to sorting out the serious trade problems affecting DCP, according to well-placed sources.

Unofficial reports say that Government has already named a new Chairman for its Industrial Development arm the IDC. It has been said too, that a few changes have been made to the IDC Board of Directors. These reports could not be confirmed by press time but, sources say the unnamed members of the new IDC Board would be meeting Prime Minister Charles sometime today.

CSO: 3298/776

SAVARIN COMMENTS ON SOAP IMPORT LICENSE FROM JAMAICA

Roseau THE NEW CHRONICLE in English 6 Apr 84 p 1

[Text] The Dominica Government says it is now awaiting word from the Jamaica Government in respect of the issuing of a licence to import soap from Dominica in an effort to resolve the current marketing problems facing Dominica Coconut Products, Ltd.

Trade Minister Senator Charles Savarin believes the issue of this licence would be "a first step" in finding a solution to the DCP problem which resulted in 74 lay-offs at the lone soap concern here last month.

Jamaica, according to Mr Savarin accounts for more than 50 percent of the DCP soap market. Obtaining a licence to re-enter this CARICOM State would therefore "greatly ease the burden" now complicating the operational efficiency of DCP.

Mr Savarin is optimistic that waiting on Jamaica will not be in vain. He has in fact expressed confidence that Government "will soon receive positive word from Jamaica so that an order for soap can be made almost immediately."

Relatedly, Prime Minister Charles had revealed last week that attempts are being made to open up new markets for Dominican soaps in Guadeloupe and Puerto Rico and Dominicans, specifically those directly associated with DCP are anxiously awaiting news of the success of these initiatives. They will also anxiously await the results of active investigation of other extra-CARICOM Markets like the Dominican Republic and Central American countries now being carried out by the Charles Government.

A GIS release in mid-week which broke the news on the new marketing initiatives explained that they were inspired largely by the difficulties "now being experienced on the CARICOM Market" and are immediately aimed at absorbing "some of the loss due to the non-issuing of licences by CARICOM Members."

Dominica is also awaiting the era when eighty thousand tourists will visit the island annually. Trade and Tourism Minister Charles Savarin recently expressed the view that such a situation "would make the Tourist Industry realize its full potential and become a significant contributor to Dominica's economy."

Speaking to a visiting team from Dutchess County (Dominican's twin sister in the Partners of the Americas Programme) Mr Savarin said that "the target of 80,000 visitors would not make the Tourist Industry dominate the economy, but would rather make a 15 to 20 percent contribution."

Savarin told the Partners group Dominica was being promoted as "a different destination...as a place to get away from the hustle and bustle and yet not miss anything." The group was invited to assist government in its promotion of Dominica as a place for tourists "looking for a change" and were assured that government is making efforts "to put in the basic amenities and improve facilities."

And quite apart from awaiting news of further developments in these areas, Dominicans will wait as well to see how exactly the character of the island will remain unchanged in the process of developing "a change in the usual tourist destination..." with everything except "the hustle and bustle."

This, particularly in light of the announcement from Senator Savarin that there were "no plans to change the character of the island."

CSO: 3298/776

BRIEFS

OPPOSITION UNITY BREAKDOWN--Roseau, Thurs., (CANA): Attempts to form a unified Labour Party in Dominica have hit a snag, political sources said. A meeting of representatives of the Dominica Labour Party (DLP) of former Prime Minister Oliver Seraphin and the United Dominica Labour Party (UDLP) of ex-Finance Minister Michael Douglas, planned for last Friday did not take place. Sources said the UDLP objected to the composition of the agenda for the talks... The DLP did not want to discuss the question of leadership, but the UDLP, a splinter group of the DLP, disagreed. General elections are due here next year, but Opposition parties believe that Prime Minister Eugenia Charles will call an empty poll. [Text] [Port of Spain TRINIDAD GUARDIAN in English 20 Apr 84 p 5]

CSO: 3298/776

PR, PRSC TO MERGE DESPITE OPPOSITION

Social Christian Party Formed

Santo Domingo LISTIN DIARIO in Spanish 15 Apr 84 pp 1, 13

[Article by Saul Pimentel]

[Text] The Christian Social Revolutionary Party (PRSC) will hold an extraordinary national convention today to deal with the question of its merger with the Reformist Party (PR).

The meeting is scheduled for 9:00 am at the seat of the Community Studies Institute (IDEC), located at kilometer 25 of the Duarte Highway. It is expected that more than 120 delegates from all over the country will be present.

Although members of the National Executive Committee and of different party secretariats have expressed opposition to the merger, the PRSC secretary general, Alfonso Lockward, said yesterday that this step will be taken at today's convention.

He maintained that the union of the two parties is "a necessity for the country," since both follow the Christian democratic doctrine.

Lockward was interviewed on the "Universal Panorama" program produced by the journalist Milciades Ubiera for Telesistema Dominicano and presented every Saturday from 11:30 to 12:00.

With respect to the group that opposes the merger with the PR, he said that they are people whom he esteems highly and who he hopes will take a different position at today's convention.

He added that the decision to merge the PRSC and PR will be one the Social Christian militants will make at today's convention.

He declared that the Reformist Party should hold another convention to firm up the union and that later there will be a "great political ceremony" to sign a definitive agreement, which will then be submitted to the Central Electoral Board.

He noted that after these steps the Reformist Party will be renamed the Reformist Social Christian Party.

"I want to make clear," Lockward pointed out, "that the Reformist Party is not being integrated into the Social Christian Party but that the two parties are merging and will have a single leadership."

He declared that henceforth "the red rooster and green machete, symbols of the PR and PRSC, will walk together to achieve the reforms in all areas, but principally agrarian reform, that the country requires."

The Social Christian leader recalled that "many Reformist leaders were originally Social Christians who joined the struggle at Dr Balaguer's side in the search for a powerful opposition that we did not have."

"By this I mean that the Reformist Party has not suddenly converted itself into a Social Christian party but that our ideology was always theirs," he stressed.

He indicated that the Dominican Revolutionary Party also has been influenced by Social Christian doctrine.

PRSC Dissidents Allege Illegalities

Santo Domingo LISTIN DIARIO in Spanish 18 Apr 84 pp 1, 13

[Article by Manuel Silvestre]

[Text] A group of dissident members of the Christian Social Revolutionary Party (PRSC) yesterday left with the Central Electoral Board a document impugning the merger of that organization with the Reformist Party.

The dissidents pointed out that the PRSC convention that adopted this decision "was held in violation of the provisions of article 10, paragraph 11, of the statutes of that party."

They explained that the document convoking the event indicated only that its objective was "to provide information on political agreements that would be concluded between the Christian Social Revolutionary Party and Reformist Party" and made no specific mention of any intention to merge the two organizations.

The document impugning thn decision was received by the acting secretary of the Central Electoral Board, Amable Diaz, who said that he would transmit it immediately to the organization's highest authorities.

Delivering it were: Yoni Martinez, national secretary for training and doctrine; Ramon Chahede Rodriguez, member of the National Emecutive Committee; Miguel A. Marmolejos; Abraham Medina; and Alberto Baez Lora.

The Social Christian leaders noted that the convention that decided on the merger of the Reformist Party and PRSC was invalid and full of irregularities.

They pointed out that the document convoking a national convention "will be made by means of a circular addressed to all the provincial committees and the organizations represented at it."

They noted that this requirement was violated by the PRSC officials who organized the event, alleging that they "carried out said convocation without having sent the appropriate circulars to the provincial and municipal committees and other organizations that by statute should have been represented at the aforementioned extraordinary national convention of 15 April last."

They explained that "failure to meet this statutory requirement prevented the PRSC's municipal and provincial committees from convoking and bringing together legally the respective provincial conventions whose election is their responsibility, in order to determine democratically the position of those organizations with regard to the points on the agenda of the convention that was convoked."

"Every PRSC national convention should be the result of a process of democratic consultation with members and leaders of the party, and it is therefore indispensable that provincial and municipal conventions be held or, in the absence of these, municipal assemblies," the signers of the document indicated.

They added that the statutes of the PRSC in effect establish "that delegates to the national convention who represent provincial and municipal committees must be elected at the respective provincial and municipal conventions, in accordance with the provisions of article 53, paragraph d, on the prerogatives of the provincial convention, and of article 68, paragraph c, on the prerogatives of the municipal convention."

They explained that, "if this requirement is not met, the convention should be made up of the same delegates who were present at the previous ordinary convention, in conformity with article 10, paragraph i, of the PRSC statutes."

The dissidents pointed out that, at the convention that decided on the PRSC-PR merger, "articles 48, 49 and 50 of the PRSC statutes, pertaining to the convocation, quorum and installation of every provincial convention, were also violated."

"In addition to the violations and irregularities committed with respect to the territorial boundaries within which the provincial conventions were supposedly held, at the municipal level, the required conventions or municipal assemblies were not held, which renders invalid any presumed representation in the name of the municipal committees at the provincial convention," they added.

They indicated that the PRSC officials who directed the preparatory work and debates of the extraordinary national convention of 15 April last "maneuvered in such a way as to ensure that the delegates attending the said convention should be those receptive to their proposals for the merger of the PRSC and Reformist Party and that those provinces and municipalities in which they had not been able to set up leadership groups likely to fall in with their designs should be excluded from participation."

CURRENCY, EXPORT, OTHER ECONOMIC ISSUES CAPTURE ATTENTION

New Dollar Parity

Kingston THE DAILY GLEANER in English 10 Apr 84 p 1

[Text] The Prime Minister and Minister of Finance, Rt Hon Edward Seaga, yesterday signed a new Parity Order setting a new band within which the exchange rate for the Jamaica dollar vis a vis the United States dollar will be determined through the exchange auction.

The new band is J\$3.55 = US\$1.00 at the lower limit and J\$3.85 - US\$1.00 at the upper limit. With effect from the auction today, bids must be within the new band.

A news release by the Bank of Jamaica reminded the public that the maximum bid price may not exceed the rate at the upper end of the band less four cents Jamaica per U.S. dollar. Based on the new band, bids must be between J\$3.55 and J\$3.81 per U.S. dollar.

The pool of funds available for today's auction is US\$2.3 million.

Participants in the auction are reminded by the Bank of Jamaica that they are required to list on the back of the application form, or on a separate sheet attached to the application form, the original due dates of the obligations to which the bids refer. Failure to give this information could result in the bid being disqualified.

Export Figure Discrepancies

Kingston THE DAILY GLEANER in English 13 Apr 84 p 1

[Text] Prime Minister Edward Seaga has expressed dissatisfaction with figures available from the export sector in comparison with data provided by the new monitoring system set up by the Government on their importation into foreign countries.

Mr Seaga told yesterday's meeting with exporters at the Bank of Jamaica:

"I must bring to your attention that some of the data that we have on exports are not necessarily satisfying to us in terms of interpretation. We have, in looking at the export data for 1983, found that some of the figures cannot be explained on the basis of results that have turned up in the overall export data, and we intend to explore these figures.

"I don't want to name products at this time, but if I may speak in terms of product 'A': In the case of the U.S.A., the figures recorded by the U.S. Customs as the level of imports from Jamaica were three times as large as the figure recorded by the Customs in Jamaica at the level of exports from Jamaica.

"That was in 1982. In 1983, you improved on that performance, it was four times as large. And when I heard your private Sector Organization of Jamaica (PSOJ) president talking about disappointing performance in exports last year, I wonder whether the performance was disappointing or the figures.

