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Latin America Report

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16 March 1984

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ENERGY SECTOR CONCERNS DEBATED; PRODUCTION CAPABILITY RISES

Winter Gas Shortage Predicted

Buenos Aires LA VOZ in Spanish 10 Jan 84 p 14

[Text] Energy Secretary Conrado Storani predicted that "this winter we will have a gas shortage in major urban centers" as a consequence of "the inaction of the last government."

The official arrived in Mendoza yesterday accompanied by the head of Government Oil Deposits (YPF), Hector Fiorioli, after making an inspection visit to the Lujan de Cuyo distillery.

Storani denied any responsibility for the contractual delays in the Central-West gas pipeline, which will supposedly cause the shortage of gas next winter.

The energy secretary explained that the projects already begun will be finished, including pumping stations (at least six). Thus, 11,300 cubic meters per day can be transported this year, out of a total of 18,000 expected to be transported when the pipeline is completed.

"Now this gas pipeline is owned by the company that built it, which is charging a hefty toll," said Storani. "We would not have signed such a contract for a pipeline, because it does not do what it is supposed to do and because it is too expensive."

When consulted about the possibility of abrogating the contract, the official rejected this solution because "the Argentine juridical system has continuity, and the contrary would be a disaster."

Liquefied Gas

With regard to the price of liquefied gas in parts of the country such as San Martin and Bariloche, which are paying twice what Buenos Aires pays, Storani predicted that "State Gas will regain its capacity to sell the liquefied gas that it had transferred to a monopoly enterprise under Decree 690/81 of the previous government, at control prices throughout the country."

"This control price will perform the miracle of lowering the price of liquefied gas all across the country." The man responsible for the nation's energy policy asserted that these sales will be made at a profit, revealing

the rate speculation to which consumers of liquefied gas were subjected when marketing was turned over to the private monopoly.

"Private industry," he said, "will have to adjust to this, and if it wants to sell, it will have to accommodate the costs, or State Gas will be the supplier of liquefied gas to the population."

Storani stressed the low-cost natural gas plan, which "has been in effect since last 18 December in Buenos Aires. The plan covers 250,000 citizens while the facility is being financed by State Gas and the local municipal government, and consumers will begin to pay for the facility once they start receiving service. The price that was paid will be added in, in accordance with the volume of gas consumed over this 6-month period, so that in the worst of cases, the rate will be 50 percent lower than that of the liquefied gas or liquid fuels normally used. When the principal is paid off after these 36 months, consumers' rates will go down because the facility will already be paid for."

Integration with Chile

Storani emphasized that the "electrical link between Mendoza and Chile as a possibility in the near future, and the connection between the southern Argentine gas network and Santiago in the future, are two Argentine-Chilean integration projects that are truly important."

Responding to Mendoza residents' questions about possible benefits to the province from the payment of hydroelectric energy royalties, Conrado Storani did not deny that possibility. "We must reach a point at which no one is subsidizing anyone, and the nation as a whole benefits."

When a reporter asked about the possible subsidy of the Italo firm, Storani denied that any benefit was being paid, and attributed the difference in rates--Mendoza, a producer of electricity, pays higher rates than Buenos Aires--to the current chaos in the "national system."

"To cut the bond between the provinces and the nation," he added, "rates must be standardized. That should be the result, and the entire system should be utilized correctly, rationally and more economically (Chocon, Salto Grande, Los Nihuiles and all hydroelectric plants)."

"All of the country," he said, "should benefit without anyone sustaining any damage. Although we have not yet studied a system to pay royalties to the hydroelectric energy producing provinces, such a benefit may be granted. I think that all this should be regulated by a law to be studied by Congress, where the deputies and senators of the various provinces can present the proper arguments."

Rates

Regarding fuel rates, the energy secretary came out strongly in favor of preferential rates. "In the last rate increases, we have made allowances for low-income consumers, so the gas rates of small consumers rose by only 4

percent, while the rest of the rates climbed by up to 11 percent. Also, for the first time a distinction was made for electricity rates, with small consumers paying only 5 percent more, and the rest increasing by up to 11 percent."

As for the possibility of Mendoza managing Los Nihuales, the national official indicated that "the bill on the national electric enterprise was not designed to create a new monster that will ravage the provinces. On the contrary, its purpose is to rationalize the use of all of the nation's resources, and that might include turning Los Nihuales over to Mendoza, though that has not been studied yet.

YPF Losses to Cease

Mendoza--The president of Government Oil Deposits (YPF), Hector Fiorioli, said here that "the enterprise will no longer lose money, and will attain the level of the world's oil companies," although he admitted that that change "cannot take place very quickly."

The official pointed out that he has absolute faith in the YPF recovery, and stressed that "that faith is as big as my faith in the country's recovery."

He contended that "the damage that has been done to the enterprise by certain officials has been extensive, because they opened the doors to sectors and philosophies that are alien to the country's lifestyle, and therefore to YPF itself."

"Those officials," he concluded, "had a very lax attitude that permitted things to happen that would never have happened if the enterprise had been in the hands of true Argentines."

As for the new policy outlined by the institution, Fiorioli emphasized that "the huge rate increases have disappeared from the repertoire of the democratic government," and explained that "the last increase in the price of fuels was a tax."

"YPF did not go into debt to obtain working capital or anything of the sort; its indebtedness stems from the economic and social chaos created by the 'national reorganization process,'" remarked Fiorioli.

Oil Contract Revisions Discussed

Buenos Aires CLARIN in Spanish 28 Jan 84 p 11

[Passages enclosed in slantlines printed in boldface]

[Text] The /modification of the price adjustment formula/ contained in the renegotiation of 20 oil contracts agreed to by the military regime was discussed by the current authorities of the /Energy Secretariat/ with /private oil companies./

According to business sources, /the government's aim is to avoid the present diversity of prices among the different areas of the contracts that provide about 15 percent of total crude oil production./ The idea is to replace the so-called /"Wenceslao zero calculation,"/ which consists of a proportion of the general consumer price index, the non-agricultural wholesale price index, and the import price index.

That adjustment formula had already been challenged by the team under /Reynaldo Bignone,/ although it was finally approved for adjusting the prices of the crude that must be supplied by Government Oil Deposits (YPF). At the time, the general opinion was /that the adjustment formula meant that excess production (that obtained through the injection of investments)/ would sell for a price similar to the international price. Officials in this area, on the other hand, indicated that /the calculation placed those prices at just 60 percent of those prevailing on foreign markets./

Although the final adjustments in prices were not revealed when the 21 contracts were approved last 3 June, /it is assumed that the application of the Wenceslao calculation accentuated the original disparities. The average price agreed to at that time was \$48.69 for basic production, although in some areas that price climbed up to \$200 per cubic meter, and in other areas it was as low as \$30./

In the first meeting with the private companies, it was announced that the official goal is /to replace the adjustment formula with another simpler one that would take into account the cost of production plus a profit margin--to be established--for businessmen./

/Next week/--in a new meeting--/energy authorities will begin discussing the size of that profit margin with private sector representatives./

These new prices /will be far from international values,/ in the opinion of businessmen, /and will be lower than current prices./ It is a question of improving the adjustment formula, they explain.

Guidelines

As this point is discussed, the enforcement of the contracts in accordance with the renegotiation guidelines must be defined. /Among the clauses in those agreements, it is stipulated that "a breach of contract will be assumed if the firms do not achieve the basic production level set forth, within a year."/ Total production for the areas considered "basic" is 13.6 million cubic meters.

Aside from the revision of the contracts by the Energy Secretariat that must be made public by 10 April, there is general agreement among businessmen that the government is not inclined to cancel the oil contracts signed by the military regime.

Debate on Energy Policy Continues

Justicialist Deputy /Julio Cesar Araoz/ challenged Dr /Conrado Storani/ to hold a /public debate/ on the /follies/ committed in the area of energy by the current government. Araoz accused the /secretary of energy/ of committing the /crime of concealment/ by failing to file charges for actions in violation of the Penal Code.

The national legislator, who is serving as /vice-chairman of the Energy and Fuels Committee of the lower house,/ stressed that /"judging by the official response provided on Thursday, for which Undersecretary of Fuels Gustavo Callejas was responsible, there is in our opinion no comprehensive energy plan/ that would justify the partial projects that have been planned."

According to the /vice-chairman of the Energy Committee--who in an interview with CLARIN claimed, among other things, to have been "pressured" by the Radicals to hush up the matter--the energy secretary "should have told the country what emergency measures had been adopted and will continue to be adopted to ease the gas shortage announced for this winter."/

Araoz also questioned the successive contradictions revealed in the energy secretary's statements: /"In different media and on various occasions," says the deputy, "Storani has stated that the renegotiation of the oil contracts should have been exhausted by Congress; later he said that it is the responsibility of the Executive; then he said that they should not be revised, that they are under review, that they should be cancelled, that they should not be cancelled, and so on."/

Among the serious accusations launched by Congressman Araoz is that Storani authorized exports of fuel-oil by certain firms "without the customs office having any record of their destination, giving rise to fraudulent underestimations of their value." The congressman alleges that there is no "legal continuity to justify that violation."

He also referred to statements by Storani which allegedly confirmed the existence of a monopoly in the marketing of liquefied gas, /"which is prohibited by Article 300, Paragraph 1 of the Penal code, and by Law 12,906."/ If these assertions are confirmed by the secretary, /"he is obligated to file criminal charges."/

Objections by Fiorioli

/"There was no talk of cancelling" the renegotiated oil contracts,/ stated the president of Government Oil Deposits, /Hector Fiorioli,/ responding elliptically to the document released 2 days ago by the /Secretariat of Energy/ in response to statements by /Julio Cesar Araoz,/ a member of the Congressional Energy Committee.

That letter (which has now been partially disavowed by the head of the state oil enterprise), signed by Undersecretary of Fuels /Gustavo Callejas,/ stated that Conrado Storani favored rescinding the contracts. /The same opinion was attributed to Fiorioli and to Minister of Public Works and Services Roque

Carranza./ It was explained that the three officials, responding to comments by Justicialist Deputy /Araoz/ about /a disagreement within the Radical team/ concerning the position to take on the contracts, rejected the renegotiation because /"it violated the law and would inflict serious damage on Argentina's assets."/

Now, reviving the controversy and contradicting that official opinion, /Fiorioli/ stated in /Comodoro Rivadavia/ that /"there was no talk of cancelling/ (contracts), /nor was any position on the matter advanced."/ "I would like to explain one thing clearly," said the president of YPF, "the government has 120 days to decide whether or not to revise them./ If the government decides to revise them, it will issue a decree ordering the revision, and if not, after the 120 days everything will remain as it is now."

Radical Energy Program Outlined

Buenos Aires CLARIN in Spanish 29 Jan 84 p 13

[Passages enclosed in slantlines printed in boldface]

[Text] The outline of the /1984 budget,/ the /demand projections/ and the /size of installed capacity/ are key points in the energy strategy the Radical team wishes to pursue.

Beyond the /controversial issues of the moment/ (oil contracts), experts at the secretariat headed by /Conrado Storani/ are devoted to working out the 1984 budget, whose principal feature is that /it does not call for carrying out any new projects./ Thus, those projects that are considered to be the backbone of the miniplan that will last until December, /include only Yacyreta and Alicura./ These two power plants, which have already been started, will require investments of /\$400 million and \$60 million, respectively, over the course of this year./

/The Radicals feel that the emphasis should be on a package of "possible" projects, that is, those that will not require tremendous short-term outlays./

They note that there is /excess electrical capacity because of the lag in demand stemming from the paralysis of the productive apparatus./ Nevertheless, /they are far from proposing shock treatment/ to reactivate the economic circuit.

At any rate, they hope that by the end of this fiscal year Argentina will have regained its traditional levels of energy consumption, and /they estimate that demand will grow by nearly 6 points, keeping pace with the announced 5-percent increase in the Gross Domestic Product.

Parana Medio

They reach this conclusion by making a /linear calculation/: for every point the GDP rises, there will be a /1.13-point rise in energy consumption./ They stress that the current surplus means that /consumers will have to pay off the high financial costs of the current idle equipment./ For this reason, they

hope that the nuclear power plants, which should be operated at full capacity, will soon cut back the power they generate in keeping with slumping demand. They explain that /Parana Medio will not be included in the budget/ for this reason, /even though during the electoral campaign it was termed a project "of vital importance" (it will employ 17,000 people), and they reject the Electrical Equipment Plan drawn up by the military regime to cover the period between now and the year 2000./ After successive cutbacks, that program was limited to the /Piedra del Aguila, Garabi, Corpus and Cuyo/ projects, instead of the 10 hydroelectric plants originally planned in 1979.

Now, in addition to the continuation of Yacyreta and Alicura, which should come on line by mid-year, the budget calls for the completion in 1989 of Piedra del Aguila, requiring an investment of \$50 million (in 1984 alone); the continuation of the Hidronor projects, the Rio Grande and Arroyo Corto water and electrical power plants, electrical connection networks (the Rio Tercero-Gran Mendoza and Rio Tercero-El Bracho segments); the continuation of the conversion of nine thermal power plants (of which three have already been completed); /and the conversion of mass transit vehicles to consume gas./ In sum, it is a matter of following the path already set forth. The large undertakings, therefore, will be included when the /1985-2000 National Energy Plan/ is drawn up by the /Undersecretariat of Planning/ a recently created agency.

Oil Find Announced in Formosa

Buenos Aires CLARIN in Spanish 31 Jan 84 p 24

[Passages enclosed in slantlines printed in boldface]

[Text] Energy Secretary /Conrado Storani/ announced yesterday that in the province of Formosa, near Salta and the Paraguayan border, a major oil discovery has taken place; /a well drilled in that location has been producing an average of 500 cubic meters per day for several days./ The official explained that "that is not to say that a deposit as important as those already discovered in Argentina has been found, but there is one well," he stressed, "that is yielding consistently at that level, giving rise to hopes that we are on the verge of a great discovery."

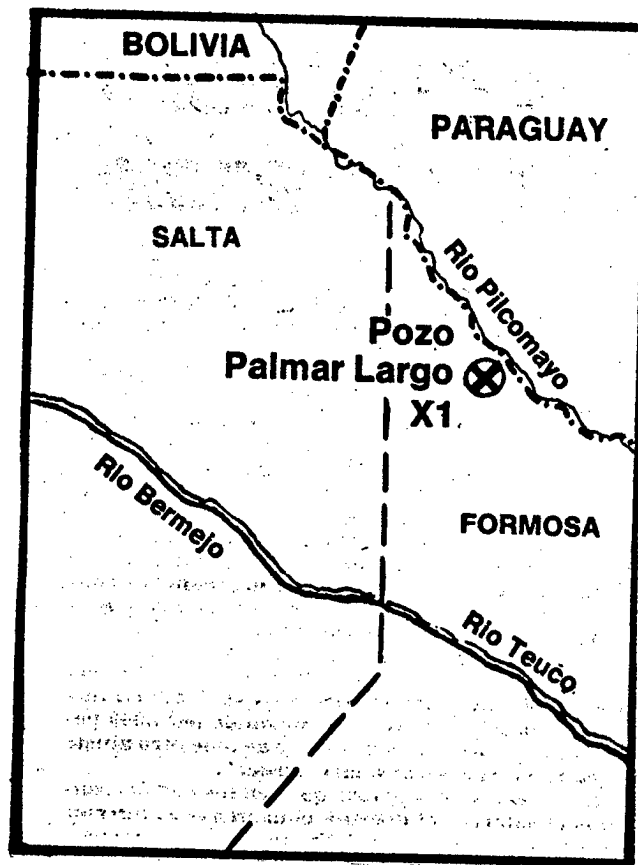
Storani indicated that the current president of Government Oil Deposits (YPF), /Hector Fiorioli,/ had personally ordered this operation to take place, and that it had very successful results. He emphasized that "if it is confirmed that this is a major deposit, its production could contribute significantly to ease the shortages we are experiencing." With regard to the benefits that Formosa would derive from it, /Storani stated that "it would be a blessing from Heaven."/

The energy secretary also discussed the distribution of crude oil by the state enterprise, indicating that "we have decided to promote the maximum utilization of YPF refineries, without excluding other enterprises that may contribute under an expansionist policy."

YPF Communique

Concerning the discovery of a high-yielding oil deposit in Formosa, the agency of which Dr Fiorioli is president issued the following communique: "Government Oil Deposits discovered the first oil reserve in the province of Formosa, and initial results from the Palmar Largo X-1 test well indicate a production of approximately 500 cubic meters of oil per day. Work continues on a final assessment of the conditions for development of these deposits.

"Preliminary indications, however, give rise to high hopes for the area, which is near the borders with the province of Salta and with Paraguay. Additional exporation of the basin is under study.



The X marks the place where the oil deposit was discovered in Formosa.

/"There is oil in western Formosa; that is certain. It is not developed because no one cares to try, or because who knows what obscure interests oppose it."/ It would be difficult for any well-informed Formosan to have missed hearing those words at some time or another.

That is why last 17 November, when a dark liquid, almost as dark as the Formosan night that witnessed it, spilled out of the "X-1" well in the unknown location of /Palmar Largo,/ after remaining in the bowels of the earth for millennia, /many residents of the province also saw a long-cherished dream come true./

Two months earlier, Government Oil Deposits had sent a drilling team from /Salta/ to blaze a trail through the most desolate corner of the province, one of the most inaccessible areas of the country. Their mission: determine for certain, once and for all, whether the recurrent rumors were true, and quantify possible reserves. The YPF technicians observed that naturally forested and desolate environment with the same curiosity that the local residents felt toward them. The area is inhabited by a scattered assortment of white settlers and semi-nomadic aborigenes, subjected to the rigors of the climate and the annual flooding of the border river, Rio Pilcomayo. /In that immense corner of Formosa, there is no train service or any other mass transit. Just once a week, a plane from the Aeronautics Office brings in passengers, freight and mail, landing on runways where often the plane must make one low pass first to scare off the animals./

Two years ago in this same space we mentioned the possibility of a large oil reserve, and we highlighted the area's great potential: /virgin forests, a great river and land that has proven to be very suitable for artificial pastures. With much less than that, other areas of the world are economic giants./

It is understandable, then, that Formosans were euphoric when Government Oil Deposits finally announced yesterday that the basin is not only profitable but has great development potential. /Perhaps the Palmar Largo well will mark the beginning of a new era./

Challenge to Storani

Buenos Aires CLARIN in Spanish 2 Feb 84 p 16

[Text] The vice-chairman of the Energy Committee of the Chamber of Deputies, /Julio Cesar Araoz,/ challenged the secretary of state for energy, /Conrado Storani, to initiate criminal prosecution on the basis of accusations/ he made regarding /alleged monopolies in the marketing of liquefied gas,/ of his assertion that /the system of concessions by tolls for the construction and operation of gas pipelines is "corrupt,"/ and of /previous government's squandering of time and dollars on the Yacyreta projects./ If he does not do so, "he may be guilty of the /crime of concealment."/

The /Justicialist deputy/ called upon the official to reveal the overall energy plan to the legislature. "It would be desirable," says the note, "if Dr /Storani would stop acting like a medieval alchemist,/ trying in vain to set forth the /philosophical basis/ of this non-existent plan through /the arbitrary combination of isolated announcements."/ With regard to the response signed by Undersecretary of Fuels /Gustavo Callejas/ to an earlier note from him, when he baptized /Storani the "energy oracle," Araoz/ stated that the "general lines of the plan" that have been attributed to /Storani/ are worthy of comment: after rejecting the notion that the young Chamber of Deputies can approve any project for building /Parana Medio/ because it has not been sent to Congress, /Araoz/ ridiculed the official announcement that /"in 1984 we will award contracts for the Alicura projects,"/ emphasizing that /"as far as we know, the Alicura hydroelectric plant is already built, and in October 1983 they began filling its reservoir;/ if /anything is left to be

contracted out/ on the dam project, it is to be assumed that /it will not be big enough/ to be one of the /main features of the comprehensive plan."/

Alicura Turbines to Come on Line

Buenos Aires LA NACION in Spanish 14 Jan 84 p 10

[Text] By the end of April Hidronor expects thje first 150-megawatt turbine to come on line at the Alicura plant, and in the following months it expects to put the three remaining machines of that dam into service. The total generating capacity of the dam will be 1 million kilowatts.

Thus, with the outfitting of the last turbine at Salto Grande, another major step will have been taken toward giving hydroelectric plants a greater role as an energy source. Under the modified Electrical Equipment Plan drawn up in 1981, the share of water power will rise from 42 percent of all power generated in 1982 to 62 percent in 1995. Meanwhile, the share of thermal power plants will decline during that period from the present 49 percent to 25 percent, while their machines will no longer run on fuel oil.

The Water and Electrical Power Commission is now "converting to gas" eight thermal plants that still operate on fuel oil, while other generators in Lujan de Cuyo and Bahia Blanca, among other thermal units, will consume oil or coal residues from Rio Turbio in order to replace the costly fuel oil.

Finally, it was revealed that in the Ministry of Public Works and Services, the Salto Grande Mixed Technical Commission will be merged with Water and Electrical Power. The reason for this move is that the binational entity has already completed the projects it has scheduled, and would like to devise an energy policy that would eliminate the trend toward making "islands" out of certain areas of national territory within the specific task of producing energy. This would enable the Water and Electrical Power Commission to overcome its fiscal weakness.

In addition, Energy Secretary Conrado Storani has already stated on several occasions that a single electrical enterprise is being formed.

Punta Loyola Civil Construction Works

Buenos Aires LA PRENSA in Spanish 27 Jan 84 p 8

[Text] The civil construction works of the Punta Loyola coal and petroleum port facilities, which will be known as the Dr Humberto Illia Port from now on, were turned over to Government Coal Deposits (YCF).

These facilities will allow for all the production of the Rio Turbio deposit to be transported aboard ships of up to 62,700 dead-weight tonnage, and for Government Oil Deposits (YPF) crude oil to be shipped as well.

YCF President

During the ribbon-cutting ceremony, the president of the YCF, surveyor Enrique Spangenberg, stated that certain reactionary minorities are trying to detract from the contributions state enterprises have made toward the progress and economic development of the country.

"In our backward Patagonia," he added, "without YPF and YCF, we would not have been able to implement a manpower employment plan and we would not have been able to make the general progress that the mining development has made possible."

He also pointed out that those sectors, "which always ride the coattails of dictatorships, impugn the reputation of government enterprises by claiming that they lose money. It is the state's duty," he said, "to ensure full employment among Argentine workers."

The official went on to say that the entire nation supports state enterprises with its resources, "but we are mining the coal and drilling the oil that are indispensable to our development," he added. "That is why investment--and that is what the YCF deficit is--becomes wealth when the coal is burned in our thermal power plants."

Later he indicated that the principles of democracy and constitutional guarantees are strengthened by the work of state enterprises, and that no private company could better achieve these patriotic goals, because none of them would be able to sustain YCF's economic effort.

8926

CSO: 3248/266

OIL PRODUCTION, GOVERNMENT POLICY DISCUSSED

6,500 Barrels Per Day

Guatemala City PRENSA LIBRE in Spanish 16 Feb 84 p 2

[Text] Yesterday morning, the Ministry of Energy and Mines announced that the reopening of three oil wells in Peten, which had been sealed, is under study. He said that the three wells could produce a total of between 2,000 and 3,000 barrels per day. The minister, engineer Alejandro Contreras Bonilla, noted that the wells are Xan, in the northern part of Peten, in area D, and San Diego and Y-Xalpemech, in the southwestern section of the same department.

In conclusion, the official remarked that, with the reopening of these wells, there will be an increase in the daily oil production, which is currently 6,500 barrels of crude per day, to 9,500 barrels.

In this connection, quite recently the petroleum engineer Erick Klanderud stated that Guatemala should forget about the 6,000 barrels per day, and provide more facilities to oil companies so that they could invest and engage in exploration and development on a mass scale.

Concretely, Klanderud said that it is now time to increase oil production because (he claimed) it is ridiculous to keep it at 6,500 barrels per day.

New Hydrocarbon Law Criticized

Guatemala City DIARIO EL GRAFICO in Spanish 9 Feb 84 pp 5, 22

[Text] Guatemala City, 8 February--Today, engineer Erick Klanderud, an expert on hydrocarbons, declared: "The national oil policy is totally erratic."

In statements made to EL GRAFICO, the professional argued:

"With regard to the statement made by the minister of energy and mines to the government cabinet on oil exploration in Guatemala, I do not think that, from any standpoint, this activity is being given the impetus that is indicated; because the work that engineer Contreras mentions in his statement is merely based on contractual obligations yet to be fulfilled by Texaco and Elf in the L and I areas, respectively, and is by no means the result of a successful oil policy, as has been attempted to make it appear."

EL GRAFICO: What is the country's actual oil situation?

Klanderud: The reality is that the exploration and development work has been totally suspended in the D, E and AA areas, where there were commercial discoveries, and which the companies have chosen to give up completely, not making additional investments in those areas in view of the meager attractiveness of the new law on hydrocarbons.

So, the companies will merely confine themselves to fulfilling their commitment to the obligations already contracted for the I and L blocks, which are the only ones in which there will be a minimum of activity in 1984, and which are the ones cited by the minister in his remarks. Nevertheless, it is sad that, instead of working at full capacity in the blocks qualified by the government for oil exploration, which actually consist of 11, work is only being done in two; and that, instead of increasing the oil companies' radius of activity, it has been reduced dramatically at the present time: Of the five blocks in operation during 1982, this year work will be done in only two, without any hope of discerning any increase in this activity, either this year or next.

I suppose that, as part of his "extensive statement" to the cabinet, this information will be supplied to the head of state. Nevertheless, I consider it to be also a right of the people as a whole to be duly informed of the failure in oil toward which we are heading; because the people, owing to the constant announcements made by the Ministry of Energy and Mines regarding the "oil boom" that we are in, are under the impression that there is a great future in this activity, whereas the truth, unfortunately, is that we are heading toward a prompt, imminent, total stoppage in the oil exploration in the country, insofar as the foreign oil companies are concerned, both those operating in Guatemala and those that might have had some interest in coming here at one time.

I don't consider it newsworthy to announce that seismic activity will be carried out in only one block, when there are 11 available and no company is interested. Nor is it encouraging that they intend to drill a minimal number of exploratory wells in an area that has already been conceded; because that is merely the result of fulfilling contractual obligations assumed by the oil company in the past, at the time of the signing of its contract. In other words, none of this news could be newsworthy.

What would, indeed, be important news that would really deserve the preparation of press bulletins, etc., would be if the Ministry of Energy and Mines announced how many new foreign oil companies will be coming to Guatemala in the near future, or how many have expressed any interest, owing to the new law on hydrocarbons.

How many can we expect in 1984? In how many blocks will there be exploration for oil next year? Why is the current goal only to maintain the minimal oil production accrued right now, instead, as would be logical, of attempting to

increase it? I, personally, believe that, under the present circumstances, far from increasing, or even being maintained, during 1984 oil production will decline considerably, and with it the amount of crude for export; and, therefore, the intake of foreign exchange will drop in the same proportion.

EL GRAFICO: Is there much optimism on the part of the cabinet for the report?

Klanderud: I think that it is very important to be optimistic at the present time; but I also believe that one should be realistic, and sincere with the people, explaining to them the real circumstances that prevail, which are leading us to the failure of the incipient oil industry in Guatemala. The people should also know exactly what the policy of the Ministry of Energy and Mines regarding the expansion of exploratory activity in Guatemala is; because it does not appear to me that much is being done currently to attract new investment in that area. It would be my view that we should open up more areas for exploration, invite new companies to come and attract them with conscious, realistic legislation geared to our circumstances. If the foregoing were accomplished, a large volume of job sources would be created and maintained (which would not represent any outlays or investment on the part of the central government); in addition to the benefits that would be accrued by the northern part of the country from the infrastructural projects (highways, hospitals, schools, etc.) which the oil companies carry out, based on the terms of their contracts, and which do not cost the people anything either.

I deem it important to bear in mind that the only ones that are truly concerned about gaining and benefiting from Guatemala's oil are the Guatemalan people; neither OPEC nor OLADE [Latin American Energy Organization], much less producing countries and "friendly" suppliers, could be as concerned as the Guatemalans themselves, those of us who will benefit directly if this industry proves successful. This could be achieved by letting the expert oil companies with extensive technical and financial capacity be the ones responsible for accomplishing it; thereby avoiding the forced creation of a state oil company that would prove to be the end of our infant oil industry.

The demanding current law should go into effect perhaps when we have really found oil in commercial quantities, and not now, when we have not even managed to meet 25 percent of our local consumption.

In my opinion, what we need right now is a clearcut, functional law that will give an incentive to the serious oil companies to come and risk their money in Guatemala, through their investments and work, which would result in collective benefits for the Guatemalan people over the short and long term.

I think that the present time is crucial for making this type of decision, and I hope that, in a few years, we shall not have to regret tremendous mistakes made concerning the development of the oil industry (mistakes such as the ones relating to Chixoy, which have proven so costly to the people), and for which no one has ever turned out to be blameworthy.

2909

CSO: 3248/444

TEXT OF GOVERNMENT STATEMENT ON PETROLEUM PRODUCT PRICING

Kingston THE DAILY GLEANER in English 2 Feb 84 p 8

[Text] **The following statement has been issued by the Minister of Mining & Energy, Senator the Hon. Hugh Hart.**

"THERE HAS BEEN considerable speculation and misunderstanding concerning the components of the new prices for petroleum products which were announced on December 30, 1983, and in view of this, I wish to clarify, for the benefit of the public, Government's policy in arriving at the new price levels.

"Since these increases are being compared with pre-June 1983 levels, particularly those relating to gasoline and diesel oil, I shall focus my attention on the differences between those prices and the ones which now exist.

"Prior to the introduction of the parallel market and the subsequent unification of rates, Jamaica's petroleum bill for the controlled products — cooking gas, gasoline, diesel oil and kerosene, together with fuel oil for the Jamaica Public Service Co. Ltd. required US\$218.2 million which, at the exchange rate of J\$1.788 to US\$1.00, required J\$390 million. At the current rate of J\$3.40, this requires J\$742 million, or an increase of J\$352 million.

"If this increase had been equally apportioned over the approximately 226 million gallons of these products sold annually, an increase of J\$1.56 per gallon for each commodity would have been required. This figure can therefore be regarded as the standard increase as a result of devaluation.

"However, had this been done, cooking gas would have increased in cost by 76% and kerosene by 62%. It must be borne in mind that cooking gas and kerosene are the fuels used by low income groups for cooking and domestic lighting, and the social impact on those persons who can least afford it would have been considerably greater.

"In addition, fuel oil to JPSCo would have increased by 120%, which would have been passed on to the consumer through the fuel clause portion of electricity rates. Obviously, this level of increase would have had a devastating effect on the entire nation — but more so in the agricultural, industrial and residential sectors.

"The Government took the decision not to subject these essential fuels to such high increases and agreed to adopt a differentiated approach. It was decided that instead of placing the full share of the increase on the essential fuels, a further increment should be added to the price of gasoline and diesel oil and the additional revenue realized from the sales of those products could be used to subsidise the essential fuels against the full impact of the devaluation. By doing this, the increases in the prices of cooking gas, kerosene and fuel oil were to 95¢ per gallon, 50¢ per gallon and 20¢ per gallon, respectively. These increases yielded approximately J\$45.7 million, leaving some J\$306.3 million to be collected from gasoline and diesel oil.

"On the basis of projected sales of 108 million gallons of these two products per year, the standard devaluation increase of J\$1.56 per gallon would yield J\$168.5 million, leaving a shortfall of J\$137.8 million. And, in order to recover the sum, further increases of J\$1.49 per gallon and J\$1.08 per gallon were required for gasoline and diesel oil, respectively.

"In addition to these increases which resulted from the exchange rate, the tax on gasoline was increased by 71¢ per gallon between June and December 1983, but there was no additional tax levied on diesel oil. Further to this, and as a direct result of the new exchange rate, the margins to the marketing, haulage, and retail trades were also increased by a total of 26.8¢ per gallon. A further 29.4¢ per gallon and 16.4¢ per gallon were added to

the prices of gasoline and diesel oil in order to stabilize them against the upward movement of the parallel market, and any other short term exchange rate increases or escalation in the price of crude oil to the country.

"In order to illustrate what I am saying, let us look at the build up of prices of premium gasoline and retail diesel oil from pre-June 1983 levels:—

	PREMIUM JS	RETAIL DIESEL JS
Pre-June price	4.65	2.90
Standard devaluation increase	1.56	1.56
Subsidy for essential fuels	1.49	1.08
Tax	0.71	—
Trade Margin	0.286	0.286
Stabilization Factor	0.294	0.164
	8.99	5.99

"It is interesting for the public to note that, using the relevant exchange rates applicable to pre-June and current prices, in U.S. dollar terms, the present pump price of premium gasoline, namely US\$2.64, represents only a 3c per gallon increase over the pre-June price of US\$2.61." I wish to point out that any objective assessment of the new petroleum prices requires that we regard them in relation to those prevailing in other countries both within and without our region.

"With the exception of oil-exporting countries, such as Trinidad and Tobago and Venezuela, the new prices of gasoline compare favourably with several countries throughout the world.

"Within the Caribbean and Latin American region, the price of gasoline per imperial gallon is as follows:—

Jamaica	US\$2.64
Barbados	US\$2.68
Costa Rica	US\$2.53
Dominica	US\$2.22
Guatemala	US\$2.49
Nicaragua	US\$5.88
Panama	US\$2.74
Trinidad & Tobago	US\$1.04

USA	US\$1.70
Venezuela	US\$0.88

"Prices in some other countries are:

England	US\$2.62
Italy	US\$2.99
Sweden	US\$2.33
Spain	US\$2.53
France	US\$2.67
Norway	US\$2.87

"All prices are quoted in U.S. dollars. (Note: J\$3.40 —US\$1.00).

"Despite this, the public may well consider the price of J\$8.99 per gallon for gasoline as being unduly burdensome. However, as responsible citizens we should recognise our high dependence on imported energy and therefore understand the absolute need for each and every one of us to stimulate and sustain conservation measures and practices in keeping with national goals.

"I hope that as our consciousness of the realities deepens, we will all make greater effort to face up to the responsibilities and play our part in helping to overcome the economic difficulties."

TABLE TO SHOW HOW NEW GASOLINE PRICES COMPARE WITH PRICES IN SOME LATIN AMERICAN AND CARIBBEAN AS WELL AS OTHER COUNTRIES.

REGIONAL GASOLINE PRICES (Imperial Gallons) PRICES IN OTHER COUNTRIES

All prices are quoted in U.S. Dollars		
Jamaica	\$2.64	England \$2.62
Barbados	\$2.68	Italy \$2.99
Costa Rica	\$2.53	Sweden \$2.33
Dominica	\$2.22	Spain \$2.53
Guatemala	\$2.49	France \$2.67
Nicaragua	\$5.88	Norway \$2.87
Panama	\$2.74	
Trinidad & Tobago	\$1.04	

GOVERNMENT GIVES KEROSENE DEALERS NEW PRICE STRUCTURE

Kingston THE DAILY GLEANER in English 10 Feb 84 p 3

[Text]

NEW OPERATING MARGINS for kerosene oil distributors were agreed on at a meeting held at the Ministry of Mining and Energy on February 3 between Senator the Hon. Hugh Hart, Minister of Mining & Energy, and leaders of the kerosene distribution trade.

A press release issued by the Ministry said that in deciding on the quantum of the new margins, the Minister took into consideration the recent increase in the price of cooking gas, the smallest container (25 lbs.) of which cost \$20.50, and the likely increase in demand for kerosene. He was therefore concerned that traders in kerosene should be given the incentive to reach rural consumers with the product.

To this end, the margins for shopkeepers and peddlers, the main outlets for distribution in urban and rural areas, were also given due consideration.

The new margins are as follows:-
For shopkeepers in urban and rural areas — 18¢ per Imperial gallon; for kerosene peddlars selling in rural areas — 26.4¢ per Imperial gallon and for kerosene peddlars selling in urban areas — \$15.4¢ per Imperial gallon.

As a result of these new margins the following prices will prevail:-

Price at industry loading rack to kerosene peddlars — 42.626 per Imperial gallon;

Price to shopkeepers in urban areas — \$2.78 per Imperial gallon;

Price to shopkeepers in rural areas — \$2.89 per Imperial gallon;

Price to consumers in urban areas — \$2.96 per imperial gallon, or 74¢ per Imperial quart, or 37¢ per Impe-

rial pint;

Price to consumers in rural areas — \$3.07 per Imperial gallon, or 77¢ per Imperial quart, or 39¢ per Imperial pint.

The Minister re-iterated his earlier statement that it was Government's intention to keep the price of kerosene at the lowest level possible through a system of inter-fuel subsidies so that the low-income groups in the community who rely on kerosene as a fuel will not bear the full impact of the price increase consequent on the devaluation of the Jamaican dollar.

He also stated that the Ministry of Mining & Energy will shortly be announcing new measures affecting the current system for distributing kerosene which it is hoped will make the product even more readily available throughout the island, while at the same time reducing the risk of it being used as a pollutant of higher-priced petroleum products.

BRIEFS

DROP IN FUEL USAGE--Information available to the Ministry of Mining for January indicates that there was an 18% reduction in the sales of gasoline from the Kingston oil refinery, and this the Government wished to encourage, Prime Minister Edward Seaga told the House of Representatives on Tuesday, Feb 7. Mr. Seaga said the Government had anticipated that the steep price increases in the retail prices of gasoline and diesel oil in January, would encourage efforts to conserve, and figures available for the month of January indicated that sales from the refinery to the petrol sales outlets fell by 18%. "This indicates that there is a substantial measure of conservation taking place. I hope that it continues and thereby decrease the extent to which we have to import oil for purposes of gasoline use," Mr. Seaga said. Mr. Seaga was speaking on a resolution which he moved to have the House amend the Consumption Duty Act to approve the order increasing the prices of gasoline and diesel oil. The resolution was approved. Mr. Seaga also said a comparison of Jamaica's petrol prices since the latest increases showed that they were similar in U.S. dollars to those of non-oil importing countries in the region, and even less than some. [Text] [Kingston THE DAILY GLEANER in English 10 Feb 84 p 3]

CSO: 3298/520

RESERVES, OTHER DATA ON TAMBAREDJO FIELD PRESENTED

Paramaribo DE WARE TIJD in Dutch 3 Feb 84 pp 1, 2

[Text] At the beginning of January 1983, State Oil began the first production of oil at the Tambaredjo field. Six wells were put into production. As of June 1983, a total of 50,000 barrels had been produced. This fact, together with other observed data, made an initial evaluation of the Tambaredjo field possible.

Reserves

The reserves, estimated at approximately 100 million barrels as of 1 January 1983, were brought up to 164 million barrels on 1 June 1983. The field extends over an area of at least 34 square km. Nevertheless, the total extent of the Tambaredjo field cannot be indicated with certainty. For this, additional drilling operations will be necessary in the future.

Course of Production

During the first 6 months, average daily production was approximately 50 barrels per well. There are still no clear opinions on the internal reservoir forces which, in conventional pumps, contribute to oil production.

Important studies of the reservoir remain to be carried out. It is to be expected that the daily production level per well mentioned above will decrease sooner or later. Therefore, it is desirable to explore production department during the application of heat to the reservoir, by means of a "pilot steam injection project."

Initial expectations are that the results of this will be positive.

Sales

During 1983, a total amount of 115,000 barrels of oil were produced, which were sold as fuel to the bauxite industry after purification of water and sediment. In order to accommodate the interests of other industries, a mixing installation and distribution facilities were built for approximately 500,000 guilders in order to produce for them a thinner and purer fuel than "Bunker C." This

product is being brought onto the market for fuel purposes under the name "state oil 1500," at the moderate price of 40 cents a liter.

Investments in 1983

In addition to the construction of the mixing installation and the distribution center mentioned earlier, the following was also realized last year.

- a. Seven new production wells;
- b. Two exploratory drills;
- c. Expansion of storage capacity by an additional 5,000 barrels;
- d. Improvement of the electrical system, loading pump installations, the road system, drainage, etc.
- e. Expansion of office, warehouse and laboratory space at Saramacca;
- f. Expansion of the set of machinery to help in drilling and production activities;
- h. Construction of a new river tanker. This tanker is 40 meters long and 7 meters wide, can accommodate four crew members, and will have a transport capacity of 2,500 barrels. The ship is further equipped with two independent drive propellers and is built in the Lloyd series in conformance with international safety standards. The tanker was delivered in package form and is being finished in Suriname by the SDSM [expansion unknown]. Delivery will take place this March.

A total of four million guilders has been spent on this investment program, of which three million came from oil proceeds. The NOB [National Development Bank] provided a loan of 700,000 Suriname guilders for the financing of the new tankers, and the rest was financed by short-term loans.

1983 Results

A total of 115,000 barrels of oil was produced in the year under review, of which 110,000 barrels were sold, for a gross return of five million guilders.

Direct production and transportation costs amounted to approximately one million guilders. After deducting exploration costs, overhead costs and depreciation, approximately 500,000 guilders remain as profit, which has now been invested in a production source for the time being.

1984 Work Program

a. Production Yield

In December 1983, 11 production sources were in operation, with a daily production level of 500 barrels. It is intended to step up production during 1984 to

1,000 barrels a day. Total production for 1984, is estimated at 220,000 barrels with a gross return of papproximately 10 million guilders.

b. Investments

State Oil will put an investment program of approximately six million guilders into effect in 1984. This program will consist of:

- The Steam Injection test project;
- Eight to ten new production wells;
- Three to six exploratory wells;
- Expansion of business buildings and storage facilities.

Employment

The staff of State Oil increased in 1983 from 30 to 80 people, and is now divided into four main departments, namely:

- Production
- Exploration and Drilling
- Transport and Sale
- Management and Administration

In addition to this group, 10 workers were on loan from the government, while 5 to 25 casual workers were employed through the district secretariat in Saramacca, dependent on the extent of activities.

Over the course of the entire year, diverse local contractors were, within the framework of investment activities, charged with carrying out all sorts of building and construction activities, so that on the average another 25 people were employed in our activities throughout the year.

Prospects

Although a number of important reservoir data about the Tambaredjo field are lacking, it can now be said that, with careful and intelligent management of the reservoir, this field will be capable of yielding good fruits for the benefit of the community for many years to come.

PHOTO CAPTION

One of the large pumping units installed by State Oil in 1983. These pumps have a capacity of up to 400 barrels a day, and will be set up during the steam injection project.

12271

CSO: 3214/20

GUATEMALAN ECONOMY MINISTER ON TRADE WITH EL SALVADOR

Guatemala City PRENSA LIBRE in Spanish 21 Jan 84 p 4

[Text] "The problem of El Salvador has been solved completely. Next Monday, the borders will be opened to our products; after much struggle we managed to arrive at a happy outcome," said Economy Minister Leonel Hernandez Cardona yesterday during a press conference.

"This victory is not only a victory of this ministry because, from the very beginning, we have been combining our efforts with the commerce and industry sectors in order to balance the levels of trade competitiveness with El Salvador.

"By yesterday we had arrived at agreement and we managed to switch the produce that had been on the parallel market to the official exchange market.

"This means that exporters of vegetables who, in the past, were getting 65 centavos for each quetzal exported, will now get 1 quetzal per quetzal. Trade relations have been smoothed out on the matter of vegetables.

"Under other sensitive headings, which cover more than 1,000 products, the parallel market in El Salvador had an advantage of 35 percent which means that, for every Guatemalan quetzal exported through exchange situations, we got 65 centavos.

"That implied a disadvantage to our manufacturers when it comes to competing over there. Now we have agreed that the parallel market in El Salvador should operate at 2.70; this means that we are now losing only 8 percent compared to what we were losing before, that is, 35 percent, and that was quite painful. The 8 percent figure is a small additional burden but we will be able to compensate for that through transportation costs.

"The competitiveness level has risen. We believe that this places us in a good position. Something that makes me even happier is that the common market is beginning to grow stronger because trade is beginning to be carried out in a more orderly fashion, with certain rules of the game which are well defined and in this way we can trade better.

"The fight was tough and took a long time but it was all worthwhile in the end," the economy minister repeated. "I am satisfied with having fought for my country and that will benefit the entire nation.

"The Ministry of Economy is only the spokesman of the situation of its people. This makes me even happier because we, in the current administration of Gen Maija Victores are fighting for generalized causes and we are trying to move our people forward and we want to make sure that all negative efforts have begun to disappear as of now.

"To give you an idea of the approximate amount of the benefit which we will obtain, we multiply the trade volume by 35 percent and we will then have the quantity which Guatemala had failed to get for its quetzales. That gives us an idea of how much Guatemala was losing with this kind of trade operation.

"I believe that El Salvador will discharge its commitment," he replied, "because in the tough and lengthy struggle they became aware of the situation, they realized that their economic mechanism was discriminatory and I believe that they will carry out the agreement we signed. President Magana backed the negotiations and I believe that they will carry the agreement out.

"We must implement the agreement that was signed. We will send cables to the ministers of finance, to the customs offices, etc. I believe that the borders will be opened already on Monday.

"The 8 percent surcharge which remained could not be taken off," he indicated. "When you negotiate, you cannot win 100 percent. El Salvador has protectionist measures to defend its balance of payments. El Salvador negotiated and took a step forward in what it granted; these measures cannot be made to disappear overnight. This small advantage is balanced out through shipping costs and the exchange of products whose cost will go up as they are shipped to Guatemala.

"We broadened the radius of action of Guatemalan commodities to the market of El Salvador; this could not be accomplished with much freedom of action; and we also leveled off the action radius of Guatemalan commodities."

5058

CSO: 3248/407

GUATEMALA-HONDURAN TRADE AGREEMENT SIGNED

Guatemala City DIARIO EL GRAFICO in Spanish 28 Jan 84 pp 2, 69

[Text] The trade agreement between Guatemala and Honduras was signed yesterday; it puts an end to the closing of borders which has been going on for almost 2 months; the document was signed by the vice ministers of economy for integration matters and foreign trade of Honduras, Jose Enrique M. and Cesar Soto Rodas for Guatemala. Here is the text of the agreement.

Agreements Between the Representatives of the Governments of Guatemala and Honduras

The representatives of the governments of Honduras and Guatemala, in an effort to strengthen and provide impetus for the economic growth of their countries, with the intention of promoting the wellbeing of their inhabitants and increasing production activities, met in the city of Tegucigalpa, D.C. [Capital District], Honduras, on 25 and 26 January 1984 to analyze trade and to solve the problems connected with trade between both countries.

In the light of the result of this examination and their deliberations,

They hereby agree on the following:

First: To restore trade as of 0000 on 28 January 1984, the Ministry of Economy of Guatemala will, for this purpose, suspend the implementation of Ministerial Agreement No. 491-83, dated 28 November 1983, concerning imports of commodities originating in and coming from Honduras.

Likewise, the Secretariat of Economy of Honduras will suspend the measures adopted on 7 December 1983 concerning commodities originating in and coming from Guatemala. At the same time, the ministries of economy of both countries will take all internal steps that may be necessary so that this provision may take effect.

Second: The Secretariat of Economy and Commerce and the Central Bank of Honduras shall, within a period of no more than 5 working days, as of their presentation, favorably resolve all applications for import licenses relating to commodities covered by the "Bases for Regulating Trade Between Guatemala and Honduras" which, having been submitted as of 15 July 1983, may have been denied, and/Central Bank of Honduras [as published].

Third: The Central Bank of Honduras shall, within a period of 50 days, as of the date of their acceptance, favorably resolve all import licenses for commodities covered in the "Bases for Regulating Trade Between Guatemala and Honduras" and described with Group No. 5 of Resolution No. 38, issued on 13 May 1982, by the secretariats of economy and commerce, finance, and public credit and the Central Bank of Honduras and that may be presented as of the date stipulated in paragraph one, above.

Fourth: Honduras shall abide the deadlines stipulated for the delivery of import licenses that were favorably processed for products covered in the "Bases for Regulating Trade Between Guatemala and Honduras" and that are mentioned in groups 1, 2, 3, and 4 of Resolution No. 38, mentioned in paragraph three, above.

Fifth: The Central Bank of Honduras and the Bank of Guatemala shall channel payments for commercial transactions between both countries only through the Central American Compensation Chamber.

Sixth: The Bank of Guatemala shall record applications for import licenses on Honduran products within the deadlines that were in effect prior to 29 November 1983, that is to say, within a period of no more than 5 working days. To maintain this register, the Bank of Guatemala will require that Guatemalan importers of Honduran products supply only the pro forma invoice and the corresponding foreign exchange forms.

Seventh: With the intention of making sure that trade between both countries will not be interrupted and will, on the contrary, be increased in mutually agreed-upon terms, the signers of this accord agree in recommending to the economy ministers of their respective governments that, prior to 13 April 1984, the effectiveness of the "Bases Governing Trade Between Guatemala and Honduras" be extended.

Eighth: The Mixed Permanent Commerce Commission, established on 27 August 1982, by the ministers of economy of both countries, meet starting on 20 February 1984 for the study and implementation of the provisions contained in paragraph 7 above.

In witness whereof these presents are hereby signed in the city of Tegucigalpa, Republic of Honduras, on 26 January 1984.

(Signing): Jose Enrique Mejia Ucles, Vice Minister of Economy for Integration Matters and Foreign Trade of Honduras, and Cesar Soto Rodas, Vice Minister of Economy, in charge of Integration Matters of Guatemala.

5058

CSO: 3248/407

REPORT ON MEETING OF OECS ECONOMIC AFFAIRS COMMITTEE

St Johns THE WORKERS VOICE in English 21 Jan 84 p 6

[Text]

THE THIRD MEETING OF THE ECONOMIC AFFAIRS COMMITTEE OF THE ORGANISATION OF EASTERN CARIBBEAN STATES (OECS) TOOK PLACE IN ANTIGUA AND BARBUDA ON WEDNESDAY JANUARY 11th 1984.