"We note also that in the case of a particular product whereas the value of the Jamaican export declined by 75% in 1983 to just under \$1 million, the export in volume increased by 11.3%. This is not limited to the United States. In the case of Canada, the recorded imports of this product in 1982 were twice as large as our recorded exports. And in 1983 no less than ten times as large. I don't have to belabour the significance of this.

"In the case of another product, figures for the U.S., Canada and the European markets show that whereas the values of Jamaican exports were falling significantly over 1983 as against 1982, the import statistics for the U.S. the U.K. and Canada showed substantial increases.

"I want to ask the question: Why should the value of exports have declined by some \$3.3 million in this particular product, while in volume terms they increased from 19.5 million units to 21.7 million units?"

Mr Seaga also said that information had also been gathered showing that many exporters were buying local products and exporting them at 70% of the price they paid.

"I am sure none of you believe that they are in the business to lose money."

Seaga Warning to Exporters

Kingston THE DAILY GLEANER in English 13 Apr 84 pp 1, 3

[Text] The Government intends to take action on export earnings that are being held abroad for lengthy periods, the Prime Minister, the Rt Hon Edward Seaga told exporters yesterday.

Mr Seaga was speaking to a meeting of some 200 export and marketing companies at the Bank of Jamaica auditorium. They were discussing a new national export strategy to increase export competitiveness, earn more foreign exchange and create more employment.

The Prime Minister said:

"Don't expect the Government to hustle foreign exchange by way of loans to provide you with foreign exchange for you to import raw materials to produce goods, which you then export by substantially under-invoicing your product so as to be able to retain substantial balances of foreign exchange earnings overseas. Don't expect it.

"This is not a one-way street. Either you replenish the resources of the country by these receipts, or they will dry up. "

Mr Seaga said that the Government was not "blind, deaf and dumb" to what was going on and had introduced a monitoring system that could tell the Government what it needed to know about exports and export earnings.

He said that the business of being ripped-off by people who gave the exporters a bad name and gave the Government a lot of problems was over. He said that the Government was not in the dark any more, and the data now available through the new monitoring system could be used to impose severe penalties under the newly-amended Exchange Control Act.

Mr Seaga urged the co-operation of the exporters so that he would never have to invoke the severe penalties in the Act. He said he didn't want to do it.

The Prime Minister said that people had complained about the fairness of harping on the funds held abroad under the 90-day credit facility because it was not a very long time. However, he said that there were J\$44 million in earnings from export manufacturers being held overseas for 90 days to the end of November (1983). By the end of December that \$44 million became \$52 million.

"Tell me, however, what is the reason for \$262 million being held overseas in non-CARICOM countries in 180-day periods? Tell me, what is the reason for \$22 million in export earnings to non-CARICOM countries not being repatriated for 270 days and more? And tell me the reason for \$20 million for 360 days and more?

"Indeed, of the total of \$599 million in those export earnings, \$356 million were still overseas up to the end of December for periods of 90 days, 180 days, 270 days and 360 days. So don't tell me about retained accounts. What is that? It can't work both ways.

"I am not taking any action on these figures because they were to the end of December, and I know that since the end of December many of you have brought back in those funds. I don't want to take action on inaccurate figures, but we have recently restructured our monitoring system so that instead of getting this data three months late, we will get within the month the data relating to up to the end of the previous month. And by the end of April, I intend to have the figures relating to up to the end of March.

"I just want to say here and now, because I am not mincing words, that I intend to take action on the basis of those export earnings that are still being held externally for these lengthy periods. There is plenty of room for dialogue. That is what the Bank of Jamaica is there for. There are peculiar circumstances that do not enable recovery of export earnings in 90 days, but there is less room for dialogue on the non-repatriation of export earnings which are held for 180 days and more.

"Unless these earnings come back into the system, don't expect the Government to support a one-way flow and don't advance the argument to me that the Government has no place in exports, because it is the Government export organizations on whom I can rely for the repatriation of earnings.

"When the private sector is able to repatriate its export earnings on a sufficient and satisfactory basis, then the Government has less room to be in the business of exports. If JETCO was not exporting, it would not have come to our attention that there are many exporters of ethnic foods who are buying products here and exporting it at 70% of what they pay for it here. I am sure that none of you here would believe that they are in the business to lose money.

"It is because JETCO exports why we have bench-mark figures against which to judge this, and I have instructed the Ministry of Agriculture to set minimum export prices in the field of ethnic food exports; minimum export prices which will allow the exporter to have the benefit of the wavering of the market, but at the same time guarantee that the country gets back what it should get back.

"I don't want to say that we have to do the same in the field of other exports, but I believe that what I have had to say will give you an indication that we are not a blind, deaf and dumb government. The business of being ripped off by people who are a minority, but still give you a bad name and give us a lot of problems, is over. We have a monitoring system that can tell us what we need to know about exports and export earnings.

"We are not in the dark any more. And we can use that data based upon the recent amendments to the Exchange Control Act with the severe penalties which it imposes; please let me have your co-operation so that we shall never have to invoke the severe penalties in that Act. I don't want to do it, I hope I don't have to do it, and I am seeking your full co-operation."

The new export strategy which was developed at the initiative of Mr Seaga followed several meetings with leaders of the private sector.

Yesterday's meeting also examined the structure of Jamaica's exports and the substantial competitive opportunities that would now be available to exporters, principally as a consequence of the new exchange rate for the Jamaican dollar resulting from recent devaluations.

Mr Seaga also answered questions from the floor on various aspects of export manufacturing and the availability of funds as well as the new 6% tax on imported raw materials.

Changes in Exchange Auction

Kingston THE DAILY GLEANER in English 14 Apr 84 pp 1, 3

[Text] Agreement has been reached with the I.M.F. for a change in the auction system of foreign exchange which, according to J.I.S., will make it more meaningful.

Arrears on payments falling due before February 1 this year will be withdrawn from the auction as of Tuesday, April 17 and will be met in a separate system to be announced.

The J.I.S. in a release quoted the Prime Minister, the Rt Hon Edward Seaga, who held discussions yesterday in Washington with the Managing Director of the International Monetary Fund, Mr Jacques de Larosiere, as saying that the modification of the system would help significantly to enable importers to meet current demands.

The release continued:

"It was broadly agreed in the discussions that the system was meeting its objectives to fairly allocate available foreign exchange. However, to improve the system modifications were identified and understanding reached for their implementation.

"It was generally agreed that these modifications will produce certainty and stability in the operation of the exchange system, and more importantly facilitate the increase in flow of current payments for import of goods and services. This will significantly improve the ability of the auction to allocate much larger proportion of the amounts bid by importers. In the last few options only 3% to 4% of the amounts bid were allocated.

"The areas of understanding reached included the removal of arrears on payments falling due prior to February 1st, 1984 from the auction. As of the next auction date, Tuesday, the 17th, bids will be accepted for foreign exchange to meet payments of arrears due before February 1st 1984. These arrears will be met on a payment plan to be announced in detail next week by the Bank of Jamaica which will ensure that the arrears are paid out over a maximum period of one year. Arrears in respect of a list of critical supplies will be eliminated in the shortest period possible within the one year time frame, so as to allow new credits to be established; thus enabling new supplies to be obtained at the earliest date.

"Importers with arrears on payments falling due prior to February 1, 1984 will be required to register with matching funds at the Bank of Jamaica. Resources to clear these arrears will come from the auction on a phased basis.

"With the arrears being treated in this manner, a greater part of the resources now available at the auction will be devoted to satisfying current and future importment requirement.

"The process of eliminating the arrears could be speeded up as and when the market responded to the stimuli of the exchange system and the resources were reasonably increased.

"It was also agreed to modify the treatment of letters of credit. Currently imports against letters of credit require prepayment. For importers to make these prepayments, they have to access the auction. But at the same time importers are only allowed to access the auction if they have a bona fide letter of credit. Thus a vicious circle is created.

"As a result of the discussion with the IMF, the circle can now be broken by a valid application for a letter of credit certified by a bank which will now be accepted as a valid document for accessing the auction, providing that the importer deposits the Jamaican dollar equivalent in a commercial bank. Any foreign exchange obtained for this purpose would be required to be deposited in a blocked account until payment was due."

Revision in Auction Bidding

Kingston THE DAILY GLEANER in English 14 Apr 84 pp 1, 2

[Text] An announcement yesterday by the Bank of Jamaica in the Foreign Exchange Auction said that following the recent review of the operations of the auction it has been decided that beginning with the auction on Tuesday, April 17, 1984, bids will be accepted only in respect of obligations with original due date(s) on or after February 1, 1984.

Obligations with original due dates(s) before that date will not be accepted in the auction (either directly or through commercial banks) but will be dealt with by the Bank of Jamaica on a phased payment basis, the details of which will be announced shortly.

With regard to import payments under open account arrangements, the importer should state in addition to the due date, the date on which the goods were cleared through Customs.

With regard to service payment, due date will be regarded as the date of approval of the original Form F.E. by the Exchange Control Department of the Bank of Jamaica. On this basis only bids in respect of original approvals issued on or after February 1, 1984 will be accepted in the auction.

The public is reminded by the Bank that the original due date(s) of the obligation(s) for which bids are made must be provided with the application form for each auction failing which the bid will be disqualified.

In an effort to provide foreign exchange for current imports through the auctions, it has also been decided to accept bids in respect of new letters of credit to be opened for imports.

Under this arrangement, the importer will be required to produce evidence of an application for opening of a letter of credit from his commercial bank, as well as certification that the Jamaica dollar equivalent has been deposited with the bank.

Any exchange obtained from the auction would be credited to a blocked account with the commercial bank. The foreign exchange would be released on the due date for payment on the presentation of the appropriate documentation, the announcement said.

Sugar Factory Closings

Kingston THE DAILY GLEANER in English 14 Apr 84 p 1

[Text] Three sugar factories--Duckenfield, Gray's Inn and Long Pond--owned by the National Sugar Company are to be closed at the end of the 1983/84 sugar crop. The closures will affect 1,700 workers and will result in severance payments estimated to cost \$15.5 million.

Trade unions representing the workers--the BITU and the NWU--have been informed of the closure decision, and a meeting between them and the NSC is scheduled to be held at the Ministry of Agriculture on Wednesday, April 25 to discuss the matter.

Making the announcement last night, the NSC said its action was due to financial constraints and the company had been forced to undergo a major restructuring of its operations.

"This decision has been taken in the light of the company's inability to fund all its operations and meet its heavy debt schedule," the NSC said, adding that this should be viewed against the background of the removal of any further Budgetary support from the Government with effect from March 31 this year.

The trade unions and cane-farmers' representatives on the Board of the NSC have stated their rejection of any policy which involves the closure of factories and field operations, the NSC said, and added that the planned closure had been communicated to the Government.

At Long Pond, Trelawny, 189 factory employees will be laid off and the company will continue its field and distillery operations with plans for the cane to be milled at the nearby Hampden factory.

Long Pond sugar factory lost \$6.4 million on its operations in 1983 with accumulated losses totalling \$21.7 million to September 30, 1983, and a projected loss of \$4.6 million on its 1984 operations, the NSC said.

A total of 634 employees at Gray's Inn, St Mary, will be affected, and discussions are taking place with the Agro 21 Secretariat in an effort to ensure continued agricultural activity in the area.

The NSC said that Gray's Inn sugar factory lost \$8.5 million on its operations in 1983; shows accumulated losses of \$31.5 million to September 30, 1983, with a projected loss of \$7 million on its operations up to the end of September this year.

Duckenfield Sugar Company, St Thomas, lost \$5.9 million on its operations in 1983; has accumulated losses of \$21.2 million up to September 30, 1983 with \$3.5 million losses projected on its 1984 operations.

The NSC said that the lands at Duckenfield have already been earmarked for banana cultivation with some lands already handed over to Eastern Banana Company. This project will absorb some of the 889 workers being made redundant from the cessation of the sugar operations.

However, the Duckenfield Board is in discussion with the Government and the NSC in an effort to work out suitable arrangements whereby they could operate the factory in the interim until the banana project is in a position to take over completely next year.

PSOJ on Tax Reform

Kingston THE DAILY GLEANER in English 14 Apr 84 p 1

[Text] Another call for reform of the island's taxation system has been made by the Private Sector Organization of Jamaica, in the wake of the latest tax measures introduced by the government.

A statement issued by the PSOJ said the government ought to give some indication as to how the tax system will be reformed and what its aims will be.

Proposals which have been made by the PSOJ to government on taxation are contained in the statement, which is said to be the forerunner of a policy paper to be submitted to the government setting out in detail a set of recommendations on taxation reform.

The first part of the statement, the main body of which (containing the original taxation proposals) will be published in a subsequent issue of the Gleaner, is as follows:

"The Private Sector Organisation of Jamaica is concerned that the Government has introduced a J\$138 million tax package at this time without any reference to the reform of the tax system.

"While we appreciate the Government's concern that valuable revenues would be lost if the tax measures were delayed until the presentation of the Budget in May, we feel that some indication would be given as to how the tax system will be reformed and what its aims will be.

"In March of this year the PSOJ made proposals to the Government on taxation. The position of the PSOJ is that taxes should form part of a development package for the country rather than represent a confiscation of earnings.

"The Organisation feels, for example, that all imports should attract customs duty and a system worked out which would allow exporters to receive an immediate rebate in the form of either tax credits or a seven day cash settlement in a prescribed manner based on export performance.

"The PSOJ in a trade policy paper which will shortly be submitted to Government will spell out in detail a set of recommendations for the proper reform of our trade policy."

Blocked Exports to Trinidad

Kingston THE DAILY GLEANER in English 12 Apr 84 p 1

[Text] US\$60-million of Jamaican export sales to Trinidad have been blocked, as that country is closing its trade door, according to the chairman and managing director of Highgate Food Products, Mr Claude Clarke.

His company's own problems with Trinidad concerned \$10-million worth of confectionery for which no licence could be obtained remained unresolved. He had gone to Trinidad to discuss the matter with the relevant authorities and he knew it had been pursued locally at the highest governmental level; but to date there was still a stalemate "with a large chunk of this country's export sales still missing."

The company's distributor in Trinidad had had approval for five months now for \$3.4 million worth of Highgate chocolates but had yet to get an import licence.

Mr Clarke was speaking at a luncheon to launch his company's latest range of products, "Richmond Valley" chocolates, at the Terra Nova Hotel, in Kingston, on Tuesday.

"I don't think anyone is pretending any more that there is any nobler reason for placing an embargo on Jamaican products than to protect Trinidadian manufacturers from the competition of Jamaica's manufacturers. This is clearly against the spirit, the intent and the letter of CARICOM," he said.

"Where is the reciprocity when Jamaica has recently allowed the importation of almost \$1 million worth of Trinidadian confectionery and no similar accommodation has been made in respect of our products entering that market?"

Mr Clarke said he hoped the CARICOM issue would be resolved shortly at the Governmental level and he expected it would come up for discussion at the meeting of export and marketing companies initiated by the Prime Minister scheduled for this morning.

CSO: 3298/759

POLITICAL PARTIES OF LEFT OPPOSE SECESSION OF SOCONUSCO

Chiapas PST Leader's Statement

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 17 Mar 84 pp 1, 4

/Text/ Deputy Manuel Sanchez Miranda, state leader of the Socialist Workers Party /PST/ declared yesterday: "We believe that creating another state would not resolve the problems that exist, consequently there is no interest on the part of the PST in that regard."

Interviewed yesterday about the comments that have been made to the effect that the parties of the Left are the principal promoters of the Soconusco separatist movement, the PST congressman denied that they are participating.

He added that in fact the ones who are sponsoring the movement aimed at creating the republic's 32nd state are people who are pursuing personal interests, both at the political and economic level.

He explained that the PST supports the policy of the president of the republic and, therefore, the policy of the governor of the state of Chiapas because, he said, we are aware that they are coping with the crisis we are going through and, as the people strive jointly with the government, it will be an ever more popular policy.

The PST state deputy made quite clear the position of that political party with regard to the Soconusco separatist movement.

Statement by PMT Personality

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 30 Mar 84 p 7

/Text/ The Soconusco separatist movement is being managed by certain sectors of the middle class. They are embittered; they have economic power but not political power. They are trying to involve the working class, the peasants and the lower middle class with the intention of giving the movement the characteristic of a clearly popular movement, which is completely false.

The foregoing was stated by Alberto Vargas Dominguez, official spokesman of the Mexican Workers Party /PMT/, who explained that that political institution definitely does not back or support that movement.

Vargas Dominguez added that after having held an assembly for evaluation and programming convened by the state committee of the PMT, the rank and file and the municipal committees of that party arrived at the conclusion that if the separation of Soconusco is carried out, "those benefited by the political change that is currently being promoted would be the bourgeoisie who hold economic power and their representatives in the middle class, mainly the landowners."

He pointed out further that almost all of the 39 points of the manifesto addressed to the president of the republic advocate the development of capitalist agriculture, calling for unrestricted respect for rural private property. Nothing is said about the fate of the workers on the farm and in the city; and also nothing about the lower-middle class workers.

Finally, the PMT spokesman asserted that "our struggle will be to replace the present economic, political and social structure of Mexico with another in which the means of production will be social property and not of a few, in which democracy will be of the workers and not of the bourgeoisie."

8711

CSO: 3248/576

CHIAPAS: CHECKS MADE BY POLICE TO DETERMINE NATIONALITY

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 22 Mar 84 p 8

/Text/ The judicial authorities of the state recently announced a campaign apparently to combat the wave of robberies and holdups that are being committed supposedly by foreigners who are certainly plentiful in our state.

Specifically, here in Tuxtla Gutierrez, the police groups like the state judicial and public security police have instructions to stop any citizen they encounter on the street to ask him for his identification in order to know if he is a citizen of a foreigner.

It may be presumed that there are many well-bred Mexicans engaged in various jobs who do not have credentials, especially if they are self-employed people and, therefore, because they do not belong to any organization or union, do not have the aforementioned credentials.

Well, the police have been stopping these people and, what is worse, sending them to the jails of the respective department but not before confiscating everything of value they have in their possession, such as cash, a watch, a bracelet, a chain, etc.

That has completely distorted the campaign which the government authorities ordered supposedly with the best intentions inasmuch as, due to the ignorance and dishonesty of the police agents, the latter are abusing, robbing and violating individual rights and, therefore, our constitution.

In view of these arbitrary actions, the complaints have not been long in coming, while the judicial authorities, who are to blame for having given power and another option to the police to watch over the citizens, have not remedied the situation: on the contrary, after 9 pm, it is no longer very easy to travel along the street, especially on foot because at any moment a police patrol can appear and apprehend a person if he does not first show an identifying credential.

Early this week, a young man who serves as a watchman for a residence in the El Mirador district was traveling to work after having left his home when he was intercepted by the police and because he did not carry any identification he was taken to jail. As may be easily deduced, rendering services to an individual does not merit being extended an identification credential;

furthermore, that document is not essential to perform such jobs as watchman. We learned from another complaint that a poor bricklayer suffered the same fate when he was quietly walking down the street.

It should be noted that those are not the measures with which to combat crime much less to detect so many foreigners who are practically invading our territory. For that purpose, there are the immigration authorities to prevent the passage of so many immigrants.

8711

CSO: 3248/576

BRIEFS

CHIAPAS: 'GUERRILLA'-LIKE PEASANTS--Ocosingo--Groups of peasants who have declared open warfare, disputing a valuable piece of land, accused one another of possessing high-power weapons thus (both) have well-founded fears that "blood will flow." In the Taniperla district of this municipality, the 99 peasants who live there have divided into two groups: the first with 38 members has called itself "Dotacion" /Endowment/ and the other with 61 members, "Ampliacion" /Extension/. Geronimo Moreno and Sebastian Jimenez Diaz of the Ampliacion group charged that their opponents have high-power weapons, including imported ones, and they do not really know who has provided them. They added that the former are constantly coming to threaten their lives and that they demand, from fear that these threats will be carried out, the direct intervention of the state authorities. They also requested that the state government arrange to send members of the police to disarm their peasant comrades "who seem more like guerrillas than humble farm workers," they said. In the meantime, Tomas Sanches of the Dotacion group pointed out that the members of the Ampliacion group also have numerous weapons in their possession which they said they would use in case of a confrontation. None of the representatives interviewed in this municipal seat wanted to say who is advising them to the extent that they have become dangerously divided to their mutual detriment, since the tension under which they live prevents them from devoting themselves quietly to working the land. They did agree that the Agrarian Reform should distribute the land concerned to the Taniperla district according to the plan to end the problem. /Text/ /Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 16 Mar 84 pp 1, 4/ 8711

DISPUTE BLAMED ON RELIGION--The political opposition that had been displayed toward the mayor of San Juan Chamula and which led to the seizure of the city hall was resolved yesterday by the Chamber of Deputies, providing a delay to permit an indepth investigation of the charges made against the mayor, Manuel Gomez Castellanos. After a long discussion by the deputies of the 60th Local Legislature headed by the chairman of the Large Permanent Committee, Arturo Morales Urioste, the authority of the mayor was validated and he began to work in the official chamber yesterday. The members of the group opposing that authority agreed with the legislators on the truce to intensify the investigation, promising that hereafter they will not take over the city hall. It was reported at that same meeting that the accusations made against the mayor are not chargeable because they deal with religious affairs. The deputies gave this case special treatment because of the nature of the problem, succeeding in reaching agreement with the contending groups. It so happened that the dispute arose because the mayor supported the group of evangelicals in their religious activities. /Text/ /Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 17 Mar 84 p 7/ 8711

DAILY SCORES SHINING PATH VIOLENCE

Lima EL DIARIO MARKA in Spanish 25 Apr 84 p 14

/Text/ From this very space and in these very lines we have over and over again throughout EL DIARIO's history condemned terrorism of whatever origin. For us killing for whatever reasons is simply cold-blooded murder, different from the self-defense and counterviolence used by the people to bring an end, justifiably, to a system which is the primary source of violence.

On Sunday a unit from the Shining Path group made its way into Huamanguilla District and most cruelly murdered its mayor, a member of the United Left, Juan Conteras Marmole, and former aid station medic Felimon Delgado.

All the victims were accused of being "informers" and "supporters of reaction" as if politics consisted solely of a game between cops and robbers.

It is disgusting to the national conscience, then, that a group of individuals who say they are the standardbearers for revolution and socialist change use the same methods as the repression uses to maintain this unjust system: terrorism.

Because it is nothing but terrorism which the Shining Path group is involved in. Terrorism, by the way, which the deteriorating Belaunde Government itself encourages as it plunges millions of Peruvians into misery and despair.