THE MEETING CONSIDERED A NUMBER OF MATTERS RELATING TO THE ECONOMIC INTEGRATION AND DEVELOPMENT OF THE OECS STATES INCLUDING

1. negotiations for a successor arrangements to the LOME Convention;
2. preparation for the upcoming Sixth Meeting of the Washington-based Caribbean Group for Co-operation in Economic Development;
3. Regional Schemes for the allocation of industry among the Member States;
4. difficulties affecting intra-CARICOM trade;
5. progress concerning metrication in the OECS States, and
6. the development of an export capacity in the OECS States, and
7. the coordination of agricultural services to the OECS States.

The OECS Economic Affairs Ministers reviewed the work of the Secretariat relating to the OECS interest in the LOME Convention and took decisions on the need to safeguard and promote the interests of the OECS States under a new Convention. The Meeting also considered the question of the mechanisms through which the OECS States could seek to influence the negotiations in their interests, and gave consideration to the question of the nature of their diplomatic representation in Brussels. The meeting paid particular attention to the interests of the Winward Islands Banana Industry within a new Convention and decided on negotiating strategy regarding the banana provisions under the EEC/ACP Convention.

The Meeting agreed that efforts should be made to obtain larger sums of money to support the banana industry and that attempts should be made to accord formal recognition to WINBAN as a regional institution to enable that institution to qualify for aid from the EEC.

The Meeting considered a review by the Secretariat of production and export incentive in the OECS

Region and agreed on certain elements of an OECS approach to the question.

The Meeting took decisions to rationalize the OECS scheme for Allocation of Industries among the OECS Member States and reviewed the progress that had been made regarding the establishment of industries under the CARICOM Regional Industrial Programme.

The Meeting discussed the difficulties that had been affecting intra-CARICOM trade over the last 12 months. The Meeting paid particular attention to import licensing, area origin rules, the financing of intra-CARICOM trade and the need to develop a capability with the OECS Region for extra-regional export marketing.

The Meeting expressed its disappointment the failure of the OECS States to meet jointly with the Trinidad and Tobago authorities to discuss problems of accessing the Trinidad and Tobago market. The Meeting also agreed that the Economic Affairs Secretariat should study the implications and feasibility of an arrangement for intra-regional import programming.

The Meeting noted the existence of a trade dispute between two Member States of CARICOM, i.e. Guyana and Dominica and -

- a. expressed concern at the action of the Guyana Government in respect of the intervention of trade with Dominica;
- b. requested the Government of Guyana to urgently provide explanation of this action.
- c. urged the CARICOM Secretariat-General to continue efforts to secure a response from the Government of Guyana, and
- d. recommended the adoption of a common position in efforts aimed at resolving the matter

of the interruption in trade between Dominica and Guyana.

The Meeting noted the slow progress of metrication in the OECS States and urged Governments to take action on this matter and to seek to make full use of the services of the CFTC regional metrication advisers.

The Meeting considered a proposal for the establishment of an export development agency for the OECS States. This proposal was prepared by an Irish Export Board Team, currently operating in the Region under the CARICOM/EDF Export Promotion Projects, and which had been discussed with the CARICOM Secretariat, the CAIC and the OECS Secretariats. The Meeting considered a number of aspects of the proposal, including its organization, financing, staffing, activities and location. The Meeting gave its broad endorsement to the proposal, subject to the satisfactory resolution of aspects of the agency in respect of which the Member States wished further work to be done.

The Meeting agreed on the need to coordinate the provision of agricultural services to the OECS States, and the need to rationalize the activities of the many agencies serving the agricultural sector in the Region. The Meeting requested the Economic Affairs Secretariat to submit proposals to this end at the next meeting of the Economic Affairs Committee.

The Meeting was attended by all Member States of the OECS and also by the CARICOM Secretary-General and the Grenada Ambassador to the EEC. The Meeting was chaired by the Hon. Charles Savarin, Minister Without Portfolio in the Office of the Prime Minister of Dominica.

CSO: 3298/527

CARIBBEAN CONTACT OUTLINES REVISED EDITORIAL POLICY

Bridgetown CARIBBEAN CONTACT in English Jan/Feb 84 p 1

[Text]

THE year, 1984, will see the final stage in the putting into effect of several measures agreed upon by the Board of Directors of *Caribbean Contact Ltd.* and ratified by the CCC's Continuation Committee in September of 1983. According to the Rev. Allan Kirton, the CCC's General Secretary, this came at the end of a long process that began with an Antilles Episcopal Conference resolution which was forwarded to the Continuation Committee meeting of March 1982.

Rev. Kirton, who was appointed as Managing Director of *Caribbean Contact Ltd.*, says that the aim of the Catholic bishops' resolution was to have this paper's editorial policy examined and revised and to bring about certain other reforms which would make the paper more responsive to the concern of the 30 member Churches of the CCC constituency.

The Continuation Committee, in its turn, appointed a four-man Committee of Review convened by the Roman Catholic Bishop of Bridgetown/Kingstown, Anthony Dickson. The Rev. Allan Kirton, and Mr. Harold Hoyte of the *Daily Nation* were also appointed. The fourth person, representing the Barbados Christian Council was Bishop of the Anglican Church in Barbados, the Rt. Rev. Drexel Gomez. The committee, after four months of sittings, submitted a report in September 1982 which was considered by the October 1982 Continuation Committee and by successive meetings of the Board of Directors.

At its September 1983 meeting, the Board of Directors agreed that *Caribbean Contact* would be "a service of the Churches providing a forum for the CCC and for the people of the Caribbean". Viewed in this way, the paper is seen as not being able to speak for the member Churches with their various outlooks and agenda, but it will provide the Churches and those who have no other access to the media with a forum for self-expression.

The editorial policy of *Caribbean Contact* has been re-defined as follows:

1. To provide analysis of Caribbean issues, and world issues which have implications for the Caribbean, from the Christian and other perspectives.
2. To stimulate thought and action on issues of development of the Caribbean person.

3. To promote a spirit of Caribbean unity, by fostering among Caribbean people an understanding of the issues that affect them all.
4. To report on the ecumenical scene, raise issues concerning it and, generally, to promote a spirit of Christian unity.
5. To provide its readers regularly with accurate and up-to-date information concerning the Churches' involvement in favour of Caribbean development, especially disseminating available information on programmes of the CCC and on CCC-sponsored projects.
6. To expose Caribbean people, and especially those of the immediate Church constituency, to new perspectives in human development and to sensitise them to participation in experiments which have the all-round development of the Caribbean person in view.

In addition, a Barbados-based Editorial Advisory Committee has been established comprising Mrs. Kathleen Drayton, Fr. Harcourt Blackett, Dr. Schon Goodridge, Bishop Anthony Dickson and the General Secretary or his representative as an ex-officio member. The role of this committee will be to monitor the paper in the light of the mandate to give to the paper a distinctively Christian orientation, in fulfilment of the stated editorial policies.

In taking all of these actions, Rev. Kirton claims, the CCC is responding to the many expressions of concern coming from Churches and other sources. Said he "the paper will retain a strong role in favour of those who have been hitherto voiceless and powerless in the region". He continued that the paper will still be a voice for justice and peace in the region and across the world. "It would also attempt to be in itself a forum for balanced opinion as well as to be the balancing point-of-view in a region where the media tend to represent mainly one point of view and orientation".

CSO: 3298/509

TRINIDAD PAPER QUESTIONS COST OF CARIBBEAN SECURITY FORCE

Port-of-Spain TRINIDAD GUARDIAN in English 22 Feb 84 p 11

[Text]

THERE is an old saying about cutting your coat according to your cloth and there are several others to the same intent, all intended to inculcate the virtues of caution and prudence and the avoidance of recklessness and improvidence.

The sayings should be watchwords especially for poor nations whose countries are small and not endowed with any special resources and which are destined never to become rich during their whole existence whatever they may do.

PROPHECY

Without indulging or pretending to indulge in prophecy, that is the lot of the Eastern Caribbean island states which are now being in-

veigled into setting up a joint military force.

It is several years since they have been toying with the idea, egged on by North American prompting and promises of armament and training in the use of arms.

When the matter was considered about 12 years ago by "A Group of West Indians" meeting in Tobago with an Eastern Caribbean Federation in mind, the idea was propounded that:

"Our army, navy and air force should be highly mobile and not larger than is needed to support internal defence. Each unit should include personnel from several territories mixed up together in order to discourage military coups. If the force is highly mobile it can be kept in small numbers scattered throughout the territories instead of being concentrated in one place."

PATRON STATE

It is noteworthy that at no time did the participants at that meeting address the cost of their "highly mobile" army, navy and air force nor even if these forces were within the means of impoverished islands or whether they would have to seek a client relationship with a powerful patron State.

Where there was reference to money in other connections it was only in passing, accompanied by mention only of "richer" and "poorer" territories without identification of any in either group.

With establishment of a joint military force of whatever kind, there is bound to come a day of reckoning, as has happened with the University and more recently with the West Indies Shipping Corporation and it could be more acute than in either of these instances, and even critical.

CONTRIBUTIONS

Has it not happened that Trinidad and Tobago has had to bail out the University by paying contributions due and unpaid by the other States?

And was it not only last week that the Barbados Transport Minister was lamenting the unpaid contributions to WISCO, amounting to \$3,520,000 by all the states save and except Trinidad and Tobago?

Do we have to get in to a set-up where the Barbados Minister of Defence will be expressing concern about unpaid contributions to a joint force whose members are restless without pay and short of food?

Reagan & Co. will not always be in the White House and policy changes without consultation. Nor will Trinidad and Tobago be able always to play the bailor.

PLM ORGAN SEES ALP 'HOAX' IN CUBAN ARMS CACHE STORY

St Johns THE STANDARD in English 10 Dec 83 pp 1, 3

[Text]

A news item released a few days ago by the ALP Government Information Service stated that a large quantity of ammunition bearing marks indicating that they were of Russian and Cuban origin, were found hidden on one of the small off-shore islands near the Antigua main land. The name of the island was not disclosed; neither were the exact number and type of ammunition.

**A.G. KEITH FORD,
CHIEF PERPETRATOR**

The news item stated that the arms had been found by the Security Forces of Antigua and that investigations were continuing. Attorney General Keith Ford promised to give further details at a later stage.

GIMMICKERY AND INTRIGUE

The whole ordeal however, is regarded by most people as mere GIMMICKERY and INTRIGUE concocted by the ALP regime to profiteer politically upon the recent events in Grenada. The intention is to generate FEAR and SCARE in the general public of Antigua and Barbuda and to link the Opposition Forces in this country with COMMUNIST Ammunition. It is also conceived and put together as a means of the ALP obtaining from the Reagan Administration of the U.S.A. more substantial amounts of economic assistance.

ALP PLAYING UP TO U.S.A.

It cannot be forgotten that just before the last General Elections in 1980 that

the U.S.A. made large sums of money available to the ALP Government for several projects. The one that comes foremost to mind is the Cassada Gardens Drainage Scheme by which so much time and money has been squandered on the Old Parham Road just between Cable and Wireless Road and Isaac's Gas Station, a distance of less than one mile. This piece of road after being worked upon for about two years by the Public Works Department, remains one of the worst pieces of road in the whole of Antigua.

**GRENADA AFFAIR USED TO
BLINDFOLD PEOPLE**

The Grenada crisis for all practical purposes is past and gone. The House of Representatives already approved a resolution of support for the invasion to help restore LAW and ORDER. But it is clear that the ALP regime is prepared to perpetuate the MUD and the MIRE of the Grenada affair, stretching it right here to Antigua, and use it as an occasion to blindfold people.

**GRENADA AFFAIR
A SMOKE SCREEN**

A leading Barbados Opposition politician Cameron Tudor charged that the Barbados Government was using the Grenada crisis as SMOKE SCREEN for its failure to get on with the business of properly managing the affairs of Barbados. The same and even more could be said of the ALP regime right here.

GRENADA BLOOD TO COVER UP FAULTS

Instead of hastening to attend to the economy of this country; fixing our BAD ROADS; improving our lone Holberton Hospital; and raising the general standard of living of our people, the ALP Government is seeking to splash the BLOOD of the Grenada affair all over Antigua, and use it to hide its many faults and failures.

SHEER PROPAGANDA

If at all any ammunition was found as the ALP claims, then this must be due to the undisclosed and undeclared MUTINY in the local Army. Who in Antigua wants Russian arms? Could they not have been stolen from Americans who might have captured them in Grenada? This is sheer propaganda.

ARMS PUSHERS NOT SO SILLY

If the real intention of the SUPPOSED pushers of AMMUNITION was to get arms to certain people in Antigua, they would never need to put the arms on any off-shore island. The ALP Government knows that there is no effective Coast Guard Service in Antigua and one of the easiest things in the world would be to deliver such arms right here in Antigua. The mainland of Antigua has by far too many INLETS for there to be resort to use of an off-shore island on which to hide ammunition.

ELECTION HOAX

The announcement is deemed nothing short of a HOAX concocted and orchestrated by the ALP regime. It is common knowledge by now that the ALP plans to use the Grenada affair as occasion for calling a General Election. Other SCARES orchestrated by the ALP regime are therefore BOUND to follow in due course.

CSO: 3298/510

SUGAR INDUSTRY'S DEMAND FOR MORE MONEY CONDEMNED

St Johns THE STANDARD in English 24 Dec 83 p 1

[Text] According to Mr. Rupert (Rugby) Lake, chairman of the Antigua Sugar Industry Corporation (ASIC) a further sum of \$2.5 million E.C. is now needed by the industry in order for the industry to "achieve its goals set for next year". Exactly what these goals are, Mr. Lake did not disclose. Neither did he disclose whether indeed the goals set for 1983 had been reached.

Boast of Goals Achieved

Judging from the high praise showered on outgoing General Manager of ASIC one Mr. Herman Rohlehr, it would appear that as far as Mr. Lake is concerned, the goals set by the ASIC were reached and even surpassed in 1983. But Antiguan and Barbudans will always remember the BLACK BROWN sugar which they were coerced into buying by the ALP Government at the exorbitant price of \$1.15 per pound.

**GOALS OF EXPENSIVE
DIRTY SUGAR**

The quality of this sugar was such that no Bureau of Standards or any country like Antigua would dare approve it as being fit for human consumption. Sugar of far better quality could be imported here for less than one third of the price for which that sub-standard product was being sold here, yet the ALP Government banned the importation of white sugar to compel Antiguan and Barbudans to purchase a poor quality locally-made sugar.

SUGAR AT \$1.15 PER POUND

The gesture of supporting local industry is a noble one, but the standard of the product must be good. Antiguan have been most aware of the fact that the quality of sugar they were sold at

\$1.15 per pound was of an exceedingly poor quality. If this was deemed the achievement of set goals, it means that a further E.C.\$2.5 million are now being asked for to repeat a similar performance. Beside having paid the exorbitant price of \$1.15 per pound for a sub-standard sugar, Antiguan are now being asked to FORK UP \$2.5 million for a repeat performance of a COMEDY OF ERRORS.

**WASTE AND SQUANDER OF
PUBLIC FUNDS**

This newspaper says to Mr. Lake in no uncertain terms, NO WAY. Sufficient money has already been flushed down the drain in this SUGAR HOAX in Antigua. ASIC is indebted to the tune of some \$20 million. Any further investment in this project constitutes a most wanton and deliberate WASTE and SQUANDER of public funds. This is even more so now that the price of sugar on the World Market is so LOW.

BRIEFS

WORKERS' CHARGES--The ALP Government has announced that it has invited the Caribbean Congress of Labour (CCL) to investigate charges made by the Antigua Workers's Union (AWU) that workers in Antigua are discriminated against because of their political and trade union connection and affiliations, when it comes to getting work on the Pipeline Project being carried out in Antigua by a firm of Trinidad Contractors. Strange enough, this announcement came from the lips of Hugh Marshall, Minister in the Ministry of Economic Development, the very man who publicly declared in Parliament that as far as he was concerned, no member or supporter of the AWU should get work on the Project. This was broadcast for the whole Nation to hear, and eventually the WORLD. What Antiguan and Barbudans would have preferred was a public CONDEMNATION and DENOUNCEMENT by Government of Hugh Marshall for having such a dangerous and irresponsible utterance at a forum as "HONOURABLE" as the PARLIAMENT of our Nation. Marshall should be SACKED immediately. The fact that Marshall has neither been SACKED nor even publicly CONDEMNED by his ALP Cabinet colleagues for his utterance, confirms that they approve of it. Invitation of CCL to investigate will therefore serve no useful purpose, since Marshall has never admitted being WRONG nor has he been asked to withdraw his dangerous remark. Barbados Prime Minister Tom Adams sacked Lionel Craig, as Labour Minister for making a similar remark some time ago. But Hugh Marshall seems more PROMOTED than SACKED for his dangerous and DIABOLIC utterance that NO AWU member or supporter should obtain employment on the Pipeline Project. [Text] [St Johns THE STANDARD in English 10 Dec 83 p 5]

HIGH COST OF ELECTRICITY--Consumers of electricity in Antigua continue to express great alarm at the enormous bills they are required to pay each month for electricity. Fuel Variation Charge continue to account for more than half the regular bill. With the OIL CRISIS having taken a different turn throughout the world, it would be expected that the Fuel Variation Charge would have fallen substantially but this has proved not to be so. A check upon what is paid by a number of territories of the English-speaking Caribbean reveals that the average Antiguan household pays more than twice what is paid by consumers in other islands. The comparison with Barbados in particular, proves most interesting. Prime Minister Bird has boasted on several occasions that wages in Antigua come next to Barbados by way of comparison. But Barbadians pay far less for their electricity than we do. Research has revealed that the average Barbadian householder pays less than half what the average Antiguan household pays for electricity. It is common to find an Antiguan household of six to

eight persons having no more than a refrigerator, a television set, a radio, and one or two other regular items of electrical appliance, having to pay as much as \$110.00 to \$120.00 per month for electricity. In Barbados such a household would pay no more than \$45 to \$50. Even when a conversion from Barbados currency to E.C. currency, the cost of electricity in Antigua is seen to be far ahead of Barbados. [Text] [St Johns THE STANDARD in English 10 Dec 83 p 8]

ATLU-AWU CONTENTION--In a poll conducted by Labour Commissioner at the Social Security Office in order to resolve the question of employees representation for the employees of that department, held on Friday 20th January 1984, the A.T.L.U-humiliated the Antigua Workers Union by the wide margin of 27 to 11 votes with 4 ballots being registered for no Union. The A.T.L.U requested the right to bargain for the employees, but was challenged by the A.W.U. This is the first time within the last 2 years that either Union has challenged the other on the question of employees representation. Our Reporter questioned the Gen. Secretary of the A.T.L.U as to why he thought that the A.W.U challenged for the 'count' and why they lost so badly. His reply was that since he became Gen. Secretary a little over a year ago both Unions have been co-operating quite well, but since it has become rumoured that elections may be held this year, the A.W.U which is under heavy political influence wanted to flex their muscles. As to the other part of the question, he said that most of the A.W.U officers are prospective candidates for the upcoming General Elections, and workers today are finding it harder and harder to trust politicians especially as it was the A.W.U who told them that Union and politics could not mix. Almost all employees of the Social Security possess quite a few O and A levels. [Text] [St Johns THE WORKERS VOICE in English 28 Jan 84 p 1]

EFFECTS OF DROUGHT--The lowest rainfall for the last forty years was received last year in Antigua. As a result of this very serious situation the Pots Works Dam is down to less than half of its capacity, the Government realizing the gravity of the situation has appealed to the U.S. Government for immediate assistance. Pipes in domestic homes are being locked off for the greater part of the day. The construction of the Pots Works Dam is one of the major projects accomplished by the A.L.P. Government. In a miraculous way a small stream was transferred into the largest expanse of fresh water in the region. Showers have started to materialize during the month of January, and people have been praying that this would continue throughout 1984. The average rainfall for Antigua is about 45 inches annually, with the major portion falling in the months of August through December. What is described as 'Pond rain' usually come at that time. This is the very heavy down pour which fills up all ponds in the island. None of this type of rain have been witnessed for the last 17 months. Meanwhile A.P.U.A. continue to advise its customers to use as little water as necessary. [Text] [St Johns THE WORKERS VOICE in English 21 Jan 84 p 1]

CSO: 3298/529

CHINESE, ISRAELIS GIVE AGRICULTURAL ASSISTANCE

FL011316 Bridgetown CANA in English 1212 GMT 1 Mar 84

[Report by Reudon Eversley]

[Text] Bridgetown, Barbados, 29 Feb (CANA)--Thanks to foreign expert assistance, Barbados is experimenting with a range of new food crop varieties and reporting higher yields in some traditional produce as a result of the introduction of improved farming techniques. Separate teams of Chinese and Israeli experts have been on assignment here over a year now, helping the government put in place a diversification programme intended to reduce dependence on sugar, the number one export crop in local agriculture.

The plan to develop a blooming non-sugar agricultural sector is essentially geared at bringing down Barbados' spiralling food import bill to "the lowest possible level," according to the government's new five-year development plan.

Barbados imported 162.3 million dollars (one Bds dollar ; 50 cents U.S.) in food in 1982, official figures show. This compares with the 1970 figure of 49.2 million dollars.

The Chinese say they have concentrated mainly on testing over 130 varieties of Chinese vegetables now being grown here for the first time. They are also eager to go into the field and share their cultivation practices with Barbadian farmers.

The Israelis, on the other hand, have been mainly working with a group of farmers demonstrating better farming methods in areas such as soil preparation, planting, and irrigation.

Both ventures have so far been successful, the two teams say.

The eight-member Chinese team has set up a vegetable experimentation centre on a three-acre plot that forms part of a state-owned agricultural station in the rural parish of St Philips.

Team leader Min Ying-zhang said the Chinese varieties of vegetables--including celery, yams, beans, and water spinach--have adapted well to Barbadian conditions, and the state-to-state project has proved a success. The project ends in a year's time.

"Our Chinese crops have adapted well to Barbadian conditions and are growing well. The project has been successful," he told CANA through interpreter Wang Jiasheng.

Wang says an educational programme is needed now to inform Barbadians about the ways in which the Chinese vegetables are prepared to enhance their acceptability.

The 30-month Israeli project falls under a World Bank agreement with the Barbados Government.

The four-member Israeli agricultural development team is working with extension officers of the Ministry of Agriculture, preparing them to take over the programme.

"What we are trying to do is to adapt to the very specific conditions of Barbados some of our technologies in such a manner that farmers are able to adopt them to improve their production," said Israeli team leader Dr Haim Ravona.

Small farmer Douglas Corbin says the Israeli techniques work. He has reported a "sizeable increase" in yield from a quarter acre he uses for bean cultivation since adopting the Israeli method of having two rows of plants on one bed instead of up to five as traditionally done by local farmers. "I got about 3,200 pounds of beans. It was nothing like that before," Corbin reported.

Another example is the case of tomatoes. The Israelis are recommending that farmers prune and stake their plants to increase yields. Vegetable production specialist Ahmed Zahalka said they had observed "a dramatic reduction" in fruit loss because staking keeps the plants out of reach of insects that prowl on the soil. The method, Zahalka says, also allows for adequate sunshine for fruit development.

Now that the Israelis are satisfied that their methods have proven successful, they are planning to branch out and aid other farmers. Planters who have already benefitted are also being urged to share what they have learned with other colleagues.

Dr Ravona said that because of the concentration on sugar as the main crop here for years, some farmers had entered vegetable production with little experience. "The results is that they never got the real potential yield of the varieties they used," the Israeli team leader said.

He added that they were attempting to show farmers how to increase yields from the same acreage, at no extra cost, in the hope of lowering the price of produce to consumers.

Dr Ravona said that the relatively high price of vegetables here compared with other countries could well be the reason why Barbadians on average eat 32 kilogrammes of vegetables a year on a per capita basis, a level which he said is "very low."

"Our project is to help increase yields so that, as a result, prices will be at a lower level and by that stimulate more people to consume more vegetables," Dr Ravona said.

The Barbados Government has said that the non-sugar agriculture sector is an area of "under-utilised potential."

Government's strategy for agriculture over the next five years, as outlined in the 1983-88 development plan, includes increasing food output and reducing food imports to the lowest possible level.

The plan calls, among other things, for domestic production of several processed products that are now imported, such as peanut butter, soups, broths, tomato ketchup, infant foods, jams, and jellies. "The import substitution policy comprises pricing policy, use of an import [word indistinct], rationalisation of non-sugar marketing, and the development of agro-industries," the plan said.

CSO: 3298/1131

FIGURES RELEASED ON 1983 TOURIST TRADE

FL310156 Bridgetown CANA in English 1925 GMT 30 Jan 84

[Report by Irvine Reid]

[Text] Bridgetown, Barbados, 30 Jan (CANA)--Barbados last year recorded its first increase in tourist arrivals since the record year of 1979, official figures showed today. The Barbados Statistical Service said 328,325 tourists came to Barbados last year, 8.1 percent more than the 1982 figure of 303,778.