The ruling groups exercise violence. When the people fight back they are simply exercising a right which all we Peruvians enjoy, at least in theory: the right to life. And the struggle of the popular movement, which in certain cases can be violent, is a move toward liberation. Peruvians are fighting so that in our country hunger, ignorance and exploitation of man by man may be done away with; they are fighting, in short, to bring an end to that structured but daily violence which all Peruvians sense from the time they get up until they go to bed and even in their dreams.

Therefore, violence by the Senderists or whatever group cannot and must not be confused with the struggle of the people. For that reason also our condemnation is not limited to Shining Path but includes any other dividing Peruvians into those who live well and those who survive in great hardship. And it is actions such as the one at Huamanguilla along with the latest acts of violence being

experienced in our country which alert us to a danger and impending suicide which our people must oppose to their utmost.

The only people capable of bringing an end to this spiral toward terrorism are the victims of Senderist or Sinchi violence and victims of hunger and of this government.

As on other occasions we render homage to the fallen Peruvian, Juan Contreras, accredited member of the IU, along with other comrades, who was one of those who maintain that the people make revolution as a whole and not as an enlightened group.

9436

CSO: 3348/399

BRIEFS

USSR COMMERCIAL, TECHNICAL COOPERATION--The government has appointed a delegation so that, as representatives of the country, it may attend the Third Meeting of the Joint Peru-Soviet Intergovernmental Commission on economic-commercial, scientific-technical and fishing cooperation, which will be held in Lima between 15 and 18 April. Officials from the Ministries of Foreign Affairs, Economy, Finance and Trade, Education, Navy, Industry, Tourism and Integration, Transportation and Communication, Energy and Mines, and Fisheries make up the delegation. There are also officials from the National Planning Institute, National Development Institute, National Council on Science and Technology and the Association of Exporters on the delegation. /Text/ /Lima LA PRENSA in Spanish 15 Apr 84 p 2/ 9436

GC ANTISUBVERSIVE TRAINING ABROAD--Secretly, and surrounded by "antijournalist" security measures, 35 high-ranking Civil Guard officers departed yesterday from Jorge Chavez Airport for France to take a high command course in antisubversive warfare which will last, as things now stand, for 2 weeks. It is believed that most of these officer-trainees will return to take command of several of the police units fighting Shining Path in the central part of the country. It is actually believed that the course will last longer inasmuch as the delegation will remain in Paris only 3 days, then will travel to Spain, England and Israel. Spain and England are among those countries with the greatest experiences in antisubversive warfare in the world, while Israel has primarily perfected urban or urban guerrilla warfare. The news was acquired by happenstance by EL OBSERVADOR. One of this newspaper's women reporters observed that high-ranking CG officers were assembling in the Presidential Salon at the airport and began to make inquiries among them. That is how she found out that the delegation is headed by Gen Felix Rojas from CG headquarters and that his aide is Maj Pedro Mori. Her presence was considered a breach of security since a tight security cordon had been emplaced to prevent journalists detailed to the airport from getting close to them. The newspaperwoman was "politely" obliged to leave the salon and was taken to a public relations office "so that she might be issued an information handout" which, of course, did not exist. /Text/ /Lima EL OBSERVADOR in Spanish 15 Apr 84 p 9/ 9436

SENDERISTS SEIZE RADIO STATION--A Shining Path commando unit consisting of at least 12 men and women took over the local station "Radio 2,000" for a half-hour and forced its technical personnel to broadcast a proclamation. The police were not immediately informed even though the Civil Guard station is

located only two blocks from the radio station. The proclamation, about which no local resident wishes to make reference so as not to become involved in subsequent police investigations, interrogations and proceedings, lasted about 25 minutes. This raid, occurring at 6:00 pm on 23 April, was described in the town of Huamanga as "one of the boldest carried out in the last 2 years" since not a single one of those bursting into "Radio 2,000" studios was captured even though it is so close to a police station. On the contrary, after the Senderist proclamation broadcast the police rounded up the townspeople and proceeded to arrest any suspicious person encountered at a time when the townspeople were staying in their homes to avoid becoming involved. "Radio 2,000" employees were among those detained for what was thought to be a "routine interrogation." However, those employees were still being detained as of today. /Text/ /Lima EL OBSERVADOR in Spanish 24 Apr 84 p 7/ 9436

CSO: 3348/399

MINISTER STRESSES NEED FOR SELF-SUFFICIENCY AT PLANT OPENING

Paramaribo DE WARE TIJD in Dutch 2 Apr 84 pp 1,2

[Report on speech by Minister Imro Fong Poen, minister of transport, trade and industry, at the opening of MATRAFA: "Government Should Stimulate Industrial Management"]

[Text] At the opening of MATRAFA, Mannes Radiator Factory, Minister Imro Fong Poen of the Ministry of Transport, Trade and Industry, called on the entrepreneurs and the workers to join the 25 February Movement. The government official also noted that the government should play a stimulating role in industrial management.

MATRAFA

MATRAFA, said the minister, came into being at the initiative of entrepreneur Sonny Mannes, who saw his project achieved with the cooperation of INDEX [expansion unknown] and NOB [National Development Bank].

This company is the result of the industrial policy conducted by the government since February 1980. More companies will have to be set up, so that we will be less dependent on foreign countries. The minister noted that more jobs could be created through a sound industrial policy, as a result of which a better housing and living climate could also be created.

Housing and Working Components

The minister noted that the housing and working components often go hand in hand, and that the proof of this was once again provided here in the Flora neighborhood.

In this area, according to the minister, the Duisburg industrial park and its surroundings, several factories have been established over the last 4 years with the help of the government. He mentioned specifically, the fish processing firms, the assembly plant for gas stoves, a foam manufacturing company, a plastics factory and a textile factory.

Every inhabitant of Suriname deserves a good housing and living climate. On the other side we can see the Flora project where a few thousand Surinamese were put into their own residence. As a result, here the housing component is

very close to the working component. The 25 February Movement will make sure that both the entrepreneurs and the workers are able to participate in production within the national context. Hence, I call on all the entrepreneurs and workers to join the 25 February Movement, said Minister Imro Fong Poen Saturday afternoon at the opening of MATRAFA.

Purpose in Life

Mr Sonny Mannes, director and owner of MATRAFA, described the company to those who were present and explained how he got the idea to set up this company.

According to Mannes, the idea arose when, during several vacations abroad, I was looking for a project with which I could be of service to my country. During my last vacation I visited a radiator factory. At the same time I got the idea to set up such a project in Suriname. After having turned in my project to the INDEX and after having been assigned a piece of land, financing followed via the NOB. Today I see the achievement of my life's wish. MATRAFA will manufacture radiators and cooling blocks, and is able to clean and/or repair all refrigerators. Our prices are lower than those of imported radiators. MATRAFA also provides one-day service so that the client will not have to be without his car for more than a day, said Director Mannes.

8463

CSO: 3214/34

MOEDERBOND GENERALLY PLEASED WITH BUSINESS SECTOR COOPERATION

Paramaribo DE WARE TIJD in Dutch 4 Apr 84 p 1

[Article: "Moederbond Satisfied About Cooperation with Business Sector and Government"]

[Text] Generally speaking, employers in the private sector and in parastatal companies have demonstrated a positive attitude toward "De Moederbond" and related organizations. This was the conclusion reached by the leaders of this federation of trade unions in its annual report, which was presented by the secretary, Romeo van Russel op Zanderij, on Sunday during a management meeting.

Taking Action

"De Moederbond" has had to take action only in a few cases against attempts by the employers to bypass the union of trade associations in taking far-reaching measures.

Relations with the business sector were maintained on the basis of the idea that there could be harmony only if the absolute equality of "De Moederbond," as representative of the labor factor, with the capital factor and its representatives is recognized.

In terms of relations with the government it was assumed that, because of its responsibility toward society in general and the workers in particular, the federation of trade unions should take a positive position. Consequently, the leaders of "De Moederbond" have striven for optimal relations with the Alibux administration.

Convinced

"De Moederbond" claims to have been convinced that a further escalation of problems and tensions in the country could be prevented only through the above mentioned position. The union federation noted: "Unfortunately, this positive position was not shared by a part of this government, those who came from the RVP [Revolutionary People's Party]. On several occasions these government officials, supported by other highly placed officials, who also belong to the RVP, have tried to strengthen the backbone of their party by sowing unrest in the ranks of "De Moederbond."

It should be noted that the problems within the Bruynzeel Employers Organization were the result of the activities of the RVP people.

Reasonable

"De Moederbond" notes further that, given the circumstances and also thanks to the positive position of the union federation, cooperation with the other members of the Alibux government can be called reasonable. In this context, "De Moederbond" refers to the promise made in April 1983 by the then prime minister that the Moederbond Center would be rebuilt at government expense.

The annual report further discusses the December/January strikes in the bauxite sector and the tax increases which were going to be implemented originally.

Day Care Center

It was further noted at the meeting that on 17 March 1983 the Moederbond Day Care Center, an initiative of the late Cyrill Daal, was made available. Due to a lack of financial resources the day care center could not be opened for use. Thieves and vandals have caused serious damage to both the building and the inventory.

When "De Moederbond" realized that it would not be able to operate the day care center under its own management, contact was made with the government. One thing and another have resulted in the fact that the child care center will be operated in cooperation with the "Management and Operation of Day Care Centers Foundation." The opening of the day care center can be looked forward to in the near future.

8463

CSO: 3214/34

REQUISITE ECONOMY MEASURES DISCUSSED BY FINANCE MINISTER

Budget Shortfall: 290 Million

Paramaribo DE WARE TIJD in Dutch 5 Apr 84 pp 1, 11

[Text] Our foreign exchange supply is extremely precarious and the budget deficit is at an unprecedented high for Suriname concepts. Drastic steps will have to be taken on the short term to increase the national income and curtail expenditures.

That is what Minister Marcel Chehin of Finance and Planning said yesterday at an informative meeting of trade union leaders with the financial-economic advisory group, to which he himself belongs.

Cut Down

The originally estimated deficit of 350 to 375 million Suriname guilders meanwhile has been cut down to 290 million said Minister Chehin. It will have to be reduced further by steps which will increase the income of the treasury --for the time being one is thinking in terms of 15 percent. Director Rudi Braam of Finance and Planning, also a member of the advisory group, pointed out that of each guilder our country earns, 65 cents flows abroad.

Tax Increases

He made it clear that, if we want to get out of the crisis which we are experiencing, everyone will have to make a contribution. That will be done in the form of increased (in)direct taxes.

Under consideration are an increase in import duties, statistics duties [on imports and exports] excise duties, an increase in income tax, and the introduction of taxes with respect to travel.

After the increases go into effect, the yield from import duties will increase to 34 million Suriname guilders, that from statistics duties to 4 million Suriname guilders, and that from excise duties to 10 million Suriname guilders.

New taxes are estimated at 8 Million Suriname guilders, distributed as follows:

taxes on tickets 2 million Suriname guilders, on travel 3 million, and on companies 3 million.

Letters of Credit

Advisory Group Member Lieuw A Soe, acting president of the Central Bank of Suriname, explained that some time ago foreign banks started to require that, in order to open letters of credit, the Suriname bank which takes out the credit on the foreign bank concerned should have a balance that is at least equal to the amount of credit.

The Central Bank used to be able to guarantee that but has not been able to do so since recently. Hence the halting of payments via letters of credit. It does not mean, however, that imports have been suspended.

Increasing the interest on savings in banks will not gather the effect that the International Monetary Fund--which proposed it--expects from it.

The advisory group is in favor of a slight increase in interest and, moreover, proposes a treasury note, according to Lieuw A. Soe.

Travel Currency

Rio Sanichar, also a member of the advisory group, but in his everyday life the chairman of the Foreign Exchange Commission, explained which steps had been taken to cut down on the loss of foreign exchange. Amongst other possibilities he mentioned the setting of an import quota together with the department of Transport. Trade and Industry, limiting foreign exchange for traveling purposes, increasing control on the transfer of costs for living expenses for relatives living abroad, decreasing the transfer of study expenses, and prohibiting transfers of moneys abroad for children studying there who are taking a curriculum they can also take in our country. That study will then have to be continued in Suriname, or the child will have to choose another curriculum not given in Suriname.

Sanichar feared that if we should continue in the same way with the exportation of foreign exchange, we would be completely stranded with respect to foreign means of payment.

No Devaluation

Drs. Jozef Brahim, director of the Suriname Bank, said in his function of member of the financial-economic advisory group that this body cannot go along with the suggestion of the IMF--"it is not a pressing requirement yet"-- to devalue. He put forward a number of arguments which showed that devaluation would not bring a solution.

The IMF had pointed out, amongst other things, that the value of the Suriname guilder, through coupling it to the dollar, has increased in value in the last 3 to 4 years because the American monetary unit increased by 30 percent with respect to the European rates of exchange and the yen (Japan). According to the IMF we did not earn that increase ourselves, however.

Another argument of the IMF is that with the devaluation of the Suriname guilder the black market in foreign currency will decrease.

(According to unofficial figures, supplied by Drs. Brahim, one now pays 3 Suriname guilders for 1 U.S. dollar on the black market and 0.80 Suriname guilders for the Dutch guilder. The official exchange rates are, respectively, 1.80 and about 0.60 Suriname guilders.) This argument is also rejected by Suriname. The only way in which the black market can be driven back, according to Drs. Brahim, is for Surinamers to recover faith in the future.

Exporters

One important suggestion by the financial-economic advisory group is that the government should as soon as possible get together with exporters in order to determine how the system of tax could be accommodated to promote export. In this context one is thinking of bauxite (products), wood, fish, etc.

The situation will be difficult for rice this year because, as a result of the drought, the harvest will probably be smaller than last year.

Drs. Brahim pointed out that it is essential to conclude an agreement on a financial loan with the IMF as soon as possible. That would give our country better possibilities with foreign credit institutions, when necessary.

Priorities

Minister Imro Fong Poen of Transport, Trade and Industry expects that Suriname will earn 430 million Suriname guilders abroad this year, which means that we cannot spend more than that amount on imports.

In order to meet that objective, priorities will have to be set. The minister mentioned principal living essentials, raw materials and additives for industry, capital goods (machinery, for example) to replace old ones and, finally, medicine. If any foreign exchange is still available after that, it can be used for other things.

Different Deficit Figures Cited

Paramaribo DE WARE TIJD in Dutch 6 Apr 84 pp 1, 12

[Text] Minister Marcel Chehin of Finance and Planning said that the impression still exists too often that when a country can borrow money abroad it should do so without delay and, indeed, for the highest amounts possible.

He said that in entering into loans one should first of all consider the capacity to pay back the loans and resultant interests.

Minister Chehin warned against becoming entirely dependent on foreign financing institutions or other powers. "Then you can forget about becoming independent, about promoting your independence as a nation."

Deficit

The minister spoke as a member of the financial-economic advisory group to the trade union leaders in the SIVIS building in Geversvlijt.

He indicated that the budget deficit for this year originally amounted to 350 to 375 Suriname guilders, but that as a result of certain measures this has been reduced to about 290 to 315 million guilders.

Minister Chehin summed up a number of theoretical possibilities to "in any event stuff the deficit a little." How we are to succeed in putting the theoretical possibilities into practice is something we don't understand too well, but naturally everything is being taken care of, according to the minister.

Steps

The minister spoke about steps to decrease expenditures even more. He also mentioned steps to increase the income of the treasury. In this respect he said that shortly one will have to determine, together with the social partners in the government, in which manner and up to which level one could go about increasing that income.

Without meaning to get ahead of the debate on that, it seemed useful to the minister to mention that, in view of the current calculations, one should count on a general increase of at least 15 percent.

Another possibility seen by the minister is making an appeal to credit still available at the banks.

One could also continue taking out advances at the Central Bank of Suriname. The minister said that this had been a very popular means the past few years.

Usage

Minister Chehin explained that much use had been made of that, "and the effects for our foreign exchange reserve have been negative. I am not saying that things were done wrong. That is not the intention of this remark."

Continuing with the summation of possibilities for increasing the treasury income, the minister said that one could also attract foreign money.

One should be careful with that, however. He referred to the possible consequences already mentioned in the introduction of this article.

The minister pointed out to his audience that it is also important to know which activities will be utilized to "blow some life" into our economy. An important aspect in that is the development program of the government which will have to be given special attention. In 1983, 110 million Suriname guilders were invested in that, but one expects this amount to be much lower for the current year. In any event priorities will have to be set in this area also, partly in view of the background of our precarious foreign exchange situation.

Patriotism

Minister Chehin assured the trade union leadership that all roads will be explored in looking for a solution, both in Suriname and abroad, but that some care must be exercised in dealing with other countries.

He concluded his speech by saying that we will only succeed in solving the problems by exerting all our strength and by demonstrating our patriotism. "All of us have to make some financial sacrifices."

8700

CSO: 3214/35

ECONOMY SURVEYED, FOUND ON VERGE OF DISINTEGRATING

Amsterdam ELSEVIERS WEEKBLAD in Dutch 14 Apr 84 p 11

[Report by Joh. L. Van Den Bossche: "Poppy Cultivation? A Tedious Job"]

[Text] Suriname's economy is on the verge of disintegrating completely. A different policy is needed more than ever before, but there are no possibilities for that; either they never existed or they have already been bungled. There is just one possibility left for the country: to talk with the Netherlands about resumption of development aid. However, the Netherlands attaches some conditions to such a discussion.

Actually, it was only a casual report in the Dutch papers, less than 2 weeks ago: "Suriname can no longer import anything." The report implied that the economy of our former colony finally had started its long expected free fall. "The halt on imports is necessary to make an inventory of the Suriname foreign exchange reserve," the Bouterse Regime hastened to explain from Paramaribo, through which it created the impression as if more than just one wet-monsoon evening was needed to do that. "The fact is," as ELSEVIERS WEEKBLAD learned from very reliable sources in Suriname, "that at the beginning of April the country had at most 90 million Suriname guilders (1 Suriname guilder is a little over 1.60 Dutch guilders) in foreign exchange, plus 30 million Suriname guilders in gold."

On the surface, 120 million Suriname guilders is a respectable amount, but then one is not taking into account the fact that foreign companies, as a result of import permits granted earlier and thus foreign goods to be delivered, have made a total claim of 105 million Suriname guilders on these exchange and gold reserves. Therefore Suriname currently has no more than 15 million Suriname guilders in foreign exchange at its disposition. That fact has to be seen against another one: the Suriname foreign exchange reserve has been decreasing by 17 million Suriname guilders per month the past few years. Thus it is not a matter of a "free fall of the Suriname economy"; the country simply is on the verge of collapse.

Who would have thought that in 1980 when the 16 sergeants took over the completely corrupt regime of Henck Arron and simultaneously had at their disposal a rather large foreign exchange reserve of over 300 million Suriname

guilders, Dutch development aid of on the average 200 million Suriname guilders per year, and a national debt which, also through mediation of the Netherlands, was practically negligible? Now, 4 years later (end 1983), that Suriname national debt, for example, has risen to over 500 million Suriname guilders which, in relation to the annual national income of 2,100 million, means about 25 percent of the latter. Compared to, for example, the Netherlands, where the national debt amounts to about 200 billion Dutch guilders with a national income of over 350 billion guilders, the Suriname situation could even be called optimistic--but then one is neglecting one aspect: the speed at which the Suriname debt is increasing. If the policy is not changed, that Suriname debt will be close to the "billion" mark by the end of this year. That is a doubling in exactly one year's time; even Ruding [Dutch minister of finance] cannot cope with that.

Jam

The Suriname halt on imports already indicates that the Udenhout cabinet in any event does not plan to leave the policy unmodified. The question is only: Which direction will then be taken? Answer: No direction at all. Reason: There is no direction; financially, Suriname is in a complete jam.

It is true that the import of commodities of that country decreased from 1 billion Suriname guilders in 1981, via 921 million in 1982, to 760 million in 1983, but bringing that import to zero in one blow is a totally different matter. That staggers the imagination, partly because the Suriname population has at least several notable features.

To mention just a few prosaic examples: Suriname is a rice-exporting country, but the Surinamers themselves--in any event the urban population--prefer to eat flour products, including bread. Rice is "farmers' food," but they have to import flour from the United States, and that takes foreign exchange. Another example: The Suriname woman profoundly dislikes locally manufactured detergent. She thinks it will make her nails break. That is not really true, but still . . . The pressing question thus is whether, and how soon, Bouterse will get his subjects to start eating rice and using the local detergent. Probably he will do it--due to his Uzis [machineguns]--but emotions among the population will certainly run sky-high again when one of the 35 recently imported Mercedeses (including an armored six-door one) of the top administrators drives by again.

But the situation is totally different when, for example, a saw breaks at the Bruynzeel plant. That will really have to be replaced (and thus imported) if one doesn't want to dismiss a number of workers or have one of the few foreign exchange sources (export) dry up. The same is true--but to a stronger degree--for replacement investments in the bauxite, rice and shrimp industries, and of course also for the electricity industry which operates largely on imported oil. In short, a complete halt on imports is impossible. To put it in even stronger terms . . . it is also undesirable.

Civil Servants

Wandering around in its own vicious circle, the Suriname Government would be deprived of a large amount of income precisely by a halt on imports. Suriname annually imports 70 percent of its consumption, and the state cashes in an incredible amount of money through the import duties levied on those imports. In 1983 that amounted to 122 million Suriname guilders, about 20 percent of the Suriname income. In comparison: The income tax yielded about 134 million Suriname guilders and bauxite about 120 million. The elimination of one of those sources would have enormous consequences (dismissals) for the civil servant system which has completely burst its seams with its 40,000 employees --over one third of the working population. If Bouterse really wants to unleash a revolution against "his" revolution, he really should do that.

In view of the small "effective" foreign exchange reserve, the continually increasing national debt and the worsening of the balance of payments (from a minus of 77 million Suriname guilders in 1982 to a minus of 200 million one year later) one measure would be obvious for any reasonable economy: devaluation of the currency. Not in Suriname, however. Its guilder is directly coupled to the U.S. dollar, which can be considered at least exaggerated, and thus it simply fluctuates along with its North American counterpart, which doesn't increase its stability. There is more, however. If Suriname were indeed to devalue its currency, then it would also have to pay more for its imports and . . . precisely--they are already very high in Suriname (70 percent). It is true that export possibilities are increased by a devaluation, but that is merely theory for Suriname. Its principal export product is bauxite, or the products made from that such as alumina and aluminum. But these products are already now being paid in U.S. dollars. In other words: a devaluation of the currency will not really be of any use. Any financial way out which the government sees now will probably turn out to be merely finagling at the margin.