In 1979, Barbados recorded some 370,916 visitors, the highest ever. Since then, arrivals declined steadily mainly because of the international recession. But an apparent upturn in the United States economy helped to swell the arrivals last year and contributed in large measures to the increase.

The United States is currently Barbados' main tourist market providing 113,789 visitors during 1983 as against 75,511 in 1982...a significant increase of 51 percent.

The only other market to increase its tourists to Barbados during 1983 was Trinidad and Tobago--47,662 compared with 45,046 in 1983, a rise of 5.8 percent.

Tourist arrivals from Canada stood at 53,198 compared with 59,619 in 1982, a decline of 10.7 percent. However, for the month of December, 6,997 Canadians visited Barbados, up from 5,346 in 1982, a rise of 30.8 percent.

Arrivals from the United Kingdom declined by 6.8 percent, moving to 47,662 from 51,147 the year before. The drop in visitors from the U.K. is partly blamed on the continuing strength of the U.S. dollar against the pound sterling. The Barbados currency is tied to the U.S. dollar.

Tourist arrivals from the Caribbean Community (CARICOM) for 1983 reached 36,279 compared with 36,912 in 1982. There was a slight rise for December, when 3,620 CARICOM residents visited, up from 3,140 in 1982.

Barbados' main South American market, Venezuela, declined by 38.6 percent in 1983, when 2,338 Venezuelans visited Barbados compared with 3,809 in 1982.

PLANNING MINISTER ADDRESSES CGCED MEETING

FL170235 Bridgetown CANA in English 2218 GMT 16 Feb 84

[Text] Bridgetown, Barbados, 16 Feb (CANA)--Barbados has told international lending agencies and Western donor governments it needs another 260 million dollars (1 Bdos dollar ; 50 cents U.S.) to finance a five-year economic development plan that will cost it three-quarters of a billion dollars.

The island's case for foreign aid was put by Planning Minister Clyde Griffith when he addressed the Caribbean Group for Cooperation in Economic Development (CGCED) in Washington yesterday. Griffith stressed that Barbados still needed soft loans to help "an economy struggling with dignity" and he told the World Bank, which sponsors the annual meeting, that the government was worried about the financial institution's plan to "graduate" the island.

The graduation process, he said, was "predicated on the mistaken assumption that the country's investment programme can be financed on commercial terms."

Griffith also talked about Barbados' economic performance last year and prospects for 1984.

Following is a partial text of the address: released here: [as printed]

"As a result of continued real growth in the world economy, Barbados is expecting around two percent real growth in 1984. We had hoped to benefit even more from the global recovery but this is not likely. A prolonged dry spell late in 1983 lopped some fifteen to twenty thousand tonnes off the expected sugar production in 1984, but output will still be higher than in 1983.

"Leading firms in the electronics component industry expect to repeat and even to surpass the performance of 1983 but there is no such hope for the rest of the manufacturing sector. Barbados' manufacturing sector has been severely affected not only by payments difficulties within CARICOM (the Caribbean Community), but also by the denial of access to markets guaranteed under the treaty of Chaguaramas.

"The demonstrated capability of Barbados manufacturing sector to compete in regional markets is the major factor in Barbados becoming the major creditor to the CARICOM Multilateral Clearing Facility (CMCF)....

"The continued strength of the U.S. dollar to which the Barbados dollar is tied is hampering our efforts to obtain a larger share of the European tourist market, and is also reducing our domestic currency earnings from sugar.

Tourist arrivals should continue to rise but unless there is a more even balance between American and European visitors the average length of stay and foreign exchange earnings will not increase commensurately with the rise in numbers.

"There are bright prospects for a continued rise in oil and natural gas production and for real growth in the non-sugar agricultural sector. Inflation is expected to be at the same level or even lower than in 1983.

Government will continue its policy of fiscal restraint for it is well aware that an increase in the fiscal deficit will also increase the pressure on the balance of payments.

The pressing need is to build up foreign assets from just over two months of imports to somewhere between 2.5 to 3 months of imports during 1984. Current indications are, however, that a smaller overall balance of payments surplus is likely.

"Barbados recognises that the strong United States dollars has some serious and significant consequences for the economy but exchange rate adjustment is not a ready option. The potential benefits to the economy are mitigated by the fact that the sugar industry contributes less than one-fifth of our commodity exports and that in the tourist industry 25 percent of the visitors come from the United States or from countries whose currencies are tied to the United States dollar and the external debt is denominated in United States dollars.

"In these circumstances, we endorse the view expressed by the representative of the International Monetary Fund that production costs should be controlled. This can be achieved by shifting imports wherever possible. Additionally, the strength of the dollar has contributed considerably to the slow-down in the rate of inflation, a factor which must have a crucial bearing on the size of wage settlements.

"Mr Chairman, I have painted a picture of an economy struggling with dignity against the tide that has engulfed many developing countries. When it was necessary, the authorities in Barbados took timely and appropriate action to introduce adjustment programmes in order to protect the balance of payments.

Indications are that these measures are achieving the desired results and the Barbados economy will emerge from the stand-by arrangement with the fund in a much stronger position.

"While the funds programme was essential for stabilizing the economy, Barbados has embarked upon a five-year plan in which is included investments necessary to enable the country to take advantage of the expected upturn of the world economy. The projected expenditure over the plan period is estimated at U.S.360 million dollars. While part of the external financing has been identified, there remains a significant financing gap of U.S.130 million dollars.

"The identification of these investments has emerged from an on-going dialogue with the donor agencies and the government is satisfied that they represent enhancement of the productive capacity of the country.

"In order to maintain an acceptable debt profile, it is essential that external finance matches expected income flows and ability to repay. It is in this context that the government views with great alarm the initiation of the graduation process for Barbados by the World Bank.

"This policy of graduation is predicated on the mistaken assumption that the country's investment programme can be financed on commercial terms. We are most concerned that if this notion is allowed to gain acceptance it would undermine the efforts of the country to attract support for its development programme.

"The government of Barbados states in very strong terms that it rejects this mechanical and inflexible application of a policy which totally ignores the problems of a small open economy.

"The World Bank, in its report 'Caribbean Group: Current Situation and Prospects,' has clearly identified the needs of Barbados for new CDF-type financing in fiscal year 1983/84 and 1984/85 of approximately U.S.20 million dollars.

"Mr Chairman, Barbados has demonstrated the capacity and determination to take steps to deal with its domestic economic difficulties. Any assistance we have received in the past has no doubt been predicated on the basis of donor recognition of our determined efforts to confront our problems in a decisive way.

"We, therefore, take this opportunity to thank the donor community for its assistance especially during the past year and look forward to your continuing support for the participation in the economic development of our country in the years ahead."

CSO: 3298/1131

NATIONAL CULTURAL FOUNDATION ESTABLISHED UNDER MOTTLEY

Barrow on Role of Foundation

Bridgetown BARBADOS ADVOCATE in English 31 Jan 84 p 1

[Text] A major reason behind the establishment of the Cultural Foundation in Barbados is because the existing Civil Service structure is geared for a different purpose.

This view was outlined by Minister of Information and Culture, Senator Nigel Barrow during the inauguration of the National Cultural Foundation at the Ministry of Culture offices, Culloden Farm, St. Michael, yesterday afternoon.

The Minister said, "the Civil Service structure is not appropriate to the vigorous execution of cultural programmes." He added, however, that this did not reflect negatively on the Public Service, but was merely a recognition that "it was established to do something different.

"The flexibility required," he added, "is simply not there." He noted that in organising major national cultural events such as NIFCA, the effort to put it together required round-the-clock work for a number of weeks, in order to obtain "outstanding results". Yet the Public Service, he said, cannot tolerate these spurs of tremendous activity, since it is required to "function evenly and smoothly in the day to day administration of Government's policies".

The Culture Minister said the entire outreach programme of the Ministry of Culture was being transferred to the Foundation, as well as to act as the funding institution for the Arts and Culture.

He noted that culture could be divided into two broad areas, that of community development and artistic development. Both facets, he stressed, now fell under the jurisdiction of the Cultural Foundation.

Community development, Senator Barrow remarked, would be aimed at the development of communities as cohesive units, while artistic development embraced nurturing interest in, and appreciation of, the arts. This, he said, included raising the technical skills and expertise of practitioners while increasing the number of people involved.

Foundation Officers

Bridgetown BARBADOS ADVOCATE in English 31 Jan 84 p 1

[Text]

Director of Culture, Mr. Elton Mottley, has been appointed Director of the newly formed National Cultural Foundation.

The 10-member Board met briefly for the first time yesterday to appoint the top three posts of the foundation for the Minister of Information and Culture's approval.

The board met just after the Information and Culture Minister, Senator Nigel Barrow, formally announced the inauguration of the National Cultural Foundation at the Ministry of Culture Offices at Culloden Farm.

Deputy Director of the Foundation is Ms. Beverley Lashley and the Chief Cultural Officer is Ms. Marva Alleyne. The posts take effect from tomorrow, February 1.

Chairman of the National Cultural Foundation Board is former Senator, Mr. Kenneth Hewitt, and Deputy Chairman is Ms. Norma Talma. The other members are Ms. Doreen Mapp as Ministry representative; Mrs. Janice Millington-Robertson; Senator John Wickham; Mr. Thomas Pierce; Mrs. Genevieve Adams; Mr. Antonio (Boo) Rudder; Mr. Winston Edghill and Mr. Glyne Murray.

Senator Barrow assured the Board members that they will have the "unstinting support" of the Ministry at all times.

CSO: 3298/485

OPPOSITION SPOKESMAN ACCUSES GOVERNMENT OF COMPLACENCY

Bridgetown SUNDAY ADVOCATE in English 29 Jan 84 p 1

[Text]

GOVERNMENT has adopted a "casual regard" to what appears to be a crisis situation in the local manufacturing sector.

Opposition Spokesman on Trade and Industry, Barnford Taitt said that Government either has "information which is not generally known to the rest of us on the basis of which it is satisfied that all the problems will shortly be resolved, or else the Government believes the BMA is bluffing and there is no serious problem to warrant the attention of the Minister."

Taitt's comments came against the background of reports from the chairman of the Barbados Manufacturers Association's (BMA's) garment sector, Trevor Clarke that "many of the manufacturers are very concerned that they will be unable to function efficiently past February 14". He added that as many as 20 enterprises might be forced to close their doors after that date.

The Shadow Minister of Trade pointed out that it has been apparent that the Trade aspects of CARICOM have been deteriorating and in recent months the situation has become even more serious with the local sector now operating under extreme difficulties resulting in many Barbadians losing

their jobs.

Taitt said: "It was therefore with the utmost astonishment that I learned from the news media... that the Minister who has prime responsibility to try to overcome these difficulties has left the country and will not return until February 12 at the earliest."

The Minister of Trade, Bernard St. John is in Guyana where he attended the CARICOM Council of Ministers meeting. He is scheduled to go to a trade conference in United States and then to London to review the Air Services Agreement in his capacity as Minister of Civil Aviation following which he will go on to Brussels to attend meetings concerned with the successor agreement to LOME II.

Taitt said "there are only two interpretations which can be put on this casual regard to what appears to be a crisis situation in our manufacturing sector... in either case, I call upon the Government to take the rest of us into its confidence in this matter."

"If, however, the Government is not able to give a satisfactory explanation of its apparent lack of concern then the Prime Minister must immediately recall his Minister of Trade and Industry to take charge of his most pressing responsibilities."

NATIONAL SCIENCE, TECHNOLOGY COUNCIL BEING REORGANIZED

Bridgetown BARBADOS ADVOCATE in English 31 Jan 84 p 1

[Text]

A comprehensive National Policy on Science and Technology is being developed this year by the ministry responsible for those activities.

Senator Clyde Griffith, Minister responsible for Science and Technology, said yesterday that he was currently engaged in restructuring the National Council for Science and Technology in order to provide the necessary staff and budgetary support.

He said this was being done to enable the Council to make a more meaningful contribution to the development of science and technology.

"The views of the private sector will be canvassed and it is hoped that adequate representation on the Council will be reflective of that sector's interests," Senator Griffith said.

He addressed the opening yesterday of a Caribbean Consultation on Priorities in Science and Technology in Preparation for the Nineties.

The three-day consultation, taking place at the Dover Convention Centre, Christ Church, is sponsored by the Organisation of American States (OAS) and organised by the Caribbean Resources Development Foundation in collaboration with the Barbados-based Caribbean Conservation Association (CCA).

Senator Griffith felt the consultation was timely in view of the world economic crisis which, he pointed out has had a greater adverse impact on the Lesser Developed Countries than the more technologically-advanced countries.

CSO: 3298/485

PUBLIC WORKERS UNION SEES NO PRIVATE SECTOR WAGE RESTRAINT

Bridgetown SUNDAY ADVOCATE in English 29 Jan 84 p 2

[Text]

The National Union of Public Workers (NUPW) has taken objection to an editorial article appearing in the *Barbados Advocate* of Sunday, January 22nd, 1984.

NUPW's General Secretary, Joseph Goddard is of the view that the article titled "Unpopular Theme" and which was in connection with the Central Bank's Governor Dr. Courtney Blackman's call for wage restraint, provided incomplete information and was misleading to any undiscerning reader.

Mr. Goddard said that while Dr. Blackman is at pains to call for wages restraint at the time public sector salaries and wages negotiations are imminent, the majority of agreed settlements, if not all, outside the public sector does not reflect that any serious or detrimental restraint was applied.

"For instance, in 1982 the average increase of some sectoral settlements were: Mining, Quarrying and Construction 26.1 per cent; Manufacturing 26.5 per cent; Wholesale and Retail Trades 20.6 per cent; Transportation and Storage 25.2 per cent; while

Government workers received 8 per cent.

"The editorial of the *Barbados Advocate* did not inform the reading public of the above facts which are readily available in the Central Bank reports but opted to state: 'It would seem, however, that the necessity (of wage restraint) has been understood' (and presumably acted upon) 'because we pride ourselves as being a people with commonsense,' said Mr. Goddard.

"To further mislead its readers the editorial proceeded to cite the recent 12½ per cent increase granted Sugar workers and linked this to the situation of public workers by stating: 'We anticipate a similar approach when Government gets down to the business of negotiating a new wage contract for public workers'. This is journalistic dishonesty for whereas the sugar workers, and others, received acceptable increases in 1982 and subsequently, \$25 per month and 2½ per cent were forced on public workers in 1982 and 1983."

CSO: 3298/485

COST FOR FULL CABLE, SATELLITE TV NET PUT AT \$7.2 MILLION

Bridgetown BARBADOS ADVOCATE in English 30 Jan 84 p 1

[Article by Roxan Kinas]

[Text] The total cost to equip Barbados with both home cable and a satellite television receiving service has been put at \$7.2 million.

This is contained in the feasibility study undertaken by M & G Projects (Barbados) Limited, and submitted for review to Information and Culture Minister, Senator Nigel Barrow.

The Minister revealed Government's interest in the area of using satellite reception to augment the local television service last December, during a ceremony marking the commission of two new transmitters for the Caribbean Broadcasting Corporation (CBC).

The study was first commissioned by Government in 1982, to ascertain the feasibility of bringing a cable television network to Barbados in the next five years, along with a satellite receiving station to provide CBC with additional programming of its own.

Chairman of M and G Projects, Mr. Ernst Diederichs, told the Barbados Advocate yesterday that the concept "looks economical and reasonable", and he was hopeful of its future on the island.

The first step of the project would involve setting up the satellite receiving station for CBC to operate, and he said the cost of this phase was estimated at some \$800,000. M and G Projects, he added, would not run the service, but would be involved in the engineering and construction of the facility only.

The home cable aspect, which would also be run by CBC television, will cost an estimated \$6.4 million and would entail laying some 250 kilo metres of cable for direct hook-up to 25 400 households and businesses. Mr. Diederichs noted that some 60 per cent of the direct link-ups would be household subscribers.

The study, he said, also included accommodation for 103 hotels and some 15 100 households situated in non-density (or outlying) areas, where the same programming would be made available through small transmitters to these areas.

The areas, he said, included St. Joseph, St. George and St. Lucy, where direct cable links would be more difficult and costly than a transmitter (micro wave) hook-up.

The home cable television would provide subscribers with a total of six channels, including CBC, at a subscriber fee of between \$15 to \$25 monthly, Mr. Diederichs estimated. The channels, he said, would include educational, entertainment, movie, sport and variety show programming.

M and G Projects, located at Six Roads, St. Philip, also has a colour television department, where the Blaupunkt televisions are made and sold locally.

CSO: 3298/485

OUTBREAK OF ARSON PLAGUES EAST COAST AREA RESIDENTS

Bridgetown BARBADOS ADVOCATE in English 1 Feb 84 p 1

[Text] Five fires in five weeks at Lakes, near the popular Barclays Park East Coast Road in St. Andrew, have destroyed four beach houses and one caravan, and have caused great concern among property owners in the area.

The fires have caused thousands of dollars in damage and a tense atmosphere around the popular picnic area.

The first of these fires took place five weeks ago when a wood and wall beach house was gutted. This was followed by a second, which destroyed another house on the beach while the third to be gutted had been recently renovated.

The caravan which was a Transport Board bus converted for this purpose, was destroyed last Friday night.

The fifth fire took place yesterday morning when the beach-house "Idlers Inn" was destroyed.

Yesterday twisted metal, charred chairs and cracked walls were all that remained of this property, said to be valued at about Bds\$60 000.

One of the joint owners, Mr. Arthur Roach, said he had had fears that "it was going to go up in smoke in view of what had happened to the other properties."

He said that one of the common factors in the situation was that as soon as the houses were unoccupied "they have gone up in smoke."

A Canadian couple moved out of the "Inn" only last Saturday.

Three other houses are all that are left in the area, one of them the "Inverness", owned and occupied by Mr. John Allamby and his wife. The other two houses are unoccupied.

Mr. Allamby said yesterday he felt nervous but added he had no idea what or who was causing the fires.

Lawmen at the Belleplaine Police Station said the matter was receiving their attention and investigations were being carried out.

But in the area people are wondering which house will be next?

PRICE ASSAILED FOR COUNTRY'S POOR ECONOMIC PERFORMANCE

Belize City THE BEACON in English 4 Feb 84 p 9

[Text] WHEN one objectively analyses the economic indicia one is generally subjected to a great deal of abuse by the powers that be who always wish to paint a rosy picture even though the arrows point in the opposite direction. We at Research in Economics and Development (READ) will understand being called prophets of gloom and doom. Such slander cannot prevent us from calling the signs as they are. And, in truth, the economic position is gloomy and the horizon is dark. Semantics at budget time will not improve the bad cash flow position or provide jobs for the unemployed. Posturing will only make things worse.

The goal for Belize must be the achievement of a sustained and sustainable economic growth. In other words, the chequered, topsy turvy, up and down, mostly down, pattern will not suffice. Nothing less than planned predictable growth will do.

1982 A BAD YEAR

Examining the year 1982, we find it was a bad year with domestic exports dropping by 20% and real gross national product down by three per cent. The outlook for 1984 and 1985 is no more encouraging. The three main exports of sugar, citrus and banana failed and took the economy into a tailspin. It is still in that tailspin and will continue so in 1984.

Government's expectation of a three per cent growth in GNP did not materialise making a bad situation worse.

Part of the problem is that government has put its economic eggs in the baskets of sugar, citrus and banana.

Well, sugar prices are low and will continue so. Indeed, the intended sale of the two sugar factories by Belize Sugar Industries does not bode well for the future. If sugar was making money, BSI would not sell. The decline in sugar produc-

tion could affect as many as 5,000 jobs!

BANANA SKIDDING

The banana industry has been plagued by inadequate outputs and lack of irrigation for years. Resultant losses in 1983 amounted to some 3 million dollars. This industry faces total failure due to lack of working capital. Its failure could affect some 1,700 jobs and result in an immediate call on the outstanding \$10.5 millions in loans guaranteed by Government.

The situation could be worse with the British threat to pull out its 1700 troops. It is estimated that this would entail a loss of 20 million dollars every year!

There can be no doubt that there will be a continuing balance of payments problems and cash flow difficulties during 1984/85.

In all this the government of George Cadle Price, Prime Minister and Minister of Finance stands idly by, incapable of doing anything to stem the tide of economic woes.

This then is the sad economic position of the nation as we come to budget time. Belizeans can look forward to huge tax increases at or before budget time.

We will soon witness him going cap in hand and long arms outstretched begging at capitals of the world for economic support.

PUP PUBLICATION REVEALS PARTY DIVISION, VOTE 'FRAUD'

1979 Election Incident

Belize City THE BEACON in English 4 Feb 84 p 10

[Text]

GOING into the 1979 general elections, the United Democratic Party were clear favourites. All the polls and newspapers, local and foreign, predicted victory for the UDP.

Belizeans the world over woke up the morning after elections in a state of shock when it was discovered that the UDP had not won. The unbelievable had happened.

On reviewing the whole fiasco it was discovered that pencils could not mark the ballots properly that there were strange voting patterns, some fantastically identical Xs in the "symbols" col-

umn. Then too it was discovered that certain pre-targeted counting houses were equipped with special ultra violet lights. Then people realised there had been fraud. Proof was then needed. But proof is never easy to establish.

An examination of the ballots in the ballot boxes would have been useful and convincing. The Opposition never got a chance to see the ballots. Presumably these have vanished for all times.

The UDP kept on believing that some day the evidence would be forthcoming to establish its contention.

Elections Fraud

The break finally came as a result of the fight between the left and right wings of the Pup. Last week, The Voice came out with a strong unequivocal statement in an article significantly entitled "TAKE UP THE CHALLENGE, U.D.P." The statement read: "Dean Lindo was cheated out of his representation in 1979"

We now have it in the clearest of terms from a high Pup inside source. Cheating means exactly what it says. It refers to election fraud. No one can have any doubt (a) what *The Voice* is saying and (b) whom they are accusing of fraud in the 1979 elections.

It looks like the full truth about these elections will finally be told to the people.

It looks like the Pup

Rightists have not thrown in the sponge after all and might be throwing some bombs in the near future. That party might yet be sorry about the fact it humiliated, demoted, devastated and destroyed Sylvestre and Hunter. The spectre of fraud is staring that hapless party directly in its face.

The day of reckoning may be sooner than we think.

VOICE Slap at Price

Belize City THE BEACON in English 4 Feb 84 p 10

[Text]

IF the public is at times confused about the recent happenings that is understandable. The Pup Right accuses the Pup Left of communism; the Left accuse them of corruption. They are fighting like puss and dog yet their leader blandly pretends that nothing is happening. There have been resignation and threats of resignation and misunderstanding. The Right and the Left have neither kissed nor made up. The ideological battle continues unabated.

Two weeks ago the Leftist's mouthpiece *Disweek* accused Ministers Sylvestre and Hunter of undermining the Prime Minister's authority in their mouthpiece, *The Voice*. In not too subtle terms, it dictated the punishment: close down *The Voice*.

This week, *Disweek* got its answer. Instead of laying down and playing

dead, *The Voice* added fuel to the fire that is consuming the Pup, its leader and its leaders.

MASTER MISCHIEF MAKER

In an article entitled "VOICE THROWS CURVE" Mr. Price is described thus "But George, who has been the Master Mischief maker for 33 years may just have overdone himself this time ..." Well, this startling statement comes from one of the Pup papers. There is nothing anyone needs to add. Those in the Pup are telling it all. One thing is certain: the Opposition cannot be accused of being biased. Another thing is certain: these things are coming from the bowels of that party. They only confirm what the Opposition has been saying for years. Remember the mischief Price made in the seditious Granados affair in London?

POLICE, MEDIA OFFICIALS DISCUSS COOPERATIVE EFFORTS

Belize City AMANDALA in English 3 Feb 84 p 3

[Text]

Commissioner of Police Maxwell Samuels and Superintendent Kent Haylock met with the publisher of AMANDALA on Wednesday afternoon. (Earlier, the two police officials met with representatives of other newspapers.)

The police officials explained some of the problems of their job, specifically the fact that a substantial amount of evidence was needed before an arrest could be made for a case which would stand up in court.

The police officials declared their recognition of the fact that a good working relationship between the police and the public was important in order to facilitate police work and improve the batting average, so to speak, of the force.

They also recognized the fact that the press can help the police and the public to communicate with each other.

Towards better public relations and communications, the police were establishing a public relations desk which would be manned by Superintendent Kent Haylock.

AMANDALA publisher explained to the two senior police officials that better relations between the police, on the one hand, and the press and public on the other, would not be achieved overnight but a start was necessary and good towards the objective of better relations.

He also pointed out that there are certain negative opinions which have been formed in the minds of the public and the press over a period of years with respect to the attitude and behaviour of the police force, and verbal promises would have to take the form of concrete actions.

The newspaperman said that no civilized society can function without a police force, so the police were indispensable, and all honest members of the community wanted a strong and honest police force.