Dilemma

And Bouterse indeed does a lot of finagling. For example: Palm-oil and rice projects were set up with Dutch development aid in Pattamacca, Commewijne and along the Corantijn river. Those projects were by no means finished when the Netherlands suspended development aid in 1982 as a result of the December murders. At the time, Bouterse's dilemma was to either let those projects deteriorate or to finish them himself. He opted for the latter and financed it by letting the banknote press turn a little faster--up to the equivalent of 120 million Dutch guilders, as shown by the reports he deposited with the Dutch government, with the statement that he had advanced this money temporarily for the Netherlands, and that he wanted those 120 million Dutch guilders plus the interest on it transferred as soon as the Netherlands were to resume its aid to Suriname. That is not too serious, of course, since this amount will simply be deducted in due time from the still remaining development aid of 1.600 million Dutch guilders to which Suriname is still entitled.

Inflation

The outcome of such a monetary financing, however, will ultimately be disastrous. No regime whatsoever can afford to encourage inflation in this manner, and on the longer term that will be the result. However, the Bouterse Regime is no longer thinking in these terms: it is engaged in extending its financial survival on the short term. For instance, the Suriname Government would be able to either refuse or honor the claims of foreign companies totaling 105 million Suriname guilders, but it would only gain a reprieve of at most 7 months.

Suriname's executive knows this too. That is the reason it is currently seriously seeking "alternative routes." That of the International Monetary Fund, from which the country wanted to borrow 100 million dollars, is practically out of the question, as both the Suriname and Dutch governments know, because last year the country was unable to put order in its affairs as a result of the "bauxite strikes." The maximum amount to be obtained through the IMF is estimated at about 20 million dollars.

That is merely a drop in the bucket; hence the rumors which continue to surface about "very alternative routes" such as the cocaine loan, which high Dutch officials indeed believed in, but which idea meanwhile has been abandoned. And there is also the alternative of the Hong Kong-Chinese who would like to get away before the People's Republic swallows the British crown colony, and who would be very willing to sacrifice 100 million dollars for a safe shelter. All in all these routes offer no more than 1 year of comfort, for no one believes that those Chinese would put \$100 million on the table every year for the purchase of passports. Less expensive ways can certainly be found.

No Prove

Although there is no concrete prove whatsoever for this potential deal, in official Dutch circles it is known that negotiations are taking place between Suriname and the Hong Kong Chinese. Not on the poppy cultivation in the Bakhuis mountain region, however, as some reports suggest. As it was put to ELSEVIERS WEEKBLAD: "that is completely impossible there." In view of the Surinamer's profound dislike of working on the land (a result of the slavery period), it is hard to imagine him making a little notch in the poppy stalk every day, for: 'Poppy cultivation for drug preparation is very tedious work.'" Therefore, the only possible way of salvaging a little of Suriname in the short term is for the Netherlands to resume its development aid. No one is convinced, however, that Bouterse is willing to start that dialogue under the conditions set by the Netherlands: restoration of the democracy and an investigation into the December murders.

8700

CSO: 3214/35

BRIEFS

NEED FOR DEVALUATION DENIED--Right now there is no reason for our country to devalue its guilder, as suggested by the IMF. The president of the Surinaamse Bank, Jozef Brahim, explained this in his capacity of member of the financial and economic advise group to our nation's labor union leaders. Investments. He explained that the IMF invariably suggests lowering the value of the unit of currency as compared to those of foreign nations if a country's foreign assets decline. The idea is to facilitate exports, to make imports more expensive, and to attract private investors. This is caused by the fact that one's own unit of currency has become cheaper as compared to the currencies of other countries where potential investors are located. Conditions. Suriname does not believe that devaluation of the guilder will attract new investors from abroad. Investors are more attracted by law and order, tranquility, stability, economic prospects for the future, the investment climate, etc. These are the factors on which they usually base their decisions. Devaluation will not bring them about according to Brahim. The prime goal of devaluation is to increase production and to try to sell goods abroad. More expensive. If imported goods are becoming more expensive it could induce entrepreneurs to attempt to make those goods here. However, establishing such industries takes time. Earlier we already reported other details of Brahim's explanation, as the position of the Suriname guilder in view of the dollar, and the position of the dollar in view of European currencies and the yen (Japan). We have also already written about the Advise Group's proposal to the government to explore how we can help exporters in promoting their business. [Text] [Paramaribo DE WARE TIJD in Dutch 9 Apr 84 p 1] 10319

GASOLINE SHORTAGE REPORTS DENIED--The Ministry of THI [Transportation] is categorically denying reports about shortages of gasoline. The amounts needed by Suriname are imported as usual. The last oil tanker arrived about a week ago in Paramaribo's harbor and unloaded its cargo. As usual the oil imported by Suriname was paid in cash, there is therefore no reason at all to suppose that the importation of gasoline, diesel oil, etc. will run into problems. [Excerpt] [Paramaribo DE WARE TIJD in Dutch 19 Apr 84 p 1] 10319

100 NEW MILITARY POLICEMEN--A surprising number of 680 men and women answered the call to apply for jobs in the Military Police. The large number of women interested in the service is remarkable. In answer to our question Sergeant Major Marcel Zeeuw, deputy commander of the MP, told us that the experiences with female MP's of previous classes are exceptionally good. He pointed out that this service is treating men and women without discrimination. They all do the same work. Only 100 of the persons who applied yesterday can be placed because of the number of openings. Yesterday some applicants were turned down immediately as they did not meet the educational standard, namely MULO [High School] or better. The MP training demands great dedication from participants; this is especially true of the theoretical part which carries great importance. The basic course has 21 subjects including criminal law, criminal procedures, military law, war law, sociology, English, Spanish, economics, logistics, etc. The physical requirements are also very demanding. The applicants are subjected to an aptitude test. This test decides whether the applicant meets the basic conditions. It eliminates many applicants. Following the primary selection there is a second selection process conducted by a specially appointed committee. Then comes the physical examination and finally the call to report for duty. The authorities expect that the persons who have this time been selected will leave in the beginning of July for the Zanderij to begin their basic training.
[Text] [Paramaribo DE WARE TIJD in Dutch 19 Apr 84 p 1] 10319

REPORT ON NEWS MEDIA -- On Thursday morning, 5 April, at the people's palace, Ambassador Herrenberg handed an interim news media report to the Leader of the Revolution, Commander Bouterse. Later on Prime Minister Udenhout, who is also minister of foreign affairs, was given a copy in his office. The document, which is more than 100 pages long, was given the following title by its author: "Report on the Media Phenomenon; For a Media Policy To Be Carried out; To Produce a Media Memorandum and a Media Policy Plan From it." With this combined title, Mr Herrenberg wanted to indicate how complex the subject of the media and of mass communication is. As was known, on 20 February last the Leader of the Revolution had instructed Ambassador Herrenberg to do a study of the media phenomenon in our country and to report on this subject. The ambassador in fact had to develop ideas concerning information and make a contribution in the discussion on drawing up a media memorandum and on conducting a good media and communication policy. Immediately after receipt of the instructions a tuning took place with Prime Minister Wim Udenhout of the basic cabinet. Because the basic Udenhout government wants to give short-term priority to the structuring of newspapers, radio and television activities -- and preparations to this effect are already being made --, the ambassador thought it fit to issue this interim report. According to Ambassador Herrenberg, the final report will be ready in a few months. Ambassador Herrenberg spent a week in our country for consultations with military and civilian authorities on the activities of mercenaries in French Guyana and the position of the Netherlands in this affair. Yesterday afternoon the ambassador returned to his post. [Text] [Paramaribo DE WARE TIJD in Dutch 7 Apr 84 p 12] 8463

ASFA OFFICIALS CHOSEN -- During the first meeting of the committee of the Association of Surinamese Manufacturers [ASFA], whose members were elected on 27 March, the following officers were decided upon: R. Doorson, president; A. van Alen, secretary; C. Dilweg, treasurer; G. Peet, vice president; V. Kirpalani, second secretary; W. Tirion, second treasurer; and P. Sonneveld, commissioner. According to the electoral system of the ASFA, committee members are not elected to a certain function. The functions are distributed through mutual consultation. The new leader of the national manufacturers has been a committee member since the establishment of the ASFA in 1980. During the three previous administration he held the position of vice president. [Text]
[Paramaribo DE WARE TIJD in Dutch 4 Apr 84 p 1] 8463

CSO: 3214/34

IMPLICATIONS OF CTV-FEDECAMARAS CONFRONTATION VIEWED

Caracas EL UNIVERSAL in Spanish 8 Apr 84 p 1-1

[Text] The passage of the Law on Costs, Prices and Wages has become a point of honor between the Confederation of Venezuelan Workers (CTV) and the Venezuelan Federation of Associations and Chambers of Commerce and Industry (FEDECAMARAS).

Of course the CTV will win, as it is a very strong interest group and it also has a parliamentary majority today.

FEDECAMARAS is not only not a power, it is not even an interest group; it is merely an important opinion group.

In this confrontation between the leaders of these two groups, the great loser, unfortunately, will be the country.

Venezuela is going through agonizing times that require great serenity, courage and understanding, and a balance among the various sectors of the nation, to create the confidence that is indispensable for the reactivation of the economy and primarily of the productive apparatus.

If the Law on Costs, Prices and Wages is considered detrimental to the shot in the arm that the industrial sector now needs, much more detrimental is the possibility that it may be passed as a result of a point of honor for the CTV, or as a demonstration of its political power. This demonstration of power will sow great fears, which will thwart all the government's efforts to create a propitious environment that could in turn contribute to the establishment of a healthy and strengthened economy, capable of generating new sources of employment and of sustaining the wage increase that is essential to counter-balance the inflation that is inevitably driving up the cost of living.

We wonder: Why pass a Law on Costs, Prices and Wages?

Costs cannot be controlled by law; they are a consequence of the higher price of raw materials and also of labor.

Prices are now controlled by the government, and this law will deprive the executive branch of that faculty, coincidentally at a time when it is most

needed because of the current instability of our economy. At a time when a law is under consideration to grant extraordinary powers to the president of the republic, to streamline decision-making in the implementation of economic measures, it is contradictory to pass another law that would limit the power to control and adjust the prices of certain essential consumer items with the speed required under the present circumstances.

Wages are set by the CTV through collective bargaining.

Thus, with the proposed law--or better put, with the already passed law, since we can take it for granted that it will pass, now that the representatives of the "institutional majority" which serves the CTV have stated so--the result is a break with the democratic scheme of the free play of the various forces in the different sectors of the nation.

There are other important factors that are worth noting:

1. The law can not force the investor to invest, and as we have said on other occasions, in the development of productive enterprises there are three indispensable sectors: the investor, the business executive and labor. If any of these is missing, there can be no business, and if there is no business there is no national production and no increase in sources of employment; and if businesses do not prosper, they cannot pay good wages.

It is preferable to have high prices with wages that can pay them, rather than low prices with unemployment or insufficient wages.

2. The state is a partner in all the enterprises of the country, a very comfortable partner that does not run the risk of loss and that receives a share of profits only through taxation. Venezuela has so far been living off its oil income, but we are already experiencing the risks and the serious problems the country must face because of its dependence on petroleum. The only way to free ourselves of that dependence is to develop the productive apparatus, to reduce our import needs, and to increase the profitability of businesses so that the state's share can thus increase.

This can be achieved only by providing incentives to investors.

3. The unions should protect private enterprise, since this is the only justification for the existence of unionism. Walesa and his Solidarity movement have shown the world that in socialist countries, where there is no private sector, the workers have no voice; they must simply submit to the dictates of the government.

4. The most important factor is that the parliamentary majority should be used with much discretion, without ostentation, because it is a two-edged sword. While it is true that this majority makes it possible to pass legislation unilaterally, it is no less true that all the blame must be assumed as well. Furthermore, Venezuela is a country with very deep-rooted democratic convictions, and it has always challenged arrogance.

8926

CSO: 3348/369

DEBT RENEGOTIATION TO BE COMPLETED IN 3 MONTHS

Caracas EL NACIONAL in Spanish 9 Apr 84 p D-1

[Article by Hernan Mena Cifuentes]

[Text] Carlos Guillermo Rangel, a member of the Venezuelan financial mission that left for Washington to hold talks at the highest level with the top financial and monetary officials of the U.S. Government and with the International Monetary Fund (IMF), predicted today that "definitive conclusions" will be reached within 2 to 3 months regarding the refinancing of Venezuela's foreign debt.

The Venezuelan delegation, consisting of Finance Minister Manuel Azpurua, Central Bank of Venezuela (BCV) President Benito Raul Losada, and Rangel, traveled to the U.S. capital this morning on Viasa flight 800. There they will meet with Paul Volcker, chairman of the Federal Reserve (the central bank); Donald Regan, secretary of the Treasury; and a commission from the IMF, throughout the week.

At an ad hoc press conference in the international terminal of Maiquetia Airport, Azpurua, Losada and Rangel went into detail about the objectives of the mission and other aspects of this country's financial situation and the policies the government of President Jaime Lusinchi is pursuing in order to solve the overall economic, financial and monetary problems.

Better Chances for Negotiation

When asked about the present and future prospects for negotiating the refinancing of the foreign debt, Carlos Guillermo Rangel indicated that "the chances of reaching an agreement have obviously improved tremendously, with all the actions that have been taken by the national government to pay the interest. The interest on the public sector foreign debt has been brought up to date, and the Office of the Differential Exchange System (RECADI) has already begun to approve the final registration of a major portion of the private sector debt. This will enable interest payments to begin in that sector very soon, also."

Then Rangel stressed that "this, along with the austerity measures and, in general, the economic adjustment plan that President Lusinchi has set forth,

makes it very likely that the talks will proceed rapidly and that we will be able to reach definitive conclusions, hopefully within 2 to 3 months."

The finance minister confirmed that the mission's objective is to make a preliminary visit to meet the principal financial and monetary officials of the United States and exchange views; that is, preliminary talks will be held now, and later, at the end of the month, the debt negotiator will go to the bank committee to propose a new deferral.

The finance minister also confirmed his statements of yesterday, to the effect that the rise in interest rates agreed by the creditor banks of the United States has an undeniable effect on Venezuela as well as all other Latin American debtor nations, because it increases the servicing of the debt.

He stressed, in this regard, although he declined to estimate the amount of the increase, that "each percentage point of interest, if it is your debt--except for a few cases of fixed interest, but most loans have variable interest--each point," he reiterated, "has an impact, and sometimes a major one, on the servicing of the debt."

In statements made to the Caracas press yesterday, Minister Azpurua had stated that the 1/2-point increase in the prime rate means for Venezuela's \$27 billion debt "an increase of \$135 million a year in interest payments."

Rising Interest Rates Key Topic in Talks

The president of the Central Bank of Venezuela, Benito Raul Losada, revealed that "in all certainty" the increase in interest rates dictated by the U.S. banks will be an item on the agenda at the mission's talks in Washington.

"That increase in interest rates," he said, "causes substantial damage to all debtor countries, and there is no doubt that in any international forum it is a primary subject of conversation, as it was at Punta del Este."

Regarding the possibility of arriving at a formula so that Latin American countries will not have to pay their debts at higher interest rates, the president of the BCV stated:

"The ideal would be what all Latin American countries seek, better refinancing terms with creditor banks. Unfortunately," he added, "that upward movement in interest rates is detrimental to such a goal. But in any case, we will continue struggling to improve the terms of refinancing as much as possible."

He explained, nonetheless, that the talks to be held in Washington are not aimed at reaching any kind of agreement, but to make a preliminary and informational presentation of the current development of the Venezuelan economy, and to discuss prospects for the future, as we are doing in our projections.

As for the contention by national banks that the capital taken out of the country will probably not return, in view of the hike in interest rates

decreed by U.S. banks, and the recommendation by Venezuelan bankers that interest rates be frozen, the BCV president responded:

"When I made the announcement regarding the Central Bank's general monetary policy, I pointed out that this policy was dynamic, and that the BCV is constantly studying these changes in the economic situation. Naturally," he added, "this increase in U.S. interest rates is being examined by the Central Bank right now to determine what measures should be taken."

Regarding the questioning of the BCV's policy on foreign exchange, Benito Raul Losada stated that this kind of policy necessarily responds to short-term factors, even though there are medium- and long-term objectives. "We must get used to the fact," he said, "that when there is a free market, rates can fluctuate upward or downward easily; the consequences cannot be seen right away, immediately; we must always wait a while to be able to appreciate and evaluate a policy of this nature."

How much time will we have to wait in this case?

"Well," he stated, "remember that we are in a fluid situation, so these changes take place in accordance with the circumstances."

Venezuela Will Not Resort to IMF

The president of the BCV reiterated the national government's position that the intervention of the International Monetary Fund will not be necessary for the refinancing of the national foreign debt.

"We do not believe such intervention is necessary," he emphasized.

It was noted, however, that some measures taken by Venezuela coincide with those suggested by the IMF.

"Not necessarily," he responded. "These are very autonomous policies that we have designed in Venezuela in accordance with previous studies, before the new administration took office and became established. But the question is certainly not whether or not the measures resemble those suggested by the International Monetary Fund," he added, "on the contrary, many of them are quite different from what the IMF might demand."

And what if the banks require that the terms set down by the IMF be adhered to as a sine qua non?

"Let us not hypothesize," he answered. "We are going to begin negotiating, and you already know that we have taken a strong stand against resorting to the IMF."

Two members of the mission, Minister Azpurua and debt negotiator Carlos Guillerlmo Rangel, expect to return next weekend. BCV President Benito Raul Losada will stay on a few days more to attend the IMF meetings in his capacity as governor for Venezuela.

8926

CSO: 3348/369

LEPAGE DISCUSSES CORRUPTION CHARGES AGAINST COPEI OFFICIALS

Caracas EL NACIONAL in Spanish 15 Apr 84 p D-1

[Article by Leopoldo Linares: "We Are Not Interested in Destroying the Social Christian Party"]

[Text] "We are not at all interested in discrediting and, even less so, in destroying the Social Christian Party, as Luis Herrera Campins wanted to do at the time when he was president and when AD [Democratic Action Party] was in power," said Internal Relations Minister Octavio Lepage in answering criticisms from the secretary-general of the Social Christian Party concerning a possible manipulation, for political purposes, of the corruption trials that were begun recently.

Lepage was emphatic in pointing out that punishment for the "big thieves of the public treasury" must be interpreted as a personal action against those who turn out to be guilty and not against the party in which they are active. The minister pointed out that the administration has not in any way interfered in the trial that led to the imprisonment of Vinicio Carrera and other officials of the prior administration and that this is a matter that is exclusively within the competence of the judicial branch.

Although it was Saturday, Minister Lepage was in his office yesterday afternoon. At first he did not want to talk about the topic of corruption because he is one of those who thinks that enough has been said and that we should now go on to specific action, resulting in the proper punishment of the guilty. However, in view of the newsman's insistence and the charges made by the secretary-general of the Social Christian Party, he agreed to take up the topic and even expressed an opinion on the possible trial of former President Herrera Campins by the National Congress.

"This matter is so delicate," he said with respect to this latter event, "that the AD leaders, both those of us who have government jobs and those who are in the party directorate, must not express any opinions of a personal nature, so long as the CEN [National Executive Committee] has not come out with an official position on that score. I think that AD in this case will adopt the same institutional position it held regarding the debate on the 'Sierra Nevada'; in other words, the position of considering that the National Congress does not have authority to try former presidents of the republic."

When the newsman kept inquiring about the possible responsibility of former President Herrera Campins for the crisis the country is now going through and the method to be used in judging his administration, Lepage said:

"In the beginning I said that this is a delicate matter and therefore a party of the importance and size of AD which, moreover, is now in power and is responsible for governing the country, cannot establish criteria nor adopt positions lightly, nor, even less so, can it allow itself to be swept away by what other parties or political individuals say or do."

Reply to Social Christian Party

In the beginning the newsman questioned him about the charges made by Eduardo Fernandez, secretary-general of the Social Christian Party, to the effect that the administration and AD had--for political purposes--manipulated the trial and imprisonment of former Minister Vinicio Carrera and other former officials of the past administration.

"The administration," replied Lepage, "did not interfere in this case in any way whatsoever. As we know, the action was planned in 1982, during the prior administration. As you can see, sufficient time has gone by so that the judge, who tried the case, was able to make his decision without the administration influencing him in the slightest. This is a matter that is exclusively within the competence of the judicial branch."

"What can you tell us about the manipulation of the trial mentioned by Eduardo Fernandez?"

"The secretary-general of the Social Christian Party has the habit--which has become a kind of personal style on his part--to make wild and unfounded charges. The simple reference to the origin of this trial suffices to disprove the charge that we might be dealing here with a manipulation that was politically inspired. It is certainly unheard-of that the secretary-general of the Social Christian Party should try to involve even the president of the republic in this matter; this gives us an idea of the lack of propriety and responsibility with which he acted."

The newsman then brought up the criticisms expressed by former President Rafael Caldera and by the secretary-general of the Social Christian Party himself regarding the policy investigation and the display of force connected with the transfer of the defendants in the case of the Aeropostal Line, in response to which Minister LePage pointed out:

"I am not in agreement with the way in which the team of agents did the job of moving the prisoners from the PTJ [Judicial Technical Police] to the place of detention. Obviously, they did not have to do the job with such a spectacular display of force, nor did they have to use those big weapons. Now, in this case, one can say that these fellows were just eager beavers. It often happens, in all governments, that police officers overdo the discharge of their duties, sometimes winding up with improper and lamentable excesses."

"So, there were no orders to treat them in this fashion?"

"I'm sure that public opinion did not believe the stories to the effect that what happened in this case was in obedience to orders from higher up. One must grant us high-ranking administration officials at least some degree of good common sense and that means that we could not possibly give orders or issue instructions that harm us directly. Moreover, President Lusinchi and those of us who make up his administration team, are sufficiently well known throughout the country and all Venezuelans know that we are incapable, by conviction, training, and by our very essence, of committing or condoning such assaults."

"How are the prisoners being treated?"

"Apart from that episode which we deplore and in connection with which steps will be taken so that this sort of thing will not be repeated, former Minister Vinicio Carrera and other prisoners did not suffer anything, not even at the moment they were arrested, nor during their hours of detention; during all that time they were not subjected to any kind of abuse. On the contrary, they are getting preferred treatment. All prisoners in Venezuela are being held in regular prisons; on the other hand, they are being held in a jail operated by the Metropolitan Police; they are not in solitary but are instead surrounded by special considerations and care."

Corruption

The other topic taken up during the interview with the foreign minister was the alarming corruption which is being detected in the country and the way to cope with this.

"Much has been said and little has been done in Venezuela about corruption" said Lepage, "so that there is generalized skepticism now. People believe that the only persons who are punished in Venezuela for acts of administrative corruption are the poor civil service employees who cannot pay lawyers who take cases only for tremendous fees; nor do they have any connections that might get them some degree of protection. I am sure that this is to the discredit of those political leaders who continue to fight against corruption in purely theoretical terms. Personally, I am determined not to talk about these things any longer and my mentioning this issue now is an exception."