AMANDALA publisher also stated that the government policy of monopolizing and censoring information contributed to a situation in which both public and press had to rely almost exclusively on street reports which are not always precise.

Throughout the meeting, both sides avoided the subject of the politicians as much as possible. But since self-government, the PUP politicians have tightened Cabinet screws on the police force tighter and tighter in

a continuous pattern. If the politicians now intend to relax some of that pressure on the police, the public can expect improved police work. But if the intention of the politicians is merely to create the impression of police freedom, while still interfering and domineering, then no good will come of this.

CSO: 3298/486

SPEECH FROM THE THRONE FOCUSES ON ECONOMIC ISSUES

Road Town THE ISLAND SUN in English 7 Jan 84 pp 2, 14, 15

[Text]

Mr. Speaker, Honourable Members of the Legislative Council:

It is a special privilege for me to address you on this occasion which marks the formal opening of the first sitting of the Tenth Legislative Council of the Territory.

2. It is my intention to turn first to the Territory's finances and the Government's policies related thereto.

3. Because of the recency of the General Elections and the need for my Government to review the budgetary planning of the previous government and, in particular, its capital project priorities, the 1984 Budget will not be ready for introduction in the Council before the start of the next financial year. Measures will be introduced in accordance with the provisions of the Constitution and of the Finance Ordinance, 1977, to authorise, in advance

of Legislative appropriation, certain expenditure essential to the continuance of Government services during the early weeks of the new financial year. The Hon. Chief Minister, in his capacity as Minister of Finance, will present the 1984 Budget in the new year. The Minister will then review the expected outturn for 1983 and the prospects on both Operating and Capital accounts in 1984. There are, however, some general observations which can appropriately be made now.

4. A small surplus of \$177,000 was budgeted for the 1983 Operating Account. The expectation was for a consolidated fund balance equivalent to a little less than three month's revenue at the end of the present financial year. This conservative, but essentially sound, approach took account of continuing recession and economic

uncertainty affecting both rich and poor countries alike; but it also reflected the expectation, slender though it may have been at the time, of a gradual upturn in the Territory's general economic activities in both the public and private sectors.

5. This was reinforced by the gratifying outturn in 1982 when a surplus of \$1,255,000 was realised on the annual account, thereby increasing the general revenue balance of the Territory in that year by 35%.

6. It will be the firm resolve of my Government to ensure that the Territory's reserves remain at a satisfactory level. Present forecasts suggest that they will continue at the level of some fourteen weeks revenue at the end of 1983. The protection of this essential foundation of our day to day

[portion missing]

fully re-examine the Industrial Park Project on Wickhams Cay II, to ensure that efforts in this direction will be consistent with the overall aim of encouraging the growth of small manufacturing industries geared to meet local demand as well as export, and not merely amount to the creation of an imposing

facade. Assistance in the development of locally owned businesses will also be provided through the revised and relevant activities of the Virgin Islands Industrial Development Company Ltd. and the new Trade Industry Division of the Hon. Chief Minister's Office.

[continuation unavailable]

CSO: 3298/530

REPORT ON 20 JANUARY LEGISLATIVE COUNCIL MEETING

Road Town THE ISLAND SUN in English 28 Jan 84 pp 4, 15

[Text]

At the Sitting of the 10th Legislative Council on 20th January, the Chief Minister, Hon. C.B. Romney, made to the House the following Statement, regarding the BVI's designation as a beneficiary under the Caribbean Basin Economic Act:

STATEMENT

Mr. Speaker,

"On third January, 1984 I received a letter from the US Trade Representative, Ambassador William Broch, notifying me that the British Virgin Islands have been designated a beneficiary under the Caribbean Basin Economic Act.

"The CBI is designed to expand beneficiary countries' productive capacity and to open new markets to trade by combining foreign and local private sector investment. All BVI products except for textiles, canned tuna, petroleum and certain leather products are entitled to duty free entry into the US for a period of approximately 12 years with effect from the first of January, 1984. Even though it is not anticipated that the territory would, initially derive too many benefits from this as-

pect of the CBI, the territory's attractiveness for investment is considerably enhanced. As a matter of fact, in order to explore the potential for US investment, a team representing the Overseas Private Investment Corporation (OPIC) should be visiting the territory later this year.

"Beneficiary status may also confer potential tax benefits: Section 222 of the Act provides that conventions held in beneficiary countries which have entered into exchange of information agreements on tax matters with the United States, qualify for expense tax deductions. The US Government has, however, been informed that this territory is not interested in this aspect of the initiative, as any such agreement will more than likely adversely affect our offshore company business.

"Under US AID auspices, direct grants have been made available for disbursement to beneficiaries. I do not anticipate receipt of high per capita income, but such as there is will be used as efficiently as possible in the

territory's development. I am given to understand also that US AID will lend funds for private sector development projects, including loans for productive investments, by local firms in Basin countries. During my recent trip to Miami I talked to individuals regarding this on an exploratory basis and will be pursuing same as a matter of priority.

"Finally, Mr. Speaker, I am expecting a visit from Ambassador Milan Bish within the next few weeks at which time I expect to discuss with him further our new relationship."

In the Motion introduced by the Minister of Natural Resources and Labour, to Amend the Legislative Council Standing Orders, which was reported in the January 21st Issue of this paper, sub-section (a) was amended to read: (a) "The maximum period that may elapse between any Sitting of the Legislative Council and the Sitting immediately following that Sitting be extended from a period of one month to a period of ninety days." (Note: the extension of the period carried in last week's Issue, had the period of extension from one month to forty days, which was incorrect).

A debate ensued between the Government and Opposition in connection with a Motion moved by the Deputy Speaker to extend the Legislative Council's Loyalty to "Our Most Gracious Sovereign" Queen Elizabeth II, and thanks to His Excellency the Governor for the Speech from the Throne. The Motion passed unanimously.

What started the debate on a high pitch was due to a statement, quoted by the Chief Minister from the Speech from the Throne, that large expenditures for public works had been approved, and expended about the period of the general elections of 11th November last year, which depleted the revenues; and that such expenditures had political implications.

The Opposition, led by Hon. H.L. Stoutt, took issue with the statement quoted by the Chief Minister, and said that the expenditures had been worked on long before the election period, and was necessary and beneficial to the community and people. The debate continued with many speakers on both sides of the House taking part. When it was over, the Chief Minister continued to hold his ground, that the expenditures were politically motivated.

BRIEFS

COUNCIL SELECT COMMITTEES--It is notified for public information that at an informal meeting of the Legislative Council held on 6th January, 1984, the following Select Committees were appointed in accordance with the Standing Orders of the Legislative Council of the Virgin Islands Nos. 72 to 77: PUBLIC ACCOUNTS COMMITTEE Hon. H. L. Stoutt - Chairman; Hon. R. T. O'Neal - Member; Hon. Earl Fraser - Member; Hon. T. B. Lettsome; Hon. Omar Hodge; STANDING ORDERS COMMITTEE Hon. Conrad Maduro - Chairman; Hon. W. Wheatley - Member; Hon. Omar Hodge--Member; SERVICE COMMITTEE Hon. C. B. Romney - Chairman; Hon. Walwyn Brewley - Member; Hon. T. B. Lettsome - Member. COMMITTEE OF PRIVILEGES Speaker of Legislative Council - Chairman; Hon. C. B. Romney - Member; Hon. Omar Hodge - Member; REGULATIONS COMMITTEE Hon. C. B. Romney - Chairman; Hon. Lewis Hunte - Member; Hon. R. T. O'Neal - Member; Hon. H. L. Stoutt. [Text] [Road Town THE ISLAND SUN in English 4 Feb 84 p 1]

CSO: 3298/530

FRUIT EXPORTS UP SIGNIFICANTLY

Santiago EL MERCURIO in Spanish 15 Feb 84 p C-5

[Text] "Fruit exports are doing just fine this season. As of 30 January they are up 50 percent from last year."

This was reported by the general manager of the Agriculture and Livestock Service (SAG), Raimundo Correa, who added that exports are expected to exceed 40 million crates this season.

Correa indicated that according to figures from PROCHILE [Institute for Export Promotion], the country would earn between \$380 and \$400 million from these sales. Correa added in this regard that "if current conditions on the foreign market hold, that estimate is not far off."

With regard to world prices, he reported that they were higher than last year, especially on the U.S. market.

Grapes and apples are Chile's main fruit exports in terms of volume shipped. According to the SAG general manager, "grapes accounted for 22 million of the 36 million crates exported in 1983." He went on to say that the figure is expected to rise to around 26 million this season owing to the additional grape orchards brought into production.

As far as apples are concerned, Correa indicated that "there are quite promising studies that suggest that this year's crop will set a record." He said that according to SAG estimates, 12 million crates of apples would be exported this season.

Correa also reported that asparagus exports have risen spectacularly this year. He said that they were three times the level of previous seasons.

He also noted that there has also been a spectacular increase in exports of fresh raspberries, plums, nectarines, prunes, watermelons and melons, adding that "for the first time we are exporting relatively large amounts of artichokes."

CLARIFICATION OF, CHANGES IN POLITICAL PARTIES LAW URGED

Santiago LA TERCERA DE LA HORA in Spanish 7 Feb 84 p 13

[Commentary by Maximiano Errazuriz: "The New Political Parties Law"]

[Text] 1. The new political parties bill contains many innovations. One of the most important and one that has not been sufficiently emphasized is the ban on giving party orders to senators voting as a jury. It is a shame that the bill's framers did not accept Gustavo Cuevas's suggestion that party orders to legislators be banned in every instance, not just in this one.

2. It is also important that political parties are being required to publish their balance sheets and that the director of the Electoral Registry has to review their books and documents annually. Another important change, however, is that all parties are now obliged to report the resignation or expulsion of any member to the director of the Electoral Registry. This will prevent what happened to Mr Carlos Besa Lyon from happening again. He recently resigned from the Christian Democrat Party, which informed him that it had expelled him in 1975. Mr Besa finally found out 8 years later.

3. Special mention ought to be made of the provision that allows two or more parties to merge or form federations or confederations. The boards of directors need only propose and the rank-and-file approve such moves.

4. The new law requires 20,000 signatures to form a party. If we consider that 6.27 million persons voted in the 1980 plebiscite, the 20,000 signatures represent 0.31 percent of this electorate. This would seem to be too small a demand. Mr Francisco Bulnes advocated a requirement of 30,000, and Gustavo Cuevas wanted 1 percent of the voters, which going by the 1980 figures comes to some 60,000 signatures. In any event, 20,000 obviously seems to be too small a number. On the other hand, the requirement that parties get five percent of the vote to continue in existence if they do not elect any legislators, seems appropriate. Based on the same number of voters as above, 5 percent is equivalent to 313,500.

5. The Electoral Law now remains to be drafted, and it is, of course, much more complex than the political parties law. It will have to specify how independents and members of political parties will be on a completely equal footing, under Article 18 of the Political Constitution. It must also indicate what the country's election districts are. The constitution states that 120 deputies will be elected, but it does not indicate how many per district. One, two or three? The consensus among constitutional law experts is that there will be no more than that per group.

6. In any event, the Information Commission that drew up the first draft will continue to receive suggestions until 6 March from the government advisers, the members of the Advisory Commission for the Study of First Drafts of Constitutional Laws and the public in general. The Information Commission will then issue a second report, with the observations it has received, no later than 16 March. The first draft recommended by the Information Commission, along with the changes that the commission itself makes in light of the observations received up to 6 March, will then be submitted to the Council of State and the Advisory Commission on 22 March. As we can see, the commission itself has established a timetable.

8743

CSO: 3348/279

NATIONAL ACTION MOVEMENT BACKS GOVERNMENT POSITION

Santiago LA NACION in Spanish 15 Feb 84 p 5

[Text] The Political Commission of the National Action Movement has voiced firm support for the government's and the chief of state's position that it cannot obstruct the action of the courts by granting safe-conducts to the MIR [Movement of the Revolutionary Left] terrorists who are hiding in the Apostolic Nunciature. The movement also announced that it had communicated its observations on the first draft of the political parties law to the Council of State.

The movement's statement reads:

"1. The Political Commission was pleased to hear of the Supreme Government's decision to deny safe-conducts to the terrorists who have taken refuge at the seat of the Apostolic Nunciature in Santiago. The decision strengthens the constitutional order and the jurisdiction of our courts and reflects the feelings of the majority of the country.

"2. The Political Commission hails the chief of state's declaration ruling out the possibility of establishing an appointed congress, which is not consonant with the current legal system or with the goals proposed for the transition process; and

"3. The Political Commission has conducted a technical study of the first draft of the political parties law and has communicated its conclusions to the Council of State for the appropriate purposes. The commission would like to point out that because he is a member of the commission that is drafting the bill, Gustavo Cuevas Farren did not take part in these deliberations, out of special deference to the latter."

Observations

The observations mentioned in paragraph three of the above declaration are contained in eight sections

One of its main observations is that "we hold to our original view that from their inception political parties must have at least 50,000

members, to prevent the proliferation of tiny groups that will fade away within a short time."

As far as the financing of political parties is concerned, the National Action Movement points out that the ability of the parties to own companies, commercial establishments, finance companies, etc "will make covert donations possible." Therefore, the movement proposes that "political parties be banned from operating any sort of company (publishing houses being the sole exception) and from participating in business activities and financial or other dealings. Parties should finance themselves only through the dues of their members and with any donations they might receive."

The movement notes that Article 26, which allows donations from foreign individuals who have had their domicile in Chile for the previous 5 years, at the very least "violates Article 19, Section 5, last subsection of the constitution, which does not distinguish between the origins of funds from overseas. This authorization will lend itself to covert foreign contributions, inasmuch as they can readily be made through individuals who have had their domicile and residence in Chile."

The movement also discusses the dissolution of political parties and other legal provisions not contained in the first draft of the bill.

8743

CSO: 3348/279

BRIEFS

AD OPPOSES ANTITERRORIST LAW--In a statement signed by its current president, Social Democrat leader Mario Sharpe, the Democratic Alliance (AD) yesterday voiced its "total opposition" to the antiterrorism bill that the Executive Branch has sent to the Government Junta for its study in legislative commissions. The statement says that the bill "is aimed at only one kind of terrorism, the terrorism of individual persons." The AD reiterated its "most vigorous denunciation of terrorism, regardless of its type or provenance." It went on to say that this does not prevent AD from holding the firm conviction that "it cannot denounce terrorism and, at the same time, condone violations of the right that every person enjoys to be judged by a truly impartial tribunal that fully respects his physical and moral integrity and his individual rights." The declaration then says that AD considers it "indispensable to call the attention of public opinion, which is by nature opposed to violence, to the bill's potential excesses." Among these excesses it points to the extension of the military's jurisdiction, which is by nature the prosecution of military crimes, to common-law crimes, "which is especially serious under a military regime like the present one." It also opposes the powers that the bill grants to the National Information Center and its director, "because it regards them as a violation of constitutional guarantees." The examples cited by AD are the power to search homes and make arrests without a court order and the right to intercept, open and inspect the private communications or documents of persons regarded as suspicious. The Democratic Alliance concluded by stating that only true democracy "will help to effectively combat all forms of terrorism." [Text] [Santiago EL MERCURIO in Spanish 14 Feb 84 p C-3] 8743

CSO: 3348/279

REASONS FOR ENDING PRIVATE LEASING OF FARMS TO STATE REVIEWED

Havana ANAP in Spanish Dec 83 pp 4-6

[Article by Ricardo J. Machado]

[Text] In the course of the Sixth Farmers Congress, held in Havana in May 1982, one of the issues the delegates debated involved the leases the state has since the late 1960's contracted with landowners residing in areas where integrated plans are being developed.

On the basis of the critical analysis made for the purpose, one which drew on the majority opinion of the farmers themselves on what was at one time necessary for our progress in the domain of production, but which with the passage of time and the creation of other conditions involving development became obsolete and harmful to the country's economic interests, it was agreed that the government be recommended to "proceed to cancellations of the leases subject to individual analyses with each leasing farmer while respecting the principle of voluntariness," which was later taken note of in Resolutions 1272 and 1273 of the Executive Committee of the Council of Ministers, dated 15 October 1982.

A Bit of History

For a more thorough understanding of this analysis, it would be a good idea to poke about in our more recent history in the certainty that this will provide us with more enlightening elements.

No one can doubt the political and economic importance of the promulgation of the Agrarian Reform Law of 17 May 1959, which was soon inaugurated by the revolutionary administration's governing team and whose plans for opposing the large landowners and benefiting those who farm the land marked an impending polarization in our farm sector's production relations. Unlike others implemented in the area, our agrarian reform program dealt the high agrarian bourgeoisie a death blow and consolidated a right demanded for centuries by those men and women who, bent over their furrows, extracted the rich fruits of the soil that did not legally belong to them.

It was, however, not just a matter of turning a property deed over to the working farmer, but of supplying him with the means for producing crops, which is exactly what the National Agrarian Reform Institute, created for that purpose, did.

Along with the just recognition of thousands of exploited farmers throughout the country, the land controlled by large estate owners and landowners was transferred to increase the nation's assets and on it we began to develop the state farms, sugar cane cooperatives and other forms of development the revolutionary government ordered to make more efficient use of it.

Nevertheless, let us remember that centuries of scientific and technical backwardness dominated our agriculture, which is why it was not easy to take from the soil everything it could and should have produced to satisfy the growing food needs of a people whose purchasing power was beginning to rise. Therefore, it was absolutely necessary to apply new methods of operation in which mechanization, irrigation, the use of chemicals and insecticides, among others, were to play important roles in achieving high rates of productivity. That is when the idea of integrated plans arose, plans that would permit the introduction of new technologies and the possibility of achieving specialization in certain branches of farm and livestock production as was fundamentally to be the case with cattle raising and the citrus, rice and root vegetable crops.

In the late 1960's and early 1970's we began to develop these integrated plans, but scarcely had we begun to take the first steps when a difficulty arose: the lands of farmers that were within or near areas covered by these plans, which limited the full implementation of the plans. Then the initiative of leasing these lands from them without their losing their rights over them emerged.

At first not many farmers either understood or accepted the proposal, but in the end the arguments employed and the revolutionary vocation of the farmers, who knew how much the government had accomplished for their benefit, went a long way toward persuading them. Most of them agreed to lease their lands and received in exchange an annual payment of 1,000 pesos per caballeria [1 caballeria = 33.2 acres] while being left with a few cordels [1 cordel = 0.1 acre] for their own use and the option of tilling the soil under the plan.

Today transformed into the State Farm and Livestock Enterprises, these integrated plans were favorably developed and the fact that dairy, citrus and rice plans have constituted stable links in the chain of our burgeoning economy and constant suppliers of its products for public consumption, raw materials for industry or export items can now be admired throughout the length and breadth of the country, chiefly in La Habana, Matanzas and the central provinces.

But...

The time has come when the country is forced to press into service all of its resources to achieve complete economic efficiency as an unavoidable principle of development and consolidation of what it has achieved over almost a quarter of a century despite the criminal imperialist blockade. And along with these observations by the experts, many farmers who have joined these plans realize that this is a situation which is now disadvantageous for the Cuban Government since the disbursement of nearly 28 million pesos a year for this item represents an economic expenditure that is producing no practical results. Because they are the direct beneficiaries, moreover, they know very well how much the

government spends on education, public health and other social benefits which place us at the head of the peoples of the so-called Third World and that this requires of everyone a greater inclination to economize, and of our government to in every way possible avoid unnecessary expenses and investments.

This is why leasing farmers voiced their concerns in connection with this at the Sixth ANAP [National Association of Small Farmers] Congress and all the delegates agreed to switch to a process of cancellation of leases which the government would implement at what it considered to be the proper time.

And this is how it came to be that a process of discussion was recently launched with farmers who own land covered by the plan, who are being offered several options: those of an advanced age who may not be able to work should go into retirement; those fit for work can sell their farms to the state if acquiring them is in the interest of the state, thus becoming salaried workers if they so desire, or can sell them to or merge them with a farm and livestock cooperative (CPA), in that event becoming cooperative members; and lastly owners of leased or subsidized farms who are over 60 years of age for men and 55 for women and whose economic situation requires it may, independently of what happens to their farms, monthly collect what they at present receive up to a maximum of 150 pesos. All this would be carried out on the basis of the strictest principle of voluntariness.

Those who have opted for one of these possibilities have interesting things to say about them:

Passing Through Sancti Spiritus

Just as in other provinces, in Sancti Spiritus the leasing process was begun in the late 1960's for the purpose of developing cattle raising, cane growing, rice and citrus plans and, when it reached its peak, the total amount of annual payments under that heading attained the figure of approximately 3.5 million pesos in return for the total number of caballerias that were leased.

For the purpose of initiating discussions with farmers to proceed to the cancellation of leases, a provincial commission was promptly constituted here, headed by the delegate from the Ministry of Agriculture, in which the anticipated representatives participate, above all representatives of the ANAP. The work has been proceeding in a well-organized fashion through the holding of personal interviews with each leasing farmer at his own home, to whom they have been explaining with a wealth of details the agreement reached for this purpose as well as its future impact. Many of them have joined CPA's or work at state enterprises; others, of advanced age, have taken advantage of lifetime pensions, but everyone, according to what the comrades on the commission reported to us, has had a high level of understanding and consented, convinced that what has been proposed is fair.

The town of Jatibonico was one of those in which leases were most entered into. Then it belonged to Camaguey and today its farmers, closely associated with the fervent effort being made, are striving to advance in terms of production and in joining the cooperative movement in accordance with the plans the province is developing.

Ex-Leaseholders Speak

On 15 September 1980 the Boris Luis Santa Coloma CPA was constituted in the town of Jatibonico. Lazaro Roque Mallea joined it with the fourth of a caballeria for his own use that was due him after leasing a total of 15 caballerias he and five other siblings jointly owned to the state in 1968. Since it was formed, Lazaro Roque Mallea has been president of this cooperative.

When they leased their land, the six siblings (five men and one woman) had 7 caballerias of cane under cultivation with yields of 65,000 arrobas per caballeria of unirrigated land and they devoted the rest of their land to cattle.

"We are leasing it because we heard that the mill had to increase the amount of cane it grinds," Lazaro said, "and to do that it had to have all the neighboring areas under the plan. Then we were granted 1 caballeria for the personal use of all of us brothers and sister, which we have now turned over to the cooperative, and we have furthermore canceled the lease on the remaining caballerias, for which each of us will receive an average 120 pesos a month. We are all aware of the need for this step, which is a fair one since the state cannot really go on paying so much money. For 14 years we have been receiving payments on the lease, which represents much more than we would have gotten if they had bought the farm from us. Only one brother, who is 63, and I will join the cooperative since the rest of them are over 67 and will go into retirement."

Segundo Ismael Diaz Perez is the president of the Carlos Diaz Credits and Services Cooperative (CCS), which has 48 members, 18 of whom have lands leased out, which is why the lands incorporated into the CCS are for personal use and whose surpluses are sold to warehouses. Almost all of them canceled their leases the day of our visit since some of them were in the process of joining the CPA while others were going into retirement.

Segundo was one of the first to give his consent since "for the farmers and especially for those like me, who are advanced in age, this was a magnificent step taken by our revolutionary government."

He resoundingly asserted that everyone in his CCS had agreed to cancel his lease despite the fact that some were obstinately opposed to giving up the land they hold for their own use, but the subhuman conditions under which they were still living, totally isolated from their comrades and lacking any social benefits, constituted a very important factor in getting such families to decide, in convincing them to cancel their leases and join the CPA. Today they live happily and maintain that they would not change things for anything in the world.

"I was born and raised at the same place I was in when the leases were drawn up," Segundo reiterated, "and, despite the fact that I was not badly off, I didn't want to be buried there, which is why I now, as someone said, have one foot in the CPA."

Emiliano Brito Jimenez is the president of the Emilio Obregon CCS, which has 72 members and 22 caballerias; 16 of them had been leasing their lands. He was extravagant in word and gesture and in a few minutes he told us the story of his life, about the lease and everything else, which is why we repeat his words here without interruption:

"Living the way we farmers used to live before the revolutionary victory was no life; therefore, everything the revolution has guided me in I've done with my eyes closed. I know that it's for our own good.

"When the leasing issue came up, I was one of the first they came to see. They told me that they needed to incorporate my land into the plan and that they would pay me 1,000 pesos a year per caballeria, but I told them that that was a lot, that 500 pesos a caballeria was enough. They told me that it had been officially established and that they would pay me the 1,000 pesos, which is why I agreed to turn over to them my 5 caballerias under lease and they left me 180 cordels for my own use and a small crop of garden vegetables for stocking.

"Furthermore, to remove my home from the cultivation area, they gave me one of the 12 they built in the small plan community and I've felt like a millionaire here since it made it possible for me to finally get out of the old house alongside the arroyo where there was always the danger that the stream would overflow and we would be flooded.

"At the Sixth Congress, which I attended as a delegate, I was one of those who held the opinion that the leases had to be canceled since we ought to bear in mind that the revolutionary government had given us schools for our children, hospitals and other benefits, many of them free, which is why it was no longer so necessary for us to have a lot of money. Over a period of 14 years they paid me three times the value of the farm, which is why, when I received the appeal, I fully agreed to cancel my lease and with me my whole family and all the members of the CCS who held leased land.

"I used to receive 400 pesos a month through the lease, but a year and a half ago I withdrew 1 caballeria from the plan and ceded it to the Boris Luis Santa Coloma CPA, for which my payment was reduced to 340 pesos, which has now been converted into a lifetime pension of 150 pesos a month and which is enough for me to live on since all my children work. I've said this because I really feel it. We're proud of our revolution because of everything it's doing for the people and for what it has done for the farmers. Let's hope that something like this also happens to the rest of the countries of the Americas and Africa."

Summary

This is the attitude we noted among the ardent farmers who have leased their lands to the state and are today convinced of the importance cancellation of these leases represents for the economy of the country.

As a final note, it is well to point out that, along with the understanding and revolutionary readiness of the farmers, two important factors were at work

in the success of the effort realized in Sancti Spiritus, which permit us to anticipate promising results within a short period of time, and these were the full implementation of the work plan outlined by the national commission and the close collaboration in the province of all the agents participating in this process, chiefly among those of the ANAP and the Ministry of Agriculture.

And so it is that the opinions on the work that has progressed so far, the results and projections received chiefly from Comrade Osmel Barreto Perez, the head of the Sancti Spiritus ANAP department of legal and social affairs, are in all respects in keeping with what Aniceto Cedre Valdivia, the head of the provincial Ministry of Agriculture legal department, who is now about to resign, asserted to us: "We are convinced that we will close down in 1983 with the cancellation of no less than 1,000 caballerias under lease and, if all state mechanisms continue to function as they have up to now, this province will be free of leased lands in 1984."

11,466

CSO: 3248/424

RESULTS OF FIRST PHASE OF SUGAR HARVEST

Havana BOHEMIA in Spanish No 2, 13 Jan 84 pp 44-45

[Article by Juan Varela Perez]

[Text] From the time they began grinding until last 31 December, the sugar harvest presented a picture which, analyzed by provinces and sugar mills, shows a marked contrast with respect to certain indicators.

There are favorable results for cutters' average number of arrobas [1 arroba = 25 pounds] of cane and oil consumption in plant production (for the production of burlap), and the exploitation of untapped potential became encouraging, with very few exceptions, at a time when the heavy rains of the end of the year and early 1984 were increasing the amount of time lost due to the shortage of cane and the accumulation of the potential quota -- very high until then -- declined abruptly in a matter of hours.

To give the reader an idea, let me say that by 3 January 63 mills had not met their grinding quotas for this reason and that 12 of this group had to shut down their machines completely.

The excessive moisture certainly influenced the drop in the supply of raw material that was experienced. But also breakdowns and operational interruptions were responsible for a large number of inactive team hours.

The total amount of time lost during the 10-day period of 21-31 December was much the same as the last time national statistics were computed, 15.96 percent, which is 2.5 percent higher than the norm. Nine provinces reported overall rates above established norms: Pinar del Rio, La Habana, Matanzas, Villa Clara, Cienfuegos, Ciego de Avila, Las Tunas, Holguin and Santiago de Cuba.

The results of the three 10-day periods of December and the accumulations corresponding to the last of these periods since the 1979 sugar harvest can be seen in the following table (in percentage figures):

<u>End of Period</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
10 December	89	80	82	92	95	93
20 December	84	80	92	91	92	87
31 December	84	83	87	90	96	87
Accumulation	85	82	88	91	95	89

While the results obtained in December are not bad, they are lower than the figures for the previous season and for 1982.

By the end of December 94 percent of the grinding quota was completed, 2 percent less than the accumulation in the last 10-day period and 12 percent less than the total recorded on the same date during the 1983 harvest.

Here the effect of the poor start made by some provinces that encountered obstacles for various reasons in getting their industrial operations going is evident.

The basic objective of a sugar harvest — the other indicators depend on this — is to grind at a high and steady rate, it being necessary that the number of arrobas specified per hour of operation be processed. Technological efficiency guarantees that there is no shortage of residue and that the "mattress" retains its uniformity at all times.

Meanwhile, a major offensive has been launched to reduce the volume of foreign matter (straw, cane tops, soil,...) that comes into the mills along with the cane. At the start of the year many provinces watched this indicator, which greatly determines mill efficiency, sugar quality, wear and tear of the equipment and the drop experienced in the sugar yield, rise until it became critical.

The bulk of the provinces: Pinar del Rio, Villa Clara, Sancti Spiritus (the worst of all), Ciego de Avila, Camaguey, Las Tunas and Santiago de Cuba, showed levels above the permissible limits.

The mills that receive the most impurities at their grinding plants exhibited this discouraging state of affairs on 31 December:

<u>Mill</u>	<u>Total Amount of Foreign Matter</u>	<u>Index</u>	<u>Difference</u>
Australia (Matanzas)	15.35	7.01	8.34
Jaime Lopez (Matanzas)	15.48	8.26	7.23
Julio Reyes (Matanzas)	13.49	7.93	5.56
Efrain Alfonso (Villa Clara)	13.15	7.00	5.27
Espartaco (Cienfuegos)	13.71	8.46	5.26
Uruguay (Sancti Spiritus)	11.88	7.54	4.34
Victoria Yaguajay (Matanzas)	11.80	7.65	4.15
Obdulio Morales (Sancti Spiritus)	10.02	6.03	3.99
Ramon Ponciano (Sancti Spiritus)	10.19	6.82	3.57

In conjunction with certain natural conditions, the lack of exactitude of the heads of districts and cutting collectives, loading and hauling, both manual and mechanized, is reflected in the failure to comply with the technical standards that should ensure cane of the best quality — fresh and clean — indispensable in facilitating mill production. This must constitute an action by all those responsible for guaranteeing a volume of impurities that will not interfere with the brisk pace sugar production requires.

Then 1984 arrived with an air of triumph for oil consumption. Up until 31 December 324,280 gallons were used in the production of raw sugar.

During the same period in the previous sugar harvest the nation required 614,993 gallons. A sizable drop that reflects the concern for bringing crude oil expenditures down to zero -- as proposed in the resolution adopted at the eighth plenary session of the party Central Committee -- and reducing those of refined oil products.

Only four provinces have to some extent used these products. Let us take a look at the table:

<u>Province</u>	<u>Gallons Consumed</u>
La Habana	122,170
Matanzas	4,040
Camaguey	65,060
Santiago de Cuba	133,010

In La Habana the Manuel Martinez Prieto Sugar Mill, which after a favorable start of 12 days without consuming any oil, again shifted to the debit side of the ledger and the experts felt that it was time to prevent it from becoming a wasteful "colossus" as it was in previous years.

Manual cutting operations constituted another encouraging prospect. Cutter productivity continues to be maintained with high performance, achieving 326 arrobas a day per man, that is, 12 more than planned and one above what was obtained during the intermediate 10-day period of December.

These are the provinces with the best results:

<u>Province</u>	<u>Quota</u>	<u>Actual</u>	<u>Percent</u>
Ciego de Avila	329	396	120
La Habana	499	566	113
Matanzas	293	325	111
Camaguey	319	349	109
Pinar del Rio	259	283	109
Granma	238	254	107

Nine managed to exceed the number of arrobas indicated in their quotas, three achieved more than 95 percent of theirs and only Las Tunas was under 90 percent.

As far as mechanized harvesting is concerned, a yield of 8,100 arrobas per machine fleet was attained, slightly higher than during the previous 10-day period and somewhat less than during the same period of the last harvest. La Habana was again the lead province in the use of combines with an average of 11,100 arrobas. After it come Holguin, which ended at a rate of 9,500 arrobas, and Matanzas, which harvested 8,900 arrobas a day. Villa Clara and Ciego de Avila also exceeded a rate of 8,000 arrobas.

By way of conclusion in this analysis, which includes what was accomplished up to 31 December, let us say a word about the best measure of sugar harvest efficiency, the rate of quota fulfillment:

As far as quotas are concerned nationally, they were only met at the rate of 65 percent and were 134 percent lower than for the same period last year. Three provinces attained the volumes that had been set for them under this year's quota: Villa Clara, Ciego de Avila and Granma. The last-named exceeded its quota by 250 percent. Ciego de Avila, Granma and Guantanamo will improve the actual results of the previous season by the close of the year.

When the sugar harvest enters its peak or fully operational period, it requires the elimination of those problems and failures to meet quotas that are localized in essential agricultural and industrial operations (syrup losses are extremely worrisome) in order to without diversions maintain the course that leads to the greater efficiency the economy needs and which the sugar producers set themselves as a goal for 1984.

11,466

CSO: 3248/423

ATTORNEY GENERAL SAYS SPIES WORK FOR UNFRIENDLY GOVERNMENTS

Port-of-Spain TRINIDAD GUARDIAN in English 22 Feb 84 p 5

[Text]

ROSEAU, Tues., (Cana):
ATTORNEY-GENERAL

Ronan David said last night that Dominican spies were selling information to "unfriendly" foreign governments for large sums of money.

David, Minister of Legal Affairs, spoke during the debate on a State Security Bill which outlines penalties of up to 14 years in jail for persons convicted of espionage and activities "prejudicial to the interests of the State."

The Bill, which also gives police wide powers of search and arrest, was passed, despite strong objections by the Opposition. David did not disclose the names of the alleged spies, whom he said had no other occupation, or the foreign Governments who paid them.

"They (spies) have no regard for the citizens of this state. You cannot allow a spy to commit the off-

ence and disappear," David said.

He said the Bill was aimed at "protecting the majority of Dominicans against a handful of culprits. We are making Dominica a better place for us and those to come."

Prime Minister Eugenia Charles, who piloted the measure, said it was unfortunate that the legislation had to be introduced, but "it is very important that the citizens of this country...can do something to safeguard the country."

Opposition member Henry Dyer, a former Minister in the Charles administration, urged the Government to agree to a select committee of Parliament discussing the Bill before a vote was taken.

But Charles said there had been

widespread discussions throughout the country on the measure, following Government's publication of a white paper.

Section (10B) of the Bill has particularly rankled the Opposition. It reads: "A person may arrest, without warrant, another person, if there is immediate danger there, that the other person will commit, or attempt to commit, an offence against this act...and the arrested person may be detained in proper custody to be dealt with according to law."

Michael Douglas, of the United Dominica Labour Party, described the Bill as "another of the measures that begin to complete the total militarisation of this beautiful island of ours."

CSO: 3298/531

POOR COTTON HARVEST NOTED IN REFORMED SECTOR

San Salvador EL DIARIO DE HOY in Spanish 2 Feb 84 pp 3, 50

[Text] This year's poor harvest is so alarming that--while, in January of earlier years, around 15,000-20,000 quintals per day were delivered to the processing plants--this year only 3,000-4,000 quintals per day are being delivered, according to cotton growers in San Miguel.

With 55,000 manzanas [1 manzana = 1-3/4 acre] planted, they continued, the cotton harvest for the 1983 agricultural season will be "a real success" if they come up with more than 100,000 bales.

According to cotton growers in San Miguel, the wind, on top of all this, blew about 20 percent of cotton to be planted away from them, which means that the average yield of 40 quintals per manzana will shrink to about 30-32 quintals per manzana.

In past years, cotton growers planted around 150,000 manzanas from which they got up to 400,000 bales of cotton; now, many not only delayed their planting but emigrated to other countries to seek new job opportunities "of whatever kind" because the insecurity connected with planting cotton in El Salvador and the high production costs per manzana--which are greater than the economic yields--have broken them.

Reformed Sector

Out of the 55,000 manzanas planted in 1983, according to reports, around 25,000-30,000 belong to the so-called reformed sector whose yield is 22-25 quintals per manzana, far below the productivity levels of private cotton growers whose yields run to as much as 35-40 quintals per manzana.

High Costs

On the other hand, San Miguel cotton growers point out that high production costs per manzana not only make cultivation prohibitive but also leave them with heavy losses in spite of the fact that one might assume that cotton is a big business and keeps everybody busy throughout the year, not just during the harvest season, as many people believe.

By way of example, they reported that, during 1983, they estimated the cost per manzana, at 3,700 colones; at an average of 30 quintals per manzana, for which they get 80 colones, that would yield them approximately 2,400 colones per manzana, leaving them with an approximate loss of 1,300 colones for each manzana cultivated.

By comparison, they continued, the cost per manzana in 1969 was approximately 1,100 colones, with a yield of 34-36 quintals, at 40 colones, each, which yielded them around 1,400 colones per manzana.

Everything Went Up

They note that all cotton production costs have gone up not only due to worldwide inflation and due to the importing of equipment with scarce dollars but also because of excessive treatment against pests due to the lack of proper care by those cotton growers who today belong to the reformed sector.

In 1983, it was necessary to make 42-43 general runs to keep pests under control, they continued, whereas before that the maximum was 18-24 applications during the season; that significantly increased the production costs per manzana.

In 1969, they added, the cost of insecticide per manzana was 380 colones and last year it was 1,000-1,200 colones; in 1969, they paid 4-5 colones per manzana to the pilot and last year they had to pay 8 colones. In addition, in some places, the guerrillas imposed a "minimum wage" of 16 colones per quintal of cotton cut, whereas the Bank only gave them 10.50 colones per quintal cut.

Some Solutions

The most important measure to take, almost as an emergency measure, according to San Miguel cotton growers, is that they be paid for the cotton in accordance with the dollar price at the parallel exchange rate, not at the official exchange rate.

Furthermore, they say, the following measures could be taken for the next farm year of 1984:

- (1) Reduce the cost of diesel fuel for the tractors used in preparing the farm land (something which could be extended to all powered equipment used in agriculture as an incentive).

- (2) Lower the cost of agricultural equipment by establishing a group of importers between the Agricultural Development Bank, the Cotton Growing Cooperative, INCAFE [Coffee Institute], INAZUCAR [Sugar Institute], and all government agencies connected with agricultural and livestock activities, along with private distributors and importers throughout the land, so as to import, together, large quantities of equipment and fertilizer which would significantly reduce the costs of importing, transportation, storage, tax, etc., with greater benefits for the nation's agriculture, not only for cotton.

On this last point they noted that coffee growers and cotton growers frequently use similar formulas such as 20-20-0, 16-20-0, 12-24-12, 16-48-0, ammonium sulfate, urea, lesser elements and others necessary to fertilize the land or for pest control.

5058

CSO: 3248/406

BRIEFS

SUGAR PRODUCTION UPDATE--As of 26 January, 2.9 million quintals of sugar have been produced and of that amount between 300,000 and 400,000 quintals have already been exported to EU [United States]. Around \$8 million have been generated in foreign currency as was announced yesterday by engineer Ramon Gonzalez, Director-Secretary, INAZUCAR [Sugar Institute]. The official said that, in spite of some difficulties deriving from acts of sabotage, fires caused by criminals, and subversive destruction, it is believed that the current harvest is coming along normally in all of the country's sugar mills, some of which are running at full speed while others are about to finish their work; the rest are about to start a sugar output calculated basically at 5.6 million quintals from which it will be necessary to subtract those that are lost due to the causes mentioned earlier, plus acts of God and accidents which traditionally arise in this activity. He also said that some losses are due to delays in the approval of loans and this, in turn, led to poor fertilization which had repercussions in terms of production shortfalls in some areas, primarily in the cooperatives in the reformed sector. [Excerpts] [San Salvador LA PRENSA GRAFICA in Spanish 2 Feb 84 pp 2, 9] 5058

CSO: 3248/406

MLN COMMENTS ON KISSINGER COMMISSION REPORT

Guatemala City LA RAZON in Spanish 3 Feb 84 p 4

[Text] The group of professionals of the National Liberation Movement made a preliminary analysis of the report by the bipartisan committee headed by Henry Kissinger.

"In principal we share the description of 'acute' for the Central American crisis, which must be confronted immediately and simultaneously in all its aspects.

"It confirms our theory that communism exploits Latin American ideosyncrasy, encouraging personal ambitions to divide opposition to Marxism-Leninism, making of this the struggle of many ideas and ambitions against a single idea (communism).

"We have to recognize that we need foreign help in all its aspects, help which should go hand in hand with Guatemalan efforts.

"We must recognize the urgent need for military help because countries much more powerful than ours request and need this help from the United States.

"It is true that world recession and violence have damaged our economy but perhaps the main damage has been caused by the last governments which have openly practiced corruption, facilitating unequal distribution of revenues and for that reason an equitable distribution of wealth is urgently required. However, before that, the economic reactivation of the country is urgently needed because at this time we could only distribute poverty, hunger, malnutrition, violence and resentment.

"We also believe in the urgent need for a meeting of Central American leaders with North American leaders, however, these must be genuine leaders, leaders of prestige, who are representative and not those improvised leaders who do not even have the support of 4,000 signatures of their followers.

"We must also think, when we say representative, about the leaders who have an in-depth knowledge of the problems of our peasants, and workers, our problems of health and education, and so forth.

"Economic reactivation will generate jobs but it must not only rest its foundations on foreign help but must have the support of Guatemalan capital, which in its majority is earning interest in foreign banks abroad.

"We totally share the idea that foreign aid be channeled and controlled by a committee created for that purpose. This will prevent corruption and programs of million-dollar projects which are of no benefit to the country and lend themselves to poor management.

"Reactivation logically generates jobs, which as they increase will turn into peace and security, synonyms of welfare.

"We are completely in agreement on the need for greater help, not only from the U.S. Government, but from other nations for the training of leaders, cooperatives, unions, and so forth."

8908

CSO: 3248/408

GERMAN-AUSTRIAN DELEGATION VISITS ON FACT-FINDING TOUR

Guatemala City LA RAZON in Spanish 3 Feb 84 p 1

[Text] The standard of living of the peasants is uncertain to the extreme that they feed their families with difficulty, Hans Klinger, president of the World Federation of Nonmanual Workers, revealed today after meetings with Minister of Labor and Social Welfare Carlos Padilla Natareno.

The Austrian, Hans Klinger, is part of a joint mission of union and political leaders and officials of Austria and the FRG who arrived in the country this week to investigate the labor situation of the Guatemalans and the political process begun recently for the return to democracy.

Hans Klinger said he visited the interior of the republic yesterday and confirmed that the majority of the workers in the rural area live in an uncertain manner in a number of small landholdings, which makes it difficult and impossible to feed their families.

Klinger said that "really, the members of the mission are amazed at the peasants and the way in which they work under these uncertain conditions."

The president of the World Federation of Workers [as published] said that one of the objectives of his visit is that of observing the real situation of Guatemala to prevent false and distorted information from being spread as has been done in his country of Austria.

He said: "We shall inform the news media of Austria on the real conditions of the workers in Guatemala and the efforts being made by the chief of state and the minister of labor to create sources of employment and improve the standard of living of the workers."

In turn, Minister of Labor Carlos Padilla Natareno said that there is full freedom in the country for union activity. He added that the government wants the unions or their leaders to make efforts to expand and watch over that activity and he gave to understand that the unions must avoid turning toward situations of deeds which generate violence and disturb the peace of society.

In that respect, Padilla Natareno declared that the government encourages free unionism but within the field of the true objectives of union activity.

The group which makes up the joint Austrian-German mission has met with different political and social sectors of the country and this afternoon will meet with Metropolitan Archbishop Monsignor Prospero Penados del Barrio.

The delegation is made up of Dr Erhard Busek, vice mayor of Vienna; Hans Klinger; Dr Johannes Hawlik, deputy of the Vienna Parliament; Charles Bohatsch, spokesman for the governor of Austria, Wolfan Pitck of the International Solidarity Institute of Germany, and Wolfgang Punpernig, German Government official for development problems.

8908

CSO: 3248/408

CLERGY, STATE DIFFER ON NUMBER OF REFUGEES IN MEXICO

Clergyman Expresses Concern

Guatemala City LA RAZON in Spanish 21 Jan 84 p 1

[Text] Guatemalan Catholic Church spokesman Father Juan Carlos Cordova said today that the figures quoted by Archbishop Prospero Penados del Barrio in Costa Rica are true.

The spokesman for the ecclesiastic curia said that the Church is concerned at the conditions under which nearly 100,000 Guatemalan refugees are living in Mexican territory.

Monsignor Prospero Penados del Barrio said this week in Costa Rica that there are nearly half a million displaced persons in Guatemala and some 100,000 Guatemalan refugees in Mexico, the majority of them children, women and elderly persons.

In that respect, Father Cordova said that Monsignor Prospero Penados del Barrio received a letter from the bishop of the diocese of San Cristobal de las Casas in Mexico in which he explained to the archbishop that in the area of Comitán "they were caring for 45,000 Guatemalan refugees."

In the letter, said the spokesman, it was also explained that in the area from Tapachula to Tehuantepec there were another 45,000 Guatemalan refugees. "This was the source of information used by Monsignor Penados del Barrio in making the statement in Costa Rica in which he mentioned the 100,000 refugees," he added.

On the other hand, he explained that the number of displaced persons the Archbishop cited as totalling nearly 500,000 Guatemalans in the country is still very low on the basis of official figures, because the National Reconstruction Committee once spoke of 2 million displaced persons in the country in a public statement.

"This is a situation which concerns us because it affects human beings, persons who should be cared for and provided with a situation much different than the one they are undergoing," said the spokesman.

Finally, he said that the fact that the government is not in agreement with the figures given by Monsignor Penados del Barrio does not mean a split between the Church and the State, something he discounted completely, and he said that in a pluralist society, such as it has to be, such as the one we must seek and which the government itself is endeavoring to make, there must exist different opinions and, logically, our means or reports come from different sources.

He added that in a pluralist society we can have differences of opinion without this meaning any friction or tensions between our institutions at a given moment.

Guerrillas Merge with Refugees

Guatemala City DIARIO EL GRAFICO in Spanish 22 Jan 84 p 46

[Article by Raul Villatoro Special Correspondent for EL GRAFICO: "Refugees Ask for Safeguards for their Return]

[Text] Chiapas, Mexico, January 24--The majority of Guatemalan refugees in Mexico only ask the authorities who are working for their return to the country that their lives and the right to work freely as they did before emigrating be safeguarded because they fear reprisals from the civil self-defense patrols.

The refugees, counting boys, girls, adults, both men and women, total 38,356, according to figures obtained from the last census made by Mexican authorities, which have the 70 camps in which our fellow citizens are sheltered under their control. According to this census, there are 9,539 men, 9,369 women, 9,776 boys and 9,618 girls in the camps, which contradicts statements made by Mexican nuns that there were only the elderly, women and children in the area designated for the refugees.

Mexican authorities said that up to now they have not expelled anyone but that they have allowed whoever wants to leave the camps voluntarily to do so without any hindrance, provided they leave the country to which they came asking for protection, saying they were being persecuted by Guatemalan authorities who control the department of Huehuetenango.

The Mexican authorities and people have been understanding with the refugees, who receive help in food, shelter, medicines, clothing and particularly education. There are educational centers in the area, organized for serving the population, including adult education, which has been undertaken by work teams from the Mutual Mission. There are also recreational and sports activities.

The only problem the refugees have had is that they live in restricted areas from which they may not leave unless they have permission from the authorities, who in all cases must have specific information as to the places where persons who leave the area may be found.

The refugees have received help from the OAS through a close coordination with the authorities of Mexico and supervision of the refugees has been made the responsibility of the so-called community landholdings, where they work 8-hour

days for pay which ranges between 200 and 400 pesos per day. However, this money is not needed for food, clothing and other necessities because help from the authorities is effective and supervised by the Mexicans.

Besides the camps themselves, there are Mexican residents who have given part of their land for some Guatemalans to live on; of course they are also supervised as is proper.

Meanwhile in Guatemala, particularly the authorities, have charged that in the northern part of the department there have been raids by guerrillas who have mingled with the refugees and that they have caused serious damage. However, up to now only the indications of an attack, which cost the lives of 11 merchants of San Pedro Soloma, have been presented with no greater details on the subject.

Guatemalan Roberto Rojas, a native of the municipality of Jacaltenango, Huehuetenango, said to our correspondents that he and his family have lived in the place called Quespala, jurisdiction of Chiapas, Mexico, for 5 years and that they could return to the country provided they were guaranteed the safety necessary to be able to live and work in peace in the place from which they came.

8908

CSO: 3248/421

FCD PLATFORM ON ECONOMIC, POLITICAL RESTRUCTURING

Guatemala City DIARIO EL GRAFICO in Spanish 30 Jan 84, pp 8, 78

[Text] The ideological platform of the FCD [Democratic Civic Front] was presented to the media at the headquarters of the FCD during a press conference.

The FCD platform contains proposals in four areas of national life: The overall renewal of the political system; the restructuring of the national economy; the reorganization of social evolution; and the rehabilitation of international relations. It was disclosed through its leader, Jorge Gonzalez del Valle.