"And what attitude should be adopted?"

"I sincerely believe that Venezuela cannot continue with the old attitude of distasteful gossip and needs a new attitude because, sooner or later, this sort of thing will do irreparable damage to the prestige of the democratic system. I think that the moment has come to take action and this has to be done in such a way that there will be no misunderstandings or misinterpretations or twisted interpretations. We must at all costs prevent a situation in which people will look upon this as a revenge operation by AD against the Social Christian Party."

"So, this is not an effort to destroy the Social Christian Party."

"We are not at all interested in discrediting that party," Minister Lepage replied, "and we are even less interested in destroying it as Luis Herrera Campins wanted to do at the time when he was president and when AD was in power. Both parties are pillars of the democratic system and that system has been working and growing strong because of them."

"And how should one interpret those sentences handed down against former officials of the prior administration who are active members of the Social Christian Party?"

"This," Lepage concluded, "is a matter of punishing the big thieves who stole from the public treasury, identifying them by last name and first name. If they are taken to court, as the end result of the investigation which is now going on, this will have to be interpreted as a personal action against those who prove to be guilty of corruption and not against the party in which they are active."

5058

CSO: 3348/405

CORRUPTION CHARGES REPORTEDLY FOSTERING COPEI'S UNITY

Caracas EL NACIONAL in Spanish 17 Apr 84 p D-10

[Article by Elena Block: "Attacks on Corruption United Social Christian Party"]

[Text] Contrary to what many people were thinking, the charges made against various former officials of the Luis Herrera Campins administration concerning corruption in government, instead of creating internal problems within the Social Christian Party, united that party more, at least in terms of strategy, that is, Calderistas and Herreropablistas.

The arrest warrants against Vinicio Carrera, Fernando Miralles, and others, and the way the arrests were carried out, as a matter of fact were rejected by the entire party, starting with Rafael Caldera himself. All members of the Social Christian Party viewed this problem as an act of aggression against the entire Social Christian Party and not just a sector, group, or internal tendency.

When the problem was taken up during the last two meetings of the National Committee, it was said that AD [Democratic Action] pursues a hegemonic strategy for the purpose of perpetuating itself in power. In other words, AD wants to implement the same strategy that was pursued by Luis Herrera in San Antonio de Los Altos: Destroy the opponent. The members of the Social Christian Party emphasized that the white party wants to become a Mexican PRI [Institutional Revolutionary Party]. To do that, they employ the most exaggerated means, such as an excessive display of police power to arrest Carrera and the others. In this way they tried to prevent the Social Christian Party from recovering for the municipal elections.

The Social Christian strategy thus consists in not adopting a defensive attitude but instead an offensive attitude by attacking the weak spot of the Social Democratic administration at this time, that is, the high cost of living.

Return of Alvarez Paz--Will He Demand Punishment?

In spite of the fact that the Social Christian Party adopted an overall strategy which was proposed by Secretary-General Eduardo Fernandez and approved by Luis Herrera and Pedro Pablo Aguiar, among others, the party

is now awaiting the arrival of Oswaldo Alvarez Paz by the end of this week. It is no secret to anybody that the leader from Zulia has adopted a "hard-line" position regarding the problem of corruption charges against some members of the Social Christian Party.

Alvarez Paz said that it is necessary to clean out the Social Christian Party and to punish some of those who were pointed out as being involved in acts of corruption. EL NACIONAL in its own columns said the same thing. On that score it differs from Fernandez, from Hilarion Cardozo, and others, who maintain that it is necessary to supply last names, first names, and evidence in order to be able to proceed with disciplinary measures. Caldera held a position that coincided with this idea and so far has not asked for punishment.

During the last meeting of the National Committee, Gustavo Tarre applauded the position held by Antonio Lopez Acosta, Alba Illaramendi, and Pepi Montes de Oca--who came to his defense and supplied evidence of his honesty. Tarre even said that some people, such as a former governor who never said "where the cadres who disappeared from the government really are," should also come to his defense.

Social Christian Party authorities said that the party neither absolves nor condemns a priori. The doctrine is that everybody can defend himself. And if his guilt is proved, there will be punishment. Otherwise there will be no punishment.

Pressure on Former President Herrera to Talk

On the other hand, it was learned that various members of the National Committee had asked former President Herrera to talk to the mass media and give his opinion on corruption charges made against his administration. They think that he should publicly come to his defense once and for all and that he should not continue to be silent.

It turned out that Herrera was very pleased with the position assumed by the Social Christian Party on this problem. He thinks that the united party must forcefully face the attacks and the AD campaign against the green party. He believes that an attempt is being made to throw a smoke-screen over the problems the country is facing. He believes that AD is committing the same abuses as during the 3-year term against the officials of Medina.

Consensus for the National Convention?

One of the conclusions that can be drawn from this comment is that there is probably consensus for the National Convention next August.

Luis Herrera seems to have indicated, within the party, that one must now forget differences and face the attacks from the AD. In withdrawing his candidacy for the office of secretary-general, Pepi Montes de Oca said that the Social Christian Party must be united as it tackles the problems and must not foment any internal discussions. It is probable that there will be an understanding on the appointment of the new party officials. Nevertheless, Felipe Montilla and Juan Jose Rachadell insist on nominating candidates in order to compete with Eduardo Fernandez.

AD LEADERS REPORTEDLY SEEKING DISMISSAL OF CABINET MEMBERS

Caracas BOHEMIA in Spanish 23-29 Apr 84 pp 6-11

[Text] The national leadership of the AD [Democratic Action] wants to change at least six ministers. There is a crisis in the executive office.

Serious doubts are beginning to turn to certainty regarding the team of ministers of the administration that promised a "government of improvements." As Alfredo Tarre Murzi, the columnist of BOHEMIA, put it, there are many "old pragmatists" in its cabinet and, without any doubt and in view of their initial administrative actions, they only represent very special interest groups, above and beyond the interest of the community as a whole.

There is a profound crisis, the saying goes, in the group of ministers of the current administration. The National Executive Committee of Democratic Action, meeting after meeting, debates the men who hold ministerial portfolios. The AD top leadership without exception is seized with a general feeling of discontent and that applies especially to the members of the so-called Labor Union Bureau. Within the AD CEN [National Executive Committee] there are movements intended to bring about a change in the administration during the next 30 days, at most.

Nepotism

In AD premises, the reality of the fact that the will of just one man prevails is an everyday fact of life and that man is Simon Alberto Consalvi. The minister of the Office of the Presidency of the Republic placed numerous family members of his in government and diplomatic positions. A great friend of President Lusinchi told one of the members of the BOHEMIA team that he is supposed to draw up the political report: "Unfortunately, the man who calls the shots is Simon Alberto."

For example, the man who was foreign minister under Carlos Andres Perez made ministers, presidents of autonomous institutes, ambassadors, and consuls out of his own family members or relatives.

AD Anger

Nothing is more dangerous than to have an AD man as an enemy. And when an AD member turns against another AD member, it is even worse. This is happening in the CEN of the AD where, as we said before, there is a movement toward the replacement of various ministers. Here is the story:

Apart from Consalvi, the AD top leadership wants the head of Armando Duran. Not only did the information and tourism minister turn this useless office into his own feudal fief, he fired efficient newsmen not only because they were AD members but also because they are his "enemies"--but the administration's disinformation is dreadful. During one of the recent meetings of the AD CEN, Paulina Gamus, Marco Tulio Bruhi Celli, Carlos Canache Mata, Armando Sanchez Bueno, and others criticized the misinformation confusion of the current administration. By way of example they revealed something that nobody had known until it was disclosed at the National Congress when President Lusinchi was going to present the draft of the Enabling Law to the senators and deputies.

On the other hand, the communications problem was taken up during a meeting of the executive office. Responsibility for the informational outrages was directly blamed on Minister Duran who is in trouble up to his neck.

Another man who should leave the team of ministers, according to the AD CEN, is the unfortunate holder of the portfolio of agricultural and livestock, Felipe Gomez Alvarez. AD leaders, especially those who are in the Labor Union Bureau, are convinced that Gomez Alvarez came to the MAC [Ministry of Agriculture and Livestock] to do what in a good game of chance is called "clear the decks." It was learned from a good source that it was the minister himself who instructed his deputy, the director of animal husbandry, to start going after culinary terrorism when he told a newsman from EL NACIONAL that the milk would go out with the Space Shuttle "Challenger" in search of the stars. Besides, Gomez Alvarez every day justifies all of the price rises on foods of vegetable or animal origin without letup for the distraught consumer who believed that "we will live better under AD."

Although he is an efficient and very deliberate man, the AD labor union class from the very beginning censured the appointment of Manuel Azpurua as finance minister. A brilliant man with good executive training and background he had no political career as such and emerged from a very well-known and far-flung business group in the country, the traditional adversary of the other conglomerate which was represented by Arturo Sosa in the administration of Herrera Campins. Since he is precisely a kind of sector business pro-consul, the AD labor unionists do not want Azpurua in the executive office.

The Case of the AD Newsmen

Once again, as happened every time AD comes to power, the group of newsmen, headed by Carlos Jaen, is not paying any attention to instructions. The vast majority of the information and public relations managers were not recommended

by that professional grouping. On the contrary: There were cases when a pen-pusher dispatched a bunch of candidates to make room for the appointment of a real "squarehead."

But now the AD newsmen's fraction, fed up with snubs, has taken steps to see to it that Armando Duran is ousted from the Ministry of Information and Tourism. Duran allowed himself the luxury of de facto replacing Jaen as the political leader of AD newsmen during the election campaign, giving them "instructions" as to how they were to slant information and editorials in favor of candidate Lusinchi. Of course, no newsman heeded or carried out these "instructions." Now, in view of his mistake in managing the government information effort, with serious damage to simple President Lusinchi, Duran's departure from the executive office is a sure thing.

Correction

President Jaime Lusinchi, a man of very humble origins and therefore also a man who is patient with the bad administrations Venezuela has had, publicly pledged to make corrections whenever necessary. Public opinion and his own AD Party demand that he change the men in the administration. Six ministers--information and tourism, finance, development, agriculture and livestock, labor, and the Secretariat of the Office of the Presidency--are the targets of this partisan hatred.

If President Lusinchi can manage to overcome this difficulty, then his administration will fare well, as his party comrades himself are saying.

5058

CSO: 3348/405

BRIEFS

INTEREST PAYMENT ON DEBT--Sources close to the Foreign Debt Negotiating Committee have revealed that despite the payment of nearly 1 billion bolivars in back interest, \$10 million is still needed to be completely "up to date." They pointed out, however, that this is peanuts compared to the back interest owed by other Latin American nations on their respective debts. The payment of interest on the public sector debt will be one of the attributes that Venezuela will wield before the creditor banks and U.S. financial authorities to obtain the refinancing of the foreign debt. It was learned that in the talks that will begin today involving the high-level mission headed by Finance Minister Manuel Azpurua, along with Central Bank of Venezuela President Benito Raul Losada and debt negotiator Carlos Guillermo Rangel, tomorrow U.S. Treasury Secretary Donald Regan and Federal Reserve Chairman Paul Volcker are scheduled to discuss these matters. [Text] [Caracas EL UNIVERSAL in Spanish 9 Apr 84 p 1-1] 8926

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