The following aspects stand out in political terms:

- (1) A national pacification plan with the support of all political and apolitical forces committed to putting an end to violence;
- (2) The creation of a National Human Rights Commission as part of the new Constitution of the Republic;
- (3) Constitutional guarantees on food, education, health, work, and social security as well as full guarantee of freedom of thought, expression, and the press;
- (4) Questioning of the president and the vice presidents of the republic by Congress as well as the departmental governors and the ministers of state;
- (5) Establishment of the general accounting office of the republic as an autonomous agency to watch over the correct execution of budgets, supervising government contracts, and keeping public officials honest;
- (6) General administrative decentralization to reduce the burden on the office of the president of the republic; and
- (7) A national political education program with emphasis on constitutional guarantees, political rights, and election laws.

As for economic restructuring, the FCD proposes simultaneous goals for the following:

- (1) Financial stabilization during the period of the economic crisis;
- (2) Economic revival through protection and incentives for production sectors, productivity, and the domestic market; and
- (3) A long-range plan which would identify the country's needs until the year 2000 and which would spell out the policies and financial resources to meet those needs. There are many specific proposals in the economic area and priority is being given to the problems of unemployment, the cost of living, consumer protection, monetary stability, efficient use of bank loans, national self-sufficiency in food, and the effective rehabilitation of the Central American Common Market.

Looking at the social aspect, the FCD has come up with proposals that take us to the root of the country's most urgent problem complex. The following stand out among these proposals:

- (1) A national long-range plan for the progressive integration of ethnic majorities; [as published]
- (2) Qualitative and quantitative improvement in rural and urban social and health services, education, social security, employment, and nutrition;
- (3) City programs for the construction of residential developments in cities with a surplus population to improve the quality of life of the citizens;
- (4) A complete program to solve the problems of the disadvantage and discrimination against women in the matter of employment, education, and family security; and
- (5) Promotion and support for the younger generation to involve it in the national society in political, economic, and educational terms.

"The rehabilitation of international relations, proposed by the FCD, is aimed at recovering the prestige, honor, and respect which Guatemala has neglected in recent years so that its participation in international forums and organizations may again be dynamic, creative, and useful. We primarily propose full exercise of national sovereignty in the current confrontation among world powers, definite action regarding new Latin American policies and the recovery of Guatemala's influence in Central American affairs, both political and economic. We also take up the question of bilateral relations with Mexico and a consultation mechanism in order once and for all to solve the Belize issue in an honorable, realistic, and fruitful fashion for Guatemala," said Gonzalez del Valle.

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CSO: 3248/405

GOVERNMENT TO END CONTROL OF BUTANE-PROPANE GAS IMPORTS

Guatemala City LA RAZON in Spanish 31 Jan 84 p 5

[Text] The government of the republic will cease to control imports of propane-butane gas as of 1 February and has signed a contract guaranteeing supplies with a private company, which pledged itself to importing the product and making available to the four distributors in the country the gas necessary for national consumption, it was reported yesterday in a press conference by Minister of Energy and Mines Eng Alejandro Contreras Bonilla.

When he made the report, the official announced he will place in the hands of the chief of state, Gen Oscar Humberto Mejia Victores, two draft law bills for his approval. They will contribute positively to complete regulation of the trade and consumption of liquid gas.

These law bills, said Engineer Contreras Bonilla are: the law for the use of gas in vehicles provided with internal combustion motors and the law for the sale of the gas itself.

Focusing on some aspects of the law bills, Engineer Contreras Bonilla said that the law for the use of propane gas in automotive vehicles seeks to set standards with safety rules for the use of tanks on vehicles.

Up to now it has been done illegally, tanks being installed without any safety considerations and he said, for example, that there are minibuses which have tanks tied on with ropes, something he described as a "time bomb."

Fortunately, there has not been an accident, he said.

Elsewhere, he mentioned that the law on sales seeks to positively regulate the sale and consumption of liquid gas.

That law contains drastic punishment for those who change not only the price but the quality of the product.

For example, those who hoard propane gas will be subject to fines which range from 1,000 to 10,000 quetzals.

Further on the minister of energy and mines said that in 1982, when that ministry was the Secretariat of Mining, Hydrocarbons and Nuclear Energy, he intervened directly in some phases which now make possible the availability of propane gas for national consumption for a number of reasons.

He mentioned the following:

1. Inexistence of a guarantee of supply.
2. Lack of mechanisms of price control.
3. Uncertainty of supply.

Moreover, said the official, who held the conference in the government's public relations conference hall, it was found that the country at that time had only one source of supply, by land across Tecun Uman.

Likewise, there was a shortage of storage space by comparison with consumption. Only the storage capacity of Guatemala City and Quezaltenango, whose capacity was approximately enough for 5 days of consumption, was used.

Contreras Bonilla signed a supply agreement with PEMEX in August 1982, which he had tried unsuccessfully to have implemented by one of the companies which operate in the country. Through this agreement the government managed to obtain a guarantee of supply, control the price and increase storage capacity by incorporating into the system the facilities existing in Santo Tomas de Castilla.

The storage capacity of the country increased to 15 days of consumption.

Contreras Bonilla said that the government by intervening in the control of imports also prevented a rise in prices.

However, he said, the contract with PEMEX was suspended in January 1983 because of a lack of availability of the product to such an extent that the supply only covered the period from October 1982 to January 1983.

He explained that from February 1983 to January 1984 suppliers of gas to Guatemala were Hidrogas, Tropigas, and the largest supplier, Texaco International Trader Inc., via Santo Tomas de Castilla.

However, last year the minister of energy and mines discussed the possible signing of two supply contracts with Hidrogas but they came to nothing.

The New Situation

Contreras Bonilla said that contracts of guarantee of supply have now been signed whereby Hidrogas of Guatemala and Terminales de Gas S.A., pledge to import and make available the gas required for national consumption to the four distributing companies: Tropigas, Hidrogas, Digas and Super Gas.

He also said that the price will not go up and that it will remain the same as that of the international market published by Mont Viviev, Texas.

Elsewhere, he reported that the companies pledged that in 3 months storage operational capacity will increase in the following places: Santo Tomas de Castilla, Villanueva, Guatemala, Tecun Uman and Quezaltenango.

All this will make it possible for the storage capacity of the country in the hands of the distributing companies to rise to approximately 30 days of consumption.

Moreover, the Terminales S.A. Company in Santo Tomas de Castilla, pledged that it will have additional tanks installed before 1 February 1985, which will raise the storage capacity of the country by 20 additional days of consumption.

On the other hand, Engineer Contreras Bonilla said that sources of supply are Mexico; by land through Tecun Uman, by railway and by tanker trucks.

By sea, tankers will leave gas in Santo Tomas de Castilla.

Finally, he declared that the prices of propane-butane will not go up for local consumption and he indicated that price control in purchases will allow the use of the compensatory fund to insure stability in prices.

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CSO: 3248/408

PARTIES EXPRESS DISSATISFACTION WITH NEW ELECTORAL LAW

Guatemala City DIARIO EL GRAFICO in Spanish 21 Jan 84 pp 5, 52

[Text] Guatemala, January 20--The electoral law fell like a bucket of cold water on the spirits of national political leaders, giving rise to various opinions and comments on the subject, but all coinciding as to the lack of interest by the government in heeding the reasonable proposals and objections which were presented at the proper time.

Terms such as "arbitrarinesses," "government manipulation," "weakening of the process," "incomprehensible action," have been prominent in statements issued by various political committees after the text of the electoral law which will rule the makeup of the National Constituent Assembly became known.

The truth is that since there was a strong consensus on the need to amend some articles, it was logically expected that this would be a document which would fulfill the hopes of all political factions.

DC [Christian Democratic Party] "The Electoral Law Makes Us Doubt"

"An event is awaited during which the authorities will assume a neutral position, however, in public opinion and the political parties, now with greater reason, there is skepticism as to the impartiality with which they will act," said Rodolfo Maldonado, top leader of the Guatemalan Christian Democrats, referring to the problem that will be caused by the fact that once more it will be a law that mayors will head electoral boards.

Rodolfo Maldonado added that municipal authorities have always been the keystones in the manipulation of electoral results and the fact that they are once more appointed as chairmen of municipal boards is a sign of weakness.

Described as an "arbitrariness" created by the electoral law is the fact that instead of using the opportunity to see which the strong political factions of the country are, the proliferation of small groups is encouraged by not establishing the suitable percentage of votes (4 percent) for a committee to be able to continue in the contest. According to the Christian Democratic leader, it would appear that this was stipulated for strengthening central power and to facilitate the internal manipulation of the assembly, although he hopes that such prior intention did not exist.

As for the authorization for the electoral civic committees to nominate constituent deputies, Rodolfo Maldonado said: "The only path in any democratizing process is through the parties because a political party is the real entity of representativeness."

FCD [Democratic Civic Front] "Do They Want to Control the Mayors?"

"It seems to me that the action by the government, after having asked for a discussion of the electoral law draft bill with so much pomp and democratic appearance and then ignoring the various opinions uttered in the Congress, leaves much to be desired and places in very serious doubt the true intentions of a democratic process in the coming elections," declared Danilo Barillas Rodríguez to EL GRAFICO, when asked about the subject of the electoral law in effect since yesterday.

The secretary of the FCD added that "if there was no thought about paying attention (to the objections), it was not necessary to make such a show of publicity. What has happened cannot be understood. One important, basic thing is that fundamental aspects, which could have made something more democratic of the law, were not taken into consideration."

With respect to participation by the mayors in the electoral boards as their chairmen, the FCD believes that nothing can justify the government's stubborn adherence to that unless it is for having those officials at its service so that it may control the process through them.

Participation by the civic electoral committees is another absurd measure, according to the opinion of the FCD "because it is supposed that what is sought is a representative democratic system. If the government wanted, it would strengthen the system of parties, however, by proposing the disintegration (of the parties), favoring the civic committees, it is acting contrary to what it preaches."

The fact that official sectors may sponsor the creation of some civic committees is not an important problem, according to Danilo Barillas because "whether they finance them or do not finance them, the democratic party system is being undermined." In conclusion, he said that someone (from the government sector) should dare to publicly debate all these aspects.

FUR: "Deviousness in the Process"

According to Cesar Augusto Toledo Penate, secretary general of the United Revolutionary Front--FUR--it is not comprehensible that within a democratizing process the political committees have been taken on a march against time in an obvious manipulation of the situation.

The FUR opposes the participation of the civic committees because they do not represent anything ideologically, quantitatively or qualitatively. They are temporary and have no responsibility to the people. The proliferation of these small groups favors only the rightist forces because they fragmentize the participation of the voters who are not committed to the traditional parties.

As for the possibility that official circles may be trying to strengthen the civic committees to counteract the political strength of the parties in the assembly, Toledo Penate said: "It is logical that the civic committees are being financed."

UCN: "The Position Assumed is Incomprehensible"

The National Center Union[UCN] issued the following statement on the electoral law yesterday:

"The UCN is dissatisfied with the electoral law. The UCN expresses its dissatisfaction with the new specific electoral law for the election of the National Constituent Assembly, law which was passed without the acceptance of the unanimous proposals and suggestions of the political party committees which are representatives of large sectors of the population.

"The electoral law as was issued leaves the door open to possible electoral fraud. The anarchic participation of any electoral civic committee, which could in addition be used for the imposition of candidates; the formation of the electoral boards headed by appointed mayors; the manner of supervision by the Electoral Supreme Court with the movement of ballots and denying the undeniable value of the motions presented at the polls by delegates of all the participating political organizations, and special nullification without specific rules for its application, cause the muddying of electoral purity.

"The UCN asks the government to reconsider its actions and reform the law in those articles which correspond to the proposals made unanimously by the political organizations. This would result in a return of trust and credibility in the process of democratization the government says it is promoting."

URD: "Opening or Control?"

For the URD (Democratic Revolutionary Unity), instead of being a political opening the electoral law is a government control because it has allowed the mayors to continue as chairmen of the electoral boards of their respective municipalities, declared Humberto Gonzalez Gamarra.

Certainly it does not have the initial spirit with which it was sought to imbue the democratizing event, because it is the Supreme Electoral Court which should be the body that appoints the members of those boards and have complete control of the process, in the opinion of the URD.

Further on Gonzalez Gamarra declared that what really happened was that an attempt was made to decrease the authority of the Supreme Electoral Court and that a government maneuver is seen here in the sense that it was up to the Supreme Court to control the elections in all aspects.

He also mourned that the government ignored the observations made by the parties, which demonstrates its desires to manipulate the process. URD also wanted its protest to be made known publicly because during the meeting General Mejia Victores had with political leaders in the Congress building, the URD representatives were denied participation when they were not allowed to speak.

FDP: "What Happened is not Surprising"

Francisco Reyes Ixcamey, secretary general of the Popular Democratic Force [FDP] committee expressed no surprise at what happened with respect to the electoral law because it was foreseen, according to his own words.

FDP is very sorry that the chief of the government, Gen Oscar Mejia Victores, only listened to all the political committee secretaries, who in a disorderly fashion expounded their proposals, but did not take into consideration almost all the suggestions made to him.

"That same day, Friday 13, we expressed our wishes that the chief of state would take into consideration the suggestions that were going to be made to him and that he not simply limit himself to listening with great attention, as had already happened on other occasions...and that is what actually happened," asserted Reyes Ixcamey.

The leader of the Popular Democratic Force says: "It seems to me that his intention (the chief of state) was to give all those present a chance to lose their desire to speak, to unburden themselves; it reminds us of the era of Rios Montt, when the electoral calendar was approved just as was stipulated, and we were all listened to just for the simple pleasure of letting us talk."

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CSO: 3248/421

NEW FORCE SECRETARY GENERAL ON LEFTIST UNITY

Guatemala City DIARIO EL GRAFICO in Spanish 3 Feb 84 p 5

[Interview with Carlos Rafael Soto, Secretary-General, New Force Social Democratic Party: "The Divided Left"]

[Text] New Force charges that "presidentialism" of leaders is hampering unity.

Guatemala, 2 February--"The worst thing that could happen to this country's democratic Left would be to make the mistake of going along with the maneuvers of those who, through the promotion of premature presidential candidacies, seek to make the difficult process of democratic unity even more difficult," said Carlos Rafael Soto, Secretary-General of the New Force Social Democratic Party.

The interview revolved around various aspects of the situation of the Guatemalan Left in the election process and its possible influence on the 1985 presidential elections.

Here are Soto's answers to the questions put to him by EL GRAFICO.

EL GRAFICO: Why does the Left not manage to start the unity dialogue?

Soto: I believe that this is basically due to the fact that the actors are others now. In the recent past and especially during the 1974 elections, the two social democratic groups existing at that time in Guatemala--the FUR [United Revolutionary Front], headed by Manuel Colom Argueta, and the PRA [Authentic Revolutionary Party], led by Alberto Fuentes Mohr--got together around a government program and a presidential candidate. The Christian Democratic Party participated with them. That coalition could have extricated the country from political obscurantism, it could have put an end to the hegemony of the extreme Right, and it could have created the conditions for a true domestic democracy. But, first of all, the fraud by Laugerud and, then, the murder of Colom and Fuentes Mohr, during the Lucas administration, cut that period short. Now those who are running the FUR are different men; the PSD [Social Democratic Party] (the old PRA) does not participate in the election process and this, on top of the internal problems of the Christian Democratic Party and what with control of the PR [Revolutionary Party] in nonrevolutionary hands, things are much more difficult.

EL GRAFICO: So, there will be no possibility of unity?

Soto: No, I am not saying that. No way. The political opening did serve to allow new groups and new leaders to spring up. The 20 October Movement, which is directed by Marco Antonio Villamar, and the New Force Party constitute a renewed option for the democratic Left. The URD [Democratic Revolutionary Union] has also experienced a resurgence and that enriches the democratic camp. Yes, indeed, the possibility of unity is not only becoming viable but it is also getting stronger. We understand the difficulties which a party, such as the FUR, is experiencing in finding national leaders who will meet the current historical requirements. We also understand that some organizations have not yet definitely decided to "test the waters" because of the serious doubts that exist regarding the viability of a process with realistic possibilities. But we are confident that those problems will be overcome shortly and that the Left will then be able to restart the dialogue and again work toward the unity which the immolated leaders began to build.

EL GRAFICO: There is beginning to be talk about presidential candidacies of the Left. Will this help in the unity process?

Soto: No, on the contrary. The start that has been made toward the establishment of a number of candidacies can only hinder and confuse the possible unity process. The Left must not become entangled in Byzantine discussions on presumed presidential candidates. Making that mistake would not only mean confusing the issue but would mean a betrayal of the role which we must play, that is, to promote a growing awareness as to the country's precise political situation, to stress the need for creating the foundations for true democratic growth, etc. What the Left needs least of all are presumed saviors. The Left is not going to be unified around a person but around common programs and attitudes. There will always be time to examine candidacies. Right now, that is the least important thing.

EL GRAFICO: So, New Force does not participate in the unity talks about a common presidential candidacy?

Soto: If we were to do that, we would be fooling ourselves, we would be counting our chickens before they are hatched. We are not against a group promoting the figure of its particular leader; but we are against premature actions. Proposing presidential candidates at this point in time--when we do not as yet know whether there are going to be any elections for the Constituent Assembly--is more than infantile. The important thing, I repeat, is that we must feel ready to conduct a dialogue on minimum conditions for a realistic political process, on the blueprints for a common program, etc. In other words, we must talk in order to build an option of democratic change and not to fantasize about presumed candidates.

EL GRAFICO: Did New Force discuss the possibility of supporting a particular candidate?

Soto: No. Not yet. Some persons have begun to come out in the Left, such as Jorge Gonzalez del Valle, Edmundo Vasquez Martinez, LLD, USAC [expansion unknown] president Dr Eduardo Meyer, and Marco Antonio Villamar Contreras.

Others undoubtedly will come out and there will be time to discuss their merits and advantages. But what concerns us now is much more important and it boils down to the following question: Could the united Left win a presidential election? Would the unity of the Left, without the participation of other sectors, be the best thing for the country or, on the contrary and given the very precarious situation in which we live, would it not be better to launch a gradual process of advance toward democracy through the assembly of a very broad coalition of the center-left which would give the future government much strength and a sufficient base of support so as to enable it to resist any attempted coup? As you can see, these questions, which we are going to have to answer in the more or less immediate future, are much more important than simple presidentialist flights of fancy. This is why we believe that suggesting any presidential candidacies now is extremely harmful because it diverts the attention of the Left from tasks and analyses which are much more important for the future of Guatemala.

5058

CSO: 3248/405

SCHOOL AGE POPULATION, ATTENDANCE STATISTICS CITED

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 14 Feb 84 p 6

[Excerpts] In our Western-type societies, the ages for education and training are well defined: From the ages of 6 to 15 years, one attends, or should be attending school; and then, between the ages of 15 and 20, one receives the training to prepare him for entry into the work force.

The population between ages 5 and 20 years increases with the demographic increment. If it is accelerated, it will remain at high volumes, nearing 45 percent or more of the total population. Understandably, this situation requires the investment of large amounts of the country's funds to defray the increasing costs of schools, equipment and teachers, in addition to the provision of general health and food for the child and adolescent sector of the population.

According to the seventh census, in 1964 Guatemala had a total population of 4,061,180 inhabitants, 38.45 percent of whom (1,561,020) were included between ages 6 and 20, which is the age bracket for schooling and training.

In the 1973 census (the eighth one), a total population of 5,175,400 inhabitants was recorded, with 39.6 percent (2,047,740) included in the age group of concern to us. The total population increased by 1,114,220 inhabitants (27.4 percent) during the period between the censuses, and the one contained between the ages in question increased by 486,120 (31.1 percent).

In 1950, only 24 percent of the children between ages 7 and 14, numbering 540,000 were attending school. In 1973, 47.7 percent of 590,000 children were attending school. Nevertheless, as noted by engineer Jorge Arias de Blois, in his book "The Population of Guatemala," is it possible that the number of children not attending school is greater than it appears, because a higher rate of increase than the one observed during the 23 years in question had been anticipated. The situation becomes worse when one estimates the degree of retention or stay in school. In fact, during the course of the years, a considerable decline has been noted in the group of children attending school, to the point where only 16.7 percent finish the primary school course, with greater numbers of dropouts in the rural areas than in the urban ones. The situation is repeated in secondary education, where it has been found that out of 1,000 children enrolled in the first year of primary school, only 6 or 7 complete secondary and higher

levels of schooling. This is evidence that the educational system, including the government system or that of the public sector, and the private sector's system, is deficient, and that the deficiency has become marked with the passage of years and the increment in the population.

The 1978 national budget earmarked 10 percent for the Ministry of Education (80,485,600 quetzales); in 1979, 12.1 percent (111,227,100 quetzales); and in 1981, 13.4 percent (156,706,460 quetzales). In 1980, the spending per primary school student was estimated at 67,000 quetzales per year.

But the increases in the budget item have not sufficed to solve the multitude of problems and shortcomings that appear in the government educational system. As for the state university (that of San Carlos), everyone is aware of the tremendous increase in the student population, the instability of its teaching resources and the distressing shortages in its economy, on the brink of crisis during recent years.

The growth in the country's population has affected the levels of education, school attendance, literacy, training and participation of the youth in the nation's development.

If the high rates of annual demographic growth continue as they appear at present, the number of people under 15 years of age will reach 50 percent of the total population, and possibly exceed that figure, by the year 2000.

2909

CSO: 3248/445

EGP MEMBER ON PEASANT RESISTANCE TO ARMY

Havana VERDE OLIVO in Spanish No 3, 19 Jan 84 p 19

[Article: "Resistance to the Genocide"]

[Text] The scorched earth operations and genocide that the Guatemalan Army, led by Humberto Mejia Victores, has continued to carry out in the so-called "areas of conflict" are generating among the population forms of struggle and resistance with an essentially anti-repressive essence.

Nevertheless, this resistance on the part of the masses, while preserving the life and structure of the community, represents a refusal to cooperate with the Army, to become organized into civilian patrols or to be controlled in their settlements. These types of self-defense are, at the same time, variants of a confrontation against the class enemy and for backing the people's struggle.

We are told about the self-defense methods used by the population in the department of El Quiche by Comrade Miguel, of the Ho Chi Minh Guerrilla Front of EGP [Poor People's Guerrilla Army].

[Question] What are the main features of the resistance?

[Answer] The people's resistance consists of two groups: the internal and external refugees, on the one hand, and the individuals organized into "civilian patrols" and "model villages," which engage in different types of resistance and undermining aimed at these two forms of counter-insurgency.

[Question] How does the self-defense materialize?

[Answer] In the first place, with constant vigilance. Day and night, the population keeps its posts to guarantee the security of the organized population set up. When the enemy approaches the localities, the alarm is sounded to the population, which resorts to its emergency plan.

The people leave the settlement in orderly fashion, going to sites selected in advance, and the plan is continued during the period that the offensive against the population lasts, which is usually from 20 to 30 days. The plan also includes the protection of livestock and household equipment.

When the Army withdraws, the population returns to its localities, to rebuild the huts which have been turned into ashes by the troops.

Now then, for the population it is not always a matter of leaving when the Army arrives and returning when it withdraws. Generally speaking, the Army enters with its infantry to search the "charraleras" (a sparsely vegetated woods with bushes and underbrush in deforested areas), where the population has hidden, also having to defend itself against air and machine gun bombardment.

[Question] What happens when the Army remains occupying the settlements, or when the invasions, searches and machine gunfire are kept up?

[Answer] In that case, the situation becomes more difficult for the population which does not want to cooperate with the Army. They cannot return to their localities and try to lead a normal life, and no alternative is left to them other than to take refuge in the mountains, in order to live.

There, they survive by eating roots, bananas, grass, maize stalks and, rarely, corn. In some instances, they have already developed a minimal subsistence economy. Many of the people who take refuge in the mountains die, especially children and the aged.

[Question] What is the ethnic composition of the refugees in the mountains?

[Answer] Multiple: there are Ixiles, Quiches, Kanjobales and Ladinos, numbering from 3,000 to 4,000. They have a political awareness of the fact that they must remain united in order to defeat the enemy. They are suffering the effects of the war, but not as forces dissociated from it.

[Question] And what goes on in the settlements controlled by the Army, in the so-called "model villages"?

[Answer] The military control is strict and the population is forced to work in exchange for food to survive, and they have them organized into civilian patrols. They use them for the construction of highways, houses and sheet metal structures.

The individuals located in those villages cannot move, particularly those of the Ixil ethnic group. Commerce is blocked on the entire front. Some communities survive on barter, but that is hardly a solution.

[Question] And what about the civilian patrols?

[Answer] Most of them have been formed by force and through threats. When anyone refuses to join, they accuse him of being a guerrilla; therefore, the people are forced to accept those patrols. The defenseless peasants are used as protection, and they are the ones who go ahead of the Army on the tours.

[Question] What lessons have been taught by the resistance of the masses?

[Answer] One of them is the Army's unequivocal, unanimous identification as a hostile, irreconcilable enemy and, consequently, the need for intensifying the war and self-defense. Moreover, since the genocide is aimed against the Indian tribes in particular, it has generated in the masses' resistance a combination of class hatred with the struggle against ethnic-cultural oppression.

Even the displaced communities retain their culture, their structures and their religion; the ethnic groups have not lost their identity, and they have become more reinforced to defend themselves and to confront the enemy's bestial onslaughts. In fact, the ethnic groups have played an active role in the resistance and self-defense against the genocide.

(Taken from "Guerrilla Informer," EGP, Guatemala.)

2909

CSO: 3248/445

BRIEFS

ILLITERACY 53 PERCENT--Arnoldo Calderon, general director of statistics, upon being asked about the total number of voters expected to participate in the election process that is approaching, reported that, by the end of 1983, Guatemala had recorded 7.2 million inhabitants, based on approximate figures. Nevertheless, of that total only 45 percent are qualified to exercise their vote. This is translated into slightly over 2 million voters, not possibly reaching a total of 3 million. During the statistics director's brief remarks, he again emphasized the high rate of illiteracy that is rampant in our country. It is important to stress that 53 percent of the population qualified to vote is illiterate and the majority reside in the rural areas. [Excerpt] [Guatemala City DIARIO EL GRAFICO in Spanish 8 Feb 84 p 8] 2909

CSO: 3248/444

OPPOSITION PARTICIPATION IN 1983 ELECTIONS SUMMARIZED

Mexico City UNOMASUNO in Spanish 10 Jan 84 p 2

[Article by Rene Delgado]

[Text] A rundown of elections in 1983 shows that PRI won 98 percent of the positions chosen by popular vote, that there are no grounds for the view that the country is moving towards a two-party system, and that the opposition managed to run candidates for just one-third of the positions to be filled, which evidences its weak presence and shallow political roots.

The document, presumably drafted by PRI, states that 1 governor, 1,158 mayors, 230 local deputies (relative majority) and 80 local deputies (proportional representation) were elected last year in 15 states. This meant that 40 percent of the nation's population had the opportunity to elect new representatives.

The first conclusion of the election review was that much of the opposition met their Waterloo at last year's balloting.

Based on information from the PRI's Electoral Action Secretariat, the study notes that only PRI managed to run candidates for each and every one of the posts at stake. "Of the 1,469 positions, PAN [National Action Party] ran for about 450, the PSUM [Unified Socialist Party of Mexico] 440, the PPS 410, the PST [Socialist Workers Party] 400, the PDM [Mexican Democratic Party] 285 and the PRT [Revolutionary Workers Party] 210."

It goes on to say: "If we take the candidates of the two parties with the highest percentages (PAN and PSUM), then the opposition competed for just one-third of the positions to be filled. The opposition simply had no political presence in two-thirds of the elections. It could not meet the challenge of running candidates for half of the positions, at least."

It notes that the opposition's performance in the mayoral elections was particularly poor, inasmuch as it ran candidates for just one-fifth of these posts. Thus, voters in 900 municipalities were unable to exercise their right to select political alternatives.

"Thus," the document states, "the opposition's persistent, intermittent and apparently strong political presence in federal elections becomes weak, erratic and anemic in local elections."

Based once again on data from the PRI's Electoral Action Secretariat as of this past 15 December, the tally of election victories shows that PRI won 1,139 of the 1,158 mayoral posts up for election, suffering defeat in just 18 city halls.

Coming in a distant second was PAN, which elected 11 mayors, followed by PST, which won 3; the PSUM with 2 and the PDM and PPS with one each. The PRT did not elect any mayors.

As far as the local deputies were concerned, the document notes that PRI won 223 of the 230 relative majority posts up for election, with PAN inflicting just 7 defeats on it. No other party managed to win a relative majority seat.

With regard to the 80 proportional representation seats that were at stake, PAN took 22, the PSUM 11, PRI 9, the PST 9 also, the PPS 5, the PDM 4 and the PRT none.

8743

CSO: 3248/417

GOVERNMENT WORKERS REACTING TO AUSTERITY-SPURRED MEASURES

Mexico City PROCESO in Spanish No 377, 23 Jan 84 pp 28-30

[Article by Gerardo Galarza]

[Text] Traditionally regarded as a "privileged class" by most people because they work for the government, but legally limited in pressing their labor demands, the country's bureaucrats have begun to essay tactics of struggle and protest against the "austerity policy" imposed by the Secretariat of Programming and Budget (SPP).

The "austerity policy," which does not affect high-level officials, not only prevents the country's more than 1.5 million bureaucrats from making further labor gains, but it even seeks to undo some of the ones they have achieved in previous revisions of their General Working Conditions (CGT).

The SPP, which is already in charge of tightening the whole country's belt, seeks to "standardize" the General Working Conditions that each government secretariat has signed with its respective union and does not care about ignoring the gains that the workers have made previously.

The workers in the secretariats of Agriculture and Hydraulic Resources, Fishing, and Urban Development and Ecology are in the most difficult situation. At various times the unions of these secretariats managed to have included in their CGT's an article under which their members would under no circumstances receive a salary lower than the minimum set for workers in the city. Therefore, when a new general minimum wage was set, the bureaucrats would receive the same percentage increase.

This article, which was approved by the authorities in each secretariat, has not been observed, however. At best, only the lowest-level bureaucrats have received its benefits. This has caused another problem: when all workers in the secretariats do not receive an increase, wage levels equal out, and even though the same article anticipates this problem and orders the secretariats to resolve it, this has not come to pass.

This is one of the labor achievements that the SPP wants to ignore. The Secretariat of Agriculture and Hydraulic Resources (SARH), encouraged by the SPP, has at least decided not to recognize the article because it is "unacceptable." The article has been in effect ever since Leandro Rovirosa Wade was secretary of hydraulic resources and was later reaffirmed by Francisco Merino Rabago, the secretary of agriculture and hydraulic resources, when the Agriculture and Livestock and Hydraulic Resources secretariats were merged.

On Monday the 16th, 3,500 workers in the Forestry Undersecretariat of the SARH who belong to Section 65 of the National Union of SARH Workers (SNTSARH) stayed away from their jobs en masse and held a meeting to demand that the article (number 27 in their CGT's) be enforced, that their CGT's be observed in their entirety, that an immediate and final solution be found to the delays in their biweekly paychecks and that payroll workers be made permanent [basificacion].

Fernando Ruiz Hernandez, the secretary general of Section 65 of the SNTSARH, says that the delays in the handing out of the paychecks for the first 2 weeks of January and the second part of the Christmas bonus were the last straw and prompted the workers' rally, because their dissatisfaction was longstanding.

"The SARH's director general of personnel, David Catalan Diaz, stated: Why all the fuss? The biweekly checks and the Christmas bonus were just a day late. The fact is that we were supposed to be paid on the 13th, and it wasn't until the 16th that the checks began going out. But this was just the straw that broke the camel's back, because the delays have been systematic, especially for the workers in the tree nurseries and reforestation zones," Ruiz Hernandez recounts.

Furthermore, the young labor leader says, "Article 27 of our CGT's has never been respected, and we demand retroactive payment of the 15.6 percent boost that the National Minimum Wages Commission authorized as of 14 June 1983. In fact, the 30, 20 and 10 percent boost decreed in March 1982 has not even been regularized."

Ruiz Hernandez notes that when Article 27 is enforced only for the lowest-level workers and not for everyone, "both the quantity and quality of work decline."

He goes on to say that some payroll personnel in the SARH (almost two-fifths of the members of Section 65 are in this situation) perform the functions of permanent employees, which "lends itself to manipulation by the authorities, inasmuch as when a contract expires, it might not be renewed, and this creates anxiety among the workers because it makes selective cutbacks possible."

He also says that the new policy of reclassifying bureaucratic personnel under the General Jobs Catalogue that the current administration is pushing, has caused problems among the workers, and he feels that

"the government is tending to standardize its workers, without caring about ability, experience or the individual job."

On Thursday the 19th, the plenum of the SNTSARH, which comprises more than 170,000 workers, published a spread demanding the enforcement of Article 27 of its CGT's, "which were authorized by the Secretariat of Programming and Budget in Document No 25-1-27-21 and duly registered with the Federal Tribunal of Conciliation and Arbitration."

The SNTSARH announced that its plenum decided to file suit against the SARH with the Federal Tribunal of Conciliation and Arbitration and to call for assemblies at which express appeals will be issued for strikes, a nationwide strike in the case of the SARH. They also announced two marches for Tuesday the 24th.

The problems caused by the General Jobs Catalogue have also affected the workers in the Fishing Secretariat, some of whom have seen their Christmas bonuses cut back, which has prompted discontent.

Luis Coello, the secretary general of the Single Union of Workers of the Fishing Secretariat (SUTSP), explains that the overall earnings of bureaucrats consist of their base salary, extra pay and benefits, adding that all boosts are to the base salary, however.

Now, under the new General Jobs Catalogue, many of the workers in the Fishing Secretariat who were paid under the old system have seen their base pay and bonus pay, which is calculated on the basis of the former, reduced and their benefits increased. "Obviously," Coello says, "their overall income is the same, and the workers are apparently not affected, but the trend is towards lower pay."

The Christmas bonus was paid out differently to the workers in the Fishing Secretariat in December as well. Some received it on the basis of their salary level and others based on their position. This meant that workers performing the same job received bonuses of differing amounts. The differences were between 15,000 and 35,000 pesos.

The SUTSP leader points out that according to the catalogue drawn up by the current administration, there are five salary levels for bureaucrats, but in reality there are only four because level one has merged with level two.

Luis Coello notes that from September 1982 to September 1983 the base minimum salary of bureaucrats increased 7,070 pesos, which comes to 71 percent; "this seems like a very large increase, but it really applied to only part of the overall earnings of government workers."

He states that although they too have an article identical to number 27 in the CGT's of the SARH, it has not been observed either, and the union is worried that at the initiative of the SPP an effort is being made to revise the CGT's and strike this article from them.

"If that were to happen, it would establish a precedent, and then the authorities, not the workers, would be the ones who would request a revision of the CGT's."

Another of the gains by public servants that clash with the SPP's wage limitation policy has to do with their wage schedule, which the secretariat headed by Carlos Salinas de Gortari would like to draft by itself.

Coello notes that the SPP intends to standardize the CGT's of all the secretariats. "If it were to do so on the basis of the most advanced CGT's, it would be fine, but the SPP wants to abolish articles that benefit the workers."

The labor leader says that all of the unions affiliated with the Trade Unions Federation of Government Workers are worried about the "austerity policy." At their plenum on 3 January they resolved to propose ending the five-tier salary schedule and extending the 30.4 percent minimum wage boost to public servants.

The employees of the Federal Government are not the only ones who are organizing. On Friday the 20th, employees of the state of Queretaro began an indefinite work stoppage to demand a 30.4 percent wage boost.

Governor Rafael Camacho Guzman, a CTM labor leader before he became the state's governor, has offered them a raise of just 15 percent.

Thanks to the austerity program, the old saying of "living beyond your budget is a mistake," above all when you are a worker and not a high-level official, has lost its meaning today.

8743

CSO: 3248/417

CEESTEM REOPENS IN HUMBLER SURROUNDINGS

Mexico City PROCESO in Spanish No 376, '16 Jan 84 p 32

[Article by Maria Esther Ibarra]

[Text] Times have unquestionably changed. In contrast to when it opened in 1976, there were no patrons or well-known personalities, nor much media coverage. The atmosphere was different this time. The Center for Third World Economic and Social Studies (CEESTEM) reopened its doors on Monday the 9th amid discreet, austere, private surroundings.

What is more, neither its founder and director, former President Luis Echeverría Alvarez, nor any member of his family was present at the center's reopening.

Without the Federal Government's financial backing (it decided to cancel its almost 200-million peso a year subsidy), CEESTEM closed down last December. The government's decision came in the wake of Echeverría Alvarez's criticisms of the De la Madrid administration and the attacks on one of its top figures, Education Secretary Jesus Reyes Heróles (PROCESO, Nos 371 and 372).

The reopening of the center was unusually discreet. Moreover, the media were informed by way of a rumor that the former president himself was going to hold a press conference.

But the reporters who went to the center received apologies from its deputy director, Army Maj Jorge Nuno. "We were unable to inform you in time, but Mr Echeverría Alvarez had to leave for Paris."

He regretted that he "was not authorized" to give out information or make statements about the center's reopening. "When Mr Echeverría returns, we will answer your many questions."

For the time being, CEESTEM has resumed activities right behind the luxurious mansion in which it was born 7 years ago. Its new home will be the small house at 39 Magnolias, the headquarters of the Lidice Cultural Foundation, another family project that Mrs Maria Esther Zuno de Echeverría runs.

Although he was terse in his talk with reporters, Major Nuno asserted that the change of domicile was for economic reasons, adding that he did not know to what use the center's former facilities were being put. "The Echeverria family owns that piece of property, and they will decide what to do with it."

Because of limited finances, the deputy director said, the center will operate with 10 researchers and a small administrative staff for the master's degree courses in rural foodstuffs development and international relations. These costs are not borne by the center, inasmuch as its students receive scholarships from the governments of their respective countries.

Not much is going on at the new facilities either. A few employees are busy carrying furniture, decorations, books and equipment from the old building.

8743

CSO: 3248/417

SKETCH OF NEW PRIME MINISTER

Paramaribo DE WARE TIJD in Dutch 4 Feb 84 p 1

[Article: "Who Is Wim Udenhout?"]

[Text] Wim Udenhout was born 46 years ago in Coronie. On completing St. Paulus School, he received his teacher's certification. He worked in the city and district as a teacher in elementary, advanced elementary and technical education.

In 1964 he moved to the Netherlands where he received his English A certification 6 years later.

Wim Udenhout returned to our country in 1967 and worked in secondary education through May 1970. He then returned to the Netherlands where he completed his studies in English language and letters at the University of Leiden in 1975. Two weeks after receiving his diploma he returned to our country and until yesterday was a classroom instructor and teacher of English at the Teachers' Training Institute (TOL).

From 1978 until October of last year, Wim Udenhout was instructor extraordinary at the Natural-Technical Faculty of the University of Suriname.

The prime minister told DE WARE TIJD when questioned: "I have been able to represent Suriname at international conferences on different levels, often as the delegation leader.

"In 1982 I was elected to the five-man OAS commission dealing with educational issues. With this I became the first person in the Caribbean area to occupy such a high position."

The prime minister has been a member of the Advisory Board since August 1982.

He is likewise a member of the commission set up by the authorities to accompany organizations who come to Suriname to carry out investigations of the human rights situation.

Wim Udenhout, asked about possible political connections: "I have never had ties to any political party whatsoever. I have always remained open to individuals and groups who included the fortunes of primarily poor people in their program. I have never had any partisan ties."

Wim Udenhout is married to Mrs Magda Sporkslede. The couple has an 18-year-old daughter, Marcella.

FERREIRA ALDUNATE TO FOSTER DEMOCRATIC CONVERGENCE IDEALS

Buenos Aires CLARIN in Spanish 19 Dec 83 p 26

/Interview with National Party (Blanco) candidate for president Wilson Ferreira Aldunate/

/Text/ The following exclusive interview was conducted by the Uruguayan news agency PRESUR with Wilson Ferreira Aldunate, who was nominated by acclamation last Saturday as the unity candidate for president of the republic in the 1984 election by the delegates to the national convention of the National Party (Blanco), held in Montevideo.

/Question/ How does your proclamation as a candidate--despite your legal status as a political exile, imposed by the government--affect the political and electoral situation in Uruguay?

/Answer/ The results of the convention contain one very interesting fact. Until now, when the government confronted our party it addressed itself to one sector (large or small, majority or no) of the National Party. From now on, it will have to deal with the entire party. This puts the decision in a quite different context. Until now, the mere passage of time enabled the views of Alvarez (the current Uruguayan president) to triumph, because it confronted the National Party (and likewise the Broad Front and all other political sectors of the nation) with the inescapable alternative of deciding, when the time came, whether: "Under these circumstances, do I vote or do I abstain?" Now, however, the ball is in the other court: the government must decide--in view of my nomination--whether it will, or will not, permit the entire National Party to take part in the 1984 election.

/Question/ Is the date of the election under discussion?

/Answer/ The only person interested in a delay is Alvarez himself. Without either praising or criticizing, I have analyzed with the most complete objectivity I can muster the situation of the Armed Forces, and I do not believe it is in their interest to support Mr Alvarez, because their interests do not coincide. Keeping Alvarez in office requires one kind of strategy, which is quite different from the strategy required for the Armed Forces to endure.

Question Aside from the continuance of Alvarez in office, does the proposal of the military government for a plebiscite on a tacit revision of the constitution--to be held simultaneously with the vote on the individual candidates--tend to ensure, in the form of this new constitutional text, the continuity of Armed Forces participation in the government?

Answer The only thing about all these proposals that concerns me is this plebiscite, because the only thing that interests me is to have the government depart the scene. As far as I am concerned, this tacit plebiscite would not inhibit me from taking part in the national election, whatever the formula that is proposed. If I were elected in an election in which there were no alternative other than the simultaneous approval of a constitutional revision, I would say--on the day I took office--"This is null and void and of no value now or ever, because it is a ridiculous trifle." Uruguay has a constitution--the constitution of 1967. This plebiscite is so absurd that any democratically elected government official would disavow it as nonexistent.

Question Then your nomination means that this exile is no longer the leader of one sector of the National Party but the presidential candidate of the entire party....

Answer I wish to express my appreciation, my emotion, over my selection by the party, and I accept it as a tremendous responsibility and as a national obligation. I do not regard myself as injured by the existing legal system in its attempts to banish me, because the only banishment that would have mattered to me would be banishment by my political comrades. My fellow countrymen have just lifted my banishment, and that is the only "debanishment" that matters to me.

Question As a candidate for the presidency of Uruguay, what do you believe is the future of the unity agreements, such as that of the Uruguayan Democratic Convergence?

Answer As candidate for president, I feel myself more unity-oriented than ever, more than ever in favor of an effort that would affirm the task that the Uruguayan Democratic Convergence has carried out throughout the world. I, as the candidate of my party, and we, as nationalists, do not put forward the ideal of "convergence" with an electoral purpose because--mistaken or not--we are convinced that we represent a very distinct majority on the Uruguayan political scene. This does not make our appeal for "convergence" any less urgent, but in fact makes it more so, for we believe that the unity of all sectors is important not to win elections but to overthrow the government and make elections possible--and also to make Uruguay governable in the future. The governability of the Uruguayan state depends on a unified and joint effort which must be brought about precisely because the nation's difficulties are so critical. Moreover, this must be a joint effort by everyone: by the political parties, by the social forces, and by all circles that express important aspects of the national life. The nation is in shambles. The first thing a government must do, paradoxically, is to heighten the intensity of the nation's problems, because it is not enough to open the doors to the Uruguayans abroad: we must seek them out. The first measure a new government must

take will be to add--to a labor market that is already difficult--the problem of all those Uruguayans abroad whom we must necessarily encourage to return to Uruguay. This increases still further the magnitude of the challenge. We shall have to rebuild--in a common effort--a weak industrial structure that has been severely damaged. I can imagine the reaction of an Uruguayan if a government official should tell him it was necessary to "tighten his belt." This phrase--which is insistently repeated--is, moreover, in bad taste, because it is physically impossible for people to tighten their belts any further but also--and above all--because this appeal is always made to the same people. The effort must therefore be a unified one. No one would refuse to make sacrifices if he were certain that the greatest sacrifices would be demanded of those who until now had made none. The entire task must be undertaken with fervor, with banners flying, with the people in the streets, making use of the people's joy and enthusiasm and the decision to undertake together the common task.

[Question] You said recently in Buenos Aires that the Uruguayan dictatorship has been defeated, but in practice the government continues in the same hands....

[Answer] What seems clear is that we know already that the dictatorship is on its way out, and that its departure is not far off. The only thing we do not know is the pace and the manner of its departure--and the manner depends on the pace. I have no doubt that Uruguay--just as Argentina in these recent days--would inaugurate its era of freedom in a genuine attempt at national reconciliation, placing emphasis on the need for rebuilding the nation with the participation of everyone. Half a million people at the mass meeting of 27 November--half a million in a city of 1.1 million residents--is a figure that elicits amazement from all foreign observers. On that day the people felt themselves so triumphant that they lost their nervousness and showed themselves to be serene and joyful, even at a difficult moment in the confrontation. There--before the mausoleum they built for poor Artigas--the people behaved as victors behave: with magnanimity and joy. Nothing happened: not a single pane of glass was broken. The question that we--the political leaders--must ask ourselves is: "To what extent can we maintain control of the crowds?" This is true for political leaders, labor union leaders, and all those who have responsible tasks in connection with mobilization--especially in view of the fact that all you need to have a crowd lose its patience is for one relatively small segment of that crowd to lose its patience.

[Question] Has the unity agreement--which reflects the mobilization of that crowd in the streets--had a similarly profound impact among the more important political groups in your country?

[Answer] I don't think so. I also do believe, however, that the various political groups are not foolish and are learning the lesson taught them in the streets. It is a very clear lesson of unity. The Convergence movement has not always had many friends in certain sectors of the Uruguayan political leadership--but it is the same leadership that carried out a "superconvergence" on the platform at the 27 November mass meeting, because the people would not have permitted anything else. Suffice it to compare the terms in which that

political leadership expressed itself 6 months ago with the terms it employs today for us to realize that it is no accident that certain leaders are today speaking a language that is to the language we were using then. This is a very good, and auspicious, development for the nation.

Question Will the transition to democracy take place peacefully?

Answer When I speak of a unified national effort of convergence, my intent is to overthrow the dictatorship peacefully. Although it would appear otherwise, these words are not contradictory: the greater our effort, the more rapidly the adversary will be weakened, and the transition will take place in such a manner as to make it possible to unite the nation in an atmosphere of harmony and reconciliation. If the adversary persists in clinging to power--a power it has already lost--I don't know what can happen.

Question The dictatorship has apparently not yet been defeated in certain military sectors....

Answer The dictatorship has been defeated, but could last a while longer--and this attempt to last a little longer can cost our country dearly. I do not believe they have any support left in any sector of our national life, and I do not even believe they still have--as they have had until recently--the support of international big finance, because Uruguay's creditors themselves are beginning to sense the need for those with whom it negotiates to have some measure of political credibility. Even the U.S. national administration is no longer playing the "card" of a continuance of the military apparatus. They have already chosen their candidate and the way the election should be held, and I hope things turn out badly for them.

Question What is the balance sheet of all the talks held recently in Buenos Aires with the foreign delegations present at Alfonsin's inauguration, and with the new Argentine Government?

Answer The next 3 or 4 months will be absolutely decisive for Uruguay. During this period it will be decided not whether the dictatorship will fall but when it will fall--and to decide when it will fall is to decide whether we shall be able to build our nation in peace or whether we shall be forced to put it through another period of upheaval and another dose of pain and conflict, on top of the all too many such periods we have experienced in the past. This is the only problem, but it is a big problem. Consequently, it has been very important to take advantage of the circumstance that many statesmen from very diverse regions of the world have come to Buenos Aires in order to tell them of this national emergency--and to celebrate with satisfaction the fact that these visitors are perfectly aware of the nature of the problem. Uruguay is today a serious problem for Argentina, for all of Spanish America, and even for Spain. It is very important for everyone that we be able to follow the Argentine example, for by doing so we shall also be demonstrating that the wind is blowing strongly and that it is now--thanks be to God--blowing in the same direction. A very evident solidarity exists, together with a desire to display this solidarity both on the part of those who came to the inauguration and on the part of those who were already present.

Question Do you believe all the political banishments which prevent important political leaders--including yourself--from participating in politics will be lifted successfully?

Answer I say this not out of vanity, but I believe that if they lift my banishment they will of necessity have to do the same for the others, out of fear that the others will vote for me.

Question Does the unity agreement among the various forces call for all banishments--as a matter of principle--to be lifted, without any exception?

Answer There is a saying--linked to the history of the National Party--which others have used subsequently. It is a noble phrase and defines one moment of that history: "There will be a fatherland for all, or there will be a fatherland for none." It is still applicable--and still true--today.

Question Before the convention was held, it was rumored that you would go to Uruguay to take part in politics. Do you intend to return to your country even if your legal status does not change?

Answer Just as they demand my arrest for political reasons, my response is likewise political: I shall return when it is politically advantageous to my party and my country for me to do so. The one thing I shall not do is tell the dictatorship about it in advance.

Question Will you reside in Buenos Aires until then?

Answer Yes. I shall leave as soon as possible for Europe to resolve certain practical problems, but shall return promptly because I want to be in Buenos Aires at this moment. Be assured that I may suddenly not show up in Buenos Aires and stay in Montevideo.

Question Are you willing to be president of Uruguay?

Answer I am more than willing. I have dedicated my entire life to political action and have made sacrifices; I have suffered much more than some people think. I believe this final chapter will give a man the opportunity to help his badly wounded fatherland to heal its wounds and rediscover its great tradition, and to help restore unity among the Uruguayan people.

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